



Voltalia

Public limited company with share capital of €543,083,311.80

Registered office

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2019 UNIVERSAL REGISTRATION DOCUMENT



AUTORITÉ
DES MARCHÉS FINANCIERS

The Universal Registration Document was filed with the AMF on 25 March 2020, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of the said Regulation. The Universal Registration Document may be used for the purposes of a public offer of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a transaction note and, where applicable, a summary and any amendments to the Universal Registration Document. The resulting package is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of the Universal Registration Document are available free of charge at the registered office of the company. The Universal Registration Document is also available on the company's website (www.voltalia.com) and on the website of the French Financial Markets Authority (www.amf-france.org).

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Message from the Chairman

Dear Shareholders,

Voltalia, a company whose mission is to "improve the global environment and foster local development," once again increased its renewable electricity production, which plays a key role in combating global climate change, while continuing to target renewable projects that are competitive in comparison to thermal generation and that help encourage human development locally, in both developed and underdeveloped countries. Voltalia's rise in the Gaïa Index¹ (currently ranked 50th out of 230 companies, compared to 80th out of 230 in 2018), after just two years of being listed on the benchmark, is a testament to this strategy as well as other non-financial actions.

Mindful of including employees in this development phase, Voltalia also launched its first employee stock ownership plan in 2019. With a subscription rate of nearly 70% in the three main countries where we operate (France, Portugal and Brazil) and 81% at Helexia, which was recently acquired in 2019, this stock ownership plan was a huge success. This plan helps to bring employees and shareholders even closer together with the aim of achieving profitable growth.

In 2019, Voltalia added 154 megawatts to its installed capacity across three continents. Solar power plants, wind farms, hydropower plants and energy storage – our top strategic priority – all reflect Voltalia's expertise in a number of technologies. At the same time, Voltalia continues to geographically diversify its portfolio, expanding in France, Belgium, Portugal, Italy and Egypt, where we generated our first megawatt hours in Africa.

The services activities devoted to developing, construction and maintenance of renewable energy power plants, owned by Voltalia as well as by third party clients, also reported strong growth in 2019 with new contracts won.

Furthermore, Voltalia's €376 million capital increase in July 2019 was fully subscribed, demonstrating the appeal of renewable energies for investors and for the European Bank for Reconstruction and Development (EBRD), which provides vital support for growth. Additionally, in 2019, Voltalia successfully consolidated Helexia, a pioneer in rooftop solar panels and energy efficiency that has continued to grow rapidly.

The Board once again expresses its full confidence in the Chief Executive Officer, Sébastien Clerc, and his teams. I would like to thank both old and new teams who are playing their part in Voltalia's success and who are working every day to help achieve our goal.

Laurence Mulliez,

Chairwoman of Voltalia's Board of Directors

¹ The Gaïa-Index is a sustainable development benchmark index for listed French companies. Developed by Ethifinance, the Gaïa-Index selects mid-caps based on their non-financial performance, mainly by assessing companies' level of transparency and maturity with regards to their policies, practices and CSR performance. Created in 2009, this index outperformed the CAC 40 and CAC Mid & Small every year.

Message from the Chief Executive Officer

The 2019 results show solid and profitable financial performance, up after readjustments of non-recurring price increases in Brazil in 2018. Revenues and EBITDA grew by 13% and 16%, respectively. Net profit (Group share) reached €4.6 million. Voltalia's balance sheet surged by 58%, reflecting installed capacity growth in 2019 and 2020 and the successful capital increase in July 2019, which brought in the cash needed to finance our new 2023 objectives.

Since early 2020, Voltalia has strengthened its integrated strategy focused on energy and services sales.

- After increasing its installed capacity by 154 megawatts in 2019, Voltalia added 39 megawatts since the start of 2020, bringing total production generated by currently operating power plants to 717 megawatts. Thanks to the launch in March 2020 of a new 150-megawatt wind farm in Brazil, Voltalia is currently constructing 508 megawatts that will be commissioned in 2020 and 2021.
- After having signed long-term electricity sales contracts for 389 megawatts in 2019, Voltalia has added additional contracts representing 388 megawatts since the start of 2020.
- Regarding services, after having sold the development of wind and solar projects representing 231 megawatts in 2019, Voltalia signed a contract in early 2020 to sell an additional 67 megawatts of wind power in Brazil. Voltalia also signed construction-maintenance contracts for 134 megawatts of solar power in Portugal.
- Less than six months after the acquisition of Helexia in 2019, Voltalia acquired Greensolver in early 2020, a service provider that manages wind and solar farms for third-party clients.

With the outbreak of the Covid-19 health crisis, Voltalia reorganised to protect its employees while ensuring that its operations could continue, particularly electricity production at our sites and our clients' sites in Europe, Africa and Latin America.

This is a health and economic crisis. Voltalia operates in the infrastructure sector, which is particularly robust. Voltalia has a position in this industry that makes it resilient and mobile. Resilient thanks to a portfolio of more than €5 billion in future revenue guaranteed by contracts and a particularly solid balance sheet (a leverage ratio of 46%). Voltalia is also mobile thanks to an entrepreneurial culture and significant cash and cash equivalents.

Despite an unprecedented global situation, Voltalia's growth is guaranteed. In 2020, the commissioning of power plants since the beginning of the year and power plants scheduled to be commissioned in the following months will ensure growth that will depend on the pandemic, but that will definitely be robust. The contracts signed have already secured 73% of our objective to reach 2.6 gigawatts by 2023, which is entirely financed through equity raised from the 2019 capital increase.

I would like to thank all our teams. They knew how to ensure profitable growth over the years, and they know how to face the challenge of this health crisis. They will know how to guarantee a productive and entrepreneurial future to support Voltalia's mission.

Sébastien Clerc,

Chief Executive Officer of Voltalia

General remarks

Definitions

In this Universal Registration Document (the “Universal Registration Document”), unless otherwise indicated:

The “Company” means the company Voltalia SA;

The “Company” or “Voltalia” or “Group” designates the group of companies constituted by the company Voltalia SA and its subsidiaries (see Section 6.2 of the Universal Registration Document).

Pursuant to Article 28 of Regulation 809/2004/EC of the European Commission, the following information is incorporated by reference into the Universal Registration Document:

- the consolidated financial statements for the financial year ended 31 December 2017 and the corresponding Statutory Auditors' report, shown Chapter 6 of the Universal Registration Document filed with the French Financial Markets Authority (AMF) on 24 April 2018 under number D.18-0376 (the “2017 Universal Registration Document”);
- the consolidated financial statements for the financial year ended 31 December 2018 and the corresponding Statutory Auditors' report, shown Chapter 6 of the Universal Registration Document filed with the French Financial Markets Authority (AMF) on 29 March 2019 under number D.19-0222 (the “2018 Registration Document”);
- the elements of the management report relating to the financial statements for the financial years ended 31 December 2017 and 2018 contained in Chapter 5 of the 2017 Universal Registration Document and the 2018 Universal Registration Document.

The annual parent company financial statements for the financial year ended 31 December 2019 contained in Section 7 of the Universal Registration Document. The Statutory Auditor's report on the annual parent company financial statements for the financial year ended 31 December 2019 is contained in Section 7.4 of the Universal Registration Document.

Market Information

The Universal Registration Document contains information related to the markets in which the Company and its competitors operate, in particular in Chapter 1 “Presentation of Voltalia”. This information comes from studies carried out by external sources. However, publicly available information, which the Company believes to be reliable, has not been verified by an independent expert and the Company cannot guarantee that a third party using different methods to gather, analyse or calculate the market data would obtain the same results. The Company and the direct and indirect shareholders of the Company neither make any commitment nor provide any warranty as to the accuracy of such information.

Risk Factors

Investors should carefully consider the risk factors described in Chapter 2 “Risk Factors and Risk Management” before making their investment decision. The realisation of any or all of these risks may have a negative effect on the activities, the position, the financial results of the Company or its objectives. Furthermore, other risks not yet identified or considered immaterial by the Company at the date of the Universal Registration Document could have the same negative effect and investors could lose all or part of their investment.

Forward-looking Information

The Universal Registration Document contains forward-looking statements and information about the Company's objectives, particularly in Chapter 1 “Presentation of Voltalia” Section 5.13 “Trends”, which

are sometimes identified by the use of future or conditional verb tenses and terms of a prospective nature, such as “estimate”, “consider”, “aim”, “expect”, “intend”, “should”, “hope”, “could”, in their affirmative or the negative forms, or any similar terminology. This information is based on data, assumptions and estimates considered reasonable by the Company. The forward-looking statements and objectives contained in the Universal Registration Document may be affected by known and unknown risks, uncertainties related in particular to the regulatory, economic, financial and competitive environment, and other factors that could cause the future results, performance and achievements of the Company to differ materially from the expressed or implied goals. These factors may include, in particular, the factors presented in Chapter 2 of the Universal Registration Document “Risk factors and Risk Management”.

1. PRESENTATION OF VOLTALIA

1.1 Selected financial information

The selected financial information presented in this section have been taken from the Group's consolidated financial statements for the financial years ended on 31 December 2017, 2018 and 2019 shown respectively in Chapter 6 of the 2017 Universal Registration Document, Chapter 6 of the 2018 Universal Registration Document and Chapter 6 of this Universal Registration Document.

This financial information must be read in parallel with the review of the result, the financial position, the cash and the capital of the Group presented in Chapter 5 of the Universal Registration Document.

Selected financial information from the consolidated income statement:

€ million	2019	2018	2017
Revenues	175.5	180.7	181.2
EBITDA	65.1	76.2	71.6
Operating profit (EBIT)	35.6	47.2	45.7
Net profit (Group share)	4.6	8.5	0.6

Selected financial information from the consolidated balance sheet:

€ million	2019	2018	2017
Intangible and tangible assets	1,130.1	750.7	734.7
Net cash and cash equivalents	269.7	108.6	71.2
Other assets	155.0	127.3	106.3
Total Assets	1,554.8	986.6	912.2
Equity	760.2	372.4	389.2
Debt	656.2	506.0	417.4
Other liabilities	138.4	108.3	105.6
Total Liabilities	1,554.8	986.6	912.2

Investments made:

€ million	2019	2018	2017
Intangible assets and property, plant and equipment	276.5	105.1	80.4

1.2 Information about the company, its history, its evolution

Registered name of the Company

The registered name of the Company is: Voltalia SA.

Place of registration and registration number of the Company

The Company has been registered with the Paris Trade and Companies Register since 24 September 2014 under the number 485 182 448.

Its LEI is 969500KE938Z79ZH1N44.

Date of incorporation and duration

The Company was incorporated on 28 November 2005 for a period of 99 years ending on 28 November 2104, unless subject to early dissolution or extension.

Registered office of the Company, legal form, legislation governing its activities

The registered office of the Company is located at 84, boulevard de Sébastopol, 75003 Paris. The Company is a *société anonyme* (public limited company) incorporated under French law with a Board of Directors, governed by the particular provisions of the French Commercial Code.

The full contact details of the Company are:

Voltalia SA

84, boulevard de Sébastopol

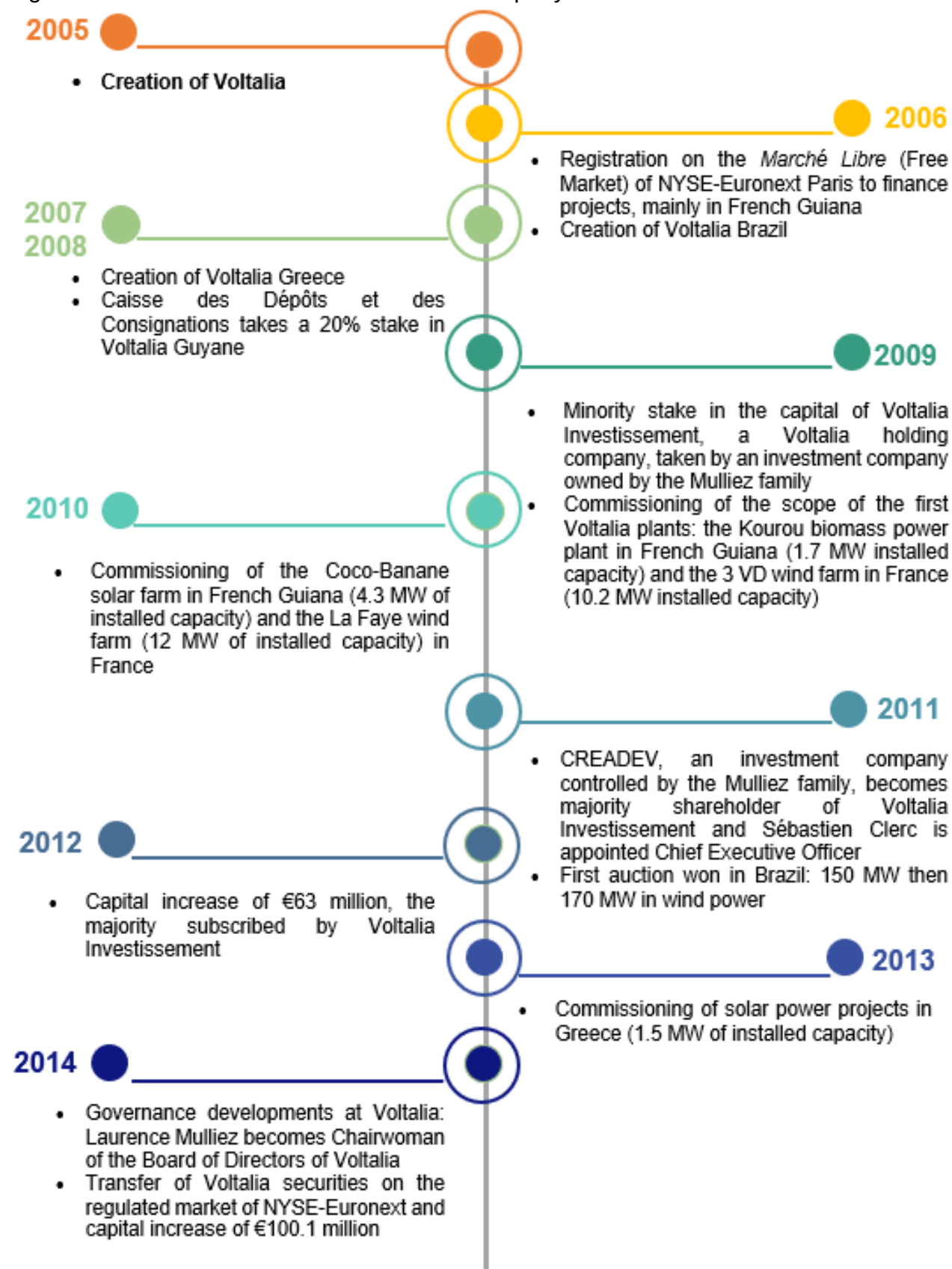
75003 Paris

France

Tel: +33 (0)1 81 70 37 00

Website: <https://www.voltalia.com/fr>

Significant events in the development of the Company



2015

- Capital increase of €15 million by private investment
- Launch of Voltalia business in Morocco
- Acquisition of a portfolio of wind power projects in development with a capacity of 379 MW in France
- The company Creadev, represented by Chantal Toulas, is appointed director
- In Brazil, central perimeter in operation within the Serra Branca complex with potential of approximately 1.2 GW in the state of Rio Grande do Norte

2016

- Acquisition of Martifer Solar, a major player in the photovoltaic market worldwide. With this acquisition, new capacity in solar energy was added in Portugal and the United Kingdom, and a stronger presence in services in around ten countries
- €170 million capital increase to finance a growth plan targeting 1 GW of installed capacity

2017

- Voltalia joins the Entemext Tech 40 and CAC Mid&Small indices
- Voltalia's first solar power plant in Brazil, which includes the Oiapoque mixed power plant
- First success in Africa: Voltalia wins a solar power plant project in Egypt (Râ Solar, 32 MW of installed capacity)

2018

- Signature of the first contract for remote sites: Voltalia ensures the energy supply to a Telecom client in Myanmar (hybrid)
- Continued increase in growth in Africa: Voltalia signs an electricity sales contract for a 50 MW project in Kenya
- Voltalia shares are included in the Gaïa index of socially responsible securities
- Voltalia sells developed projects to Actis/Echoenergia as part of a partnership of up to 600 MW

2019

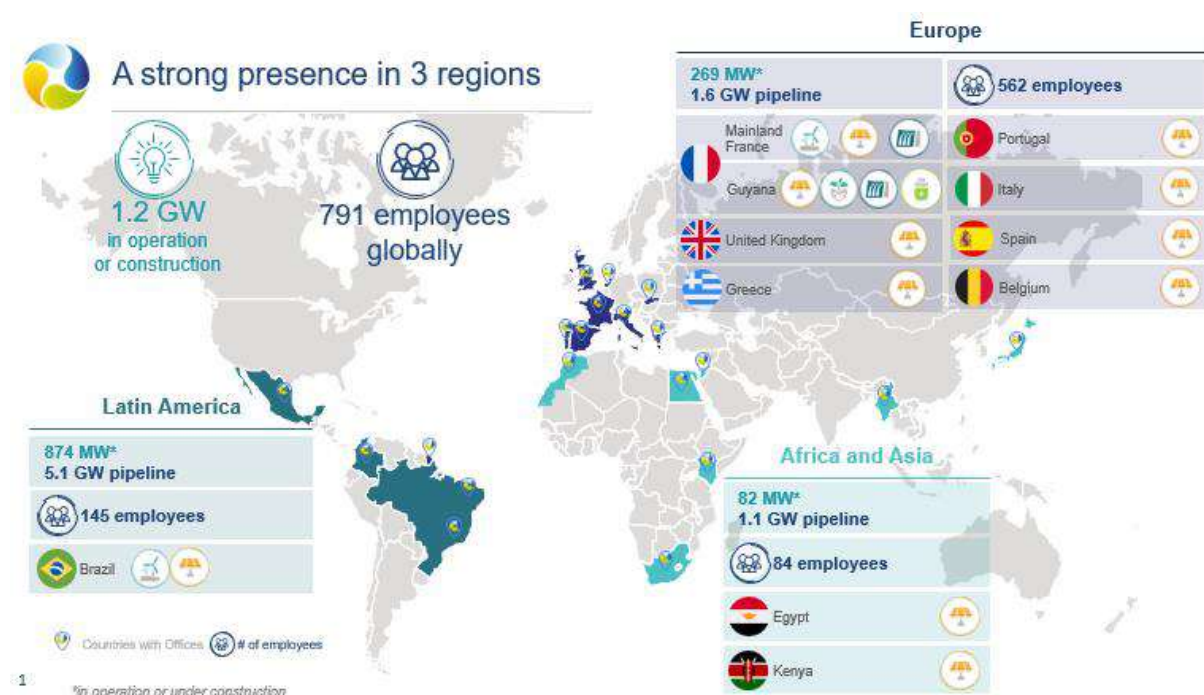
- Start of construction of the largest battery storage system in France
- Construction of a 2 GW connection infrastructure: the potential of the Serra Branca complex in Brazil increases to 2.4 GW
 - Voltalia announces the creation of a new wind power complex, Canudos, in the state of Bahia, with a potential of 1 GW
 - Voltalia acquires Helexia and becomes a leader in green business offerings
 - Voltalia signs the first three Corporate PPA contacts in France (158 MW)
 - Voltalia signs the sector's first €100 million syndicated and responsible loan in France
 - The target of 1 GW is secured with 678 MW in operation and 397 MW under construction by the end of 2019

2020

- Sale of a 67 MW wind farm project and maintenance services (eBOP O&M) to Total-Eren in Brazil
- Voltalia wins a turnkey construction contract followed by the operation-maintenance of three solar power plants for a total installed capacity of 134 MW in Portugal
- Acquisition of Greensolver in Services to third-party clients
- Voltalia prepares to construct its largest solar power project (270 MW) in Brazil
- Construction start of a 150 MW project in Brazil: Serra Branca becomes the largest mixed (solar and wind) cluster worldwide

1.3 Overview of the Company

Voltalia is an international player in the renewable energy market. At the end of 2019, Voltalia has a workforce of 791 employees in 20 countries and is able to act worldwide on behalf of its clients.



Voltalia's main business activity is the production and sale of energy generated by the wind, solar, hydropower, biomass and storage plants that it owns and operates. The electricity production is either sold to public operators at prices set by regulation or defined in calls for tenders or to public or private customers on the open market. In 2019, Voltalia thus sold 2.1 TWh of renewable electricity, generating revenues of €129.2 million.

The Company also provides services linked to the development, construction and operation-maintenance of commissioned power plants. Voltalia does this on its own behalf and that of third parties (investors, power plant owners, etc.). Voltalia is thus present throughout the power plant life cycle. In 2019, the services activities generated revenues of €145.6 million (before eliminations of services provided internally).

Finally, as a pioneer in the Business market, Voltalia offers companies a comprehensive range of services, from the supply of green electricity to energy efficiency services and the local production of its own electricity through its subsidiary Helexia.

At 31 December 2019, Voltalia had an installed capacity of 0.7 GW, plus 0.4 GW under construction. In addition to its own power plants, it operates 0.5 GW on behalf of third parties.

Finally, the Company has a portfolio of projects under development representing a total capacity of 7.8 GW, of which 0.7 GW is already secured by long-term electricity sales contracts.

Consolidated installed capacity at 31 December 2019

Installed capacity by area and by energy in MW	Wind	Solar	Biomass	Hydro	Hybrid	3-Dec-2019
Brazil	448.3				16.0	464.3
Egypt		32.0				32.0
France	52.2	72.7		4.5		129.4
French Guiana		6.2	1.7	5.4		13.3
Greece		4.7				4.7
United Kingdom		7.3				7.3
Portugal		4.7				4.7
Italy		8.1				8.1
Belgium		11.3				11.3
Spain		2.7				2.7
Total	500.5	149.7	1.7	9.9	16.0	677.8

(*) 12 MW in thermal power and 4 MW in solar power

Capacity under construction at 31 December 2019

Capacity by area and by energy in MW	Wind	Solar	Biomass	Storage	Total
Brazil	260.0				260.0
France	48.5	12.1			60.6
French Guiana			5.1	10.0	15.1
Kenya		50.0			50.0
Helexia		11.0			11.0
Total	308.5	72.1	5.1	10.0	396.7

Annual electricity production at 31 December 2019

2019 power production by area and by source of energy (in GWh)	Wind	Solar	Biomass	Hydro	Hybrid*	Total 2019
Brazil	1,789.0				44.1	1,833.1
Egypt		12.7				12.7
France	120.1	78.9		0.2		199.2
French Guiana		3.0	10.0	19.5		32.5
Greece		7.1				7.1
United Kingdom		7.8				7.8
Portugal		6.2				6.2
Italy		8.8				8.8
Belgium		10.1				10.1
Total	1,909.1	134.6	10.0	19.7	44.1	2,117.4

(*) Thermal + solar

Breakdown of Company revenues by business and by geographical region over the last three financial years

€ million	2019	2018	2017
Energy Sales	129.2	131.7	145.5
Services	145.6	117.2	60.4
Eliminations and corporate	(99.3)	(68.2)	(24.8)
Total	175.5	180.7	181.1

€ million	2019	2018	2017
Latin America	101.6	125.4	133.5
Europe	70.3	53.5	42.7
Asia, Africa	3.6	1.7	4.9
Total	175.5	180.7	181.1

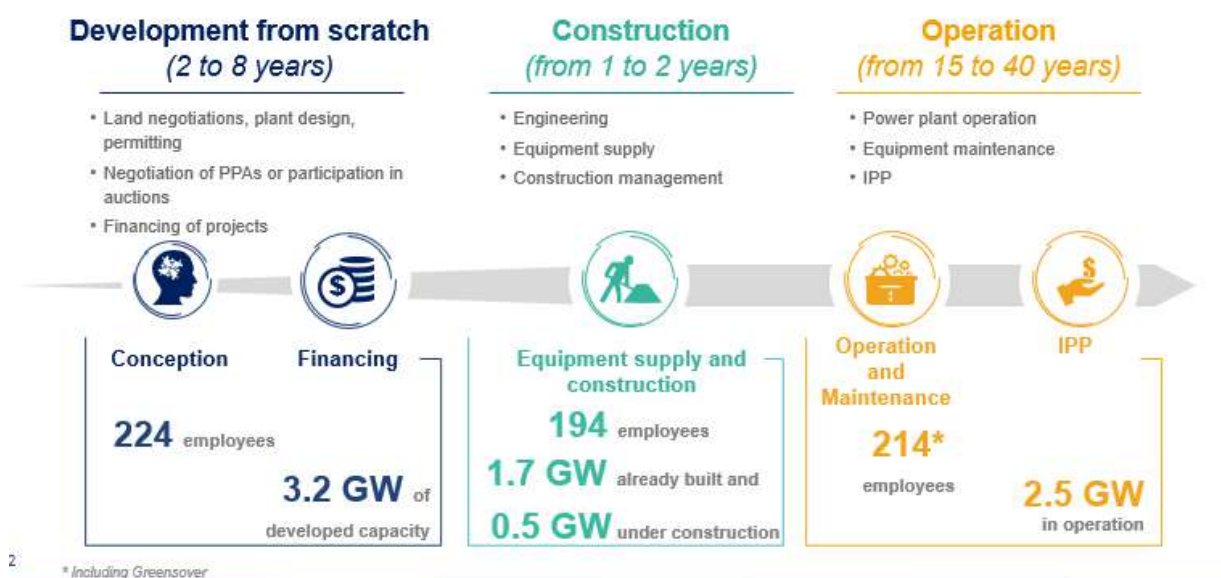
1.4 Positioning of Voltalia

1.4.1 An integrated business model

Multiple areas of expertise internalised



recognised in-house expertise across the entire value chain...



Voltalia's teams are involved at every stage of **project** development from evaluation of potential and securing of the best land to launching construction after obtaining the required permits and authorisations.

The construction **teams** are in charge of designing power plants, selecting suppliers and subcontractors as well as constructing the electricity production infrastructures (power plants and transmission lines if necessary). They supervise the work sites and conduct the connection tests all the way to the commissioning of the power plant.

Operation-maintenance teams optimise the performance of power plants and undertake preventive and corrective maintenance. They can also offer administration for power plants (adaptation to regulatory changes, electricity invoicing, etc.).

In addition to these teams, there are 198 people in the support functions.

The work carried out both on assets held by Voltalia itself and on behalf of third-party clients enables economies of scale to be achieved and contributes to optimising the sustainable value creation of the power plants, in the common interest of Voltalia, its shareholders and its customers.

A long-term commitment with the local communities to support its development

Corporate social responsibility is at the heart of Voltalia's mission "to improve the global environment by promoting local development" and underlines the importance given by each of Voltalia's employees to its positive impact on the environment. Access to clean and reliable energy is one of the key responses to the major challenges in the future decades; access to competitive renewable electricity not only facilitates a reduction in greenhouse gas emissions, but also ensures access to indispensable services such as education and health in the most remote regions. Voltalia places the utmost importance on its local and sustainable integration into any region where it has plants in order to provide the most appropriate solutions. Accordingly, our commitment to local populations guarantees mutual and lasting trust in our

relations, which in turn guarantees the value created by our projects. The alignment over time of the interests of all stakeholders, including local populations, regulators and public authorities, is a key success factor that not only enables Voltalia to optimise recruitment and retain its teams, but also to develop and construct more rapidly than its competitors.

Finally, Voltalia is proud to show that it is possible to support a Business growth objective compatible with our values, while turning our mission into a common driving force and a competitive advantage that continues to prove its worth.

A growing portfolio of assets

Electricity production activity

Electricity production activities in France

Voltalia has been established in metropolitan France since 2006. As of the date of the Universal Registration Document, the capacity in operation and under construction in France amounts to 195.0 MW.

Plants in operation

Site	Energy	Installed power (MW)
La Faye	Wind	12.0
Le Bois	Wind	10.2
Castellet	Solar	4.5
Adriers	Wind	10.0
Molinons	Wind	10.0
Castellet II	Wind	3.8
Echauffour	Wind	10.0
Pagap	Solar	5.0
Canadel	Solar	10.4
Tresques	Solar	3.0
Parroc	Solar	5.0
Talagard	Solar	5.0
Helexia	Photovoltaic rooftops	36.0
Taconnaz	Hydro	4.5
Total		129.4

Plants under construction

Site	Energy	Installed capacity (MW)
Sarry	Wind	22.0
Coivert	Wind	10.8
Vergné	Wind	15.8
Carrière des Plaines	Solar	8.2
Jonquières	Solar	3.9
Helexia	Rooftops	5.0
Total		65.6

1.4.2 Electricity production activities in French Guiana

Voltalia has been active in French Guiana since 2005. The main holding company for Voltalia's activities in French Guiana is Voltalia Guyane SAS, which is an 80% subsidiary of Voltalia and a 20% subsidiary of the Caisse des Dépôts et Consignations (CDC).

The Company has also developed expertise in storage, winning the first projects in French Guiana. Some of these projects, aimed notably at improving production stability and predictability, may be linked to Voltalia assets in operation, while some are independent.

As of the date of the Universal Registration Document, the capacity in operation and under construction in French Guiana amounts to 28.8 MW.

Plants in operation

Site	Energy	Installed capacity (MW)
Kourou	Biomass	1.7
Kourou	Solar	0.2
Saut Maman Valentin	Hydro	5.4
Savane des Pères	Solar + Storage	6.0
		13.3

Plants under construction

Site	Energy	Installed capacity (MW)
Cacao	Biomass	5.1
Mana Stockage	Storage	10.0
		15.1

1.4.3 Electricity production activities elsewhere in Europe

Plants in operation

Site	Energy	Installed capacity (MW)
Greece	Solar	4.7
United Kingdom	Solar	7.3
Portugal	Solar + Rooftops	4.7
Belgium	Photovoltaic rooftops	11.3
Spain	Photovoltaic rooftops	2.7
Italy	Photovoltaic rooftops	8.1
		38.8

Plants under construction

Site	Energy	Installed capacity (MW)
Belgium	Photovoltaic rooftops	1.0
Spain	Photovoltaic rooftops	1.0
Italy	Photovoltaic rooftops	4.0
Portugal	Photovoltaic rooftops	1.0
		7.0

1.4.4 Electricity production activities in Brazil

Voltalia's representative in Brazil is Voltalia Do Brazil, a 100% owned subsidiary of Voltalia SA. As of the date of the Universal Registration Document, the capacity in operation and under construction in Brazil amounts to 874 MW.

Plants in operation

Site	Energy	Installed capacity (MW)
Areia Branca	Wind	90.0
Sao Miguel do Gostoso	Wind	108.0
Vamcruz	Wind	93.0
Oiapoque 1	Hybrid (thermal)	12.0
Vila Para	Wind	99.0
Vila Acre	Wind	27.3
VSM 1&2	Wind	70.0
Oiapoque	Hybrid (solar)	4.0
		503.3

Plants under construction

Site	Energy	Installed capacity (MW)
VSM 1&2	Wind	221.0
VSM 3	Wind	150.0
Total		371.0

1.4.5 Electricity production activity in Africa

Plants in operation

Site	Energy	Installed capacity (MW)
Egypt (Râ Solar)	Solar	32.0
Total		32.0

Plants under construction

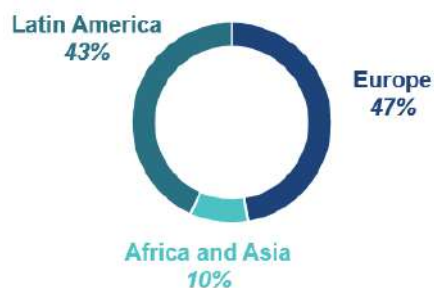
Site	Energy	Installed capacity (MW)
Kenya	Solar	50
Total		50.0

1.4.6 Services activities

Voltalia has considerably developed its services activities and extended them to all stages of the chain of value, including design, construction and operations. These services are carried out by Voltalia on its own behalf and on behalf of third-party clients such as utilities, companies from all sectors and infrastructure funds.

Concerning operation-maintenance services in particular, Voltalia operated 0.5 GW for third-party clients at the end of 2019, mainly in Europe, the Middle East and Asia, in addition to the 0.7 GW owned by the Company.

Breakdown of operated capacity by region



1.5 Strategy

1.5.1 A proven and differentiated positioning



An electricity producer AND a service provider

Since 2016 and its accelerated development in Services, Voltalia has a differentiating business model linking electricity production and the provision of services.

Development is the cornerstone of its strategy: significant amounts have been invested in prospection and development since 2017 to strengthen its pipeline of projects. The latter reached 7.8 GW at the end of 2019, multiplied by 2.8 since the launch of the new Services strategy in 2016 with the acquisition of Martifer Solar.

By developing more projects at a lower marginal cost, Voltalia is able to make a selection, retaining those that best fit its strategy and selling the others to third-party clients, in association with Equipment Supply / Construction / Operation-Maintenance contracts.

Thus, in 2019, Voltalia sold 227 MW of ready-to-build projects within its Serra Branca cluster in Brazil to Actis. This transaction brings to 479 MW the projects sold under a partnership representing a total of 600 MW.

More recently, Voltalia sold a 67 MW wind farm project and maintenance services (eBOP O&M) to Total-Eren. The sale of the development will be recognised in 2020, the year the construction of the project begins, and the long-term maintenance contract will start in 2021.

Voltalia's know-how in Construction and Operation-Maintenance in five technologies (wind, solar, hydroelectricity, biomass and storage) is essential for Voltalia to create value in its electricity production business. Working on both the Company's assets and those for third-party clients enables economies of scale to be realised.

In 2019, Voltalia will run parallel projects for its own behalf and for third parties in Brazil, Kenya and Greece. Business on behalf of third-party clients also provides an opportunity to explore new countries such as Albania and Burundi, thereby strengthening Voltalia's geographical coverage and technological expertise.

A producer of green electricity at a competitive price

Voltalia offers a unique profile with 80% of its installed capacity producing electricity at a competitive price. With this differentiating strategy focused on unsubsidised markets, Voltalia is able to seize many opportunities to create added value at all stages of a plant's life cycle:

- Before the start of the long-term electricity sales contract, Voltalia can plan for the construction of power plants and sell electricity at attractive prices via private contracts on the open market. This anticipation benefits, for example, the VSM 1 and VSM 2 plants, which will be commissioned before the end of 2020, while their long-term sales contracts start in 2021 (64 MW+64 MW), 2023 (99 MW) and 2024 (64 MW).
- During the long-term electricity sales contract, some temporary opportunities may arise in unsubsidised markets. Thus, in 2017 and 2018, a strategy of suspension of contracts was put in place in Brazil, making it possible to sell electricity at a higher price via short-term private contracts on the open market before resuming the normal application of the long-term contract in 2019;
- After the long-term electricity sales contract, offering the cheapest electricity on the market will give Voltalia power plants a competitive advantage, while subsidised plants could experience a drastic drop in their revenues.

Corporates, a new growth driver in mature countries



Today, in the renewable energy sector, almost all long-term electricity sales contracts are concluded with utilities. In markets where renewable energy is competitive compared with fossil fuels, new opportunities are emerging for a new type of customers: companies simply looking for cheaper electricity.

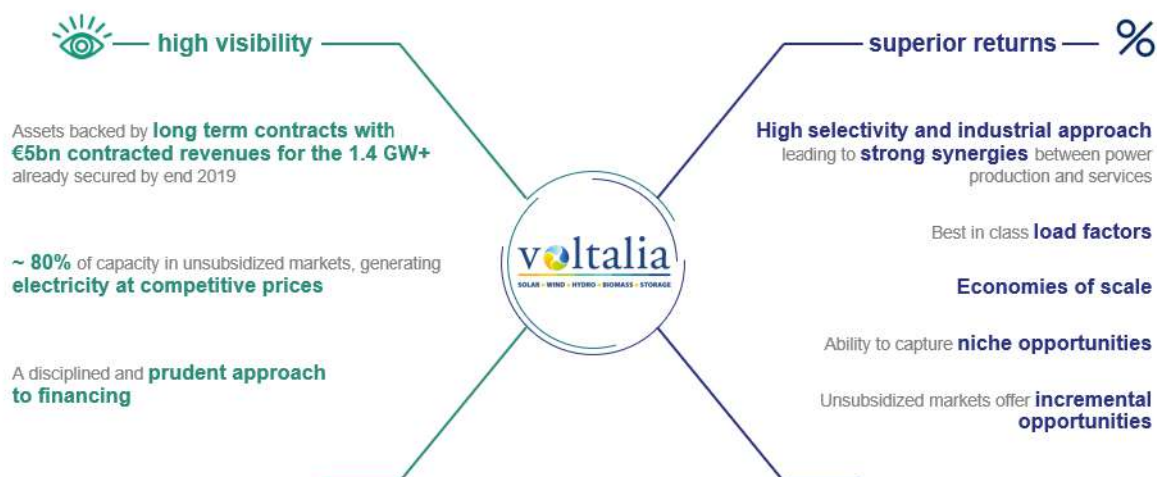
Already active with companies for several years in Brazil, Voltalia signed in 2018 its first long-term contract with BRF, one of the world's largest agro-alimentary companies. Lower solar costs enabled Voltalia to make attractive offers in 2019 to corporate customers in Europe, particularly in France.

The Company thus signed three partnerships with Boulanger (5 MW), SNCF (143 MW) and Crédit Mutuel (10 MW), providing for the provision of Corporate PPA contracts for a period of 25 years. The contract with Crédit Mutuel also provides for services at the banking group's sites, involving self-supply and energy efficiency solutions. These services will be offered on-site by Helexia, a pioneer in rooftop solar and energy efficiency in Europe, which Voltalia acquired in 2019. This success illustrates the cross-selling strategy at work between Voltalia and its new subsidiary.

1.5.2 A model characterised by visibility on revenues and attractive internal rates of return



Voltalia offers high visibility and superior returns



The economic model developed by Voltalia therefore favours the production of electricity at a competitive price. Long-term electricity sales contracts (average residual contract maturity of 17 years at the end of 2019), indexed to inflation, offer exceptional visibility on cash flows over time: with the electricity sales contracts signed in 2019, Voltalia has a portfolio at its disposal at 31 December 2019 for a total, for the first time, of more than €5 billion in contracted future revenues.

In addition, the Voltalia plants are financed for the most part by long-term debt in the same currency as that of the electricity sales contract; this project debt currently has a residual maturity of 15 years.

Bolstered by its operational strengths such as rigorous choice of sites, synergies between services and electricity production, economies of scale linked to cluster development and the ability to exploit niche markets, Voltalia has exceeded its targets for internal rate of return (above 10% in developed countries and above 15% in emerging countries). On the existing portfolio, these rates of return reached 14% in developed countries and 17% in emerging countries.

1.5.3 An ambitious development plan

Towards a diversification of the portfolio

As an electricity producer, Voltalia's international development is based on a set of criteria aimed at identifying the next countries in which to establish long-term facilities. These criteria include:

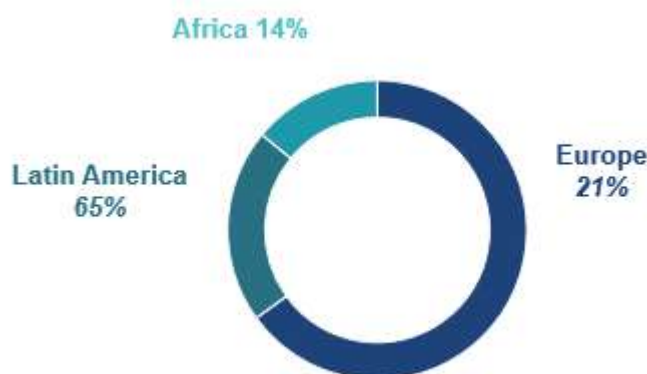
- Multi-energy potential
- Competitiveness of renewable energies
- Growth in electricity consumption (or the replacement of an existing obsolete source)
- Financing by long-term debt in local currency
- The indexing of contracts to inflation

Historically, this strategy has led Voltalia to focus on wind power, which was the most competitive technology during its first decade of existence. As a result of successful auctions, a significant part of Voltalia's power plant portfolio is now located in Brazil. But asset diversification is currently underway.

This translates into a decrease in Latin America's share of Voltalia's total installed capacity (about 68% in 2019 compared to 84% in 2016) to the benefit of Europe (27% compared to 16% in 2016) and the African continent (5% compared to 0% in 2016).

Similarly, Voltalia's portfolio of projects under development points towards greater diversification.

Breakdown of the 7.8 GW of projects included in the portfolio of Voltalia's projects in development at 31 December 2019



All these projects meet the following criteria:

- visibility with respect to land access (obtaining a lease agreement and favourable environmental impact studies);
- visibility of authorisations (filing of administrative records and high probability of obtaining permits);
- Feasibility of connection to the grid;
- project profitability.

This portfolio of projects in development thus represents many significant opportunities, both for the long-term development of renewable energy generation activity and for the services activity.

1.5.4 Medium and long-term objectives confirmed

The continued growth in installed capacity strongly supports Voltalia's objective to reach 1 GW in operation by the end of 2020 and to generate an EBITDA of between €160 and €180 million by 2020.

In the medium term, Voltalia is targeting 2.6 GW in operation or under construction and an EBITDA of between €275 and €300 million by the end of 2023.

The detailed objectives and some of their underlying assumptions are described in depth in Chapter 5.12 of this Universal Registration Document.

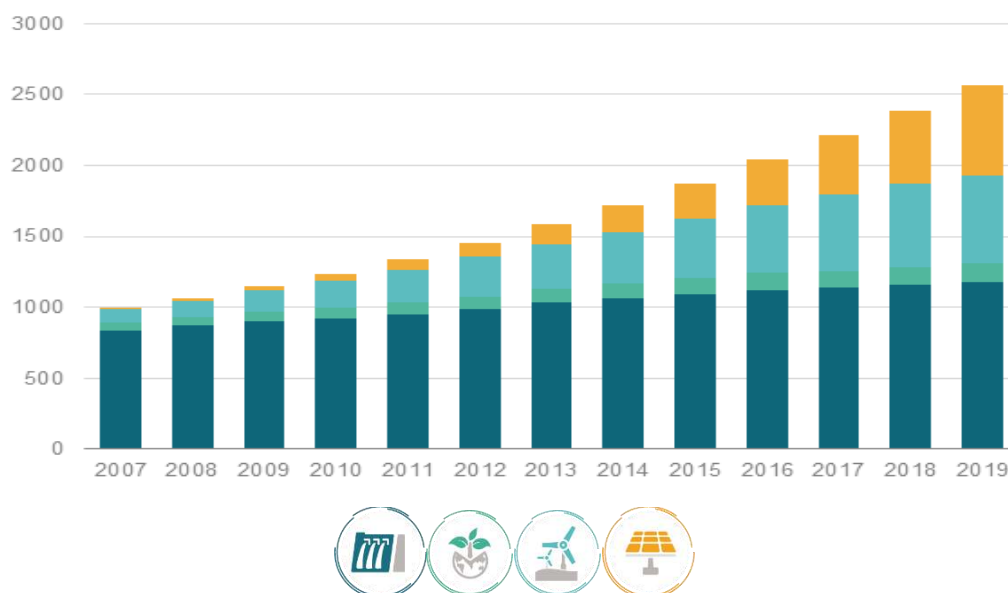
1.6 Presentation of the renewable energy market markets and Voltalia's competitive environment

1.6.1 A growing market driven by secular growth factors

The global renewable energy sector is undergoing major growth: its installed capacity has grown by more than 8% per year from 2009 to 2019 effectively doubling the number of gigawatts installed worldwide over the last decade, to reach approximately 2,500 GW in 2019. Every year since 2015 about \$300 billion has been invested in renewable power plants.

Hydropower is one of the leading renewable energy sources, covering 16% of the world's electricity production. Wind power follows with 6% of the world's electricity production, followed by solar and biomass, which account for just over 2% of world production. Solar power, which is benefitting from the continuing cost reduction trend, is the fastest growing technology. In 2019, nearly 100 GW of solar capacity was installed, compared to about 50 GW of wind capacity and less than 20 GW of hydropower and biomass.

Cumulative installed capacities of renewable energy by source worldwide between 2007 and 2019, in GW

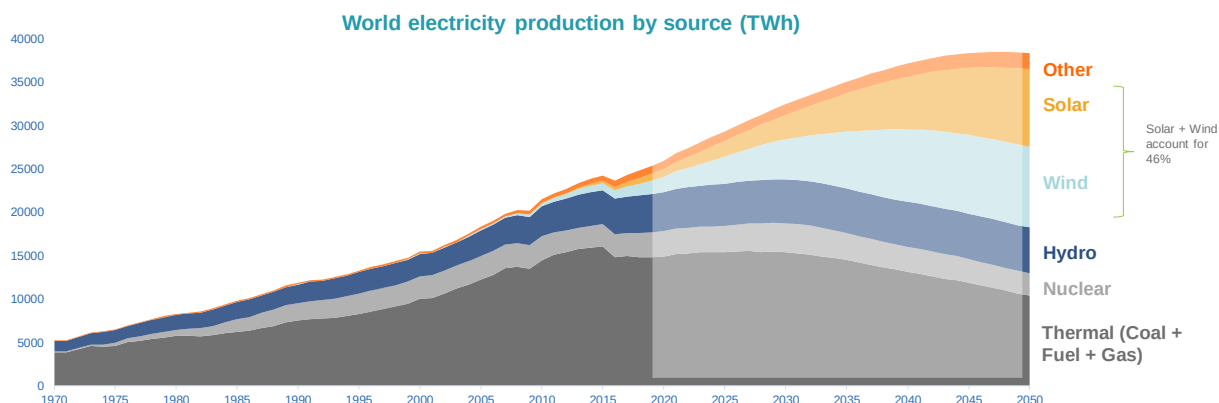


Source: Ren 21, Globaldata

In the future, 50% of global electricity production could come from renewable sources, over a 2035 (McKinsey) to 2050 (BNEF) horizon.



renewables: 50% of electricity production by 2050



Source : Bloomberg New Energy Finance, *New Energy Outlook 2018*

Source: BNEF scenario

The evolution of the global energy mix, favourable to renewable energy, is supported by many long-term drivers, including:



Competitiveness

Production costs are steadily falling, making renewables one of the cheapest ways to produce electricity



Growing needs for electricity

Renewables (solar / wind) are well-proven technologies and are much faster to deploy than any conventional energies



Geostrategic independence

Renewables are local by definition: they reduce imports and the associated geostrategic dependence



Fight against climate change

Faced with the growing awareness of climate change and the risks involved, many countries are establishing policies to combat it.

1.6.2 Market trends by energy sources



Solar PV continues to be the fastest growing renewable technology worldwide, supported by a rapid decline in costs. This decline continued in 2019, with the added phenomenon of excess supply linked to lower than expected demand in the Chinese domestic market.

It is estimated that nearly 100 GW of photovoltaic solar will have been installed worldwide by 2019, to reach 589 GW.

Long-term predictions from the IEA estimate that by 2040, photovoltaic power will be the largest source of low-carbon energy production.

Installed capacity is expected to grow at an average rate of about 14% per year by 2023.



Onshore wind maintained its growth rate, with approximately 55 GW installed in 2019, to reach 626 GW. However, this growth is expected to accelerate sharply in 2020, to around 70 GW to beat the previous record set in 2015. This acceleration comes at a time when public support programmes for wind energy are being phased out in many countries, and the technology is increasingly being developed through competitive or market-based auctions.

Installed capacity is expected to grow at an average rate of about 8% per year by 2023.



Hydropower is a well-controlled, mature technology providing also major storage capacity. Historically, it has been the largest source of renewable electricity and represents the second-largest source of power generation in the world, behind fossil fuels.

Voltalia focuses on small hydro, a niche market with 141 GW installed globally as of end 2019, up 3 GW compared to 2018. Installed capacity is expected to grow at an average rate of about 2% per year by 2023.



Governments worldwide are investing in biopower technologies to ensure stability and security of energy supply. In 2019, global installed capacity reached 146 GW, an increase of 6 GW compared to 2018.

Installed capacity is expected to grow at an average rate of about 5% per year by 2023.



Power storage systems are increasingly used in the design and operation of renewable energy power plants. Allowing intermittent production to be smoothed and/or electricity to be stored for several hours, they are particularly well suited to the needs of areas remote off-grid or connected to a fragile network. Their applications cover industries as well as islands or, increasingly, villages/small towns in the form of mini-networks. While pumped energy transfer stations (PETS) remain the main form of energy storage in the world, batteries (mainly using lithium-ion technology) are being developed at a fast pace.

As per the International Renewable Energy Agency's (IRENA) Renewable Energy Roadmap 2030, 475 GW of energy storage solutions would be required to meet the target of 45% renewable in the energy mix by 2030.

Sources: Globaldata, BNEF, IRENA

Addressing needs in remote areas

Although storage solutions are supporting the development of reliable renewable power solutions in off-grid areas, the sector is also moving towards the expansion of “hybrid power generation”. This solution combines different sources/technologies for electricity generation in the same area, providing reliable power to a client or to a distribution grid. Hybrid power usually includes thermal generation from diesel, HFO or gas. The flexibility of this source of power allows the intermittency of renewable energy to be compensated. A growing number of power projects in remote areas include a renewable source (solar PV), storage capacities and/or flexible thermal generation.

Mining companies are a good example of hybrid systems deployment. Mines need a constant and reliable power 24/7 and highly depend on expensive and uncertain fossil fuels procurement for their gensets. A growing number of mining companies, mostly in regions with poor grid development like Africa, have turned to hybrid power solutions.

As of 2019, only a few hybrid projects have been commissioned, whether for industrial or domestic needs, but the market continues to have potential.

1.6.3 Increased competitiveness of renewables: compelling driver for growth

A rapidly plummeting cost of installations further accentuated by the development of reverse bidding mechanisms make renewables more and more competitive.

This trend is expected to continue in upcoming years supported by the following:

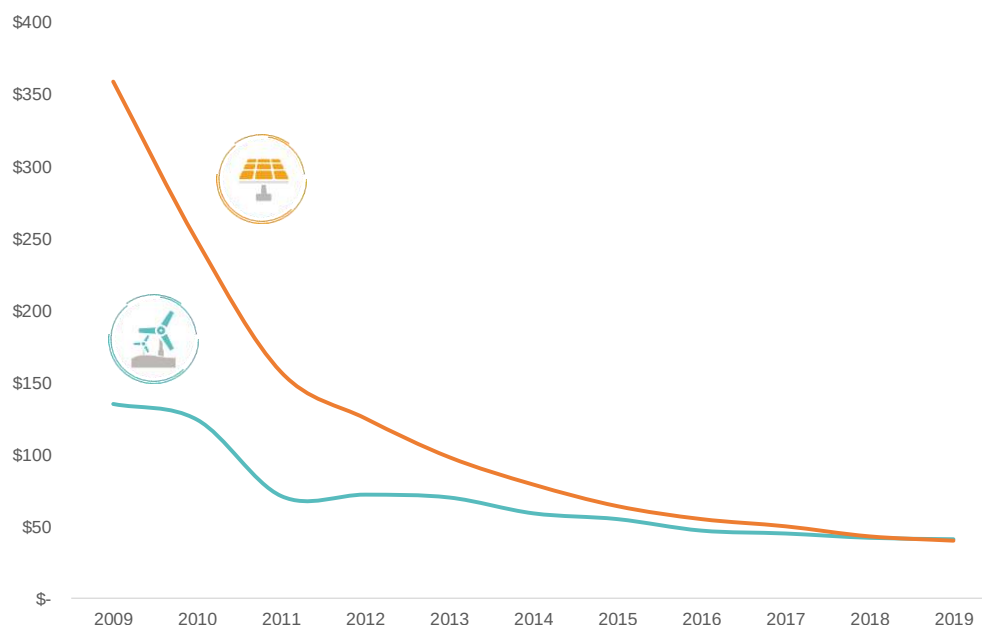
- Continuing improvement of technology (higher performance solar equipment, larger wind farms);
- The industrialisation of the manufacturing processes allowing economies of scale and efficiency gains in supply chains;
- Calls for tenders whose transparency enables developers of all backgrounds to compete;
- growing appetite of financial markets for renewable assets;
- the progressive digitalisation of operations and maintenance of power plants.

The Levelized Cost of Electricity (LCOE) is a method of evaluating the cost of energy generation. The LCOE thus represents the ratio of all generation costs over the duration of a power plant (from development and construction to operations and maintenance) to the quantity of energy that it generates. A discount rate is applied to the costs and quantity of energy generated to obtain the present value of future flows. Calculating the LCOE is especially useful for comparing the costs of different technologies for the production of electricity.

In its latest annual Levelized Cost of Energy Analysis (LCOE 13.0) the bank, Lazard, shows a continued decline in the cost of generating electricity from alternative energy technologies, especially in the utility-scale production of solar and wind.

Between 2009 and 2019, the average LCOE of energy of utility-scale PV technologies was down approximately 90%, and the average cost of energy of onshore wind declined by 70%. In 2019 alone, the average LCOE of energy of utility-scale PV technologies was down approximately 7% from 2018.

In some cases, the cost of renewable energy has fallen so much that it is now equal to or even lower than the marginal cost of conventional production. The low end of the range of the LCOE of onshore wind-generated energy is \$28/MWh and that of utility-scale solar energy is around \$30/MWh, compared to an average marginal cost of \$33/MWh for coal.



Source: Lazard, 2019. Note: Lazard's LCOE study is the most often cited worldwide, although based on the US market characteristics.

1.6.4 Regulatory environment, market structure and compensation

Voltalia operates within a regulated framework

Voltalia operates in a highly regulated environment. It must therefore ensure that each plant that it develops, constructs and/or operates, on its own behalf or on behalf of customers, complies with numerous laws and regulations, which differ depending on the country of operation. Other regulatory provisions concern access to network infrastructure. Finally, certain regulations govern the prices at which the electricity produced by Voltalia can be sold.

The production of renewable electricity is generally structured around three main remuneration mechanisms:

- **Regulated Feed-in tariffs:** benefiting from the support of public authorities, these contracts require the historical operator (national electricity company) to purchase energy generated from renewable sources. The tariff, generally above market prices, is guaranteed over a long period (between 15 and 20 years) and may be inflation-linked or decrease over time;
- **Calls for tenders:** in calls for tenders, projects are selected by public authorities based on factors such as the purchase price proposed by the bidders. The call for tenders procedure allows the authorities to determine the number of projects and the volume of production that will benefit from public subsidies (if any); the rate awarded to the candidate, if selected, is the one submitted in the tender.

- Sale of electricity in the open market: in this configuration, the operator of the renewable power plant sells the electricity produced outside of any public intervention. Electricity will be sold to other players such as market operator, in market conditions (i.e. fluctuating on the basis of supply and demand) or private companies through “Corporate PPAs”.

Broadening customer base: Private PPAs

Commercial and Industrial (C&I) power demand represents a growing market for renewable energy developers. Large consumers face increasing risks related to conventional power procurement, among which high and volatile costs. In the last years, the declining costs of renewables have pushed corporates to see them as a solution to reduce power procurement costs, in addition to getting a more sustainable reputation. As a result, corporate consumers have become potential customers/offtakers for Independent Power Producers looking for long-term agreements (PPAs), firstly in markets where renewable energy is unsubsidised and traded on wholesale marketplaces. In 2019, the PPA market also became active in countries where renewable energy support mechanisms are still in place. France and Germany have seen the emergence of this type of over-the-counter contract despite the existence of a Feed-In tariff or a Feed-In Premium.

This trend has accelerated in some areas, thanks to companies committing themselves, on a mandatory or voluntary basis, to an ambitious renewable energy consumption target. In areas where the power grid is absent or unreliable (mostly developing countries), renewable energy supply can also bring a cheaper and more reliable source of electricity than the sole generation through conventional diesel generator sets.

As many corporate buyers of energy are starting to think about renewable energy procurement strategies, “corporate PPAs” are appreciated for their simplicity and effectiveness. And, for the producer, they enable bringing new renewable energy onto the grid. In a corporate PPA, a generator and a consumer agree on the conditions for the sale of electricity within a medium to long-term timeframe from (a) specific project(s) to the consumer’s facilities. Corporate PPAs usually bring “additional capacity” to the grid, as they support new projects.

Corporations have signed long-term agreements for more than 51 GW of clean energy globally since 2008. In 2019, a new record was set with 18.6 GW of PPA signed worldwide, up 46% compared to 2018.

The USA still represents 71% of the market, but the diversification is ongoing, in Latin America or Europe. In those markets, PPAs are complex instruments negotiated through the wholesale market, and most of them are “offsite” PPAs (which means that the electricity is wheeled from the plant to the facilities through the grid).

1.6.5 Competitive environment

The renewable energy market remains extremely open and fragmented, composed in all countries of players of all sizes:

- incumbent domestic operators;
- global energy companies;
- numerous medium-sized operators usually positioned in a single sector and/or covering a limited geographical area. This category includes renewable investors / asset managers active in the renewable space, which usually own and operate a portfolio of assets concentrated in one region;
- countless small single-project operators.

However, the presence of small players declines as a result of more stringent regulations or the introduction by public authorities of new criteria for the admissibility of applications (such as the measures adopted in Brazil since 2008), or the implementation of one-off measures (such as the moratorium on

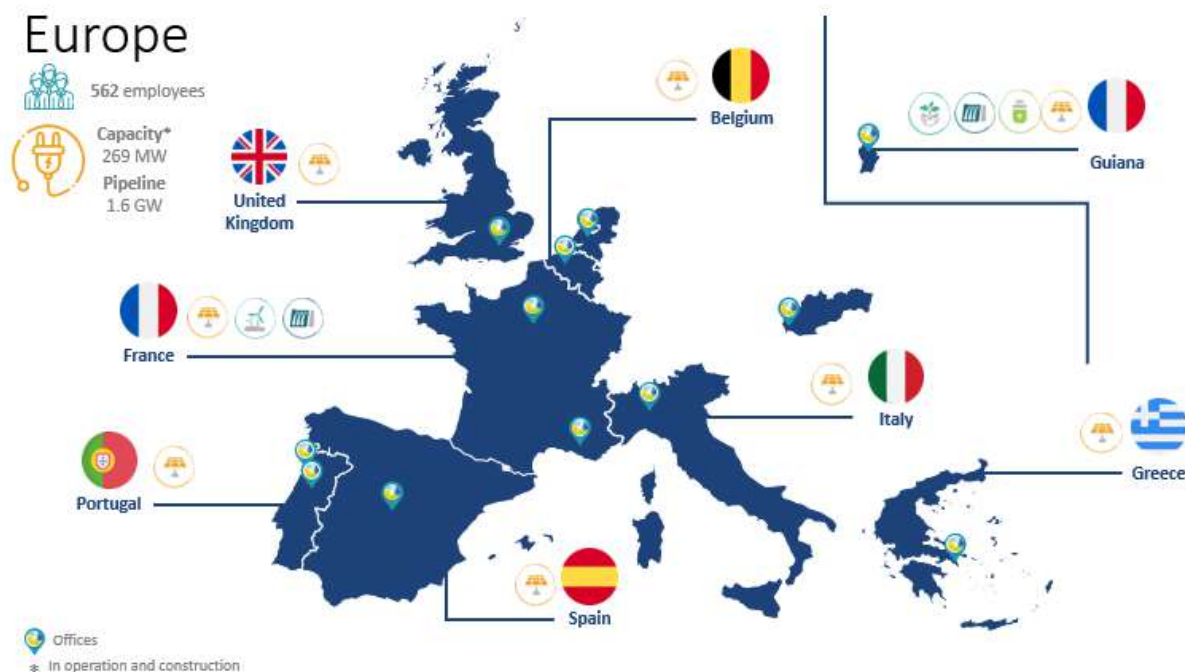
solar projects in France in late 2010). This trend is accompanied by a general move towards consolidation of the sector also related to the ambitions for rapid growth of the historical energy players. The many transactions carried out by the historical operators in France in recent years are an illustration of this trend.

Overall, the development of the renewable energy sector is favourable for groups such as Voltalia that are positioned on a significant number of medium-sized projects and possess adequate skills and resources. Among medium-sized operators, few have Voltalia's ability to pursue projects across the five technologies in which Voltalia operates; only the historic and the international operators are following such a strategy, while generally focusing on larger projects.

Regarding Services, and in an international context of increased competition and market consolidation, the Company's focus on providing services to third parties is motivated by a double logic to focus on internal skills and economies of scale. In operations and maintenance, the Company has excellent monitoring and optimisation systems for operation and maintenance; offering them to external customers enables the Company to reduce its internal operating cost per MW.

1.7 Voltalia's markets

1.7.1 Europe



The strengths of the European markets

- Stable and supportive regulatory environments
- Mature, large-scale regulated markets: auctions organised by governments
- Wind and solar energy at or close to grid parity
- Emergence of Corporate PPAs: long-term electricity sales contracts directly from the producer to the end consumer with a more complex execution requiring agility, know-how and financial solidity

Voltalia's strengths

Voltalia is ideally positioned to leverage its strong track record of value creation in regulated markets and its pioneering position in the corporate market.

Western Europe

Over the last two decades, renewable energy production assets have expanded in Europe and now account for 17%² of final consumption in the 27 EU Member States. In 10 years, primary production of renewable energy in the EU has increased 64% (representing annual average growth of 5.1%).

The European market is evolving in a binding legal framework set out in Directive 2009/28/EC on promoting the use of energy from renewable sources. EU Member States are required to adopt national action plans to achieve the overall target of increasing the share of energy from renewable sources in gross final consumption of energy to 20% by 2020.

Historically, the rapid development of renewable energy is due to the implementation of support mechanisms, particularly feed-in tariffs (FiT).

²https://ec.europa.eu/eurostat/statisticsexplained/index.php/Renewable_energy_statistics#Renewable_energy_produced_in_the_EU_increased_by_two_thirds_in_2007-2017

While this mechanism still applies to assets already in operation and for small-scale projects – in general, in the case of installed capacity lower than 500 kW – the European Commission has imposed a new framework in order to benefit from State aid for the production of renewable energy.

In the guidelines on State aid for environmental protection and energy 2014-2020³ the Commission requires that “from 1 January 2016, for all new aid schemes and measures, the aid is granted as a premium in addition to the market price at which the producers sell their electricity directly in the market.” These support mechanisms are called feed-in premiums (FiP).

In France, the Additional Compensation mechanism was set up to meet the conditions of the FiP.

Italy has also set up an equivalent system because renewable energy power plants with installed capacity above 1 MW must sell their electricity on the market. Producers receive the difference between the FiT and market prices as a monthly average.

The UK has introduced the “Contracts for Difference” (CfD) scheme, where low-carbon renewable energy or storage technologies for example are paid based on a long-term fixed exercise price (strike price) defined by the government (15 years).

Spain is a pioneer in this area, since a FiP scheme exists since 1998, well before the European guidelines were issued. The applicable tariff has a cap and a floor above and below which the FiP is adjusted.

In all these countries, projects are selected in calls for tenders.

Corporate PPAs (Power Purchase Agreements) are also developing in the European countries where Voltalia operates. Historically, most Corporate PPA have been in the UK and Scandinavia, as their regulations are adapted to this type of contract. 2019 will have marked the expansion of these contracts in Spain, France and Italy.

FRANCE

In 2019, the capacity of wind and solar farms exceeded 25.9 GW in France. Taking all sectors together, the power of the renewable fleet reached 53.6 GW as of 31 December 2019 and covered 23% of the electricity consumed in 2019. This figure should be viewed in the context of the Law on Energy Transition for Green Growth, which set a target of 40% renewable energy in national output by 2030.

The recent Multiannual Energy Programme (MEP) has set the targets to be achieved in terms of the development of renewable energy: taking the installed capacity to 74 GW in 2023 and between 102 to 113 GW in 2028. Priority is given to photovoltaic solar and terrestrial wind initiatives as these are currently the most competitive energies; a call for tenders calendar has been set to achieve these targets.

All the projects selected in these calls for tenders will be able to benefit from the *Complément de Rémunération* (Additional Compensation) mechanism, pursuant to the FiP in France.



SPAIN



In 2019, Spain experienced a marked increase in the commissioning of power plants generating electricity from renewable sources. The installed photovoltaic capacity reaches 7,800 MW by the end of 2019, an increase of 66% compared to the previous year. In wind energy, 1,600 MW of new wind turbines have been commissioned, in addition to the national park, to reach more than 25 GW of installed capacity. A draft law of January 2020 is expected enable the development objectives of renewable

³ [https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:52014XC0628\(01\)](https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:52014XC0628(01))

energies to be increased, with the 2030 objectives of 50 GW for wind power and 39 GW for solar power; in line with the European climate objectives for 2030.

Spain is one of the most mature countries in terms of signing private PPAs. This trend is expected to continue in 2020 with the recent arrival of international players on the PPA market in Spain. Amazon, Orange and Engie have thus finalised PPAs since December 2019, these long-term power purchase agreements for electricity from renewable sources being linked to several hundred MW of solar capacity. The other trend in the Spanish market to follow in 2020 is the progression of self-consumption. Indeed, a law ratified in April 2019 clarifies and facilitates administrative processes to develop renewable self-consumption projects.

ITALY

2019 was marked by a strong market recovery after the end of subsidies in 2013.

To date, 20.7 GW of photovoltaic solar and 10.8 GW of wind power have been installed in Italy. The National Integrated Energy and Climate Plan targets 30% renewable energy in total consumption by 2030, which implies the installation of about an additional 40 GW between wind and photovoltaic.

The FER1 decree, in force since 10 August 2019, introduces incentives for certain types of installations (at limited power), and encourages, for example, the construction of power plants on industrial land and on rooftops with asbestos. Following its recent liberalisation, the Power Purchase Agreement (PPA) market is developing rapidly, particularly the Corporate PPA market.



UNITED KINGDOM

Increased awareness of climate change (international demonstrations, events, etc.) marked the political agenda in the United Kingdom in 2019, with the government putting in place legislation on carbon neutrality by 2050 (compared to a decrease of 80% by 2050 previously).

Offshore wind continues to be the mainstay of the climate response, with continued supply chain support and economic incentives through a Contract for Differences (CfD) mechanism. Onshore wind and solar have not benefited from such direct support since the phasing out of renewable bond credits and CfD support, although in early March 2020, the government announced its intention to reopen the CfD to onshore wind and solar.

The Corporate PPA market in the United Kingdom is the most mature and active in Europe thanks to a long period of market liberalisation: the market could represent up to 2 GW of contracts in 2020. With the support of Corporate PPAs and new compensation structures, 2020 will be an important year for the deployment of unsubsidised solar on a large scale, with an estimated 1 to 1.5 GW of new capacity. The battery market is expected to grow in line with the increased penetration of intermittent production in the United Kingdom.



Rest of Europe

The countries of Central and Eastern Europe are still largely dependent on conventional sources (coal, gas, nuclear) for their electricity production, and independent producers have a limited presence there. Nevertheless, a gradual liberalisation of the markets is taking place, as well as incentive programmes for the development of renewable energies, particularly in the EU member countries (Slovakia, Hungary, Poland, Romania, etc.) which have set themselves ambitious targets for 2030, in line with the new European directive. Most of these states are phasing out their feed-in tariff policy in favour of an auction mechanism. Leading the way, Poland awarded solar and wind projects through auctions for the first time in 2019 and began signing its first Corporate PPAs. At the same time, PV capacity doubled in one year, from 0.5 GW at the end of 2018 to 1.2 GW at the end of 2019, thanks to a surge in residential solar. Similar auctions are expected in neighbouring countries in 2020. The Balkan countries, due to their

shallower markets, tend to favour calls for tenders for pre-identified sites. The European Bank for Reconstruction and Development (EBRD), as well as several other financial institutions, are very active in these markets.

1.7.2 Latin America

Latin America

 145 employees



Mexique



Colombia



Brazil



Offices

 In operation or construction



Capacity*
874 MW
Pipeline
5,1 GW

The strengths of the Latin American markets

- Growth in electricity demand is creating significant needs for new generation capacity
- Significant wind and solar resources
- Proven grid parity for renewable energy
- High barriers to entry in most countries
- Niche market: remote sites

Voltalia's advantages

A key player in Brazil since 2007 and continued expansion in Mexico and Colombia

In Latin America, renewable energies have reached a maturity enabling them to develop within a competitive framework. The projects are sold mainly through auctions, but also on the market or via Corporate PPAs with large energy consumers.

In 2019, the main markets are still Brazil and Mexico, followed by Chile and Argentina. Brazil has regained its leading position, after having temporarily lost it to Mexico in 2018, with Chile coming in second place after a quadrupling of investments over one year.

Colombia launched its first auction in 2019, and is expected to repeat the exercise in 2020.

BRAZIL



Latin America's largest market for renewable energy, the country added 1 GW of wind, 500 MW of solar and 100 MW of small hydro in 2019. The competitiveness of solar energy was confirmed with a record average price of \$17.5/MWh at the July 2019 auction. The large facilities market continues to experience growth in

market sales and a reduction of public funding, such as BNDES. 2019 was also the year of the rapid development of self-supply, particularly from solar installations, which continue to benefit from an offset system (net metering). The total self-consumption solar capacity thus passed the 1 GW mark in June 2019 (double the total at the end of 2018).

MEXICO

Despite the postponement of the fourth round of renewable energy auctions by President Andrés Manuel López Obrador to January 2019, Mexico experienced strong growth in commissioned capacity during the year, with an additional 800 MW of solar and 1.2 GW of wind connected in 2019. The sector is supported in particular by private contracts (corporate PPAs), pending a probable relaunch of auctions in 2020, in areas that are still being defined. Mexico had recorded one of the lowest prices for solar energy (\$20.6/MWh) in the third auction round.



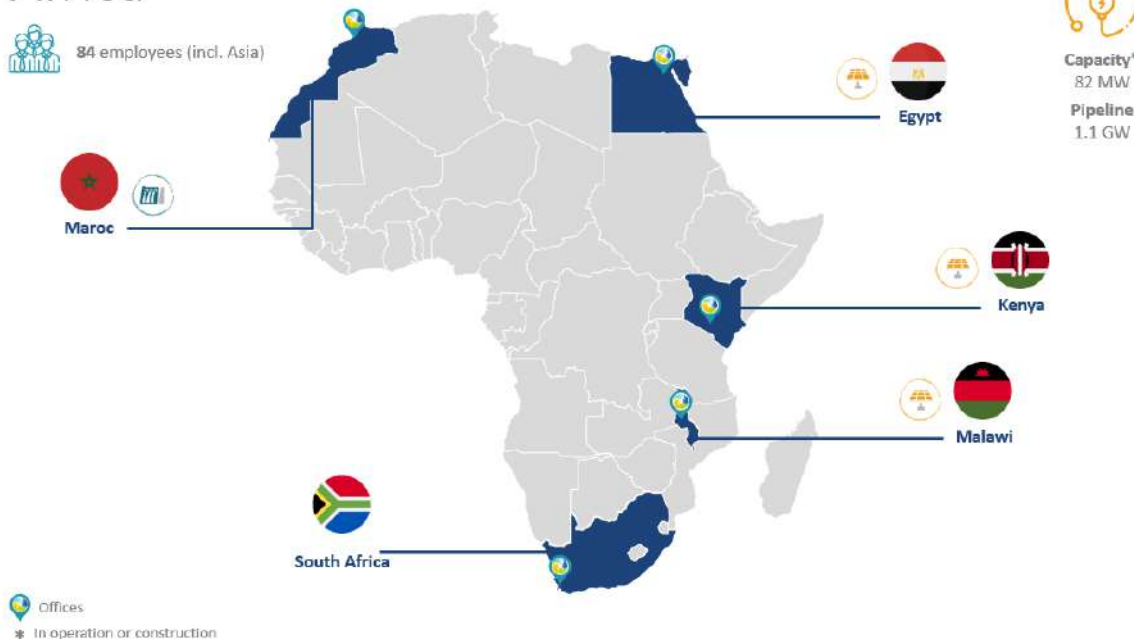
COLOMBIA



After an unsuccessful attempt in February, Colombia successfully conducted its first renewable energy auction in November 2019, allowing it to allocate 2.2 GW of capacity, divided between 3 solar and 5 wind projects, at an average price of \$27/MWh. The previous month, the Colombian government passed a resolution imposing a 10% quota of renewable energy on local electricity distributors, starting in 2022 and for a period of at least 10 years.

1.7.3 Africa

Africa



The strengths of the African markets

- Enormous demand for electrical energy that could not be met historically, due to the difficulty of implementing large thermal projects.
- Success of renewables, whose cost has fallen considerably: affordable electricity supply to meet unmet demand
- High entry barriers: requiring access to multilateral funding and local presence
- Niche markets: remote sites

Voltalia's advantages

Rapid market entry with first contracts obtained in several countries, thanks to Voltalia's agility and reputation

Africa still has uneven levels of renewable energy development.

Although the opportunities are immense, the subsidies applied to electricity tariffs still favour the inertia of the production base, which is highly dependent on conventional resources - thermal and hydraulic. Despite the fact that the reorganisation of the electricity sector is still in its infancy in most countries, IPPs are allowed there in principle. However, they face a fragile regulatory framework, a lack of network infrastructure and the financial instability of the public utilities, which are purchasing electricity.

Among the most advanced countries, South Africa and Morocco have installed more than 2 GW of wind and solar capacity in recent years, while Egypt has also reached a comparable level in 2019, thanks in particular to the gradual commissioning of the Benban solar complex. A few other countries have promoted the development of wind, solar or small hydro plants with some success, including Senegal, Uganda and Kenya. Countries that were promising a few years ago, such as Ghana and Nigeria, remain under the watchful eye of the investment community.

In the past, governments favoured bilateral negotiations for the implementation of projects, but today almost all of them have turned to calls for tenders in order to keep purchase prices as low as possible. Some of them receive support from development finance institutions for the implementation of programmes enabling less risky projects to be awarded: this is the case of Scaling Solar, implemented by the Société Financière Internationale (SFI) in several countries (Zambia, Senegal, Ethiopia, Madagascar, Togo) or GET FiT, from kfW programme (carried out in Uganda, underway in Zambia, in preparation in Mozambique). Other calls to tender were organised directly by the governments in Tunisia, Tanzania and Namibia. Some of these processes have resulted in particularly low prices (Tunisia, Senegal, Ethiopia), between \$20 and \$40/MWh.

Due to low grid penetration, sub-Saharan African countries present some interesting opportunities in the development of off-grid solutions, either for remote industries, telecom towers or villages and towns. Regulations in some countries already include the possibility for private operators to get a concession for the distribution of electricity in remote areas for rural electrification purposes. Out of a total of about 650 million people without access to electricity on the continent, a large proportion could be connected by mini-grids within the next few years.

EGYPT

2019 was marked by the commissioning of most of the solar power plants of the important Benban complex (1.4 GW). The EBRD also announced €183 million in funding to the national grid operator (EETC) to enable it to inject more renewable energy to meet growing demand. The bank also wishes to support the Egyptian government in setting up a favourable framework for private PPAs, which are receiving growing interest from developers and industrialists in the country.





KENYA

Kenya is one of the most mature power markets in Sub-Saharan Africa. 2019 was marked by the commissioning of two major projects: the Garissa photovoltaic power plant (54 MW) and the Turkana wind power plant (310 MW), the largest privately financed wind farm in sub-Saharan Africa.

MOROCCO

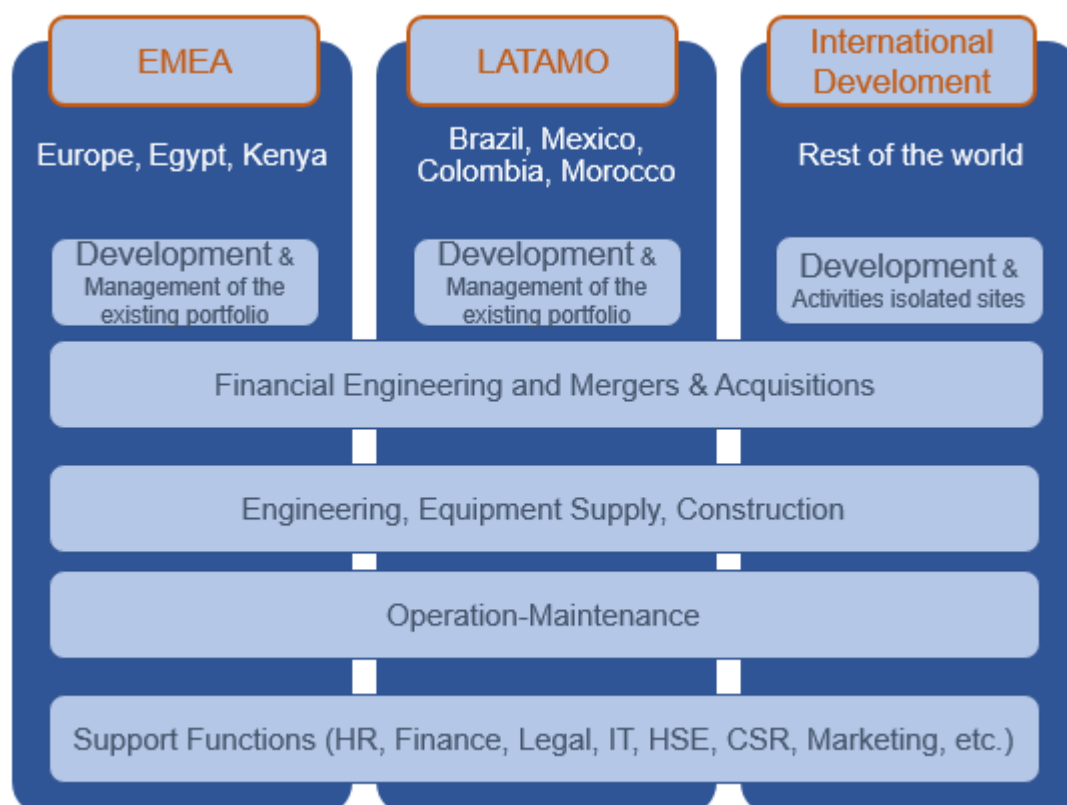
In Morocco, 2019 was marked by the granting of new authorisations from the Ministry of Energy for wind energy projects with a capacity of 360 MW. These projects will be able to supply electricity to the private Moroccan industrial market from 2022 onwards. The NOOR MIDEELT I solar project also received authorisation for a capacity of 580 MW (Solar Thermodynamic & Photovoltaic Power Plant) and construction started on the first integrated wind farm of the 850 MW programme. The other sites in this programme will be operational by 2025. Finally, the draft amendment to Law 13-09 (private projects) has been submitted to public inquiry for promulgation expected in 2020. This amendment will, in particular, make the opening of the market for the private production of renewable electricity to consumers effective and should foster considerable development of on-grid and off-grid solar projects. The objective of 52% of Morocco's electricity production from renewable sources by 2030 is confirmed.



1.8 Operational structure of Voltalia

Voltalia's project development and power plant portfolio management activities are managed through three major regional divisions with the support of the financial engineering and mergers and acquisitions team, which is centrally managed but has local relays.

The other service activities (Construction, Operation-Maintenance, etc.) and support functions (Finance, Legal, HR, etc.) operate in the same way, with local relays.



Geographical structuring:

in countries with permanent and structured teams, country teams are responsible for managing existing power plants and developing new projects;

in other countries without a permanent team, the International Development team is responsible for new projects.

The transversal business lines are the following:

Financial Engineering division, which primarily covers raising project financing and project acquisitions/disposals;

Construction division;

Operation-Maintenance division, which also includes the Company's Centre of Engineering Expertise (CoE);

The support functions: Health and Safety division, Administration and Finance division, Legal division, Human Resources division, Marketing and Communication division, Information Systems division, General Secretariat.

Acquisitions

Acquired in 2019, Helexia retains independent operational management. This company relies on Valtalia's resources for its commercial development, particularly internationally, and the structuring of its support functions.

1.9 Significant contracts

1.9.1 Electricity sales contract

BRAZIL

Long-term sales contract

Valtalia has entered into a number of electricity sales contracts, awarded via public auction, of two distinct types:

- Reserve Energy Contracts (CER);
- Electricity Purchase Contracts in a Regulated Environment (CCEAR).

The plants affected by CER contracts are:

- Carcara I (Areia Branca);
- 4 sites located between São Miguel do Gostoso and Touros: Reduto, Carnauba, Santo Cristo and São João (SMG); and
- Vila Acre I.

The plants affected by CCEAR contracts are:

- Carcara II and Terral (Areia Branca);
- the following sites, located at Serra do Mel: Caiçara I, Caiçara II, Junco I, Junco II (Vamcruz), Vila Para I, Vila Para II, Vila Para III, Vila Amazonas V (Vila Para), VSM 1& 2 and SSM 1&2
- Cabui

Nature of the sale contracts and the counterparties

The CER and CCEAR contracts include an irrevocable commitment to purchase a defined volume of electricity over a period of 20 years for solar and wind projects. In the case of hydroelectric power plants, the term of the CCEAR contract is 30 years.

These two contract types include well-defined tolerance and adjustment mechanisms for the volumes and prices of electricity sold, taking account of the intermittency of wind power production.

Special features of the CER contracts

The aim of these contracts is to secure the electricity supply by assigning a specific volume to this reserve. The contract was signed with the Brazilian Chamber of Commerce for Electrical Energy (CCEE) which manages a dedicated reserve fund for regulating the reserve supply of electricity.

Special features of CCEAR contracts

The aim of these contracts is to supply electricity to a group of distributors that have pooled their requirements for the auctions in question. Depending on the auction, the number of distributors may vary but generally ranges between 25 and 35 distributors from a variety of regions. Multiple bilateral contracts are therefore signed with the distributors in relation to each site and the contracts are administered by the CCEE.

Long-term sales contract on the open market

Commonly referred to as Corporate PPAs, direct purchase agreements for renewable electricity are private power purchase agreements between renewable electricity producers and companies. When they relate to energy production assets under development, these contracts are long-term and allow for the financing of the assets.

In 2018 and then in 2019, Voltalia concluded long-term private electricity sales contracts with a new client, BRF, for a period of 10 years. Two power plants of 64 MW and 63 MW respectively will be built under this contract, within the VSM 2 and 3 wind farm complexes. After the 10-year contract expires, Voltalia will sell the output under new short- or long-term electricity sales contracts.

Voltalia has also signed a 19-year electricity sales contract for a wind power plant that will be commissioned before the end of 2022 at Canudos, its new wind farm complex located in the state of Bahia.

Short-term sale contracts

Short-term contracts in Brazil are designed to allow the electricity produced by the plants to be sold in the event of early commissioning of these plants. Over time, these short-term contracts will be replaced by long-term contracts.

In 2018 and 2019, in anticipation of the early commissioning of these plants, Voltalia secured short-term contracts for its VSM 1 (163 MW) and VSM 2 (64 MW) plants.

FRANCE

Purchase obligation

Until the passage of the 2015 Energy Transition Law, the projects developed by Voltalia in France were solely part of the framework for the purchase obligation for renewable energy ("feed-in tariff"). As such, for each of its operating projects in France, the Company entered into a contract with EDF.

In this arrangement, EDF OA (Purchase Obligation) and Voltalia signed a contract for the purchase of electricity for 15 to 20 years depending on the source of energy involved. Voltalia is thus committed to selling to EDF all of the production of the facility at an inflation-indexed sales price.

EDF may terminate the electricity purchase contract in the event of cancellation of the operating licence by court ruling, (ii) in the event of cancellation by court ruling of the certificate establishing the obligation to purchase, (iii) in the event of the abandonment of the project, or (iv) in the event of a permanent cessation of activities or the decommissioning of the production facility.

These contracts do not include a renewal clause (except for contracts relating to hydraulic power plants, for which the electricity sales contracts can be renewed if a certain CAPEX threshold is crossed). At the end of the contract, the electricity may be sold to aggregators on the open market.

The plants in construction and in operation affected by Purchase Obligations are:

- 3VD, Adriers, Molinons, Castellet 1 and 2, La Faye, Pagap, Canadel, Coco-Banane, Kourou, Kourou solar, Mana, Carrières des Plaines, Cacao, Taconnaz, Savane des Pères.

Additional compensation

Article 104 of Law no. 2015-992 of 17 August 2015 on the energy transition for green growth stipulates a new mechanism for “Additional compensation” applicable since 1 January 2017. The same as for the purchase obligation, EDF OA must purchase all of the production from a producer at a base rate for a duration of between 15 and 25 years defined by ordinance and set in tender offers composed as follows:

- a reference market price defined as the average of prices on the EPEX exchange platform;
- Additional compensation corresponding to the difference between the base rate and the market price defined above.

In this new framework, Voltalia signed a contract for additional compensation with EDF OA and sells the electricity produced on the electricity wholesale market either (i) by itself or (ii) via a third party generally called an “aggregator”.

The plants in construction and in operation affected by additional compensation contracts are:

- Sarry, Echauffour, Tresques, Parroc, Argenteuil, Logelbach, Jonquières, Vergné, Coivert.

Direct electricity purchase contract

Commonly referred to as Corporate PPAs, direct purchase agreements for renewable electricity are private power purchase agreements between renewable electricity producers and companies. When they relate to energy production assets under development, these contracts are long-term and allow for the financing of the assets.

Pricing structures are diverse but generally allow the buyer to have visibility on its price for the entire duration of the contract. The price generally includes guarantees of origin associated with production as well as capacity guarantees. However, these two elements can be detached and valued separately.

Voltalia has partnerships with Boulanger (5 MW), SNCF (143 MW) and Crédit Mutuel (10 MW) for the construction of dedicated solar power plants.

EGYPT

Long-term sales contract

In October 2017, Voltalia entered into a Feed-in-Tariff agreement with the Egyptian Electricity Transmission Company (EETC), which provides for the purchase at a contractually-fixed price of electricity produced by the 32 MW Râ Solar solar power plant located in the Benban complex for a period of 25 years from the distribution date at the end of 2019.

The tariff is paid in Egyptian pounds and is partially indexed to the relative dollar/Egyptian pound rate.

KENYA

Long-term sales contract

In 2018, Voltalia entered into a Feed-in-Tariff *agreement* with Kenya Power and Lighting Company Limited (KPLC), which ensures for 20 years, starting from the distribution date, the purchase at a contractually-fixed price of electricity produced by the Kopere (50 MW) ground-based solar power plant in Nandi County, Kenya. Commissioning is expected during 2021.

1.9.2 Service contracts

Construction contracts

The services offered by Voltalia to its customers include the construction of solar power plants on behalf of third parties. The construction takes place when the project is ready to be built, once the development phase has been completed. The construction of solar plants takes an average of one year and commits Voltalia, as the service provider, to deliver a turnkey plant on the date specified in the service contract. Construction generally includes the following steps: general and detailed studies, equipment purchasing, subcontractor management, equipment assembly, commissioning, and generally managing all activities necessary for the construction of a solar power plant.

As a builder, Voltalia is committed to the performance of the solar power plants that it builds, which are approved in operating tests. The plant is considered as delivered as soon as the operating tests are successful. The plant can then be operated in the conditions of production and security specified in the contract. Voltalia must also provide, for a two-year average guarantee period, for replacement of defective materials. This replacement is generally the responsibility of the supplier of the equipment in question.

In the case of Voltalia's non-compliance with any one of its contractual obligations, the contract specifies penalties for customer compensation. The customer, moreover, benefits from a bank guarantee or performance bond guaranteeing the execution of contractual obligations or payment of penalties. The construction contracts for solar power plants are signed either with the customers that acquire projects developed by Voltalia, or customers that develop their own projects and requested a bid only for the service of constructing the solar power plant.

Operation-maintenance service contracts

Voltalia also provides operation and maintenance services of commissioned power plants, on its own behalf and that of third-party clients.

In this context, Voltalia has entered into operating and maintenance contracts of photovoltaic power plants for a duration of up to 25 years. Pursuant to these contracts, the Company provides services that can cover all of the needs for operation and maintenance: centralised control and supervision, management of preventive and corrective maintenance and provision of specialised services related to power invertors, remote control or systems for acquiring operating data. Voltalia also offers its customers central administration, accounting, and tax administration services for their solar power plants.

In most of the contracts, Voltalia must provide the customer with a minimum rate of availability of the power plant.

1.10 Information from third parties, expert opinions and declarations of interest

None

2. RISK FACTORS AND RISK MANAGEMENT

In the performance of its activities, the Company is exposed to a number of risks which could affect the smooth functioning of its operations and the achievement of its objectives.

The Company reviews and analyses these risks each year according to the development of its activities and its expansion. As a result of this analysis, the Company updates and amends its internal control system so that it remains adequate and consistent with the type and significance of the risks identified.

2.1 Risks associated with the Covid-19 crisis

Voltalia is closely monitoring the potential impact of the Covid-19 epidemic on its operations, as described in Chapter 5.14 of this Universal Registration Document. Though the Company does not anticipate that the epidemic will have a major impact, considering the extreme uncertainty of how this epidemic and the quarantine measures taken worldwide will evolve, it is difficult to assess this impact at the date of the Universal Registration Document. The Company's Construction activities could be delayed, due to the measures taken to protect the health and safety of its employees, and certain Voltalia suppliers could also experience setbacks or even default. (However, it should be noted that the provision of equipment for power plants under construction is already guaranteed under contracts.) Furthermore, the Company is paying close attention to the volatility of the Brazilian real (BRL), which has fallen against the euro (EUR) since the outbreak of the Covid-19 crisis. While the Company is unaware of any request in this regard at the date of the Universal Registration Document, some Services customers could suspend or postpone certain development or construction contracts due to the Covid-19 pandemic. Lastly, a possible economic downturn could have an impact on the demand for electricity and, as a result, on the Company's various businesses, but also on its ability to finance its projects.

Voltalia is therefore closely monitoring the crisis' potential impacts on time frames for its sites under constructions described in detail in Note 3.2 to the Company's consolidated financial statements for the year ended 31 December 2019 in Section 6.2 of the Universal Registration Document. Depending on the extent of the epidemic's impact on Voltalia's businesses, and particularly with regard to significant delays in the commissioning dates of power plants, the Company will issue a press release on the matter.

At the date of the Universal Registration Document, the major risks described below are those the Company identified as likely to occur or that could significantly impact its business, financial position, image or limit its ability to achieve its objectives. At the date of the Universal Registration Document, the Company had no knowledge of significant risks other than those presented in this section.

The risk factors are presented in decreasing order of importance for each category. They are ranked based on their potential impact as well as the probability of their occurrence and after taking into account the control actions in place to mitigate their impact and probability. New events, either within or outside the Company, could modify this order of importance in the future.

2.2 Risk assessment methodology

The Company's risk universe mapping has been constructed based on three major types:

- Strategic risks: this category encompasses external risks such as reputation risk, risk associated with changes in regulations or even exposure to climate risks. It also includes the risks associated with the creation of long-term policies to ensure the sustainability of the business and the organisation.
- Financial risks: this classification includes risks that are inherent in cash flows and external financing activities under the control of the Company. In particular, it includes currency risk,

variable interest rate risk and fluctuations in spot electricity prices over time.

- Risks linked to the Company's activities: these are the risks directly related to the performance of the Company's activities identified as being the most significant. This category lists the major risks for each business line, in addition to risks linked to support functions.

Each risk is therefore included into one of the categories described above and assessed in a matrix format according to a scale from 1 to 5 (5 representing the most significant level) by the highest combination of its impacts (financial, legal and HSE) and the probability of occurrence. This method enables the gross risk to be estimated, irrespective of the action plans or existing control elements.

In addition to the assessment of gross risk, the component "level of control" provides the criticality level for each risk so that they can be ranked and their treatment prioritised according to the level of control and so that the net, or residual, risk can be obtained.

Since the objective is to continuously seek areas of improvement to reduce and control the risk to the Company and achieve a level of residual risk that the governance bodies finds acceptable.

2.3 Material risk factors for the Company

As previously defined, within each of the three categories, risk factors are presented in decreasing order of importance determined by the Company at the date of the Universal Registration Document.

Risk category	Risk
Strategic	Reputational risk
	Country risk and new operations
	Risks related to fluctuations in weather conditions and the environment
Financial	Risks related to regulatory changes
	Risk of breach of business ethics
	Risks related to changes in electricity sales prices
	Currency risk
	Risk of difficulty accessing project financing
	Financing rate risk
Linked to the Company's activity	Risks related to off-balance sheet commitments
	Client risks
	Suppliers and partners risk
	Risks related to project development
	Risks related to the electricity sales business
	Risks related to the construction business
	Risks related to the operation-maintenance business
	Risks related to financial information
	Risks related to Human Resources
	Risks related to Health and Safety
	Risks related to the IT system
	Risks related to disputes and litigations

2.4 Strategic Risks

Reputational risk (also Non-financial)

Identification and description of the risk	Potential impact on the Company
Non-compliance by third parties acting on behalf of the Company with regulations that punish unethical business practices could expose the Company to legal and civil sanctions that could damage Votalia's reputation. Any conviction, investigation or implication of a customer, subcontracting supplier or any other partner in a case involving the violation of human rights, proven corruption or any violation of international law or environmental and social best practices or any other legally or ethically reprehensible behaviour could have direct or indirect repercussions on the Company's reputation. Similarly, if the Company is convicted in any of these legal proceedings, it will be exposed to considerable liabilities and its business reputation could be tarnished. Lastly, information that is inaccurate, unfavourable or that harms the Company's business or reputation could be published at any time on social media or other similar platforms.	Invoking the Company's civil and criminal liability. Inability to secure the land required for development. Non-acceptance of the Company's projects. Refusal of authorisations and permits for construction and operations. Loss of premium customers, suppliers and partners.
Control and mitigation of risk	
As a preventive measure, Votalia applies ethical, environmental and social criteria in their selection processes, due diligence investigations ("KYTP, KYC ⁴") and then random compliance audits. Finally, Votalia has a crisis monitoring and management system in the event of a known controversy.	

Country risk and new geographical operations

Identification and description of the risk	Potential impact on the Company
The Company operates in 20 countries around the world. This diversity exposes the Company to risks related to the macroeconomic and political conditions in each of these countries. These could pose significant risks to the feasibility of the projects. Furthermore, despite this diversity, the Company has significant exposure to the situation in Brazil, inasmuch as around 70% of its energy sales revenues in 2019 came from this country. The	Impact on the demand of electricity in line with the Company's level of growth in certain countries, by difficulty of selling electricity at attractive prices. Access to financing conditions Exchange rate volatility Lack of expertise concerning local regulations does not ensure the favorable

⁴ Know Your Third Party, Know Your Customer

Brazilian economy, like that of many emerging countries, is experiencing substantial fluctuations that are likely to have a significant impact on the Company's business.

growth of renewable energy, which could slow geographic expansion.

Poor financial performance

This concentration in a given country renders the Company's economic performance highly dependent on weather conditions (mainly the amount of wind and sun), particularly in Brazil (in this regard, see the risks associated with fluctuations in weather conditions detailed below).

Control and mitigation of risk

The Company is increasing its vigilance regarding political risks as well as the macroeconomic stability of the countries where it operates and emphasises these aspects in any potential new countries.

The Company implemented and continues to pursue its diversification policy which is a core focus of its strategy. This diversification will result in the reduction of any possible dependence the Company could have on a given country.

Risks related to fluctuations in weather conditions and the environment (non-financial)

Identification and description of the risk

Potential impact on the Company

Climate change is both a risk and an opportunity for Valtalia's business.

The Company's business relies on weather conditions (mainly the amount of wind and sun) that should be predicted.

Negative financial performance

The natural environments on which Valtalia's business relies could suffer temporary or long-term deterioration due, in particular, to the emission of greenhouse gases into the atmosphere, the emission of toxic and/or dangerous substances, the generation and mismanagement of waste, or the overexploitation of some resources.

Loss of raw materials required for the Company's activities (water, inert materials, fuels, etc.).

Deterioration in the quality of materials, and pollution.

The Company is continuing its geographical diversification strategy but remains very dependent on its electricity production from wind power in Brazil. A weather event in this region could have an adverse effect on the Company's financial performance.

Control and mitigation of risk

To make the electricity production infrastructure more resilient, it is crucial to adapt by anticipating the negative impacts of climate change, such as floods, landslides, drastic temperature changes, storms, etc. To withstand the physical risks associated with climate disruption, Valtalia ensures that its installed equipment resists drastic temperature changes and high wind speed.

Risks related to regulatory changes

Identification and description of the risk	Potential impact on the Company
The Company operates in a highly regulated environment. It must therefore ensure that each of its sites (wind farm, hydropower plant, solar power plant or biomass plant) that it develops, constructs and/or operates, on its own behalf or on behalf of customers, must comply with numerous laws and regulations, which differ depending on the country of operation. In particular, the Company is subject to strict international, national and local regulations concerning the construction of power plants (land acquisition, obtaining construction permits and other authorisations) and their operation, particularly as regards protection of the environment (landscape regulations, noise regulations, biodiversity regulations, etc.). Some provisions, such as the “Establishments Classified for Environmental Protection” regulations in France, also involve the decommissioning of installations and turbines at the end of a contract.	Withdrawal of operating authorisations (licenses, permits, etc.) Prohibition of links to local transport and distribution networks Orders to pay fines Increase investment spending (for example, linked to the adaptation of its power plants), or operating charged (in particular by putting in place additional control and monitoring procedures) Reputation tarnished
Control and mitigation of risk	

The Company conducts rigorous and continuous regulatory monitoring according to countries, regions and technologies in order to comply with local regulations or to protect itself from any legal changes that may affect the construction or operation of its plants.

In addition, the Company earns a margin on the income from sales of equipment or services to better guard against possible regulatory changes. For example, with respect to the decommissioning of plants in relation to known items and work performed by the Company, it is estimated that the cost of the remediation and decommissioning of the sites currently being operated could be covered by the income from the sale of the equipment. However, as it adopts a prudent approach, the Company includes an additional cost in its project profitability calculations.

Risk of breach of business ethics (also Non-financial)

Identification and description of the risk	Potential impact on the Company
By diversifying its international footprint, the Company is exposed to several legal risks including con-compliance with local legislation and the risk of corruption in an increasing number of countries, particularly in emerging countries, or even fraud, as a result of ill will or failure of the control processes and systems.	Negative financial performance Order to pay fines and penalties Inability of a partner (customer, supplier, subcontractor) to comply with the applicable

regulatory requirements as well as Voltalia's ethical and compliance standards

Control and mitigation of risk

In order to avoid any action likely to not be compatible with the Company's culture of integrity, which is also subject to stakeholders' expectations, and in compliance with the French legislative changes, the Company has had a compliance programme since 2018. The aim of this is to prevent behaviour which, within the Company or its partners' businesses, could, voluntarily or involuntarily, incur its civil or criminal liability, an administrative penalty, damage its reputation, and threaten its businesses. The dedicated plan and ambitious targets fixed by Voltalia in this respect under the impact credit signed in May 2019 will help reduce its exposure to this risk.

The managers of Voltalia are the guarantors of the proper application of the Company's ethics and compliance policy. A strong "zero tolerance" message against any type of fraud and corruption is regularly issued by the Chief Executive Officer and members of the Executive Committee, as well as all of the managers.

2.5 Financial risks

Risks related to changes in electricity sales prices

Identification and description of the risk

The electricity produced by the power stations owned by the Company is generally sold via long-term contracts (usually 15 to 20 years), in which the price is fixed or indexed to inflation for the entire contract period. The signature of these contracts therefore enables therefore a good visibility on revenues. These fixed or indexed prices over the long term are the result either of a decision by the regulatory authorities in the form of tariffs or of calls for tender issued by the same authorities or by purchasers of electricity.

Accordingly, the Company enjoys a solid contractual and tariff framework established for the long-term in most of the countries where it operates. Nevertheless, it cannot guarantee that long-term rates and market prices in the short and long-term will always remain at a level permitting it to maintain or improve its profit margins and its rates of return on investments.

Potential impact on the Company

Calling into question of contracts and tariffs by administrative recourse

Future falls in electricity prices

Change in tariff conditions in the open market

Decrease in plant yields

Negative financial performance

Control and mitigation of risk

The Company is strategically positioned in countries where subsidy mechanisms are weak or non-existent and electricity from renewable sources is already the least expensive, which limits the downward pressure on prices. It actively monitors tariff developments in the countries where it is present and where it could set up in the future.

Currency risk

Identification and description of the risk

The Company is exposed to currency risk primarily at the level of its Brazilian subsidiaries, which represent 28% of its assets and 48% of its debt and 70% of its revenue from energy sales.

With a total translation reserve of €5,676 thousand at 31 December 2019, including €5,470 thousand related to borrowings from credit institutions, a 10% drop in the value of the Brazilian real (BRL) would result in an €80,507 thousand decrease in equity.

Please refer to Note 14 to the Company's consolidated financial statements for the financial year ended 31 December 2019 appearing in Section 6.2 of the Universal Registration Document, for a detailed analysis of the currency risk.

The Company is also exposed to a currency risk related to purchases made in foreign currencies. This risk results from the purchase of equipment in a currency other than the domestic accounting currency, particularly for construction contracts.

Please refer to Note 14.7 of the Company's consolidated financial statements for the year ended 31 December 2019 in Section 6.2 of the Universal Registration Document for the detailed currency risk analysis.

Potential impact on the Company

Impact on the statement of comprehensive income, particularly on net profit (loss).

Impact on translation reserves in shareholders' equity

Impact on the Company's consolidated reserves

Control and mitigation of risk

For all activities, the Company ensures that revenues, operating expenses, and financial expenses are for the most part expressed in the same currency in order to minimise the currency risk.

For services activities, cash flows generated in each of the currencies are not subjected to any particular type of hedging.

For electricity sales activities mainly exposed to the Brazilian real, net cash flows are dependent on this currency. The Company considers that it is exposed to a short-term currency risk but, given the reverse effects of exchange and inflation rates, this is hedged over the long term (in this regard, see Note 14 of the Company's consolidated financial statements for the financial year ended on 31 December 2019 appearing in Section 6.2 of the Universal Registration Document).

Risk related to the difficulty of accessing financing

Identification and description of the risk	Potential impact on the Company
The Company's growth model consists of developing power plant projects for electricity production, which are financed by successive capital increases, by project financing (bridge loans and long-term debt) and by "corporate" debts and, progressively, by some of the cash flows generated by the power plants in operation and service activities. To successfully complete its projects and to maintain them over the long term, the Company must find the necessary financing. The Company may have to reinforce its equity once again over the coming years to ensure the share of additional capital for debt financing. Although no particular difficulties are anticipated at this stage, the Company cannot exclude the possibility that the economic environment will make it more difficult to raise financing.	Delay in the execution of service contracts Need to obtain financing at less favourable rates and reduction in the margin on these Company contracts. Suspending or even terminating the long-term development of future power plants
Control and mitigation of risk	

The Company regularly analyses its need for financing to support its development plan and more specifically analyses the construction sites to be launched in view of the financing.

The Company carried out a specific review of its liquidity risk and considers that it is in a position to meet its future maturities during the next 12 months. The Company thus considers that the debts raised and/or that it expects to raise make it possible to finance the projects underway in Brazil and France. These funds, plus the debt raised and that the Company plans to raise, also permit the financing of additional developments: construction of new power plants, launches in new countries, development of the services business.

Financing rate risk

Identification and description of the risk	Potential impact on the Company
Within the context of its activities, the Company is exposed to financing interest rate risk mainly through project financing and the financing of its day-to-day operations. The financing of current activities is done at a variable rate based on monetary indices. In addition, in the financing of its projects, Voltalia makes use of significant leverage enabling it to limit its equity contribution, which typically ranges from 10% to 45% of total financing. Project financing implemented by the Company therefore involves significant use of debt at operating company level. Total long-term debt, being most commonly subject to	Delay in the execution of service contracts Having to obtain financing at less favourable rates and reducing the margin on these contracts. Suspending or even terminating the long-term development of future power plants

variable interest rates, stood at €620,257,000 at 31/12/2019.

Please refer to Note 14.8 of the Company's consolidated financial statements for the year ended 31 December 2019 in Section 6.2 of the Universal Registration Document for the detailed interest rate risk analysis.

Control and mitigation of risk

In order to protect itself from this risk, the Company has implemented a policy of hedging interest rate risks by encouraging the use of fixed-rate financing or, when rates are variable, of interest-rate swaps to hedge against adverse fluctuations in interest rates, or by signing electricity sales contracts indexed to rates fluctuating in the same way.

Risks related to off-balance sheet commitments

Identification and description of the risk	Potential impact on the Company
The commitments undertaken by the Company are mainly guarantees of payment granted to suppliers in respect of supply contracts concluded by the Company's subsidiaries. At 31 December 2019, this amount stood at €92,693,000. Commitments to clients consist mainly of guarantees granted by the Company in which it acts as joint guarantor for the proper performance of contractual commitments made by the Company or its subsidiaries on contracts relating to studies, design, development, construction, operation and maintenance. At 31 December 2019, commitments to the Company's customers amounted to €241,232,000. Lastly, debts contracted by the Company in the framework of project financing are guaranteed as collateral (mortgages, pledges on equipment, pledges of securities and receivables, and reserve accounts) for their repayment which at end-2019 stood at €565,257. The furthest maturity of these debts is in 2043. Please refer to Note 17 of the Company's consolidated financial statements for the year ended 31 December 2019 in Section 6.2 of the Universal Registration Document for the detailed interest rate risk analysis.	Loss of financial guarantees Having to honour several guarantees provided simultaneously Negative financial performance Liquidity risk and refinancing

Control and mitigation of risk

The guarantees provided are generally granted for the duration of the contract in question, with a ceiling amount and are subject to regular monitoring.

The amount of pledges to banking institutions corresponds to the remaining capital due at 31 December 2019 for debts on projects in operation or in construction (i.e. €511,020,000)

2.6 Risks related to the Company's activities

Customer risks	
Identification and description of the risk	Potential impact on the Company
Within the framework of their electricity production activities, the Company's subsidiaries generally sell the electricity they produce to major incumbent producers and/or distributors or to public authorities. More recently, Voltalia has also developed an offer to sell electricity directly to companies, in the form of Corporate Private Purchase Agreements. With respect to Services activities such as construction, operation-maintenance and the supply of equipment, the Company is hired by different types of customers: other independent producers, large utility companies, infrastructure funds, etc.	Non-payment Termination of development, construction or maintenance contracts Decreased revenues
Although most of its clients are well-established incumbent producers and distributors, no guarantee can be given that the Company's clients will comply with their contractual obligations or that they will not be the subject of recovery or liquidation proceedings, or even the inability of a partner (customer, supplier, subcontractor) to comply with the applicable regulatory requirements as well as Voltalia's Ethical and Compliance standards. As at 31 December 2019, trade receivables amounted to €47,973,000.	Non-recovery of payments Reputational risk Legal impact
Control and mitigation of risk	
In its electricity sales and services activities, the Company opts for a strategy of diversification of its counterparties, to reduce the individual impact of each customer and to ensure that none, taken individually, represents a significant portion of revenues. In the event of the failure or a long-established distributor in Brazil or any other country where it produces electricity at a competitive price, the Company always has the option of selling its production or other counterparties, in an open market. In Services activities, no individual customer represents a significant portion of revenues and the Company does not consider itself to be dependent on any one of them. However, the Company favours back-to-back contracts, or requires payment guarantees for the most important contracts. Voltalia applies ethical, anti-fraud and anti-corruption criteria in their selection processes, due diligence investigations and random compliance audits. Finally, Voltalia has a crisis monitoring and management system in the event of a known controversy.	

Suppliers and partners risks

Identification and description of the risk

Potential impact on the Company

The Company uses various suppliers or contractors for the construction and maintenance of its electricity power plants. This requires the delivery and assembly of a large amount of technical equipment, some of which is very specific, such as solar panels, and turbines. This equipment may represent a between 30% to 80%, depending on the technology, of the investment required for the construction of a power plant.

Contracts are negotiated and secured with suppliers upstream of the construction phase. However, a partner's failure to supply this critical equipment would result in delays and would affect the Company's financial and operational performance, in so far as the production of the plant in question would be delayed.

Please note that, in the particular case of thermal power plants (biomass and diesel power plants), no assurance can be given for the continued and sufficient availability of raw material supplies (wood and other organic products and diesel, respectively).

The Company is exposed to any price increase or delay by main suppliers to meet their commitments or any failure to meet their obligations or any situation where it is not possible to order the components and equipment required for the construction or maintenance of power plants or the non-compliance of such components and equipment.

Voltalia therefore cannot guarantee the availability of equipment, or that the suppliers will not encounter future difficulties in meeting the Company's demand or will not give preferential treatment to other market players, including the Company's direct competitors.

Supplier risk is also understood as the inability of a partner (customer, supplier, subcontractor) to comply with the applicable regulatory requirements as well as Voltalia's ethical and compliance standards.

Unavailability of equipment or raw materials

Delay in delivery times and the project schedule

Increase in the price of equipment or raw materials

Decrease in the project's economic profitability

Difficulty in achieving targets in terms of income or installed capacity

Control and mitigation of risk

For each project, Voltalia organises calls for tenders involving most of the leading suppliers and reviews the offers received from them with the utmost attention using qualitative and quantitative criteria.

Voltalia applies ethical, anti-fraud and anti-corruption criteria in their selection processes, due diligence investigations and random compliance audits. Finally, Voltalia has a crisis monitoring and management system in the event of a known controversy.

Please note that in the past the Company faced difficulties with certain suppliers, especially following the bankruptcy of the turbine supplier Servion, but was able to find solutions to mitigate the defaults of these third parties. These defaults significantly delayed the schedule for commissioning the relevant projects.

Risks related to the activity of project development

Identification and description of the risk	Potential impact on the Company
The development business incorporates some uncertainty as to the viability of the projects developed, whether developed for the Company or on behalf of a client. Indeed, the time needed to develop a power plant project is between two and eight years, to carry out the initial prospecting, impact studies, interactions with the various public authorities and industrial commissioning of the power plants. The Company may incur significant expenses with respect to these elements prior to the commencement of construction and/or the industrial commissioning of the plants. For accounting purposes, these expenses are recognised under intangible assets and are submitted to an impairment test at least once a year. In 2019, impairment stood at €250,000. For further details regarding the recognition of this expense, see Note 11 to the Company's consolidated financial statements for the financial year ended 31 December 2019, appearing in Section 6.2 of the Universal Registration Document. The success of the development phase relies on meeting a number of conditions. If the latter are not met, the viability of the project and therefore its capacity to generate future revenues are threatened. Among these critical conditions are: 1. Visibility on land access: the Company cannot guarantee that the constraints on installation will not be strengthened and/or it will be able to find available sites needed to develop its electricity power plants; 2. Connection capacity: the Company cannot guarantee that it will always be possible to implement connection solutions; 3. Visibility on obtaining operating authorisations and planning permits: the Company cannot guarantee that planning permits and operating authorisations will be obtained for the sites that are currently under	Volatile revenues Significant spending commitments Refusal of authorisations and permits for construction and operations Feasibility studies for unfavourable projects Scarcity of essential quality resources (such as land) Regulatory limits on candidate sites

development;

4. Project profitability: profitability being assured by a long-term commitment, the Company cannot guarantee that development work will actually result in a long-term purchase contract.

The Company develops certain projects with the intent of selling them. It cannot guarantee that these developed projects will be sold under satisfactory terms and conditions.

Control and mitigation of risk

In order to limit the risks associated with development activities, the Company regularly assesses the probability of project completion, and those that no longer meet the activation criteria or that are abandoned are subject to full impairment.

In addition, the Company uses a project management process that allows it to avoid committing to significant investments that are not transparent and to halt any project during the upstream phase of the development that no longer fully meets the profitability or risk criteria considered by the Company to be acceptable.

Risks related to the electricity sales business

Identification and description of the risk	Potential impact on the Company
74% of Company revenue generated in 2019 comes from electricity sales.	
In addition to risks related to the non-renewal or the retention of the authorisations required for operations (in this regard, see the section Risks related to regulatory changes or changes in electricity sales prices), other risks exist due to certain contractual clauses concerning production volumes. For example, the Company commits to generating a specific volume of electricity, but can no longer honour that commitment due to changes in weather conditions in the region where the power plant is located, or due to equipment failure.	Penalties due to lack of production Termination of electricity sales contracts Payment of compensation
At times, the Company makes commitments regarding the delivery of a certain volume of electricity and may therefore have to offset insufficient production with electricity purchased on the open market, without any guarantee that these purchases will take place under satisfactory terms and conditions.	
Although the Company deploys all its resources to	

meet its best effort undertakings, it cannot guarantee that it will comply with the obligations incumbent upon it in all cases and that consequently the contracts in question will not be terminated.

Control and mitigation of risk

The Company tries, wherever possible, to transfer risk related to non-compliance with undertakings due to the failure of equipment to its equipment suppliers. Furthermore, the creation of budgets makes it possible, to some extent, to mitigate the impact of penalties arising due to weather fluctuations (in this regard, see the section Risks related to fluctuations in weather conditions).

Risks related to the construction business

Identification and description of the risk	Potential impact on the Company
The construction of projects covers an average period of 12 to 24 months and is conditional upon obtaining operating authorisations and planning permits. These construction activity could be subject to more or less significant delays. The construction business primarily exposes the Company to regulatory risks (see the section Risks related to regulatory changes). As a result of its construction business, the Company is exposed to risks of a regulatory nature (see the Section on Risks relating to regulatory changes), as well as risks arising from uncertainties linked to land geology, the weather during the construction phase, the isolated nature of some sites and the complexity of the equipment and components used. In addition, any malfunctioning of the plants constructed by the Company could entail additional costs in order to review the design and operation of these plants and reduce or even monopolise the technical and financial resources necessary for the development of other Company projects. Moreover, the Company could see its contractual, or even criminal, liability invoked for damage sustained by its clients as a result of manufacturing or operating defects, even if - in the case of equipment – product liability could be transferred to the manufacturers.	Volatile revenues Delay or even definitive cessation of construction Administrative appeals initiated by third parties Construction delays and overruns Problems linked to the power grid (obtaining adequate grid connections within the expected time periods and costs) Operational interruptions Construction defects Supplier default Loss of financial guarantees given to customers
Control and mitigation of risk	

The Company's policy is to insure itself, to the extent possible, against extra-contractual risks during the construction phase of power plants. The level of insurance is negotiated on a case by case basis according to the specific characteristics of each project.

Furthermore, the committee responsible for monitoring projects under construction uses specific risk mapping for each contract and these are reviewed, analysed and mitigated at each progress meeting

or at key dates in the construction process, in particular using performance indicators and adequate reporting to draft acceleration/emergency plans in the event that the risk occurs.

At the end of each project, the "feedback" database is updated to share the lessons learned and to ensure the implementation of best practices within Voltalia.

Risks related to the operation-maintenance business

Identification and description of the risk	Potential impact on the Company
This business (revenues of €19,102 thousand in 2019) is carried out with a multitude of customers, some of whom have fewer financial resources than traditional electricity sales customers (large producers and/or historical electricity distributors or public authorities), and thus exposes the Company to greater risks in relation to counterparties, including the risk of non-recovery of guarantees, of non-payment or of non-compliance by certain customers with their commitments (in this regard, see the section Client risks in the Universal Registration Document).	Volatility of revenues Delays and additional construction costs Operational interruptions Supplier default Loss of financial guarantees given to customers
The Company must also address the potential risk of rarity of exchange parts or even vandalism (theft of cables, panels, etc.) on power plants in operation.	

Control and mitigation of risk

The Company has a 24/7 control centre for power plants in operation and carefully manages its stock of the most fragile and essential spare parts required to ensure the proper functioning of the power plants.

Risks related to the preparation of the financial and non-financial information

Identification and description of the risk	Potential impact on the Company
The Company prepares the consolidated financial information based on the statutory financial statements of each of its subsidiaries. Due to the Company's rapid growth and the number of its subsidiaries, the preparation of financial information is becoming increasingly complex. Despite the ongoing deployment of its new ERP in Europe, the constant arrival of new people within the finance teams and the new ERPs inherited from recent acquisitions have increased the risks of processing errors when applying IFRS accounting procedures to complex transactions, particularly internal sales or disposals of assets. The Company cannot guarantee the absence of errors, involuntary or otherwise, in the financial information it provides to its shareholders and the market.	Delay in the publication of the Company's financial statements. Errors in the consolidated financial statements. Criminal and/or civil liability of the Company and its corporate officers to investors.

Control and mitigation of risk

In order to carry out its work, the Company has installed HFM consolidation software coupled with a PBCS reporting software package. It also launched new ERPs in 2019 across the main countries in which it operates that were standardised to the extent possible.

The Company also continues to strengthen its financial teams and its procedures for accurate and reliable financial reporting within regulatory deadlines.

The Company remains vigilant as to the soundness of the process for preparing financial information process and the information system implemented.

Risks related to Human Resources (Non-financial)

Identification and description of the risk	Potential impact on the Company
The rapid growth (45% increase in workforce in 2019) and diversification of Voltalia's activities require many skills to support this development, and it is up to Voltalia to unite employees around its business plan. The Company's inability to keep the best employees and retain its teams would result in a loss of skills and expertise that could affect its performance.	Loss of expertise and key skills
In addition, the risk of not being able to attract talent relates both to adapting skills to new businesses and on the volume and availability of people with the skills required by the Company. The Company could face problems attracting the best talent in the event of the unavailability of such resources on the market, or even due to a work environment or conditions that are less attractive than its competitors, or due to the fact that the Company is not known to the university world.	Loss of motivation and performance High number of departures Inability to attract new talent

Control and mitigation of risk

The Company has started to identify key posts and developed procedures and programmes to improve the sharing of knowledge. The good governance of the Company and the availability for all employees of procedures on Voltalia's intranet also helps to reduce this risk.

In addition, each year Voltalia increases its appeal to existing and potential employees by developing training and internal mobility programmes, which associate employees with the Company's performance but also by participating in a number of events aimed at students.

Health/Safety risk (Non-financial)

Identification and description of the risk	Potential impact on the Company
The operation and maintenance of electricity production	Damage to the health and safety of

infrastructures exposes Voltalia, in particular, to health and safety-related risks. Events may prove to be damaging to the health and safety of Voltalia employees or those of its service providers across all its sites and, in particular, in at-risk countries or regions. Given the strong growth in Voltalia's business, the health and safety risk primarily corresponds to the increase in accidents due to the increasing volume of construction and operating sites as well as the risk of technical accidents (falling blades, falling ice, for example).

Voltalia employees or those of its service providers.

Increase in on-site accidents
Delay in the performance of contracts, possibly with additional costs.

Control and mitigation of risk

The high level of internalisation of the Company's activities has led the health and safety teams as well as the Human Resources department to increase their vigilance with regards to the security of our employees. The measures put in place in 2019 aim to reduce the exposure of the teams to risks associated with being in a non-OECD country or even road accident risks.

To bring everyone together and raise the teams' awareness of this risk, the Company included this criterion in the variable compensation for all of its employees.

Risks linked to IT systems

Identification and description of the risk

Potential impact on the Company

The Company's business increasingly relies on information systems. The Company sets up surveillance systems at the plants, particularly for its operation-maintenance business, which permit the remote monitoring of the proper operation of the installations.

A fault, system breakdown or threat to the data belonging to Voltalia, its partners or employees could have harmful consequences on the continuation and proper operations of Voltalia's activities (delays and/or overruns).

The Company's increased visibility, due in particular to its growth, could make it a target for competitors or even state organisations. We have also noticed that an increasing number of calls for tenders or contracts include stronger commitments linked to the security of our customers' data which need to be taken into account.

Malfunction in the power plant surveillance system.

Loss/theft of data.

Cyber attacks.

Attempted fraud.

Business interruption

In addition, in its day-to-day activities, the Company has to manage personal data, whether of its customers, subcontractors or its own employees. The regulations concerning this type of data underwent a major change in May 2018 with the entry into force of the General Regulations of the European Union on Data Protection. Several initiatives have been conducted internally to comply

with these new regulations, but it cannot be guaranteed that these initiatives are sufficient, which could ultimately lead to financial penalties and/or harm the image of the Company

Control and mitigation of risk

The Company has a security policy which is consistent with the GDPR obligations and integrate the security of the IT system at our production sites. Specific actions for this risk linked to our production activity are also included in our audits and security action plans. This policy is supported by regular awareness training for the Company's employees on IT risks, including in particular the problem of external fraud.

Simultaneously, a number of actions will be taken to better protect the Company's data: migration of our messaging and document archiving system to Cloud environments that are ISO 27001 environments, deployment of a unique and centralised authentication solution (SSO), gradual implementation of intrusion detection systems at our main sites, drafting of a data backup and restoration policy, deployment of common anti-virus and notebook encryption solutions at Company level.

Risks related to disputes and litigations

Identification and description of the risk	Potential impact on the Company
Company subsidiaries are liable to become involved in a certain number of judicial, administrative or arbitration proceedings in the ordinary course of their business	Various legal proceedings
At December 31, 2019, the Company recorded €4,425 thousand of provisions for litigation and disputes in its financial statements (see section 2.6 of the Universal Registration Document below).	Cancellation of construction or operating permits
By way of example, planning permits issued to the Company for wind farms in France are regularly contested in the courts. Such litigation may result in cancellation of the licence and, in some cases, in the decommissioning of the facilities, although no such sanction has actually ever been imposed on the Company.	Decommissioning of power plants
	Customer disputes
	Disputes with suppliers or contractors
Similarly, because of its power plant development activity, the Company may be party to proceedings involving the manufacturers of technical components for the plants. Moreover, delayed identification or poor monitoring of disputes can lead to additional costs and have an impact on the Company's profitability.	Failure to comply with deadlines to which the Company has committed.

Control and mitigation of risk

The Company has set up regular monitoring, under the control of the legal department, of all ongoing litigation and pre-litigation, in order to prevent difficulties as soon as possible.

2.7 Main legal proceedings

At the date of the Universal Registration Document, there are no government, legal or arbitration proceedings, including any proceedings of which the Company is aware, that are pending or threatening the Company and that are likely to have, or have already had in the past twelve months, a significant impact on the Company's financial position or profitability, with the exception of a customer litigation case as well as a supplier litigation case regarding constructions contracts:

- Voltalia began arbitration proceedings against a customer at the International Chamber of Commerce for unpaid invoices under a contract to build a solar power plant in Tanzania. An arbitration award was made in December in favour of Voltalia. The arbitration award approval procedure was initiated in Tanzania. However, the customer did obtain a judgement against Voltalia in a local tribunal and in contradiction with the ICC. Hearings are continuing and Voltalia remains ready to defend its interests in this case.

As part of one its wind construction projects, Voltalia has had to deal with a failure on the part of its supplier Servion, which has entered liquidation proceedings. This has had meant that the project has been frozen. Although Voltalia has declared its debt with the administrator, the probability of recovering this debt is low. In addition, Voltalia has had to negotiate with the direct subcontractors of Servion who have not been paid by the latter. Voltalia has decided to completely reconsider the project, in particular, with a new supplier, thus ensuring that the financial performance of this future power station is maintained.

2.8 Risk management and internal control procedures

Definition and objectives of internal control for risk management

Internal control is a system that applies to the Company, its fully-consolidated subsidiaries and some of its subsidiaries consolidated under the equity method. The objectives are to provide reasonable assurance in relation to the following objectives:

- Compliance with the laws and regulations applicable to the Company's subsidiaries and establishments;
- The effective implementation of the strategic guidelines, directives, internal policies, procedures and best practices established by the Company's general management ;
- Safeguarding of the Company's assets;
- The reliability and accuracy of the published financial information and financial statements provided to the corporate bodies;
- The prevention and control of identified risks arising out of the Company's activity; and
- The optimisation of operational activities.

The internal control system incorporates the management of the risks that could threaten the objectives set by the Company's general management and approved by its Board of Directors, namely:

- Having, by 2020 1 GW of capacity in operation;
- Strengthening its multi-energy and multi-country asset portfolio;
- Confirming its status as an international operator and energy producer that is integrated and independent by strengthening the different areas of expertise of its value chain;
- Maintaining sustained growth through its development capabilities and expertise;
- Uniting employees across the Company around a shared perception of the principal risks and raising employee awareness of the risks inherent to their activities.

Organisation of internal control

For the preparation of this section, the Company has drawn on the application guide issued by the AMF on 22 July 2010 covering the reference framework for risk management and internal control within small and midcap companies, as well as the principles of the COSO, the international 2010 reference benchmark for internal control.

The Internal Control department director currently reports to the Administration and Finance Division, itself reporting to executive management. He is the intermediary between operational personnel and general management regarding the implementation of the Company's policies and procedures, and on reporting on the proper monitoring of the system and key indicators regarding the components of the control of risks incurred. He has direct access to the Chairman of the Audit Committee

Employees involved in control

The internal control system relies on a certain number of identified individuals but remains the concern of all Company employees: raising the awareness of all staff with respect to the values of Valtalia is therefore the first step in the internal control system. This vertical transmission of values is achieved both through seminars (Executive Committee seminars, annual team seminars, etc.) and regular team meetings and through regular communication of news relating to the Company and its strategy. This enables all employees, whatever their position, to ensure at all times that their actions are consistent with the Company's values and strategy.

The internal control system involves:

- The Board of Directors and Special Committees of the Board of Directors;
- The CEO and the Executive Committee;
- The Administration and Finance Division and each of the functional divisions in its area of expertise.

The Board of Directors and the Special Committees of the Board of Directors

The Board of Directors approves the strategic direction proposed by the Chief Executive Officer and periodically verifies, on the basis of the work of its Special Committees, the strategy implemented by the CEO. It also verifies that the implementation of the strategy complies with the levels of risk and profitability that it has deemed to be acceptable in collaboration with management. The Board of Directors regularly monitors the **T1** Company's operating performance, financial position and project progress.

The Board of Directors, through the Audit Committee, also plays an important role in the monitoring of the risk management system. The Audit Committee annually reviews the risk mapping process and the effectiveness of internal control systems.

The Chief Executive Officer

The CEO implements the strategy approved by the Board of Directors and, in this context, is responsible for the proper functioning of the internal control and risk management system, which is progressively implemented in line with the objectives set by the Board of Directors. Over the short-term, the CEO ensures operational performance, monitors the attainment of objectives and prescribes any necessary corrective actions, verifying implementation within the framework of the action plans. Over the longer term, the Chief Executive Officer also plays a key role in guiding the Company's strategy.

The Executive Committee

The Executive Committee meets every two weeks in order to monitor key events in the Company's day-to-day operations. Thanks to the Company's new IT tools, it also constitutes an entity for analysis, reflection and exchange on cross-departmental subjects with a view to establishing action plans for deployment at divisional level.

The Executive Committee also meets four or five times a year over several days for in-depth discussions on the implementation of the Company's strategy.

Administration and Finance Division

The Administration and Finance Division, which includes regional financial managers and controllers by business, accounting services, treasury management, consolidation & reporting, and internal control, is

notably responsible for producing financial and accounting information and for guaranteeing the reliability, accuracy and faithfulness of said information. In order to take account of legal, tax and financial developments or developments in the context of specific operations, the Administration and Finance Division uses the services of external consulting firms.

The Administration and Finance Division is also responsible for the production of reports shared periodically with the Executive Committee and the Board of Directors and forming the basis of the analysis and ongoing monitoring of activities.

Finally, the Administration and Finance Division plays a decisive role in the implementation of the various procedures linked to its work via the internal control department. Created during 2016, this department's purpose is to strengthen the Company's control activities and to ensure the proper monitoring of actions taken.

Other functional divisions

The other functional divisions are all involved in the implementation of the internal control system. As a result of their day-to-day activities, the following divisions are most closely involved in the internal control process:

- The Operations & Maintenance Division and the Construction Division:
 - By ensuring on a daily basis that the value of the Company's assets is preserved and that people and property remain safe. These two divisions also periodically verify the environmental compliance of operations and the implementation of compliance action plans;
- The Legal Division:
 - By providing support for the operational activities of Energy Sales and Services in the management of contracts and other legal matters, notably in disputes of any nature;
 - By managing, in coordination with the Finance and Financing Division, the general secretariat activities of the legal entities and by providing it support for corporate projects (mergers and acquisitions, opening/closing of legal entities);
 - By ensuring the implementation and monitoring of the Company's corporate governance (delegations, powers, etc.);
- The Human Resources Division:
 - By defining the HR strategy, in terms of recruitment, training, career management, compensation, etc. in accordance with the strategy defined for the Company as a whole, while complying with legal, regulatory and statutory provisions;
- The IT Division
 - By ensuring that the Company's information systems provide a level of security that guarantees the integrity, confidentiality and preservation of data, including access to said data.
- The General Secretariat ensures that the Company complies with the regulatory obligations of a listed company and builds regulatory communication.

2.9 Insurance

The Company establishes insurance policies in each of the countries where it operates. The policies cover the civil liability of its corporate officers including its subsidiaries. For each of the companies it comprises, the Company has taken out civil liability insurance and more specific policies depending on the business

of the company concerned (primarily: insurance of the premises, damaged property and operating losses insurance, car insurance, company travel insurance, etc.).

For companies involved in power plant projects, the Company identifies the specific risks associated with the technology (wind farm, photovoltaic power plant, biomass power plant, or other), and the local conditions (regions with difficult climate conditions) or countries of installation (special regulatory context).

For the construction business, the company that owns the project subscribes to a comprehensive work-site insurance policy or is covered by such a policy subscribed to by the builder. This policy covers material damage during the construction period of the power plant up to handover. Where banks finance construction by way of project financing, a component specific to operating losses is often included in the policy. This component is generally required by the financial institutions involved in the project. Ce volet est généralement demandé par les établissements financiers intervenant dans le projet; in particular, it covers any operating losses that may be covered in the event of delays in works to complete plants arising from the occurrence of an accident.

The company that owns the project also subscribes a Civil Liability policy for property owners, when it is not covered by the Group policy.

As soon as the power plant is commissioned, the company owning the project takes out a general liability policy if it is not covered by the Group policy. It also takes out a policy that typically covers machinery breakdowns, fire and related risks, natural disasters and, in most cases, operating losses. The Company generally also holds contractual guarantees provided by the manufacturers of components and technical equipment of its electricity power plants, covering damage that occurs in the event of the malfunction of such components and equipment (during the warranty period).

However, the Company cannot guarantee that these policies are or will be sufficient to cover the losses that would result from an accident. The financial position and the results of the Company could be significantly impacted if it suffered a serious accident that is not insured, insufficiently insured, subject to a high deductible or exceeding the guarantee ceilings instituted or if there were to be a delay in the payment of the insurance compensation.

3. STATEMENT OF NON-FINANCIAL PERFORMANCE

3.1 Introduction

3.1.1 Highlights of financial year 2019

In 2019, Voltalia continued to develop and structure its commitments in terms of social and environmental responsibility. The adoption of its CSR policy and the mapping of the Company's stakeholders have thus laid the foundation for the roadmap to Voltalia's sustainable development.

Voltalia, a fast-growing company, has significantly extended its international presence, developed its teams and broadened its range of services to combat climate change. By aligning its sustainable development policy with its growth trajectory, the Company seeks to ensure consistency with its values and its mission. Members of the Executive Committee and the Chief Executive Officer therefore guarantee the commitments taken in respect of the four pillars of the Company's sustainable development initiative:

- People first;
- Environmental protection;
- Uncompromising ethics;
- Trust-based long term relationships.

2019 also saw the environmental monitoring of activities in Voltalia's four main countries of operation (France, Brazil, Portugal and Greece). This initiative underlines Voltalia's determination to control its environmental impacts in order to pursue its activities without harming habitats and the climate. This is complemented by the non-financial risk mapping undertaken jointly by the Company's sustainable development and internal control teams.

Lastly, 2019 was also the year in which Voltalia was recognised as a responsible company by the non-financial rating agencies Ethifinance and Sustainalytics (see section on Non-financial ratings below).

Voltalia's sustainable development initiative, which is inherent to its activities and is illustrated by its mission to improve the global environment and promote local development, creates value while giving it a medium and long term structural competitive advantage. As a source of innovation and risk control, sustainable development is also a motivating factor for employees contributing to attracting and retaining the best talents. This is reflected in the membership rate of 69.5% among employees eligible for the Employee Savings Scheme.

3.1.2 Our corporate social responsibility approach

Incorporating ESG⁵ aspects in the business model

Corporate social responsibility is central to Voltalia's mission, "improve the global environment, foster local development". It underscores the importance that all of Voltalia's employees place on their positive impact on the environment. Access to clean, reliable and inexpensive energy is one of the key responses to the major challenges in the future decades; access to competitive renewable electricity not only helps reduce greenhouse gas emissions, it also ensures access to indispensable services such as education and healthcare in the most remote regions.

Voltalia focuses on establishing itself locally and sustainably where it has power plants in order to provide the most suitable solutions for every region. Accordingly, our commitment to local populations guarantees mutual and lasting trust in our relationships, which in turn guarantees the long-term value

⁵ Environment, Social, Governance

created by our projects. The alignment over time of the interests of all stakeholders, including local populations, regulators and public authorities, is a key success factor that enables Voltalia to optimise recruitment and retain its teams.



Figure 1: Voltalia's business model

Voltalia's sustainable development policy, adopted in 2019, reflects the Company's values and its mission. For the last 15 years, Voltalia's teams have constantly demonstrated their ability to reconcile competitiveness with adherence to these commitments; thanks to their convictions and their mobilisation, Voltalia has significantly extended its international presence, developed its activities and broadened its range of services to combat climate change. The Company has thus aligned its sustainable development policy on its growth trajectory. It therefore undertakes to be beyond reproach in terms of health and safety as well as business ethics. Moreover, Voltalia works to meet IFC's (International Finance Corporation) Performance Standards on Environmental and Social Sustainability.

Through its activities, Voltalia contributes actively to the following three Sustainable Development Goals⁶ (SDG):

- **Affordable clean energy:** in 2019, Voltalia produced 2.1 TWh of renewable energy;
- **Industry, innovation and infrastructure:** the Company implements five technologies (solar, wind, hydraulic, biomass and storage);
- **Measures to fight against climate change:** the Company's green electricity production prevents the emission of CO2 eq.



⁶ In 2015, the United Nations established seventeen goals to be achieved as part of the 2030 Agenda. These goals are designed to meet global challenges relating to "poverty, inequality, climate, degradation of the environment, prosperity, peace and justice".

Structure

Directly reporting to Corporate functions, the sustainable development team works cross-functionally with all of Voltalia's teams. A dedicated team leads and coordinates Voltalia's various teams in order to make sure that the company's environmental and social commitments align with its stakeholders' expectations. The Health & Safety, Compliance as well as Human Resources and Communication teams are closely involved in the implementation of the Company's sustainable development programmes designed in line with the operating objectives of the Company. The approach guarantees the alignment between the Company's activities and the values shared by its employees.

Non-financial performance and indicators

The transposition of Directive 2014/95/EU, known as the "CSR directive," which entered into force in 2018, stipulates a new framework for disclosing non-financial information: the Statement on Non-Financial Performance (DPEF). Its approach is based on the materiality of non-financial issues.

As part of the annual update of the risk mapping and following changes in the French regulatory framework⁷, in 2017 Voltalia undertook to identify the main non-financial risks to which the Company is exposed. The five main risks listed below are described in detail in Chapter 2 of the Universal Registration Document.

Non-financial risks identified by Voltalia:

Risk	Key performance indicator	URD 2019	2018 Performance	2019 Performance
Risk of breach of business ethics	1. Percentage of employees trained in the ethics and compliance measures	2.4	24.5%	70.3%
Risks related to fluctuations in weather conditions and the environment	2. Tonnes of CO2 equivalent avoided thanks to Voltalia's production	2.4	981 kilotons	1,162 kilotons
	3. % of sites with 14001 certification			64%
Risks related to Human Resources	5. Percentage of employees who received at least one training during the year	2.6	90%	100%
	6. Attrition rate of permanent employees		16.4%	15.7%
Health and safety risk	7. Accident frequency rate (FR)		FR: 4.64	FR: 3.831
	8. Accident severity rate (SR)	2.6	SR: 0.09	SR: 0.084
	9. Percentage of employee training focused on health and safety		13.5%	11.7%
Reputational risk and risk of non-acceptability of controversial projects	10. Dialogue with and involvement of the related stakeholders	2.4	-	-

⁷ French Law no. 2016-1691 of 9 December 2016 on transparency, fighting corruption and modernising economic life, and French Law no. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and principals.

Non-financial ratings

In 2019, Voltalia's non-financial performance was recognised by two rating agencies having a complementary approach:

- For the second year in a row Voltalia was included in the Gaïa index, the Sustainable Development reference index for French listed small and mid-cap companies developed by the non-financial rating agency, Ethifinance. The rating is based on a set of more than 130 non-financial criteria (societal, social, environmental and governance related) which enable assessment of the transparency and maturity level of companies with regards to their CSR and sustainability policies, practices and performances. Founded in 2009, the Gaïa-Index has outperformed the CAC 40 and CAC Mid & Small indexes each year over the period 2009-2019. Voltalia's progression on the overall ranking in 2019 (50/230 in 2019 vs 80/230 in 2018) underlines the fulfilment of the Company's commitments on topics such as health and safety, business ethics and the fight against climate change. Voltalia ranks 10/70 among the companies with revenue between EUR 150 million and EUR 500 million and outperforms the average performance of companies in the "conventional and renewable energies" category.
- Voltalia's management of ESG⁸ risks was also assessed by Sustainalytics in June, one of the world leaders in non-financial research and analysis. A summary of the assessment report, available on Voltalia's website, highlights that its proper management of ESG risks significantly reduces its exposure to the risk of controversy and to any financial impact caused by the occurrence of one of these risks. Voltalia's score confirms that the actions implemented address the "material" issues required by its financial and regulatory stakeholders.

	2018	2019
 SUSTAINALYTICS	NA	19.2/100
	70/100	75/100

⁸ Environment, Social, Governance

3.2 Improving the global environment

Preservation of the environment is a key priority for Voltalia and its mission is to “improve the global environment, foster local development”. Voltalia's employees are not only concerned with reducing greenhouse gas emissions and combating climate change, they also seek to minimise the impact the Company's activities have on the local environment.

This section does not include the contributions of Helexia, acquired in July 2019.

3.2.1 Incorporation of environmental considerations

Environmental management of projects

Issues

“Environmental risks” refer to the one-off or sustained degradation of the environment on which Voltalia's business is based. These risks may include loss of raw materials resources needed to conduct the Company's business (water, inert materials, fuels, etc.), the deterioration in the quality of materials, and pollution. The main causes identified for the occurrence of these risks are the emission of greenhouse gases into the atmosphere, the emission of toxic and/or dangerous substances, the generation and mismanagement of waste, or the overexploitation of some resources. Proper management of these risks is essential in order to prevent any risk of a break in the value chains but also any reputational risk likely to harm the Company, its performance and its ability to achieve its objectives.

As part of its business, Voltalia mainly faces issues related to the availability of natural resources, land use and protection of biodiversity. Environmental studies are carried out to ensure that impact reduction measures are identified at the very early stages of development and are implemented at each plant. The development teams take particular care in their choice of land and the carbon footprint of the projects. The Company has the technical expertise and multi-energy experience to optimise the areas used and existing installations, as it does in Kourou (French Guiana) and Oiapoque (Brazil) where the plants in operation combine several sources of renewable energy.

Starting from the development phase, environmental management plan costs are included into the budgets and the business model of each project. In France, “ICPE” (facilities classified for environmental protection) regulation requires the provision of financial guarantees of €50 thousand per wind plant. For certain solar plants of Voltalia, financial guarantees are also provided outside the ICPE regulatory framework. At the date of the Registration Document, and notably following implementation of ICPE regulations for wind farms, the rehabilitation and dismantling costs for wind and solar sites are covered by provision in the financial statements as at 31/12/2019 in the amount of €1,621 thousand. This provision is included in the overall cost of planned projects. It should be noted, however, that in view of the known factors and the work undertaken by Voltalia, the latter estimates that the refurbishment and dismantling costs of solar farms currently in operation could be completely covered by the proceeds from the sale of the equipment.

ICPE facilities

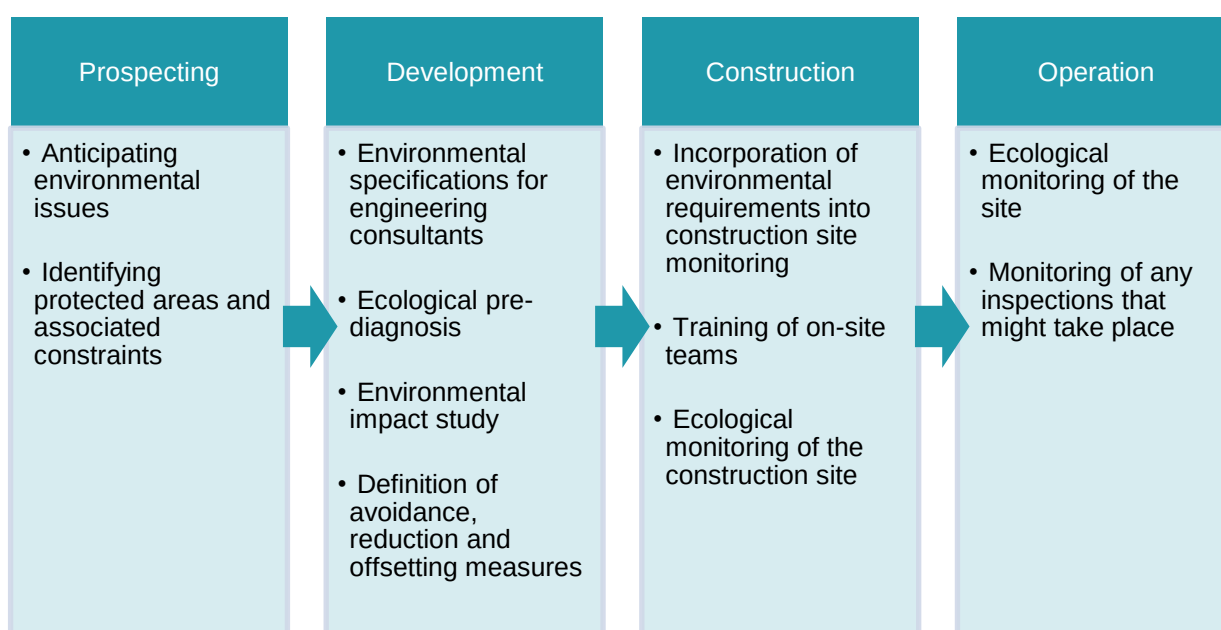
Facilities classified for the protection of the environment (ICPE in French) are industrial or agricultural operations that can give rise to risks or cause pollutions or nuisances, particularly for the health and safety of local residents. These facilities are subject to French and European environmental regulations. In France, these sites are under the authority of the Prefect. The inspectorate for classified facilities carries out environmental policing duties at industrial or agricultural establishments. The objective is to prevent and reduce the dangers and nuisances that may be caused by these facilities, in order to protect the community, the environment, and public health.

At 31 December 2019, Voltalia had 6 ICPE facilities in France:

- 3V DEVELOPPEMENT SARL at Voltalia (authorisation)
- La Faye Energies (authorisation)
- Adriers Energies (authorisation)
- France Europe Voltalia (authorisation)
- Echauffour Energies (authorisation)
- S.AS Parc éolien de Sarry (authorisation)

The Environment department includes employees who are part of the local development teams and are responsible for overseeing environmental issues (impact studies, compliance). At 31 December 2019, there were three people in Brazil and one person in France who were tasked with monitoring the environmental impact of Voltalia's projects. In the new countries, specialised engineering and design departments assist the international development teams.

The development, construction and operation teams, which are coordinated by environmental managers, are directly connected to the environmental management of the power plants:



- In prospecting projects, Voltalia's staff use internal tools to select land that is least exposed to environmental risks and least likely to be negatively affected by the project. In France, calls for tenders by the Energy Regulation Commission (ERC) apply a bonus to participants that reuse land, as Voltalia was able to do for its winning projects.
- During the development phase, the teams call on the design and engineering departments to perform environmental impact studies. These departments are generally located in the project's host region and are required to comply with the specifications drawn up by Voltalia. Following the local laws, they perform an environmental analysis and issue a report that includes measures to implement in order to limit the project's environmental impact. They also determine environmental management and monitoring measures for the entire duration of the project. Thus, the plans to monitor the protection of biodiversity and/or protected species and to engage in dialogue are formulated upstream at this stage. Whenever possible, Voltalia also includes environmental considerations in the plant design and the protocol applied at the Company's construction sites includes environmental measures.
- During the construction phase, the Health and Safety staff is responsible for monitoring the environmental impact of the construction site. As Voltalia uses subcontractors for some construction operations, such as civil engineering, electrical engineering and wind turbine assembly, these teams ensure that the Company's standards are followed by its service providers.
- Once the project is commissioned, the Environment teams take over the project monitoring for the entire operation phase. In 2019, five of Voltalia's facilities were inspected by local authorities in France and Brazil. The Company has not received any warnings or fines.

These provisions are also in place for the plants developed for and/or sold to the Company's customers. Voltalia offers to monitor these items for its customers.

Protection of biodiversity

Voltalia's activities operate over long cycles and directly impact the natural environment. In order to protect natural environments, starting from the project design phase, Voltalia strictly applies regulatory procedures and/or procedures recommended by the applicable international standards that require biodiversity protection. Specific studies on the natural environment are therefore conducted as part of the project validation process, including:

- plant and wildlife studies;
- bird studies;
- bat studies;
- reptile and amphibian studies;
- insect studies.

Thanks to these upstream studies, Voltalia applies the principles of the "avoid, reduce, compensate" ("ERC" in French) approach. Actions implemented to prevent and reduce the impacts on the natural environment and measures to offset residual effects are analysed and implemented in partnership with the main stakeholders, notably in terms of the project, site, species and ecosystems concerned. Biodiversity protection measures decided upon within the framework of the ERC doctrine are implemented during the construction and operational phases of Voltalia projects. They can take several forms, including:

- prohibiting the movement of construction vehicles within certain protected areas;
- demarcation and physical protection for certain sensitive species;
- periods of prohibition on construction works in order to respect nesting and/or reproductive periods;
- replanting hedgerows to create ecological corridors;
- installing permeable fences for species with low dispersal capabilities;

- creation of fallow land to provide suitable areas in which the species can hunt;
- scientific monitoring of habitats or protected species.

The biodiversity protection measures are regularly monitored by the competent authorities.

- For example, at the Savane des Pères site in French Guiana, construction teams have been trained and made aware of the species of reptiles that might be found at that site. A consulting firm made a presentation on the different species of snakes, their potential for harm, and practical advice on how to fend them off.
- In France, the protocol put in place at the Molinons site with the collaboration of the French League for the Protection of Birds (Ligue de Protection des Oiseaux - LPO) has been effective since the number of grey cranes observed in the Molinons region confirms the good state of migrations when the weather is fine. These observations have supported the studies of people's behaviours towards the wind farm and led to a better approach to this issue for the development of wind power in the region. The overall positive conclusions have led to a renewal of this study for 2020 in order to consolidate the data, and consider other partnerships with the LPO in Yonne.
- The conclusions of the 2019 study were shared during collaborative meetings with France Energie Eolienne (FEE), the French wind energy association, and the Regional Departments for the Environment, Development and Housing (Directions Régionales de l'Environnement, de l'Aménagement et du Logement - DREAL) a partner of choice for proper local development.
- Moreover, an extensive ecological monitoring of the construction sites of Echauffour and Talagard, among others, was carried out thanks to the presence and guidance of an ecologist during the works. This enabled the welcomed involvement of government departments, reinforcing the seriousness and confidence for future discussions and projects.

PEFC Certification for wood supplies to Voltalia's biomass power plants

Since 1 December 2019, wood supplies to the Kourou biomass power plant in French Guiana is PEFC (Programme for the Endorsement of Forest Certification) certified. This PEFC label certifies that the forest owner who cultivated the wood and the operator who harvested and transported this wood have implemented the PEFC sustainable forest management practices, and the companies that thereafter processed and sold this wood have applied the PEFC traceability rules.

This label provides assurance to consumers that the power supplied by the plant is responsibly produced from renewable resources that take into account the environmental, social and economic aspects of sustainable forest management.

Preventing pollution

Waste management

Voltalia's business does not generate significant amounts of hazardous waste. Nonetheless, the Company is concerned with properly managing waste across its sites that are under construction and in operation, and in 2018 it implemented procedures that systematise waste management.

Noise pollution

The noise pollution generated by Voltalia's activities are mainly caused by construction activities. Noise from the wind farms is the second source of nuisance that local residents mention. To ensure the proper integration of its plants into their local environment, Voltalia pays special attention to any noise caused by its activities in all regions where it is located.

In France, Voltalia complies with the various regulations (such as planning restrictions and ICPE regulations) combating noise pollution and pollution of any type that may disrupt the lives of local residents and local populations. The applicable regulations mainly concern wind farms. Such farms must notably be located at a minimum distance from homes, in addition to meeting a variety of noise standards. Consequently, starting from the design phase of its wind farms, Voltalia now defines protection areas and undertakes acoustic studies to determine the measures to be put in place in order to minimise noise pollution, as was the case for the Molinons wind farm (France). During the commissioning of its new wind farms, the Company also carries out compliance measurements that it submits to the public authorities. In addition, for its wind farms in service before the entry into force of the new regulations, Voltalia had taken measures ahead of the new ICPE NFS 31-114 standards. The noise level measurements then taken confirmed that the Company's wind farms already complied with the new acoustic limits, including neighbourhood noise, in addition to the existing ICPE standards.

In Brazil, Voltalia takes a similar approach to that used in France. Wind farms are located in low-population areas and are installed at a minimum distance of 500 metres from houses in line with best practices. Preliminary studies carried out by Voltalia for the construction of its wind farms in Brazil include a protection perimeter and acoustic measurements conducted before and after construction to verify the absence of any significant impact.

Atmospheric emissions

The main sources of atmospheric emissions are from the consumption of fuels for engines used at the plants' construction sites and for the operation of the Oiapoque hybrid site in Brazil. The combustion of wood waste required for the operation of the Kourou biomass power plants in French Guiana is also a source of emissions.

Total emissions into the air, water and soil are monitored by Voltalia technicians in charge of operating the plants and by the competent authorities. This monitoring helps to anticipate risks and to implement all necessary measures to avoid or minimise accidental pollution during maintenance operations.

With installed thermal power of less than 10 MW, Voltalia's biomass power plant in Kourou (French Guiana), is not subject to the obligation to carry out annual analyses of atmospheric emissions imposed by French law. In-depth inspections and reviews are performed at the request of DREAL. In 2019, the appropriate authorities did not carry out any inspection tests. However, Voltalia has fitted sensors to its biomass plant to constantly monitor combustion and emissions in order to optimise production. To limit the pollution emitted from the plant, the water used is treated in a hydrocarbon separator before being routed to the local waste water system. The ash produced is stored on site and then removed by an external service provider to be re-used in farming.

Environmental monitoring initiative

In 2019, Voltalia continued and strengthened its environmental monitoring initiative with the introduction of a quarterly monitoring of the following indicators:

- raw materials consumption (water, electricity, fuels);
- waste production and recovery; and
- greenhouse gas emissions from business travel.

This initiative involved the offices based in France (including French Guiana), Brazil, Portugal and Greece, i.e. 75% of employees and plants in operation in Metropolitan France, French Guiana and Brazil, i.e. 89.5% of Voltalia's installed capacity. Construction sites in Brazil, France and French Guiana have also been taken into account. The collection and analysis of these data enabled Voltalia to assess its effectiveness and environmental footprint in order to define its action plan aimed to reduce this footprint and optimise its consumption of natural resources and raw materials. In 2020, this approach will be extended to other countries where Voltalia has operations.

Certifications

Lastly, Voltalia is gradually extending the scope of its certified activities.

In 2019, follow-up audits of the ISO 9001 and 14 001 certifications in Portugal and Greece were successfully completed. In these two countries, audits of the transition from OHSAS 18001 to ISO 45 001 on health and safety were conducted.

In Italy, a follow-up audit of the ISO 9001 certification was conducted covering operation & maintenance, development and ETD.

The France activity obtained the ISO 9001 certification for the EPC scope.

Portugal	Metropolitan France	Greece	Italy
ISO 9001	ISO 9001	ISO 9001	ISO 9001
ISO 14001		ISO 14001	
ISO 45001		ISO 45001	

At 31 December 2019, 64% of sites operated on its own behalf and on behalf of third parties were ISO 14 001 certified. Certified sites represent 53% of sites operated on its own behalf and 67% of sites operated on behalf of third parties.

Environmental impact of the Company

Voltalia is committed to minimising its use of plastic on all its sites, including offices. In addition to education campaigns led by the HSE and sustainability teams, many actions were instituted. For instance, on the construction sites, water fountains have been installed to replace individual water bottles, and subcontractors participate directly in reducing plastic use.

Example of integrated environmental management in the construction phase: the Taconnaz plant

The Taconnaz plant, commissioned in November 2019, includes a water intake structure located on the stream bed at an altitude of 1,471 metres (thus avoiding the creation of a dam), an underground penstock 1,700 metres long supplying water to the plant, a half-buried plant to limit its vulnerability and lastly, an underground electric line feeding power to the local electricity network.

This run-of-river structure has been designed to completely blend into the landscape: the water intake is integrated into the stream and the entire mechanism of the grit chamber as well as the penstock are invisible. The site boundaries and development have been determined to include a protected orchid species and replanting the banks.

Lastly, several measures aimed at reducing the construction site's environmental footprint have been put in place: the teams' cigarette butts were collected then sent to a specialised factory to make street furniture, water fountains have been installed at the sites and flasks have been distributed to employees by Voltalia's subcontractors in order to reduce single-use plastic at the site.



Creating cohesion of the teams around the Company's mission is one of Voltalia's major concerns. A number of initiatives were thus conducted in 2019 in order to further sensitise employees about sustainable development, on-site and at the office.

During sustainable development week, events were organised by the Human Resources and Sustainable Development teams in order to disseminate the sustainable initiatives put in place in all locations as well as games aimed at reinforcing the "climate culture" of all employees. On that occasion, an eco-responsible event charter was also drawn up and disseminated to everybody so as to ensure that the initiative launched in 2018 at the inauguration at the PAGAP plant is systematically adopted. The Voltalia teams in France and Egypt organised clean-up operations at public or natural spaces on the occasion of the *World CleanUp Day* in September 2019. In French Guiana, the local team got together to clean a natural reserve in November, and the teams in Brazil regularly participate in beach clean-ups in the region of Rio. At the initiative of the teams, these events and these moments bring employees together around the Company's values and its mission, thus illustrating the commitment of everybody in all regions.

During the *Connection Days*, the annual seminar which brings together the teams directly under members of the Executive Committee, this charter was strictly applied. Thus, to avoid the use of plastics, the organisers provided only glass water bottles to participants. Voltalia also provided hygiene kits consisting of toothpaste, solid shampoo and soap, all wrapped in paper. Digital tools have been promoted in order to reduce the use of paper and Voltalia organised for the teams to travel by coach in order to avoid excessive use of individual cars.

In order to better integrate the circular economy into all activities of Voltalia, there is systematic waste sorting and recovery by an external service provider in countries where such infrastructures are available, such as in Paris, Aix-en-Provence, Oliveira and Porto.

3.2.2 Our responsible use of resources and the environment

Because of its strong environmental protection commitment, Voltalia adopts the most environmentally-friendly practices possible in the course of its activities. Its employees use their resourcefulness to find the best solutions to minimise and optimise their use of natural resources on site. The Company is therefore committed not only to complying with applicable environmental regulations, but also to use the technical expertise of its employees to improve its impact reduction systems. This environmentally-friendly approach also creates value by enabling Voltalia to make the best possible use of available resources and to locally limit its environmental impact.

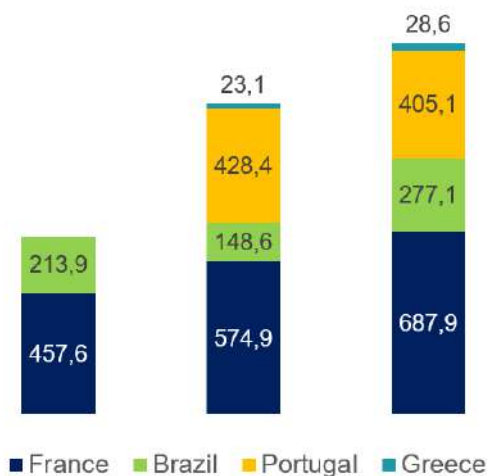
Raw materials consumption

Electricity consumption

Voltalia uses electricity produced by its own plants to operate monitoring facilities. This approach sharply reduces its dependence on other electricity suppliers and the related costs.

The Company uses electricity from the national grid when the plants are on shutdown (for maintenance, for example) or to meet the needs of its construction sites. This approach sharply reduces its electricity consumption and the related costs. The volume of electricity consumption varies based on Voltalia's construction activities. Every construction site requires electricity to operate the machines and for the infrastructure used by the staff, and the supply depends on local conditions: access to the grid, generators, solar panels, etc.

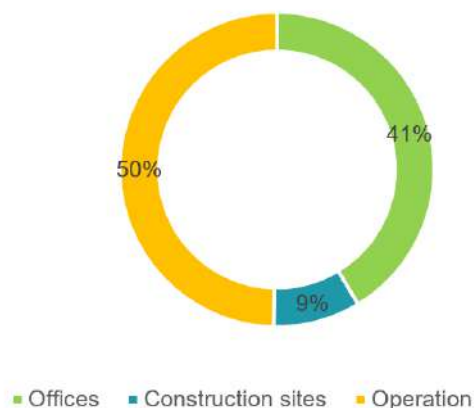
Geographic distribution of Voltalia's electricity consumption in MWh (2017-2019)



In 2019, the scope of reporting extended to offices in Porto. The construction sites in Brazil and France have also been taken into account. Change in the reporting scope, increase in the Company's activities.

Voltalia's electricity consumption in 2019 represented 1,399 MWh.

Distribution of Voltalia's cumulative electricity consumption in MWh (2017-2019)



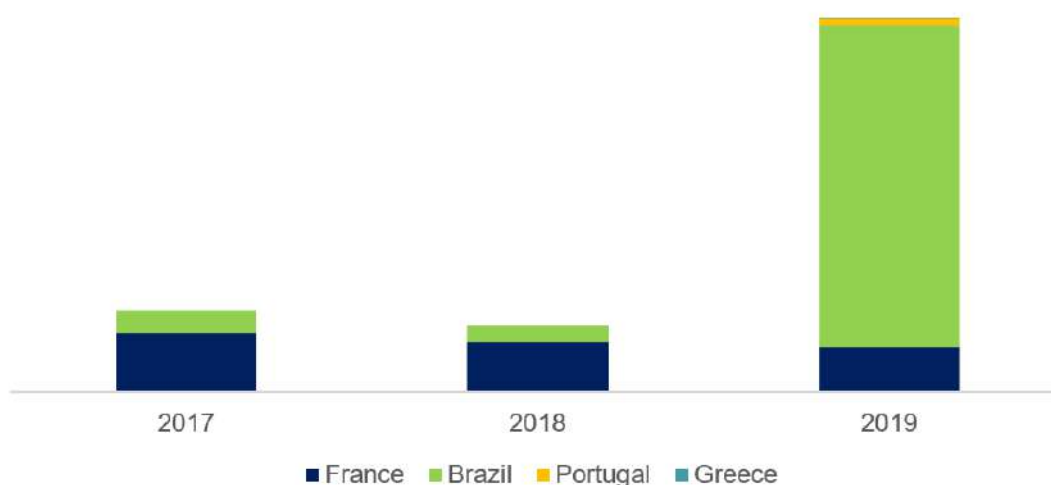
Whenever possible, Voltalia teams use renewable energy to minimise their consumption of conventional energy. For example, the relocation of the Aix-en-Provence offices was an opportunity for Voltalia to sign a renewable energy supply contract for the new offices. This measure will be extended to the Paris offices from January 2020.

Moreover, in Brazil, certain Voltalia plants self-supply.

Water consumption

In 2019, Voltalia's water consumption represented 33,585 m³. This figure relates to water consumption at Voltalia's plants in operation and at sites under construction in France (including French Guiana) and Brazil, as well as offices in France (including French Guiana), Brazil, Greece and Portugal.

The sharp increase in water consumption in Brazil is due to the fact that in 2018, water consumption covered all Brazilian wind farms in operation with relatively low water consumption. In 2019, the VSM construction site in Brazil was included in the environmental reporting leading to a substantial increase in water consumption. Water consumption at construction sites represented 79% of water consumption.

Change in Voltalia's water consumption in m³ (2017-2019)

Fuel consumption

Diesel consumption at the Oiapoque hybrid site represents almost 90% of Voltalia's fuel consumption.

Fuel consumption at Voltalia's construction sites in France (including French Guiana) and Brazil represent 10%.

Business travel by Voltalia's fleet of vehicles represents 1% of fuel consumption.

Table 1: Voltalia's fuel consumption in litres

Country	2019
France (including French Guiana)	110,963.8
Brazil	12,110,478.3
<i>Brazil (Oiapoque only)</i>	<i>10,777,530.0</i>
Greece	9,621.8
Portugal	47,793.6
TOTAL	12,278,857.5

Wood consumption

Wood consumption only covers the biomass power plant in Kourou. Wood waste is the main raw material used. It consists of off cuts, splinters or logs to be milled, wood chips and sawdust. In 2019, Voltalia recovered 29,388 tonnes of wood waste to operate its biomass power plant in French Guiana. In addition to the ongoing control of plant hydrometry and combustion, the annual maintenance operations are also an opportunity to further improve plant processes in order to optimise and manage wood waste consumption.

Waste production and recovery

In 2019, Voltalia's waste production amounted to 251 tonnes, of which 189 tonnes was recycled.

Land use

Voltalia pays special attention to the selected land. To optimise land use and minimise its footprint, it strives to select equipment that will offer good surface yield, and it seeks to identify supporting structures that will help limit the surface used for a plant project.

In Metropolitan France, Voltalia promotes, wherever possible, the reuse of some old quarries and factories and integrates as much use as possible of the natural landscape and existing infrastructure. When conducting studies for the installation of solar panels, the Company ensures that land use is kept to the absolute minimum. As such, in 2018, Voltalia France's development teams entered into a partnership with the Laboratory of Innovative Land and Territorial Initiatives (LIFTI) to participate in land rehabilitation, especially abandoned land in France. LIFTI's goal is to support the implementation of a resource centre for the rehabilitation of abandoned land by helping public and private players reinforce their expertise on the issue. Voltalia belongs to several working groups, including the group on biodiversity.

Voltalia also contributes to the development of innovative solutions promoting mixed land use. The Company develops virtuous models of operational synergies between optimised agricultural production and photovoltaic production by sharing the use of the same area of land: this is called agrivoltaics. In February 2018, Voltalia was selected following the first Innovation call for tenders for an agrivoltaic project in the Saint-Etienne-du-Grès commune in the Bouches-du-Rhône (France) for a 3MW project at a vegetable farm specialising in lettuce over an area of 4.5 hectares. Other projects at vineyards and tree farms are under development.

In Brazil, any infrastructure for the production of wind, solar or small-scale hydraulic energy must meet two requirements: the first is the legal requirement to preserve untouched land (between 30% and 90% of the land depending on the States and the owners), and the second is the requirement to maintain a certain distance between the site and Permanent Protection Areas (APP). In compliance with local Brazilian requirements, Voltalia also ensures that a minimum amount of land is cleared and it replants vegetation in the local ecosystem to compensate for the areas cleared for site construction purposes only. In the event that the land is cleared permanently, the Company replants in another area in order to offset the clearing of vegetation on the project site.

Voltalia develops "AgriSOL" solutions for conventional ground solar plant projects in order to introduce agriculture in natural areas (reopening of the environment) or to include the existing agricultural dimension of the parcels of land. Thus, whenever possible, Voltalia offers to develop the forage area through agricultural practices at the plants' sites. Grazing agreements have been signed with local farmers to maintain the sites while respecting the soil and biodiversity, in Portugal, the United Kingdom and France. Furthermore, beehives have been set up at the Castellet II solar park in France to combat the collapse of the bee population in the country. In total, 67 MW of solar power plants covering 132 hectares are covered by these maintenance and beekeeping solutions.

3.2.3 Climate change

Climate impact and GHG emissions

Exposure to weather issues

Voltalia's activities are likely to be affected strongly by the potential physical effects of climate change: scarcity or disappearance of the natural resources necessary for its activities, damage to electricity production infrastructure due to extreme weather events. Climate change is also likely to lead to changes to regulations governing the use of available resources or conflicting uses. These effects are generally unpredictable and could have an adverse effect on the Company's financial performance, operating results, cash flows or installations.

In order to reduce its exposure to climate risks, Voltalia is continuing its geographic diversification strategy, but remains highly dependent on its wind electricity production in Brazil. A weather event in this region could have an adverse effect on the Company's financial performance. Establishing a technological watch, a market watch and the addition of insurance policies covering damage due to natural disasters help develop measures to anticipate the risks associated with the impacts of climate change. The environmental monitoring of Voltalia's activities was also introduced in 2018 with a view to reducing Voltalia's contribution to climate change through the management of emissions from its activities.

In 2019, Voltalia responded to the CDP's climate change questionnaire. The data provided relate to the operational scope of Voltalia's activities in Brazil, i.e. 68.5% of its owned installed capacity. The "C" score obtained for this first response highlights the knowledge and integration of weather issues into the Company's activities and in its risk management process. In this regard, the mapping of the Company's non-financial risks includes the physical risk of exposure to climate change and the risk of transition (regulatory and market developments brought about by energy transition). Moreover, the Environment is one of the key stakeholders selected by the Board of Directors in 2019; thus the impact of a decision submitted for a vote in the Board was discussed in the light of the expectations of Voltalia's key stakeholders, which include the fight against climate change and the reduction of greenhouse gas emissions (details provided in section 1.3.2).

Voltalia's renewable electricity production is part of the global effort to combat climate change, as it contributes to reaching the carbon neutrality targets set by the Paris Agreement in 2015⁹. Reducing the use of fossil fuels (coal, gas, oil) worldwide, renewable electricity generation plants avoid global greenhouse gas emissions, contributing to the goal of balancing anthropogenic emissions with carbon sink removals.

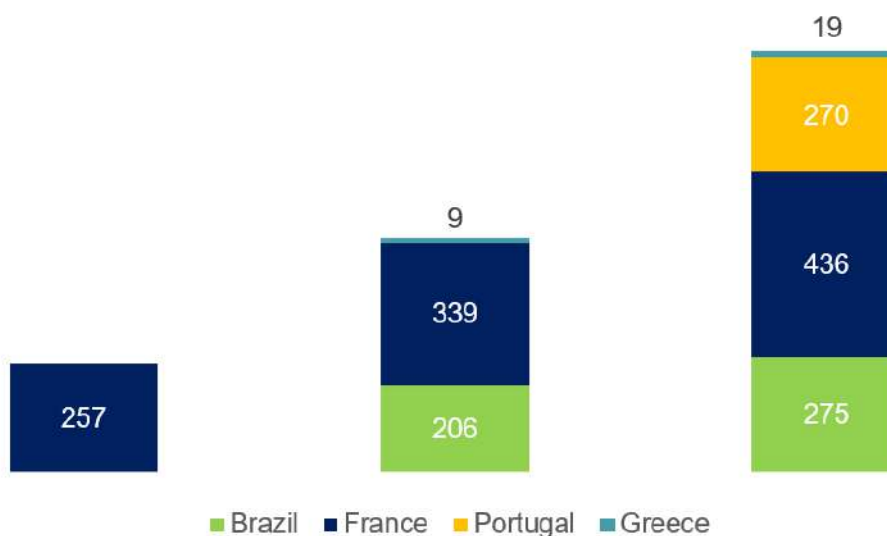
The operation of biomass and hybrid power plants combining combustible fossil fuel and renewable energy are likely to have an impact on the climate due to atmospheric emissions from the burning of the raw materials used (waste wood or diesel, for example). Only the biomass power plant of Kourou in French Guiana (1.7 MW) and the thermal unit of the Oiapoque hybrid plant (12 MW) in Brazil emit greenhouse gases as part of the electricity generation. To further reduce fossil fuel use at the Oiapoque site, the teams supplemented the hybrid installation with 4 MW of solar panels in 2017. This initiative will over time increase its clean electricity production, 90% compared to 85% from the initial facility, and is also of economic interest for Voltalia.

⁹ Carbon neutrality is understood as follows in Article 4.1 of the Paris Agreement adopted in December 2015: "a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of fairness, and in the context of sustainable development and efforts to eradicate poverty (...)".

As of 31 December 2019, these power plants respectively accounted for 0.3% and 2.4% of Voltalia's installed capacity.

Finally, because its teams are in different locations throughout the world, the highest carbon dioxide emissions are due to air travel. In 2019, Voltalia extended the scope of its emissions monitoring to Portugal. In total, CO₂ emissions from business travels represented the equivalent of 999.33 metric tonnes of CO₂ in 2019, an 80% increase compared with 2018. This increase is firstly due to the extension of the scope to Portugal, which represents a quarter of the workforce, and secondly, to the internationalisation of the Company's activities. A large number of air travels are undertaken by the teams based in Paris (construction and international development among others). On a like-for-like basis, emissions increased by 31.7%.

Change in CO₂ emissions from business travels 2017-2019 (tCO₂)



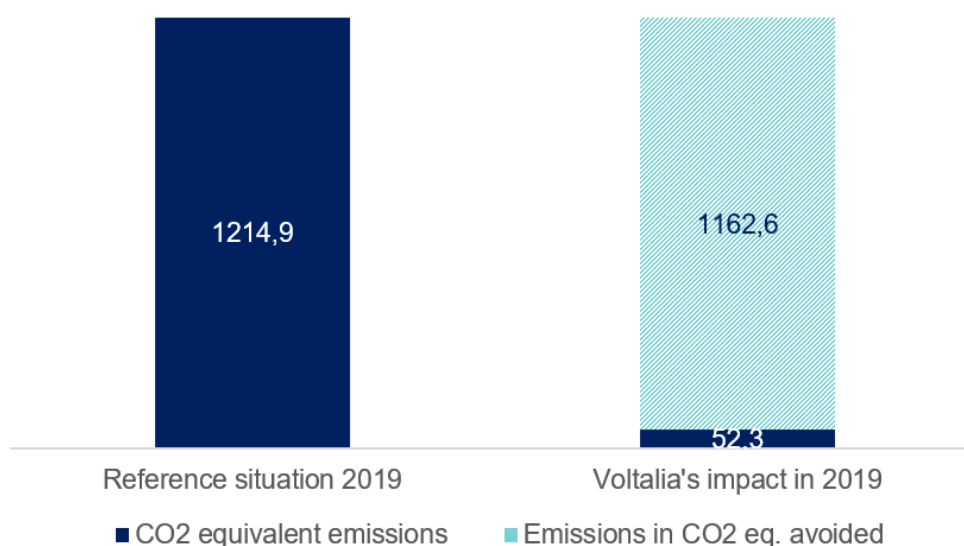
Voltalia's strategy is to gradually replace its existing fleet of vehicles by electric vehicles in all countries where it operates. In Portugal, 100% of its fleet of vehicles is electric and this strategy is ongoing for vehicles of the French office in Aix-en-Provence. New plants are equipped with charging points for the operation and maintenance teams (installation at the solar power plant of Râ Solar in Egypt and installation under way for the Cacao biomass power plant in French Guiana for example).

Avoided emissions

In 2019, Voltalia updated its methodology for calculating CO₂eq. avoided emissions. The update of the emission factors used for the baseline scenario and the emissions associated with renewable energies in the countries where the Company operates thus allows the teams to assess the direct impacts of the plant's portfolio.

In 2019, production from all of Voltalia's plants worldwide helped to avoid 1,162 kilotons of CO₂ eq, which corresponds to 96% of the carbon dioxide that would have been discharged into the atmosphere if the Company's installed capacity reflected the current energy mix in the countries where it operates. The 18% increase in avoided emissions compared with 2018 is due to:

- the increase in Voltalia's production in countries where the reference electricity mix has a significant carbon emission factor (Egypt, Portugal, Greece);
- the update of emission factors (of reference and by technology); and
- the growth of installed MW and of the associated production.

CO₂eq. avoided emissions by Voltalia in 2019 (ktCO₂)

3.3 Fostering local development

Wherever it is present, the Company commits to building sustainable relationships with its partners from civil society. To this end, Voltalia maintains regular dialogue with stakeholders, seeks to raise awareness about sustainable development and offers its support to various socio-economical initiatives.

This section does not include the contributions of Helexia, acquired in July 2019, unless otherwise mentioned.

3.3.1 Our approach

Forging long-term relationships with our main partners

Wherever Voltalia is present, the establishment of long-term relationships with stakeholders based on mutual trust is a priority. These stakeholders play an essential role at each stage of a project's design and development. Trust forged and maintained by the Company's local teams help foster acceptance of the projects and reduce Voltalia's exposure to operational risks. Group initiatives to establish a dialogue in each of the countries where it is developing power plant projects are designed to listen to and to understand the expectations of the parties involved in order to offer the most suitable solutions. This approach enables the project and its challenges to be better understood by all parties involved and requires significant work disseminating information from the initial development phases through to construction and operation. In 2017, Voltalia's Board of Directors incorporated into its rules of procedure the notion of acknowledging stakeholders in its missions. In 2018, an initial mapping of the Voltalia's stakeholders was completed and approved by the Executive Committee, and by the Board of Directors in February 2019.

A decision-making tool to assess the impact of the development of a project on local stakeholders concerned by the project, and stakeholders in the Company was developed and approved by the Board of Directors in October 2019.

Dialogue with local populations

As part of its activities, Voltalia places a lot of emphasis on consultation with local and national stakeholders including local residents, associations and local and national authorities.

In France, the dialogue with stakeholders is conducted by Voltalia's local teams, which are responsible for ensuring optimal communication with local residents and non-profits. Accordingly, information sessions are organised to enable local residents to ask any questions they may have regarding the project.

In 2019, the wind development teams in France continued their close dialogue initiative. In particular, Voltalia called upon eXplain, a research institute, in order to measure the degree of support of local communities to a wind power development project. This firm carried out a door-to-door information campaign in order to inform local stakeholders of the proposed development project and get their opinion and their degree of support to the project. This approach gave the development teams a better understanding of the stakeholders' concerns regarding the project, so as to address these concerns with the right approach.

Lastly, local residents can use dedicated websites to read the technical documentation, find out who the partners in the project are, view the schedule of meetings organised by Voltalia and directly contact the relevant teams to submit their proposals.

In Brazil, dialogue with the neighbouring populations has been supplemented by a complaint management system that logs any questions or complaints regarding a project and responds quickly. Lastly, in connection with the development of its projects in Africa, Voltalia has systematically conducted consultations with the local populations during the impact assessment phase in order to integrate their expectations and requirements (job creation, contribution to local initiatives, training, etc.) in the design and implementation of its projects.

Complaint management system for the Kopere plant

In connection with the construction project of the Kopere solar plant in Kenya, Voltalia is developing an innovative system for the management of complaints by SMS. This system, which is under development, will allow individuals wishing to submit a complaint to pre-fill a grievance questionnaire by sending an SMS free of charge to a dedicated telephone number. Once this questionnaire has been pre-filled, the teams responsible for community relations contact the person who has submitted the complaint in order to obtain specific information and propose a resolution if justified.

Ethics commitments: transparency as a prerequisite for and guarantee of trust

In order to ensure the proper implementation of its Ethics Code, Voltalia has implemented a package of measures relating to both (i) the fight against corruption and fraud and (ii) the protection of our employees and partners.

The Deputy Chief Executive Officer responsible for strategy and organisation has been designated as the ethics adviser and is responsible for the application of the charter. He is assisted by the Company's Legal and Compliance Director and the Compliance Manager. They report annually to the Audit Committee on progress made on the Company's Compliance Programme. The Compliance team consists of two other members and all legal experts of the legal team are compliance advisers who ensure that the Compliance programme is applied and followed across the Company.

The internal rules and procedures which result from this Ethics Code, in particular:

- The "Know Your Third Party Policy", which describes the procedure to follow to contract with a supplier, a partner or a customer; and
- The "Whistleblowing Procedure", which describes the procedure put in place in order to notify any breach of the Ethics Code and of the Code of Conduct.

In 2019, 70.3% of employees were trained on the Code of Conduct and the Ethics Code.

Anti-corruption training

The main objective of the anti-corruption training is to create awareness among employees about good behaviours and habits to acquire in difficult situations concerning in particular Voltalia's Ethics Guide and Code of Conduct (all legal provisions applicable in general); know the legal framework of the fight against corruption (Sapin 2 Act in particular); recognise and identify situations of corruption in order to avoid them.

3.3.2 Relationship with stakeholders

Our contribution to the local economic development

Tax measures

As part of its mission, the Company wants to promote local development. To this end, taxes and duties constitute a vector of development. This is why Voltalia adopts a professional and ethical attitude towards all taxes and duties. The Company thus complies with the regulations in force and pays its taxes and duties in the countries where it operates, while benefiting from the tax breaks and other favourable provisions put in place by the tax authorities when the conditions are met. In view of the diversity of the countries where it operates, and of the set of transactions giving rise to taxes and duties, Voltalia:

- establishes teams trained in the various countries, accompanied by tax experts, under the responsibility of the Finance Division;
- ensures that the methods of calculation are controlled, that they are correctly carried out, and that the declarations and payments are made within the established deadlines;
- uses external consultancy services which are reputable and sufficiently qualified when a transaction involves a new tax treatment, or when it is setting up operations in a new country;
- systematically analyses the tax options and tax breaks that could benefit the Company, in compliance with the legislation in force.

In 2019, Voltalia paid €36 million of taxes and duties in the main countries where the Company operates.

Our local initiatives

Corporate sponsorship

Voltalia has signed two sponsorship agreements to assist in the development of two associations: Cassiopée and Chrysalide. The first concerns socio-professional support with initiatives geared to mobility and support for sustainable employment. For the second, Voltalia contributed to the funding of Rurabus, a mobility support project for the communes of Val-de-Charente.

Creation of shared value: Tresques solar power plant and Taconnaz hydropower plant

The Tresques solar power plant is located in the department of Gard (France) on an old abandoned slag heap. The project was born from the desire of the Tresques commune to rehabilitate the slag heap and give it a new life. Parc Solaire de Tresques issued convertible bonds for a targeted amount of €350,000. This summer, the plant raised funds through crowd funding reserved for residents of Gard and six neighbouring departments for the partial financing of the construction and commissioning of the photovoltaic power plant. A total of 101 persons participated in this successful local crowd funding raising €350,000.

Taconnaz is Voltalia's first hydropower plant in Metropolitan France and shows its exemplary relationships with key stakeholders. In fact, the two communes where the project is located (Chamonix and Les Houches) invested in the project on the plant's commissioning date, for a term of 60 years. The two communes are today 33% shareholders of the company, equally divided between the two communes. This reflects the convergence between the interest of Voltalia and that of the local authorities, with the value created shared in the form of fees, local taxes as well as dividends. Furthermore, a local company in the valley has been sought as sub-contractor for the water intake and penstock component. Voltalia has also called upon French companies for the purchase of the turbine and the generator necessary for the construction of the plant

Educational project in French Guiana

In July 2019, a 25-meter long educational fresco made by school children of the borough of Cacao was inaugurated. For this project, Voltalia signed an agreement with the primary school (which holds an ecolabel for some ten years) and the lower secondary school of Cacao. An artist was tasked with assisting the children over several weeks to make the fresco hooked up to the construction site's fence. This place is accessible along the tourist route of Cacao.



An energy information point is set up next to it and two small windows have been created in the fence to make the site visible. The objective is to explain the construction site and biomass energy to children, and present the development of the construction site to local residents and explain to them that it is not necessary to clear land to supply a biomass power plant. The virtuous dimension of the supply has been adapted for teachers and school children to enable them to pass on the right messages around them. This initiative was accompanied by several classroom information sessions and Q&A workshops conducted by employees of Voltalia.

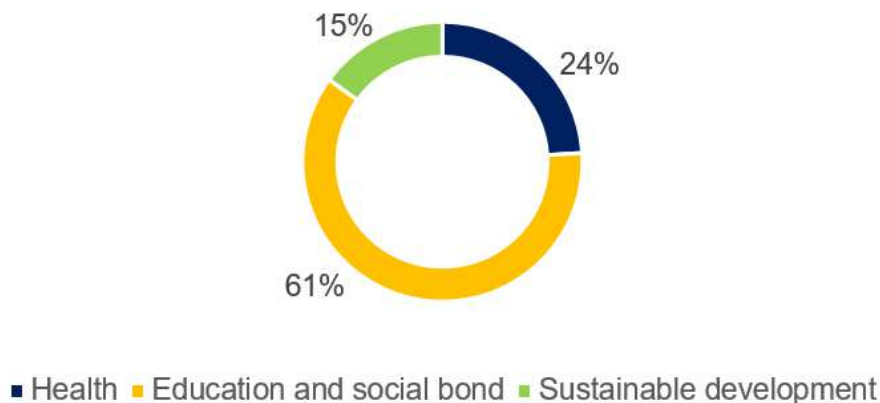
Collection for Restos du Cœur

In March 2019, the Voltalia Paris office organised its first collection of food and hygiene products for the Restos du Cœur association. Altogether, nearly 150 kilos were collected and Voltalia has decided to renew the initiative in 2020 by organising its second collection.

Our action in Brazil

In Brazil, Voltalia chose to establish a team dedicated to socio-economic projects to implement the local development initiatives required as part of the financing obtained from the Brazilian National Development Bank (BNDES). These socio-economic development initiatives help to establish long-term relationships based on mutual trust between Voltalia and the local communities near its installations. The themes address healthcare, education and sustainable development, in line with Voltalia's mission: "improve the global environment, foster local development." At 31 December 2019, Voltalia's socio-economic team managed a portfolio of 46 socio-economic projects that break down as follows:

Distribution of Voltalia's socio-economic projects in Brazil in 2019



For example, in Serra do Mel, São Miguel do Gostoso and Areia Branca in the State of Rio Grande do Norte, Voltalia contributed to the "Cinesolar" project for a total budget of 126,000 Brazilian reals. "Cinesolar" is a solar-powered mobile cinema which aims to bring cinema to places that lack the necessary infrastructures. A total of nine sessions were held and the films shown were based on the theme of environment. Cinema workshops were then organised to create short films on the theme of sustainable development.

"The Home for the Elders" is a group home that takes care of elderly people who are financially insecure and/or whose condition of dependence requires long-term care. Given that the infrastructure hosting the initial event was in an advanced state of disrepair, Voltalia participated in the renovation and extension of the house. This year, it donated the necessary furniture and equipment to improve living conditions in the house for a total budget of one million Brazilian reals.

In the State of Rio Grande do Norte, near to the São Miguel do Gostoso wind power complex and for the fourth consecutive year, the project called "Opération sourire" (Operation smile) improved the quality of life of patients suffering from cleft lips and/or palates (commonly called "cleft lip") in a region where treatment for this condition is not easily available. Thanks to Voltalia, over 220 operations were carried out. In 2019, 52 patients received surgery for a total of 77 surgical operations. The budget for this project is 1.5 million Brazilian reals.

Contribution to the development of renewable energy

Voltalia actively promotes renewable energy and is a member of several professional networks which promote a more responsible development of the sector.

This enables the Company to offer its expertise and feedback in order to work hand-in-hand with the various players in the sector to ensure the long-term development of renewable energy, in France and subsequently for export.

For instance, the Company is particularly active within the French “Federation for renewable energy” (SER), the “French photovoltaic solar professionals' grouping” (SOLER), the “Federation of solar energy professionals” (ENERPLAN), “France Wind Energy (FEE)” and “AMORCE”, the French network providing information, experience sharing and support for local authorities and other local players on regional Energy-Climate policies.

And on a much broader scale, Voltalia is a member of various working groups on subjects vital for getting a good visibility over trends and best practices with regard to the issues encountered, such as the LIFTI cluster (Laboratory of Innovative Land and Territorial Initiatives), and the GASBI group (Exchange group between scientists and planners on biodiversity and infrastructures), which also increase opportunities for meeting and improving projects.



Subcontracting and suppliers

As part of its construction activities, Voltalia frequently hires subcontractors for a variety of tasks: wind turbine assembly, civil engineering, electrical engineering, etc. Voltalia may also subcontract some occasional maintenance operations for its wind farms when the staff does not have the required expertise.

Incorporation of social and environmental issues in purchasing practices

Voltalia endeavours to conduct its business sustainably, ethically and responsibly. As such, the Company requires its subcontractors and suppliers to enforce Voltalia's commitments when they are providing their services. The pre-approval and approval process for subcontractors and suppliers includes an assessment of the partners' health, safety and environmental performance. Voltalia requires some suppliers to complete carbon assessments in addition to providing information on their innovation policy and on the performance of the technologies they use.

Importance of subcontracting and integration of social and environmental responsibility within supplier and subcontractor relationships

In 2015, the Company introduced standard rules for HSE procedures that must be complied with on all sites under construction and in operation. Compliance with these rules is an integral part of new contracts signed by the Company and its suppliers and subcontractors. Before providing its services, each subcontractor is trained on the health, safety and environmental issues that are specific to the concerned site.

In order to meet its very ambitious objectives in terms of HSE, the Company raises the usual level of requirements in the industry by asking each subcontractor to earmark one person fully dedicated to HSE onsite. This task is often entrusted to the Site Manager in addition to his "construction" responsibilities.

Through its position as an integrated player, the Company also ensures that impact studies conducted during the development phase (fauna, flora, etc.) and that the societal constraints according to the international standards of development banks (IFC) (employment of local labour, discussion with communities for example) are strictly carried out during the construction phase.

Voltalia's subcontractors, which are directly interested in the health and safety performance of the sites, are contractually bound to report hours worked and accidents to the Company. In addition, Voltalia's health and safety teams conduct regular scheduled and unscheduled audits to the site to check the

subcontractor's performance and the site's compliance. In the event of non-compliance with contractual obligations on health and safety, Voltalia may penalise the subcontractor by dismissing the relevant individuals from the site or even by terminating the contract in the event of widespread or repeated fault. The Company then also imposes financial penalties. These measures are applied at all of the Company's construction sites.

Subcontractors are also responsible for properly enforcing the environmental measures specific to each construction site and for collecting and tracking their own waste. Waste management clauses are therefore generally included in construction and maintenance contracts. Any failure to comply with this requirement exposes the contractor to being prohibited from the site and/or financial penalties.

3.4 Our staff, the source of our success

Spread around the world, Voltalia's teams commit to the Voltalia mission: "Improve the global environment, foster local development".

To achieve its ambitious growth targets by 2023, attracting, developing and retaining its talents is essential to Voltalia's success. Putting people first is therefore a major challenge and is one of the four pillars of Voltalia's CSR initiative. Human resource management is a key lever to support the Company's rapid growth and the development of its businesses. The Company makes every effort to protect the safety of its employees and offer them a work environment conducive to diversity, well-being and dialogue between management and employees. To promote the personal and professional development of individuals, Voltalia develops its training programme and encourages internal mobility.

The scale and speed of the Company's transformation requires support to be given to managers and employees. Accordingly, the Human Resources division set itself the following three priorities in 2019 on which the Company has made progress:

- Continue its commitment to promote skills development and sharing expertise in-house: see section on training
- Promote diversity internally and when hiring: share of women in the Company, international recruitment;
- Promote well-being at work and consultations: consultations were in fact held before and after relocation to the new offices.
- The priorities in terms of human resources for 2020 are as follows:
- Continue the commitment to promote skills development through an increase in "core competencies" training and continue to expand the range of in-house training for the sharing of knowledge;
- Support Voltalia's rapid growth through recruitment and the proper onboarding of new employees;
- Encourage diversity internally and when hiring;
- Develop talent retention: an exit interview was designed and implemented in 2019 in order to identify the reasons for departure from the Company and the measures to be taken.

This section includes the contributions of Helexia, acquired in July 2019, unless otherwise mentioned.

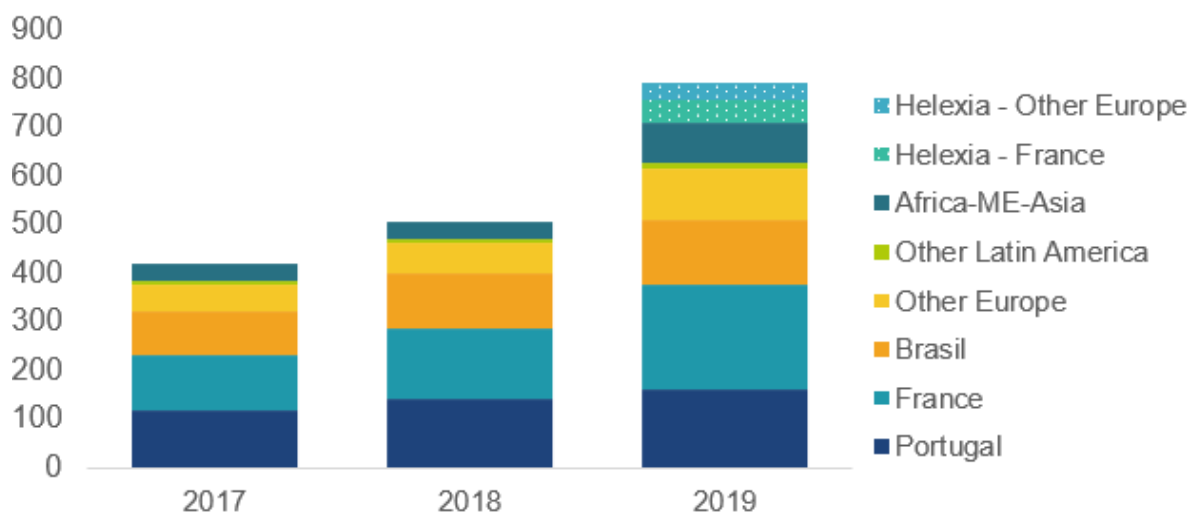
3.4.1 Committed teams

Our employees

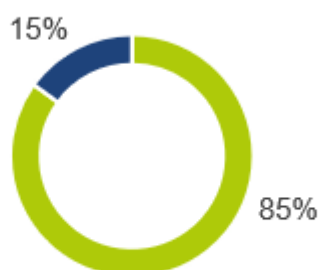
The workforce numbers stated in this section take into account the number of employees on permanent contracts (CDI) and those on fixed-term contracts (CDD) and temporary employees. They do not include employees on French Overseas Volunteering Secondments (Volontariat International en Entreprise - VIE), apprenticeships (CAP and professional training contracts) and interns.

With a presence in Portugal, France, Brazil, Italy and 17 other countries (see details regarding geographical regions in the note on methodology), Voltalia had 791 employees as of 31 December 2019. The 45% increase in the workforce since 31 December 2018 reflects the continuation of recruitment campaigns to support Voltalia's sharp business growth and the Company's transformation. It is also due to the arrival of 82 new employees following the acquisition of Helexia. Backed by its development in Africa, Middle-East and Asia, the share of the workforce from these regions sharply increased to reach 10.5% in 2019.

Evolution of the geographic distribution of Voltalia's workforce (2017-2019)



Distribution of average workforce by type of contract as of 31/12/2019

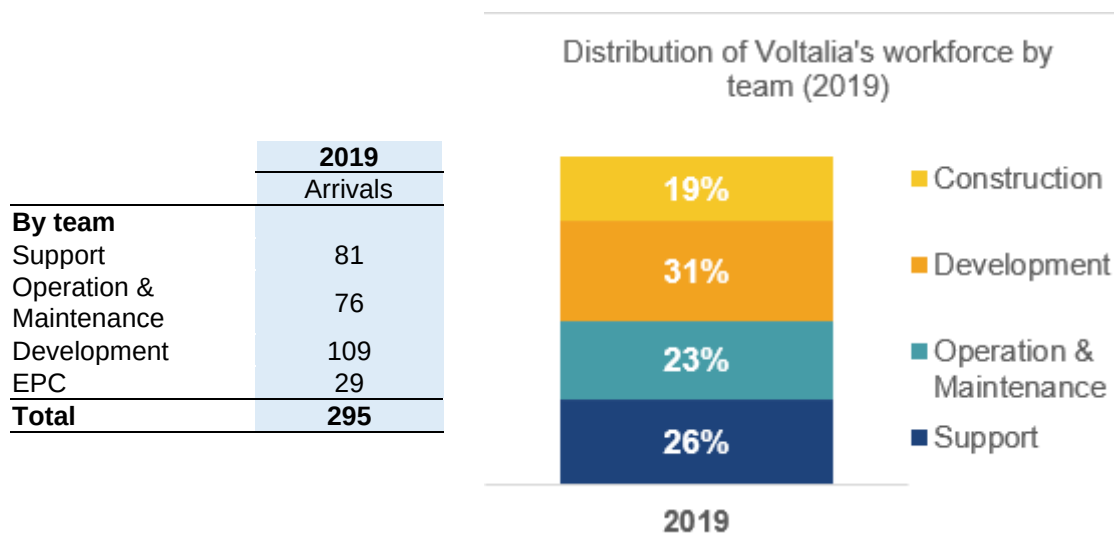


- Average workforce with long-term contracts
- Average workforce with fixed-term contracts

Voltalia strives to provide its employees with a stable work environment and gives priority to fixed, long-term jobs that are in line with the changes in its business. In 2019, 85% of the Company's workforce (excluding Helexia) were on a long-term contract (permanent contract or equivalent) compared with 84% in 2018. 61% of new employees were also hired on this basis.

Distribution of Voltalia's workforce (excluding Helexia)

In 2019, the internal development team accounted for one third of new hires and reflects Voltalia's ambitious objectives for 2023.



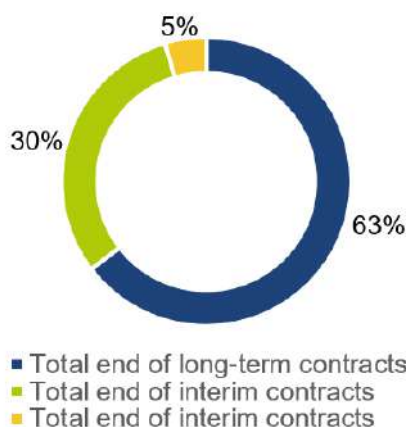
In 2019, Voltalia hired 295 new employees in 17 countries¹⁰. These data do not include data on Helexia. The Company leverages this cultural diversity and varied expertise to offer the most appropriate renewable electricity generation infrastructure and services. Recruitments increased by 40% compared with the previous year and reflect the Company's rapid growth.

	2019		2018	
	Arrivals	Departures	Arrivals	Departures
Total by country	295	133	212	129
France	107	44	97	60
Brazil	37	12	27	6
Portugal	40	20	42	26
Other Europe	33	35	28	22
Other Latin America	7	4	2	1
Africa-ME-Asia	71	18	16	14
Total by contract type	295	133	212	129
Permanent contracts	180	84	131	69
Fixed-term / interim contracts	115	49	81	60

New hires by country in 2019 reflect Voltalia's international development strategy. As a matter of fact, recruitments in Africa, Middle-East and Asia increased more than four times.

¹⁰ Brazil, Colombia, Egypt, France, Greece, Italy, Japan, Jordan, Kenya, Mexico, Morocco, Burma, Netherlands, Portugal, Slovakia, Spain, United Kingdom – only Voltalia employees

Departures in 2019 by type of contracts



In 2019, the number of departures remained stable compared with the previous year: 133 employees left the Company, of whom 35% had reached the end of their temporary contracts (Fixed-term or interim contracts).

At 31 December, the attrition rate among Voltalia's permanent staff improved slightly compared with 2018, from 16.4% to 15.7%.

Attracting talents

Professional events

Attracting top talent is a priority for Voltalia, which strengthened its recruitment process in 2019. The Company posts regularly on social media to promote its businesses and culture, thus gaining visibility and appeal in order to recruit the best profiles. Job offers are advertised on social media and on Voltalia's website to make them widely accessible. Voltalia has also participated in a number of professional events and forums worldwide to enhance the Company's reputation: Germany, Brazil, Colombia, Italy, Spain, United States, France, Morocco, Netherlands, Portugal.

Young talents

Voltalia pays special attention to the recruitment of young talents. For instance, in Metropolitan France, the Company particularly targeted fairs for students from engineering schools and was present at three of them: Forum Ingénieur Avenir, Ingénieurs responsables and Trium. In French Guiana, Voltalia participated in the Forum des Métiers at the Troubiran campus of the University of Guiana and for the first time in the Carrefour des Entreprises at the IUT (technological university institute) of Kourou.

Finally, Voltalia has established a partnership with a recruitment platform in order to post advertisements primarily for offers of internships, French Overseas Volunteering Secondments (Volontariat International en Entreprise - VIE) and for young graduates.

"Tag a talent " co-option policy

As part of the Company's ambitious objectives for 2023, the number of recruitments is expected to increase sharply. Voltalia has decided to place its trust in its employees in order to involve them in the Company's growth by creating a co-option policy in all countries where it is present. The objective is to motivate employees to recommend qualified individuals to join Voltalia's teams by financially rewarding them for this involvement and thus facilitate the recruitment of new talents.

Diversity and equal opportunities

Through its recruitment policy and its Ethics Code, Voltalia is committed to combating all forms of discrimination and sees diversity as a source of enrichment and of openness to the world. In its Code of Conduct and Ethics Code, Voltalia commits to its employees to guarantee equal opportunities and promote diversity.

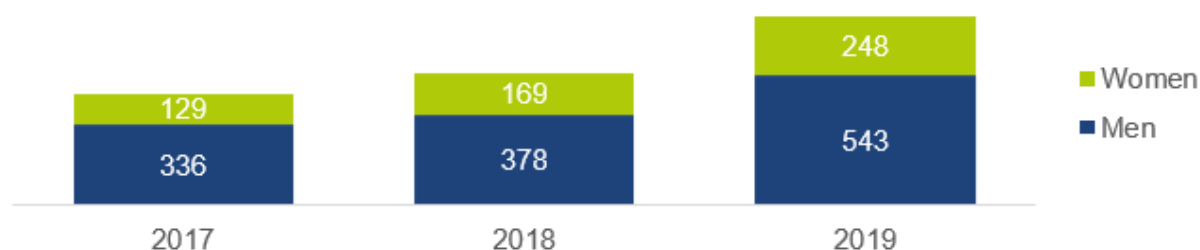
Voltalia's recruitment policy is based on equal opportunities, thus ensuring an impartial and transparent recruitment process. This applies to all countries where Voltalia operates and is recruiting. No distinction is made among candidates on the basis of age, gender, sexual or religious orientation, disability, nationality, etc.

Gender diversity

As it believes that diversity is a valuable performance driver, Voltalia promotes diversity among its staff. In 2019 the number of women on Voltalia's workforce increased by 32%, while the number of men increased by 28.5%. Since 2017, the number of women employed in the Company has grown by 92%, as compared with 62% for men.

At 31 December 2019, Voltalia's workforce broke down as follows:

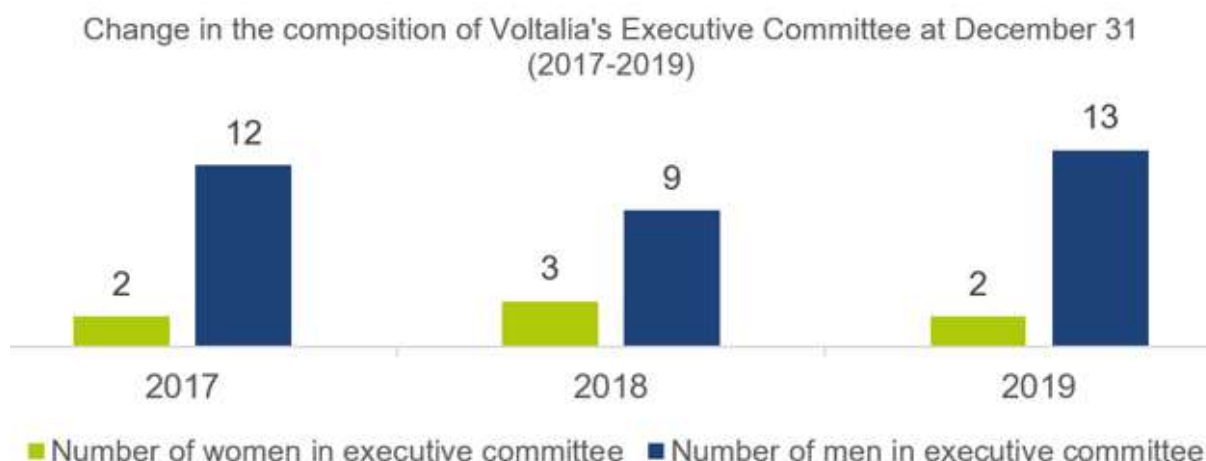
Change in the employee gender split as of 31/12 (2017-2019)



Composition of the Executive Committee

The Group ensures that women are represented throughout the organisational structure. Two women are currently members of the Executive Committee: Céline Blachère, head of Human Resources and Corporate Functions and Marie-Odile Lavenant, Voltalia's Chief Financial Officer.

The decline in the share of women on the Executive Committee in 2019 is due to the arrival of four men and the departure of one woman.



Composition of the Board of Directors

As of 31 December, the Board of Directors comprised three men and four women. Laurence Mulliez is the Chairwoman of the Board of Directors. Solène Guéré and Chantal Toulas are Directors and Evelyne Tall is an independent Director.

Workforce gender distribution

As of 31 December, women accounted for 31.5% of the workforce and men 68.5%. The share of women in the Company slightly increased compared with the previous year.

	Women	%	Men	%	Category total
Voltalia workforce	223	31.5%	486	68.5%	709
Executive Committee members	2	13.3%	11	86.7%	1.8%
Executives	87	29.7%	205	70.3%	41.3%
Non-executives	134	33.3%	269	66.7%	56.8%
Helexia workforce	25	30.5%	57	69.5%	82
Executive Committee members	0	100%	2	0%	2.4%
Executives	18	27.3%	48	72.7%	80.5%
Non-executives	7	50%	7	50%	17.1%
Total	248	31.4%	543	68.6%	791

Measures promoting gender equality

During the recruitment process, the human resource teams must ensure that there is at least one woman in the final selection list of applicants. This measure promotes gender diversity and allows it to be monitored.

During the annual salary review, an additional budget has been earmarked to promote gender equality. This process is conducted with the Group HR team with the support of HR teams from all the countries where the Company operates. Fifty-five of them have been given long-term salary increases.

Gender equality index, the French "professional future" law

In accordance with the provisions of the law of 5 September 2018 on the freedom to choose one's career, Voltalia (excluding Helexia) obtains an overall score of 54/100 in the Gender Equality Index and particularly stands out in the indicator relating to the top ten earners (10/10).

This index is measured out of 100 points and is calculated on the basis of 4 to 5 indicators depending on the Company's size (more or less than 250 employees). In Voltalia's case, the index was calculated on the basis of four indicators: the pay gap between men and women, the gap in the breakdown of individual pay increases, the number of female employees with a salary increase on return from maternity leave and parity among the ten highest paid employees.

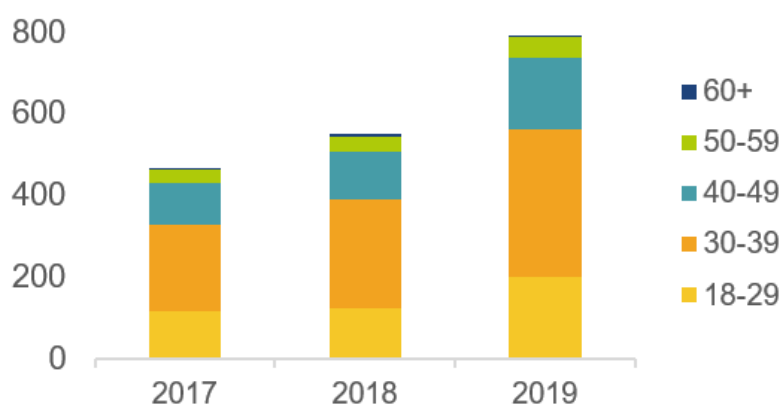
Generational diversity

At 31 December 2019, the average age of Voltalia's employees was 36 years. The proportion of employees aged 30 to 39 is the largest (46%), given the experience required for guiding the Company's growth.

Those aged 18 to 39 form the largest group in the age pyramid. This encourages the Company to incorporate both professional and personal growth prospects into its human resources management process.

In the context of the Company's strong growth, the assignments at Voltalia give young talents the opportunity to contribute rapidly to the development of activities. Internships are thus real learning opportunities. These learning experiences represent a springboard for joining the Company.

Change in the age distribution of employees
(2017-2019)



Measures promoting the inclusion of disabled people

In France, in order to make up for the low number of applicants with disabilities applying for vacancies in the Company, Voltalia has chosen to outsource via ESAT (Work rehabilitation establishments and assistance services) and EA (Adapted Companies). Voltalia has therefore initiated a contract for the provision of services with a solidarity-based work platform and has also signed a partnership agreement with AIMETH (association to include and maintain disabled workers in employment).

An update on the status of disabled people in the Company was introduced at the end of 2019. Employees are informed during their induction meeting that, if they wish, they can declare to the HR adviser that they are a person with disabilities.

3.4.2 Talent retention

The rapid growth and diversification of Voltalia's activities require many skills to support this development, and it is the Company's duty to bring teams together around its project. The loss of skills and expertise could affect the Company's performance. It is therefore vital for it to retain its best employees and develop the loyalty of its workforce. To this end, the Human Resources Division continues to enhance the skills needed to address the Company's challenges (mobility, hiring) in order to formalise professional development within Voltalia.

Voltalia believes that the professional and personal development of each employee is an essential prerequisite for its growth. In 2019, Voltalia introduced a training plan formalisation process. On this occasion, an assessment was made to align an employee's training needs on the employee's objectives, tasks and skills to acquire. The professional development interview was introduced in 2015. This initiative reflects Voltalia's ambition to promote intra-Company development and enables Human Resources to offer employees training that matches their performance and their professional aspirations.

Human resource management



In 2018, Voltalia acquired a human resources management tool known as iVOLT. The purpose of this digital solution is to make the main HR processes easier: administration of employees, performance reviews, training, talent management and recruitment. Designed for all employees of the Company, iVOLT optimises employee growth and the support provided to staff. In 2019, HR teams ensured that the tool was properly used as regards the modules created in 2018 (personnel administration and performance assessment). The implementation of iVOLT continued with the training module, whereby, on the one hand, employees can view the list of training on offer and submit their requests, and,

on the other hand, HR teams can monitor the training plan and budget. All the modules will become operational in all countries in 2021.

Skills development

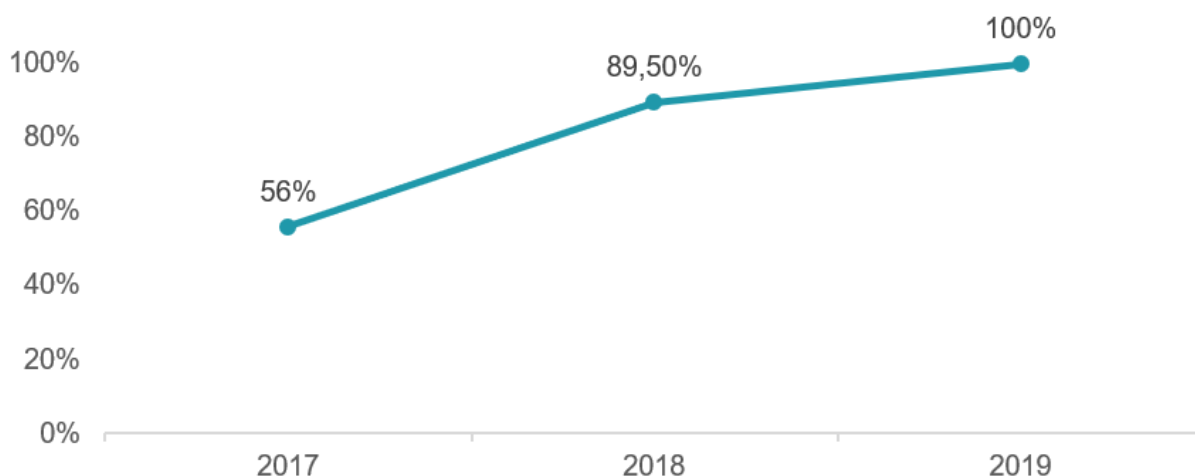
Training

Voltalia has the objective of increasing the number of people receiving training to promote the professional and personal development of the largest number of employees. As of 31 December 2019, 100%¹¹ of Voltalia employees (excluding Helexia) had received at least one training session during the year, compared to 89.5% in 2018.

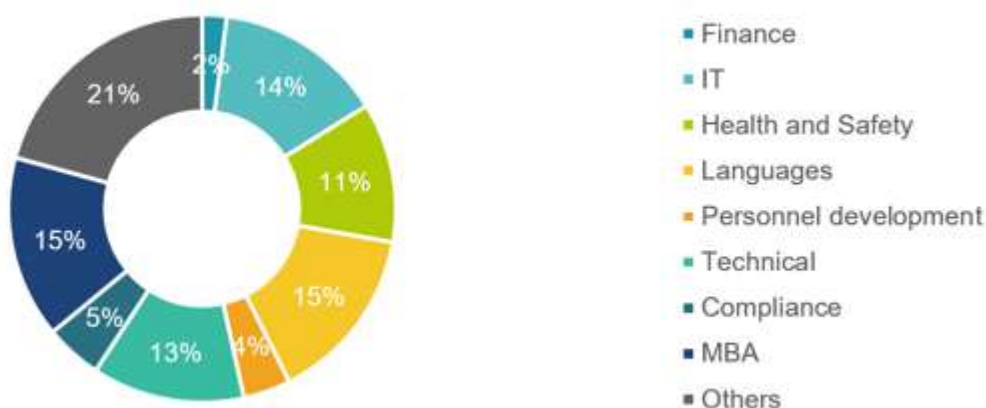
In 2019, 17,124 hours of training were provided to Voltalia employees (excluding Helexia); 47% were provided by external service providers. The number of training hours in 2019 highlights the Company's strong commitment to supporting all employees during the Company's transformation. Training on mastering in-house tools, languages and health and safety remain priority areas of training for Voltalia.

The annual performance review is also an opportunity for all employees to review their training requirements in light of their past performance against set objectives.

% of employees who received at least one training during the year (2017-2019)



Trainings in 2019



¹¹ Number of employees who received training divided by the average workforce excluding temporary workers

Voltalia's new HRM tool enables the monitoring of training and the design of the 2020 training plan to be improved with the aim of better supporting employees while monitoring their progress within the Company.

An in-house training programme: "The Voltalia Academy"

An in-house training programme created by Voltalians for Voltalians and adapted to their needs was created in 2019. Knowledge management in Voltalia creates a corporate culture in which knowledge is as important as the notion of sharing and mutual support that goes along with it. The aim is to leverage employees' intellectual capital to support their development, improve their performance and thus also improve the competitiveness and growth of the Company.

Four lines of training are being developed:

- Training on Voltalia's knowledge to understand the renewable energy market, the Company's scope of business and its internal functioning
- Training on renewable energy to reinforce technological and technical knowledge for each type of energy (wind, solar, hydro, biomass and hybrid)
- Training on technological watch via seminars, workshops, etc.
- Training specific to each team to develop technical knowledge

In 2019, Voltalia's training portal was established globally. Different training sessions are provided by members of Voltalia around the Company's knowledge programme on several topics (Ethics, Human Resources, Information Technology and collaborative tools, etc.). These training sessions are accessible to everyone without limits as to seniority.

Mobility

Professional mobility is an important area of Voltalia's human resource policy as it enables the development of skills, opens up career prospects and gives everyone the means to progress within the Company.

Job opportunities are thus posted on Voltalia's intranet and sent to all employees before publication on social media and on the Company's website. This procedure ensures that employees have the best visibility over all of the Company's job offers, in all teams and all countries of location.

In 2019, in Voltalia (excluding Helexia), 52 employees thus took advantage of a mobility opportunity, with 36 promotions and 16 cross-departmental transfers (new job in a new department). The share of the average workforce that transferred internally during the year was 8.3% in 2019 (14% in 2018 and 8% in 2017).

Well-being at work

Onboarding of new employees

Onboarding new hires is a key step to enable them to understand the Company's values, strategic priorities and work methods. To this end, the human resources team has put in place an onboarding programme in four parts: a personal programme including several meetings, a compulsory training programme, a two-day induction seminar, and a probation period follow-up meeting.

The Company's induction seminar presents Voltalia, its history and values, each business line and the Company's priorities in terms of sustainable development. The onboarding is accompanied by a participatory workshop to encourage employees to discuss and get to know each other. This new programme allows newcomers not only to become operational very rapidly but also to understand the challenges specific to each business line. This promotes Voltalia team spirit while facilitating the onboarding of new employees.

The two-day induction seminars are organised in the three countries where the Company has the largest workforce: Portugal, France and Brazil.

Commitment of our employees*Employee stock ownership*

Employee stock ownership, put in place in 2019, is an opportunity for all eligible employees to make a long-term investment in the Company and take part in a common adventure. Value sharing is at the heart of Voltalia's approach. With this in mind, the Board of Directors introduced the first employee stock ownership plan on 18 March 2019, including France, Brazil and Portugal (73.7% of employees at that date). With this plan, Voltalia continued developing its policy of involving employees in the Company's performance, after the profit-sharing plan introduced at the end of 2017, applied for the first time in 2018.

This offer of existing shares was made to employees eligible for Voltalia's Group Savings Plan (GSP). Beneficiaries subscribed to a plan which includes a 20% discount and an employer contribution as part of the GSP.

For a first launch, this plan met with tremendous success with an excellent participation rate of 69.5%. The participation rates were respectively 51.5% in Portugal, 72.9% in Brazil and 80.3% in France. The participation rate was 68.0% for Voltalia employees and 81.5% for Helexia employees.

Voltalia thus ranks among companies with the highest participation rate for a programme with an international scope, according to figures of the *Fédération Française des Associations d'Actionnaires Salariés* (The French Federation of Employee Shareholding Associations, FAS). Backed by this first success, Voltalia is considering other plans, aimed at making employee shareholding a sustainable driver of employee retention and alignment of all stakeholder interests.

Now that they are involved in the Company's economic performance, employees are also given financial training sessions so that they feel more engaged and responsible.

Commitment survey

In December, a survey on employees' perception of the Company was launched in all countries where the Company operates. The participation rate was 61%. The survey is anonymous and available in seven languages to ensure maximum participation (English, Portuguese, French, Greek, Italian, Spanish and Arabic).

It covered a number of subjects: health and safety at work, trust (respect, credibility, fairness), friendliness, pride, relationship with management, promotions, compensation, work environment, tolerance and diversity, the corporate life, training.

The overall results were positive. On average, 86% of employees across all regions consider that they work in a good company.

Friendliness, HSE and feeling of pride particularly stand out with respectively 80%, 83% and 85% of positive responses obtained.

Bonding events

The large-scale internal communication campaigns conducted in 2019 have consolidated a shared history and language through the introduction of new tools and new policies that reflect Voltalia's shared values: sustainable development week, HSE campaign.

Bonding events are also regularly organised around Voltalia's mission and values. Across the world, teams celebrated the Company's fourteenth anniversary. In Portugal, a special day was dedicated to Voltalia. It was an opportunity to bring the different teams together. Employees visited a solar power

plant and participated in games with emphasis on team work around the Portuguese slogan "*Eu sou, Eu Vou*", which means "I am, I will".

Family Day was organised in France and in Portugal in summer. Employees' children enjoyed the different attractions: magician, discovery of the premises, bouncy castle, exchange and discovery. In France, the day started with a presentation on renewable energy to children to make them aware of the importance of developing green energy for the world of tomorrow.

For the third time in a row, Voltalia participated in "wind football", a key football event organised once a year during which companies specialising in green energy get to meet. This year, Voltalia was proud to present a women's football team. The Company also participated in the second edition of the school football tournament. The funds raised during this event will finance a renewable energy project in Madagascar. "Voltalia runners" was created in 2017 in Portugal and was renewed in February 2019. Moreover, in 2019, Voltalia participated in two races to improve the interaction between the Paris office and that of d'Aix-en-Provence, in which 70 runners participated.

Voltalia's values



esprit d'équipe
team spirit



ingenuity



integrity



entrepreneurship

Given the growing workforce, management wanted to go and meet all employees to know whether the values of Voltalia (team spirit, ingenuity, integrity and entrepreneurship) are still lived by everyone. This gave birth to "Mission 3V – Voltalia Vision Values" conducted with 80% Voltalia's employees who were invited to participate in eighty workshops in nine countries.

Following these workshops:

- Stories embodying the values of Voltalia were compiled in a video shared with all employees.
- A mosaic of visions emerged with over ninety visions proposed. Based on this mosaic, the Executive Committee defined Voltalia's vision 2030.
- Twenty-three ambassadors were elected by their peers: they form the first network guaranteeing the Company's values and vision.

Offices that reflect who we are



In 2019, Voltalia changed offices in Rio de Janeiro, Porto, Oliveira de Frades and Aix-en-Provence. These new offices promote collaborative work. Employees can thus choose different work areas and different work stations depending on the projects under way. Computer and telephone equipment has been adapted to this new configuration, which promotes flexibility. The new offices also have social and resting spaces offering several activities: table football, musical instruments and board games. In line with the Company's environmental initiative, waste, including biowaste, is systematically reduced and sorted. Metal water bottles have been distributed to employees and glass boxes are also available for lunch.

3.4.3 Working conditions

Voltalia condemns forced or compulsory labour, and such labour is not used in any of its activities. The Company does not employ children, and no children work in any of its businesses.

Organisation of working time and social dialogue

Labour relations bodies

Voltalia works hard to maintain respectful, constructive labour relations with all of its employees. Furthermore, Voltalia's expanded human resources team has enabled it to increase employee dialogue within the Company in a quest to forge a bond between employees and encourage their support of its mission. Voltalia SA has an employee representative body (*Délégation Unique du Personnel*, DUP) in accordance with the regulatory obligations stipulated in France. This body, which comprises seven employees from the Paris and Aix-en-Provence offices, improves communication with management and between the teams. Elected in 2017 for two years, its members include employee representatives and members of the Works Council and of the Health, Safety & Working Conditions Committee.

Pursuant to the new law of December 2019, Voltalia has introduced staff elections to elect representatives of employees (elected) as members of the Economic and Social Committee (ESC) that will replace the DUP from 1 January 2020. This ESC consists of 17 elected representatives (9 members, 8 alternate members) from the offices of Paris, Aix-en-Provence and Rémire-Montjoly in French Guiana. In connection with this ESC, Voltalia wanted to sign an agreement for a Social and Economic Unit (SEU) where all employees of Voltalia SA, Voltalia Guyane and Voltalia Kourou are represented, without taking into account the minimum workforce threshold for each company.

Voltalia employees in Italy also have an employee representative responsible for safety issues. This representative is elected every three years.

Collective agreements

A new law on Economic and Social Committee (ESC) has become effective. In France, companies with more than 11 employees are required to have employee representative bodies. Staff elections for the ESC were finalised in December 2019. Voltalia now has 17 staff representatives (9 members and 8 alternate members) for Voltalia SA, Voltalia Guyane and Voltalia Kourou. Voltalia decided to sign an agreement for a Social and Economic Unit (SEU) (see above paragraph). Moreover, there is a collective profit-sharing agreement, which is linked to the SEU. Executive-grade employees in the French companies are bound by the *Convention nationale de la métallurgie des cadres et ingénieurs* (bargaining agreement for executives and engineers in the metallurgy industries) and non-executive grade employees are covered by regional versions of the *Convention collective des ouvriers employés techniciens agents de maîtrise de la métallurgie* (collective bargaining agreement for non-executive grades in the metallurgy industries).

In 2019, Voltalia do Brazil (VDB) renewed its collective bargaining agreement signed in March with the Brazilian energy trades' union.

In Spain, employees are covered by their respective regional collective agreements for the metallurgy industry: Toledo signed in 2017, Sevilla, Barcelona and Albacete signed in 2018, Murcia and Madrid signed in 2019.

In Italy, employees are covered by the regional collective agreement for the metallurgy industry (*Contratto Collettivo Nazionale del Lavoro Metalmeccanico Industria*).

Promotion of and respect for human rights

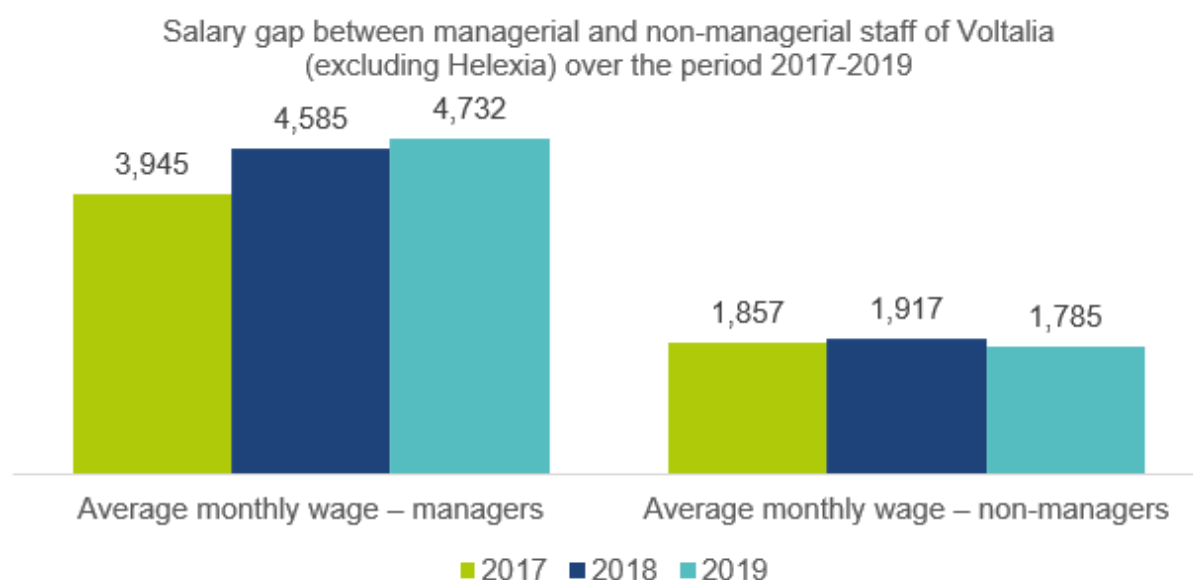
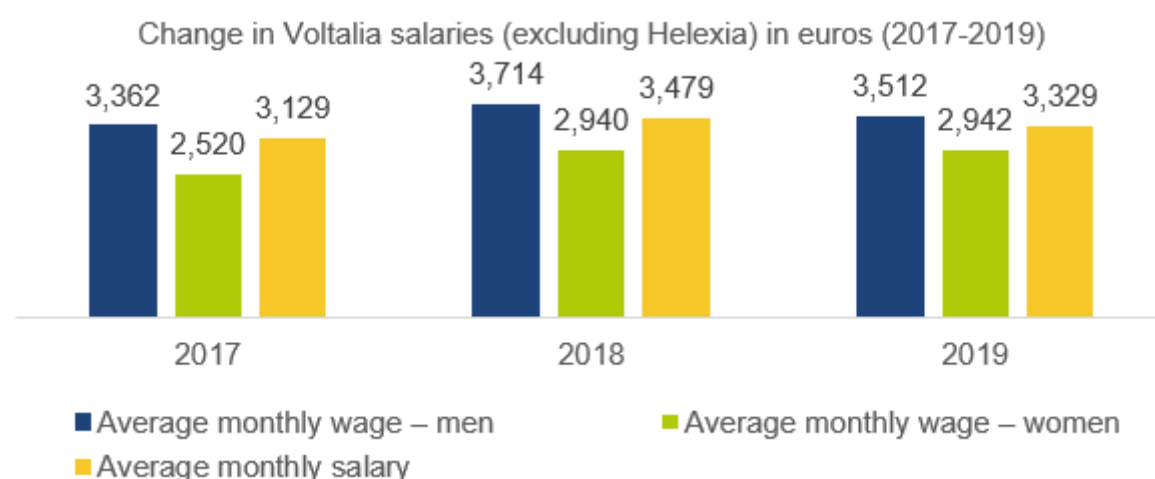
True to its values, which includes integrity, Voltalia undertakes to comply not only with the laws and regulations in all countries where it operates, but also with the International Labour Organisation (ILO) declaration on Fundamental Principles and Rights at Work: freedom to join a union, bargain collectively and take action, abolition of forced labour, child labour and elimination of workplace discrimination. Moreover, Voltalia complies with IFC's Performance Standards 2 on labour and working conditions.

Compensation

Voltalia develops its compensation policy based on the conditions of the local labour market, on internal consistency and on applicable legislation. The Company's compensation policy is consistent with individual responsibilities and results, with team performance and with the Voltalia's financial results. All employees benefit from variable compensation. This compensation is defined by a Company policy set up in 2018.

Variable compensation depends on the achievement of Group (15%), team (30%) and individual (55%) targets, except for France and French Guiana where the weighting is as follows: 35% for country and team targets, and 65% for individual targets (profit-sharing agreement signed in 2017 to share Group performance in France as from 2018).

In 2019, the average gross monthly salary of Voltalia's employees (excluding Helexia) was €3,329. The slight decline in the average monthly salary is due in particular to the Company's location in countries where the average monthly salary is lower. The gap between average monthly salary for men and women fell, from 20.84% in 2018 to 16.23% in 2019.



Equity ratio*

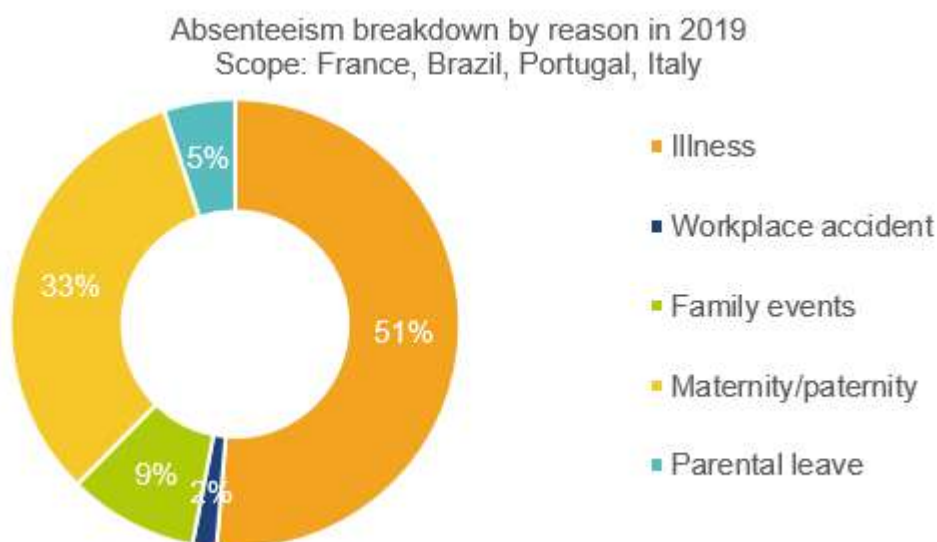
2019	EUR	CEO vs employees equity ratio
CEO annual compensation	417,276	
Average compensation of employees	60,783	6.87
Median compensation of employees	49,020	8.51

* the equity ratio is calculated using compensation excluding incentive bonuses, severance and seniority bonuses. It is calculated on the basis of Voltalia and Helexia teams located in France and French Guiana.

Absenteeism

In 2019, the total number of days of absence at Voltalia (excluding Helexia) almost doubled, from 1,754 to 3,057 days.

Absenteeism breakdown by reason in 2019 (number of days worked) in countries that make up 77% of the Voltalia's workforce:



Health and safety

The construction, operation and maintenance of electricity generation infrastructure exposes Voltalia's employees, subcontractors and stakeholders to heightened health and safety risks. Events may jeopardise the safety and/or health of Voltalia's employees or those of its stakeholders in all the sites where they work and in particular in isolated areas or high risk countries. Any accident occurring at a Voltalia operating site, whether on a construction site or in an office, could result in delays in work on projects and/or additional costs, thus adversely affecting the performance of the Company, its reputation and the attainment of its objectives.

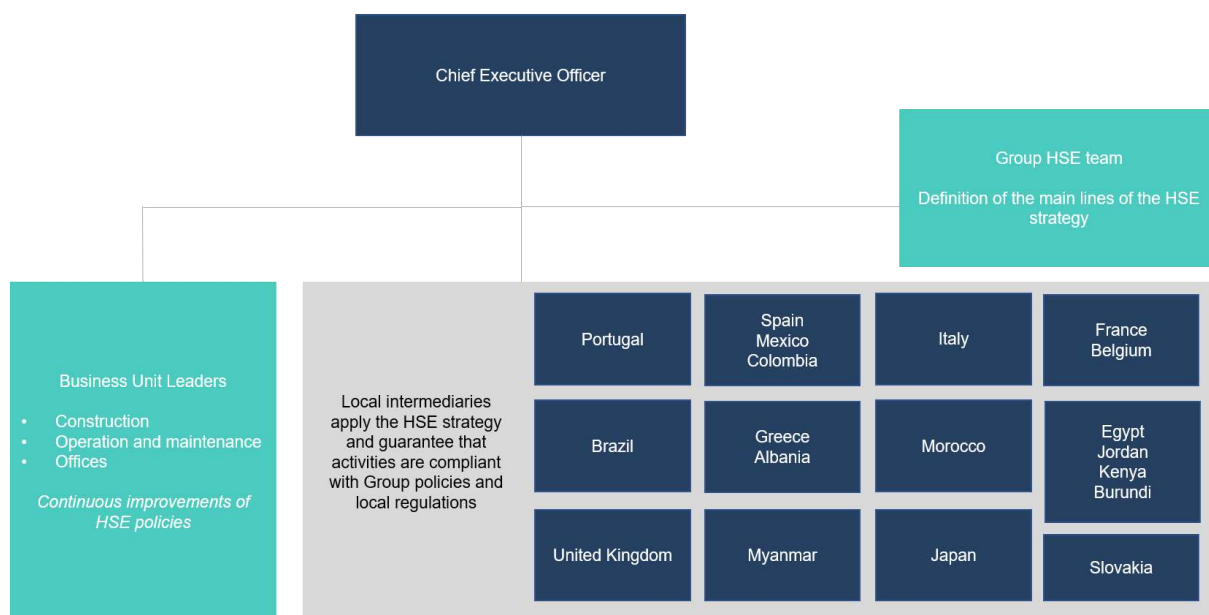
Structure

Protecting employees' health and guaranteeing their safety is Voltalia's top priority; these issues are as much of a concern for employees as performance requirements. The Health and Safety policy and measures developed by Voltalia since 2015 aim to provide all Company employees with a work environment that is free of accident risk by pursuing the "Zero accident" objective.

The Health and Safety organisation, which reports directly to the Chief Executive Officer, comprises 15 dedicated employees and includes employees from different teams to guarantee involvement of the entire workforce.

Local HSE managers and officers are tasked with the implementation of health and safety procedures, the reporting and analysis of accidents by ensuring compliance with local regulations. In addition, additional intermediaries have been identified across the different departments. They are responsible for the promotion of best practices and cooperation among the different health and safety campaigns of the Company. These key contact people, who are representative of Voltalia's businesses and regional presence, are directly responsible for the proper application of the directives.

Progress made is monitored by the Executive Committee through a quarterly review of health and safety performance indicators. This regular review ensures that the necessary decisions are taken for the continuous improvement of the system. The ISO 45001 certification of Voltalia's sites in Portugal and Greece also ensures that the safety risks related to the service activities are also rigorously managed.



Training and prevention

In 2019, 2,000 training hours, or 11.7% of training delivered during the year to all employees (excluding Helexia), focused on health and safety.

The Company's health and safety team also handle prevention campaigns. In 2019, the topics covered were:

- Fall prevention;
- Electrical risks;
- Identification of risks and near-accidents; and
- A campaign dedicated to the golden rules of health and safety.

Educational booklets are also provided to employees at every Company site, along with training tailored to the relevant activity (construction, operation) and the type of facility (solar, wind, biomass, hydro or storage plant).

Employees receive on-site training (an induction) before any construction begins. These sessions are mandatory for Voltalia's construction staff as well as for subcontractors, whose health and safety performance is incorporated into that of the Company. This training covers all aspects of the project related to health, safety, hygiene and the environment. Safety cards are provided to Voltalia's staff and subcontractors working on the construction sites, and the Company's HSE policy and performance are displayed at the entrance to each construction site.

All the documentation needed to properly enforce Voltalia's HSE policy is available to all employees on the Company's intranet, since 2018. Risk assessment forms, information on the country risk with regard to travel, and all related procedures and materials are freely accessible and translated into the main languages spoken by the employees.

Lastly, several specialised training sessions have been designed at all work premises to address certain specific risks such as lifting operations, work at a height, work in confined areas, work on electrical circuits, first-aid and evacuation exercises in all businesses and regions.

Performance

In 2019, Voltalia continued its efforts to improve its health and safety performance. The Voltalia (excluding Helexia) frequency rate improved, reducing by 17.5% compared with 2018. The Voltalia (excluding Helexia) severity rate also reduced 7% thanks to the initiatives and measures introduced in 2019.

	Voltalia			Sub-contractors			Consolidation		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Frequency rate	3.897	2.067	6.069	3.804	9.257	8.830	3.831	4.643	7.423
Severity rate	0.087	0.012	0.059	0.082	0.228	0.053	0.084	0.090	0.056
Number of accidents	5	2	5	12	5	7	17	7	12
Number of working days lost	112	12	49	260	123	42	372	135	91

In 2019, the following measures were introduced:

- HSE audit plan: In addition to the inspections planned and conducted in each region, three visits were conducted at the Group level in Greece, Albania and Kenya. These visits were conducted by the Group HSE Manager whose first responsibility was to ensure that all countries and all teams were following Voltalia's HSE rules and procedures.
- Group HSE space and applications: a simple access to the HSE documentation and resources as well as the harmonisation and protection of existing data are the main focus areas of this project. The structure with the new design began implementation and the testing phase was conducted at the end of 2019.
- Involvement of stakeholders in Voltalia's "Zero accident" culture: efforts have been made to involve all stakeholders in terms of health and safety through the awareness creation campaigns and the reinforcement of contractual pre-qualification measures. These efforts are beginning to show results with a reduction in the number of incidents and their severity over the last two quarters.
- HSE awareness campaign on Air Pollution and continuation of the zero plastic campaign.
- Adoption of the ISO 45001 principles: following a certification in Greece, Portugal was audited and certified ISO 45001 – standard "Occupational Health & Safety", and the ISO 14001 environmental certification was renewed. Moreover, Voltalia was awarded the CHAS (Contractor Health and Safety Assessment Scheme) accreditation, obtained in the United Kingdom for Voltalia's compliance with best practices in terms of health and safety and regulations; this distinction is a real asset to be promoted.

In response to the results obtained for 2019, the following measures have been planned and will be rolled out in 2020:

- Enlist more resources in the HSE unit to ensure a more effective response to the Company's growth and the expansion of its activities and partners in new regions;
- Reinforce the HSE culture of managers and their teams;
- Improve the existing HSE tools and documents as well as awareness creation, training and inspection activities;
- Assess and manage HSE risks by promoting good behaviour to be adopted, and reinforce the "Zero accident" culture among Voltalia's employees and those of its stakeholders;
- Continue the implementation of the safety at work management system based on ISO 45001 best practices; and
- Continue efforts to have an effective system for online reporting of HSE data at Group level.

In February 2019, Voltalia's Executive Committee reviewed the Company's health and safety performance assessment methodology. Consequently, the reference used to calculate attainment of the frequency rate and severity rate will take into account (1) the best performance accomplished to date, and (2) the target for the given year.

Thus for the calculation of the achievement of Voltalia's HSE objectives in 2020, the references are presented in the table below:

References for calculation of HS 2020 targets

	Point of reference	2019 Target	2019 Outcome	2020 Target
Frequency rate	4.64	2.019	3.831	2.019
Severity rate	0.05	0.024	0.084	0.024

Travel policy

The growth of the Company is accompanied by an increase in air travels. To save on kilograms of CO₂ and for a better organisation, a travel team was created with a person in charge.

Moreover, travel advisers are present in most countries where the Company is located (17 countries). A Group travel policy has been jointly defined by the Travel and the HR teams with the aim of harmonising practices by setting out clear rules, while taking into account the comfort, health and safety of employees.

As noted in its CSR policy, Voltalia makes every effort to protect the health and safety of its employees. For this purpose, Voltalia has partnered with International SOS. International SOS provides medical and safety information to employees prior to their trip and when they are abroad. In the event of an emergency, an assistance system is available round the clock every day.

General Data Protection Regulation (GDPR)

As part of its programme of compliance with the General Data Protection Regulation (GDPR) and the different laws applicable to the Company, Voltalia has updated this programme by making available various information documents within the Company and on its website as well as initiatives to be introduced in 2020:

- Information notice intended for employees to provide them with comprehensive information on GDPR, their rights, the data retention period, the legal basis of processing, among others, sent by mail to employees in December, displayed in social spaces and made available in Voltalia's intranet
- Personal data register in order to have a comprehensive internal documentation
- Information Notice on the Personal Data Protection of job applicants at Voltalia (available on the website) communicated to all those applying for a job in the Company
- A confidentiality undertaking was put in place for persons whose job involve the handling of personal data. This action shows Voltalia's commitment to the principles of GDPR and to the protection of data on its employees and other parties. The concerned persons will thus have a clause incorporated in their employment contract or will sign a confidentiality undertaking in this regard (in particular members of the HR team)
- A form is being designed with the aim of asking employees for their consent to use their image for internal and external purposes. Employees have received the form by mail and this is displayed on the Intranet until the employee has responded. All new employees will also receive this form upon joining the Company
- A data protection clause is included in all contracts signed between Voltalia and its co-contracting parties
- A data protection clause is included since 1 January 2020 in all new employment contracts in Europe
- The new "Privacy Policy" is available online on Voltalia's intranet

Voltalia takes the personal data protection of its employees and all its partners seriously, and undertakes to comply with all the applicable laws and will update its data protection programme throughout 2020.

IT security

A breakdown, a shutdown of the system or a breach of Voltalia's data or of that of its partners could have harmful consequences on the continuation and proper operations of Voltalia's activities (delays and/or cost overruns). The Company could be subject to cyberattacks, including attempted frauds through smart engineering that can lead to a theft, loss of data, or business disruption. These computer attacks target both the Company and its partners.

The Company's increased visibility, due in particular to its growth, could make it a target for competitors or even state organisations. We have also noticed that an increasing number of calls for tenders or contracts include stronger commitments linked to the security of our customers' data which need to be taken into account.

For this purpose, the security of the IT system at our production sites is now included in our audits and security action plans. One person was recruited in 2018 as Safety Manager to design a security policy for the Company. This was done in 2019 in compliance with the GDPR requirements. This policy will be presented to all employees and rolled out at all our sites (offices and production sites) in 2020.

Simultaneously, a number of actions have been undertaken to better protect the Company's data: migration of our messaging and document archiving system to Cloud environments that are ISO 9001/27001/27017/27018/27701 certified, deployment of a unique and centralised authentication solution (SSO), gradual implementation of intrusion detection systems at our main sites, drafting of a data backup and restoration policy, deployment of common anti-virus and notebook encryption solutions at Company level.

3.5 Independent third party audit

Report by the independent third party on the consolidated statement of non-financial performance included in the management report

To the Shareholders,

In our capacity as independent third party, certified by COFRAC number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the Voltalia's Statutory Auditors, we hereby report to you on the consolidated statement of non-financial performance for the year ended 31 December 2019 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory requirements of articles L. 225-102-1, R. 225-105 and -R. 225-105-1 of the French Commercial Code.

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available on request from the Company's registered office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, we are not required to comment on the Company's compliance with other applicable legal and regulatory provisions, particularly regarding the French duty of care law and anti-corruption and tax evasion legislation, nor the compliance of products and services with applicable regulations.

Nature and scope of our work

Our work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, the professional guidance of the National Association of Statutory Auditors applicable in France to this type of engagement and the international standard ISAE 3000¹²:

¹² ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

- we familiarised ourselves with the operations of all entities included within the scope of consolidation and exposure to the main risks;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents the information specified in article R. 225-105 II when they are relevant with regards to the main risks, and that it includes, as necessary, an explanation of the reasons substantiating the lack of information required by the second paragraph of article L. 225-102-1 III;
- we verified that the Statement presents the business model and a description of the main risks related to the operations of all entities included within the scope of consolidation, including, when it proves to be relevant and proportionate, the risks created through its business relations, products and services as well as the policies, measures and outcomes, including key performance indicators pertaining to the main risks;
- we referred to documentary sources and conducted interviews to:
- assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used with regards to the main risks and policies presented, and
- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For all the risks presented, our work was carried out at the level of the consolidating entity;
- we verified that the Statement covers the consolidated scope, i.e. all entities included within the scope of consolidation in accordance with article L. 233-16 with the limits specified in the Statement;
- we familiarised ourselves with the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and the other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities¹³ and covers between 30% and 100% of the consolidated data selected for these tests;

We assessed the overall consistency of the Statement based on our knowledge of all the entities included within the scope of consolidation.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

¹³ Voltalia's entities in Metropolitan France and French Guiana; Voltalia's entities in Brazil

Means and resources

Our work was carried out by a team of 3 people between December 2019 and March 2020 and took a total of 3 weeks.

We conducted around 10 interviews with the people responsible for preparing the Statement, representing in particular Executive Management, Human Resources, Health Safety and Environment Departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respect.

Comments

Without modifying our conclusion stated above and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

The key performance indicator relating to the Reputational risk and the risk of non-acceptability of controversial projects is under construction.

Paris La Défense, 24 March 2020

The independent third party

Mazars SAS

Edwige Rey

Partner, CSR & Sustainable Development

Appendix 1: Information that we considered to be the most important

Qualitative information (actions and outcomes) relating to the main risks

- Business ethics;
- Climate change and the environment: reducing greenhouse gas emissions and the fight against climate change;
- Human resources: appeal and talent retention;
- Health and safety of employees and subcontractors;
- Dialogue with and involvement of the related stakeholders.

Quantitative indicators including key performance indicators

- Percentage of employees trained in the ethics and compliance measures;
- Tons of CO2 equivalent avoided thanks to Voltalia's production;
- % of sites with 14001 certification;
- Percentage of employees who received at least one training during the year;
- Attrition rate of permanent employees;
- Accident frequency rate (FR);
- Accident severity rate (SR);
- Percentage of employee training focused on health and safety.

4. GOVERNANCE

The Company is a French *société anonyme à conseil d'administration* (public limited company with a Board of Directors)

Laurence Mulliez assumed her duties as the non-executive Chairwoman of the Company on 5 May 2014. Her term of office was renewed for a period of three years during the General Shareholders' Meeting on 24 May 2018. Sébastien Clerc assumed his duties as CEO in November 2011; his term of office was renewed on 12 May 2016 for a period of four years.

4.1 Corporate governance

4.1.1 Government rules

In the interests of transparency and public information, especially since the admission of its shares to trading on the regulated market of Euronext Paris, the Company has undertaken a comprehensive review of corporate governance practices.

In order to comply with the requirements of Article L. 225-37 of the French Commercial Code, the Company has designated the Corporate Governance Code published in September 2016 by MiddleNext (the "**MiddleNext Code**") as the reference code to which it will refer.

The Company seeks to comply with all recommendations of the MiddleNext Code. The table below lists the various recommendations of the MiddleNext Code and specifies whether the Company complies with the recommendations.

Recommendations of the MiddleNext Code	Compliance	Non-compliance
Supervisory powers		
R1 - Board members' ethics	-X	
R2 - Conflicts of interests	X	
R3 - Composition of the Board – Presence of independent members	X	
R4 - Information of Board members	X	
R5 - Organisation of Board and committee meetings	X	
R6 - Establishment of committees		X (1)
R7 - Establishment of the Board's rules of procedure	X (2)	
R8 - Choice of each Board member	X	
R9 - Term of office of Board members	X (3)	
R10 - Compensation of Board members	X	
R11 - Evaluation of the Board's work	X	
R12 - Relationship with "shareholders"	X	
Executive powers		
R13 - Definition and transparency of the compensation of executive corporate officers	X	
R14 - Preparation of succession plan for "managers"	X	
R15 - Combined employment contract and corporate term of office	X	

R16 - Retirement benefits	X
R17 - Supplementary pension plans	X
R18 - Stock options and free share allocation	X (4)
R19 - Review of vigilance points	X

(1) The Middenex governance code recommends that some of these special committees, particularly the Audit Committee, should be chaired by independent directors with the necessary specific expertise. The Audit Committee is chaired by a family director with the technical skills required. Details on the composition of the special committees are available in Section 4.2.2.

(2) The Chairman of the Board holds an office at Globeleq, a company that produces electricity in Africa. Since Globeleq operates within a region where there is limited competition, this competitive situation has been agreed by the Board of Directors. Should an issue give rise to, or could give rise to a conflict of interest, the Chairman will inform the Board and the abstention and withdrawal rules provided for in the rules of procedure will apply (see Section on duty of loyalty in the Board's rules of procedure).

(3) Directors' terms of office were renewed on 24 May 2018 at the General Meeting to approve the financial statements for 2017. The terms of office of the directors Laurence Mulliez; The Green Option, represented by Philippe Joubert; Creadev, represented by Chantal Toulas; André-Paul Leclercq and Robert Dardanne, were re-appointed for different periods to stagger the ends of their terms of office.

(4) Allocations of options and shares to executive corporate officers since 2012 are subject to performance conditions in line with the company's medium-term objectives.

4.1.2 Organisation of governance at Valtalia

Chief Executive Officer

Sébastien Clerc, as CEO, is responsible for the executive management of the Company.

Board of Directors

The Board of Directors is composed of seven members:

- Laurence Mulliez, Chairwoman of the Board of Directors;
- Creadev, represented by Chantal Toulas;
- Robert Dardanne;
- André-Paul Leclercq.
- The Green Option, represented by Philippe Joubert; and
- Solène Guéré ;
- Evelyne Tall.

In order to further improve the Board's diversity, a new female director was recommended and appointed during the General Meeting of 24 May 2018, bringing the Board composition to four women and three men, and three independent members out of seven, placing the Company in line with the legal requirement, with 57% female Board members.

Sébastien Clerc, in his capacity as CEO of the Company, attends all Board meetings except closed proceedings.

4.1.3 Restrictions on the powers of the Chief Executive Officer

At its meeting of 28 March 2018, the Board of Directors decided that the Chief Executive Officer would not be permitted to undertake the following without the prior consent of the Board:

- approval of the Company's consolidated strategic plan;

- ii. approval of the Company's annual budget and Voltalia's consolidated annual budget comprising: an operating account, an investment and disinvestment plan, a financing plan;
- iii. fulfilment of an individual investment commitment, by the Company or one of its subsidiaries, in an electricity production or storage power plant representing an equity investment on the part of the Voltalia Group without the prior consent of the Board of Directors. This provision also applies if the commitment amount exceeds €10,000,000; or if the electricity power plant is in a country where Voltalia does not yet operate; or if the risk/return profile of the project is lower than the thresholds approved by the Board of Directors;
- iv. fulfilment of an individual investment commitment, by the Company or one of its subsidiaries, or a disbursement commitment not provided for in the annual consolidated budget, if the annual cumulative value exceeds either of these budgets by 10%, with the exception of expenditure required for emergency health and safety measures;
- v. conclusion of a loan agreement or negotiation of any source of finance by the Company which is not included in the approved financing plan if the cumulative annual amount exceeds €30,000,000;
- vi. amendment of the accounting methods applied by the Company to the individual or consolidated financial statements;
- vii. any significant changes to the business activities (new sector of activity, new country for electricity generation, etc.) of the Company or its subsidiaries that is not provided for in the strategic plan adopted;
- viii. granting by the Company to third parties of any sureties or guaranties on its assets;
- ix. any planned strategic partnership by the Company or one of its subsidiaries which has capital implications, it being specified that the joint ventures for electricity plant projects are not considered to be strategic in nature;
- x. introduction of a profit sharing plan by the Company and/or its subsidiaries for employees of the Company and/or its subsidiaries;
- xi. acquisition by the Company and its subsidiaries from third parties of rights of ownership, operating licences, business premises, a building of any type or a tangible or intangible asset representing a value and/or firm commitment in excess of €10,000,000 (acquisition of electricity power plants) or €1,000,000 (other acquisitions) for the Voltalia Group or the taking or granting of a management lease on a third party's business premises;
- xii. disposal (or transfer of assets by the Company or its subsidiaries to third parties, and any third-party transactions on the capital of subsidiaries, such as mergers, divisions, partial contributions of assets) if the value exceeds €10,000,000 (sale of electricity power plants under development, under construction or in operation) or €1,000,000 (other disposals);
- xiii. equity investments by the Company in a legal entity, a joint venture or an incorporated or unincorporated company, whose partners or members have unlimited and/or joint and several liability or are held responsible for all or a portion of the social liabilities;
- xiv. any planned increase of the Company's capital, or any capital increase by one of the subsidiaries, which does not have an electricity power station, that is likely to dilute the Company capital, or any capital increase by one of the subsidiaries with an electricity power plant under development that is likely to dilute the Company's capital by at least €5,000,000, or any capital increase of a subsidiary with an electricity power plant under construction or in operation if the Group's share of the capital increase exceeds (excluding exchange rate fluctuation effect or the consequences of contractual commitments) the maximum amount authorised per point iii) above by at least €5,000,000;

- xv. an agreement or commitment of any type (other than an employment contract) between the Company and one of its directors or employees acting directly or indirectly, through an intermediary in particular;
- xvi. recruitment by the Company or one of its subsidiaries of persons with a compensation package in excess of €350,000, if the Appointments and Compensation Committee has not been informed.

In addition, a contract to build an electricity power plant for a third party with a value in excess of €75 million must be submitted to the Board of Directors prior to being signed.

Special committees

The functioning of the Appointments and Compensation Committee is detailed in Section 4.2.2 of the Universal Registration Document.

4.2 Board of Directors and special committees

4.2.1 Board of Directors

The composition and information about members of the administrative and management bodies are presented in Sections 4.1 "Corporate governance" and 8.14 "Memorandum and Articles of Association" of the Universal Registration Document.

Directors are appointed for a period of between one and three years. By way of an exception, the term of office of Robert Dardanne was renewed by the Company's General Meeting on 20 May 2019 for a period of one year.

The directors, especially the independent directors, may be remunerated by means of attendance fees based on their attendance at meetings of the Board of Directors and their participation in special committees, and depending on the time they devote to their duties (see Section 4.6.2 of the Universal Registration Document).

The Board of Director's rules of procedures, adopted at its meetings on 31 March and 20 October 2017, are available on the Company's website¹⁴.

These rules of procedure include in particular the principles of conduct and the obligations of the members of the Board of Directors of the Company. The new rules of procedure incorporate the notion of stakeholders in its missions. As a result, the Board "determines the strategy of the Company and oversees its implementation. Subject to the powers expressly conferred to shareholders' meetings and within the limit of the Company purpose, it shall deal with any issue affecting the Company's efficient operation and make business decisions within its remit. In doing so, it defends the long-term interests of the Company with respect for all stakeholders". Each member of the Board of Directors undertakes to maintain their independence of analysis, judgement and action and to actively participate in the activities of the Board of Directors. The member shall inform the Board of Directors of any conflict of interests he or she may face and draw consequences therefrom in respect of the exercise of his/her term of office. In addition, each member of the Board of Directors is bound by an obligation of non-competition and attendance. Lastly, the rules of procedure reiterate applicable regulations concerning the dissemination and use of insider information and specify that its members must refrain from trading in Voltalia securities when they have access to insider information. Each member of the Board of Directors must notify the Company and the AMF of any direct or indirect transactions they carry out in Voltalia's securities.

¹⁴ See the following link: http://www.voltalia.com/uploads/investor/financial_info/Voltalia_-_Reglement_interieur_du_CA_-_20_octobre_2017-VF.pdf

As of the date of the Universal Registration Document, the Board of Directors recognises that the company, The Green Option, and its permanent representative, Philippe Joubert; and Robert Dardanne and Evelyne Tall, are independent members within the meaning of the provisions of the MiddleNext Code.

Neither The Green Option nor its permanent representative, Philippe Joubert, nor Robert Dardanne, nor Evelyne Tall:

- have been, over the last five years, or are, employees or executive corporate officers of the Company or one of its companies;
- have been, during the last two years, and is not, in any significant business relationship with the Company (customer, supplier, competitor, service provider, creditor, banker, etc.);
- are a major shareholder or holds a significant percentage of the Company's voting rights;
- have a close relationship or close family ties with a corporate officer or major shareholder; or
- have been a Statutory Auditor of the Company over the last six years.

The number of meetings held by the Board of Directors is a function of the various events that mark the life of the Company. Consequently, the Board of Directors meets as frequently as warranted by the Company's current situation.

In accordance with its rules of procedure, the Board of Directors reviews its mode of operation and the preparation of its output once a year; at least every three years it conducts a formal assessment with the assistance, as necessary, of an external consultant. In addition, once a year, the Board of Directors reviews known conflicts of interest. Each director informs the Board, as necessary, of the change in his/her situation.

During the financial year ended 31 December 2019, the Company's Board of Directors met fourteen times and the attendance rate of the members of the Board of Directors was 98% (83% excluding meetings held over the telephone) for technical decisions where just a quorum is required.

Observers

At the meeting on 25 September 2019, the Board of Directors appointed Jean-Marc Armitano and Alain Papiasse to act as observers for a three-year period.

4.2.2 Special committees

On 13 June 2014, the Board of Directors set up an Audit Committee and an Appointments and Compensation Committee. The same Board approved the rules of procedure of each of these two committees. An update of this rule was approved by the Board of Directors on 31 March 2017 and 20 October 2017.

Audit Committee

The main provisions of the rules of procedure of the Audit Committee are set out below.

Composition

The members of the Audit Committee are chosen from among the members of the Board of Directors and at least one must be an independent member according to the criteria defined by the MiddleNext Code, to which the Company refers.

If possible, the Committee comprises at least two members appointed by the Board of Directors on recommendation of the Appointments and Compensation Committee.

In choosing the members of the Committee, the Board of Directors ensures their independence and that at least one independent member of the Committee has specific financial and accounting skills.

The Chairman of the Committee is appointed by the Board of Directors from amongst its members for the duration of his term of office on the Committee.

It is specified as necessary that no director holding management positions within the Company and its affiliates may be a member of the Committee.

The members of the Audit Committee may only receive attendance fees payable in respect of their directorship and as members of the Committee, from the Company and its subsidiaries, in addition to reimbursement of any expenses. Any other compensation must be exceptional and must have been previously authorised by the Board of Directors.

The term of office of the members of the Audit Committee coincides with that of their directorship. The term of office of a Committee member may be renewed at the same time as the directorship.

However, the Board of Directors may at any time change the composition of the Committee.

As of the date of the Universal Registration Document, and further to a decision taken by the Board of Directors on 22 July 2015, the members of the Audit Committee are:

- André-Paul Leclercq (Chairman);
- The company Creadev, represented by Chantal Toulas; and
- The company The Green Option, represented by Philippe Joubert, independent member.

André-Paul Leclercq has specific expertise in finance and accounting.

The expertise of the members of the Audit Committee is detailed in Section 4.3.

Responsibilities

Under the exclusive and collective responsibility of the members of the Company's Board of Directors, the Audit Committee is responsible for monitoring matters relating to the preparation and control of accounting and financial information. To this end, it shall be responsible, in particular, for:

- monitoring the financial reporting process and, where appropriate, making recommendations or proposals to ensure their integrity;
- monitoring the effectiveness of the internal control and risk management systems as far as the procedures relating to the preparation and processing of accounting and financial information are concerned, including in particular, a periodic review of major disputes; ensuring that the main risks are identified, managed and brought to its attention as part of the annual review of the risk map (including the environmental risks);
- monitoring the statutory audit of the annual and consolidated financial statements by the Statutory Auditors, which now includes monitoring of derivatives and their use. The Audit Committee takes into account any observations made by the French auditors' supervisory body (*Haut Conseil du Commissariat aux Comptes* - H3C);
- ensuring compliance with the procedure for the selection of Statutory Auditors and the rules for the rotation of firms and key signatories, in accordance with legal provisions;
- issuing a recommendation on the proposed appointment of the Statutory Auditors as put forward by the General Meeting and reviewing their terms of compensation;
- monitoring the independence of the Statutory Auditors, in particular with regard to the basis of the provision of non-audit services to the entity, its parent companies and the controlled subsidiaries. As of today, the Audit Committee delegates prior authorisation to the Chief Executive Officer and the Chief Financial Officer for any service other than the certification of financial statements (SACC) by the Statutory Auditors and the members of their networks at Voltalia SA and entities controlled by the company. The SACCs are listed in the appendix to the rules of procedure of the Audit Committee. This delegation covers the services contracted in addition to certification of the financial statements and for which the fees will not exceed 70% of the average total annual fees over the last three years for certification of the Voltalia Group financial statements. The use of this delegation will be presented to the Audit Committee at least once a year. For other services, with the exception of prohibited services, prior authorisation

should be requested on the basis of an analysis of the compatibility of the mission by the Statutory Auditors;

- to receive at least once a year the person responsible for the internal audit who will present the annual audit plan.

Functioning

The Committee meets at least four times a year, according to a schedule set by its Chairman, in order to discuss the annual, half-yearly and, if applicable, quarterly (in each case consolidated) financial statements, on an agenda drawn up by its Chairman and sent to the members of the Committee. The Audit Committee may also ask to review the Company's financial statements outside the half-yearly and annual financial statements. It shall also meet at the request of its Chairman, or of two of its members or of the Chairman of the Board of Directors of the Company.

The Committee may interview any director of the Company and carry out any internal or external audit on any subject it deems appropriate to its mission. The Chairman of the Committee shall inform the Board of Directors in advance of any such requirement. The Committee is notably empowered to interview those involved in preparing and verifying the financial statements (CFO and senior managers in the Finance Division).

The Committee shall interview the Statutory Auditors in the absence of any representative of the Company at least twice per year.

If they deem it necessary for the accomplishment of their mission, Committee members may request any accounting, legal or financial document to be sent to them.

The Committee's proposals are submitted to the Board of Directors.

During the 2019 financial year, the Voltalia Audit Committee met seven times.

Reports

The Chairman of the Committee shall ensure that the minutes of the Committee, forwarded to the Board of Directors, enable it to be kept fully informed, thus supporting its deliberations.

Should the Committee detect a material risk, which does not appear to be adequately addressed during the course of its work, its Chairman shall immediately alert the Chairman of the Board.

Appointments and Compensation Committee

The main provisions of the rules of procedure of the Appointments and Compensation Committee are set out below.

Composition

The Appointments and Compensation Committee shall consist of at least two members of the Board of Directors designated by the Board itself.

As of the date of the Universal Registration Document and further to a decision taken by the Board of Directors on 22 July 2015, the members of the Appointments and Compensation Committee are:

- The company Creadev, represented by Chantal Toulas (as Chairwoman); and
- André-Paul Leclercq.

Responsibilities

Regarding appointments:

- presenting to the Board of Directors recommendations on the composition of the Board of Directors and its committees; as part of this mission, the committee will do its utmost to ensure the expertise of the individuals on the Board of Directors is commensurate with the long-term interests of the Company;
- each year, proposing to the Board of Directors a list of its members who may be classified as “independent members” under the criteria defined by the MiddleNext Code;
- establishing a succession plan for executives of the Company and assisting the Board of Directors in the selection and evaluation of members of the Board of Directors;
- preparing a list of persons whose appointment to the Board of Directors may be recommended; and
- preparing a list of members of the Board of Directors whose appointment as a member of a special committee of the Board of Directors may be recommended.

Regarding compensation:

- reviewing the main objectives proposed by management for the compensation of non-executive corporate officers of the Company, including bonus share plans and stock options or warrants;
- reviewing the compensation of non- executive corporate officers, including bonus share plans and stock options or warrants, pension and insurance plans and benefits in kind;
- establishing recommendations and proposals for the Board of Directors concerning:
 - compensation, pension and insurance plans, benefits in kind, other pecuniary entitlements, including in the event of cessation of functions, for corporate officers. The committee proposes compensation amounts structures, notably the rules for calculating the variable element taking into account the strategy, objectives and results of the Company and market practices, and
 - plans for free shares, stock options or warrants and other similar profit-sharing mechanisms and, in particular, individual allocations to the corporate officers eligible for such mechanisms;
- examining the total amount of attendance fees and the system of allocation between the directors, including the conditions for reimbursement of any expenses incurred by members of the Board of Directors;
- preparing and submitting any reports required under the rules of procedure of the Board of Directors; and
- preparing any other recommendations as may be requested by the Board of Directors with regard to compensation.

For its work, the Committee may base itself on the work carried out by the Company's human resources department and can contact this department directly to obtain any information it deems useful.

And more generally, the Committee provides advice and makes appropriate recommendations in the aforementioned areas.

Functioning

The Appointments and Compensation Committee shall meet at least twice a year in accordance with a schedule defined by its Chairman, with the agenda being prepared by its Chairman and forwarded to the members of the Appointments and Compensation Committee. It shall also meet at the request of its Chairman, or two of its members or the Chairman of the Board of Directors.

Non-executive directors who are not members of the Appointments and Compensation Committee may freely participate in its meetings.

The Chairman of the Company's Board of Directors, if not a committee member, may be invited to attend meetings of the committee. The committee invites the Chairman of the Board of Directors to submit proposals. The Chairman of the Board of Directors may not vote or attend deliberations concerning their own situation.

The Appointments and Compensation Committee may ask the Chairman of the Board of Directors for the assistance of any senior executive of the Company whose expertise could help to further discussions on an agenda item. The Chairman of the Appointments and Compensation Committee or the chairman of the meeting shall draw the attention of anyone participating in discussions that they are bound by confidentiality obligations.

During the 2019 financial year, the Valtalia Appointments and Compensation Committee met ten times.

Reports

The Chairman of the Appointments and Compensation Committee shall ensure that the minutes of the committee, forwarded to the Board of Directors, enable it to be kept fully informed in support of its deliberations.

The Compensation Committee shall notably examine the Company's draft report on executive compensation.

4.2.3 Terms for the participation of the shareholders in the General Meeting

The General Meeting consists of all shareholders, regardless of the number of shares they own.

General Meetings, whether ordinary, extraordinary or special, depending on the purpose of the proposed resolutions, may be held at any time of year. General Meetings are convened under the formal requirements and time limits established by law.

The meetings are held at the registered office or any other address indicated in the notice of meeting.

All shareholders have the right to obtain the necessary documentation to enable them to make an informed decision and judgement on the management and operations of the Company.

Regardless of the number of shares they hold, all shareholders may attend General Meetings in person or via a representative by issuing a proxy to another shareholder or their spouse, or to the Company without stipulating the direction of their vote, or by postal vote according to the legal and regulatory conditions in force.

An Ordinary General Meeting is a meeting called to make all decisions that do not amend the Articles of Association.

Only an Extraordinary General Meeting is authorised to amend the Articles of Association and all of the provisions contained therein. Unless unanimously approved by the shareholders, it may not, however, increase the commitments of the shareholders, with the exception of transactions resulting from an exchange or a reverse stock split that has been decided and carried out in a due and proper manner.

Special Meetings ratify the decisions of General Meetings that amend the rights attached to a class of shares.

Ordinary, Extraordinary and Special General Meetings deliberate under the conditions of quorum and majority required under the respective legal provisions by which they are governed.

4.3 Administrative, management, supervisory and general management bodies

Summary of the composition of the Board of Directors and specialised committees:

First name Name	Title	Date of renewal	Expiry of the term of office	Audit Committ ee	Appointments and Compensation Committee	Experience and expertise
Laurence Mulliez	Chairman of the Board (1) of Directors	24/05/2018	2021	-	-	Energy, renewable energies, international development, governance
Creadev represented by Chantal Toulas	Director	24/05/2018	2021	Member	Chairman	Finance, human resources, company development
Robert Dardanne	Independent director	20/05/2019	2020	-	-	Renewable energy, entrepreneurship
André-Paul Leclercq	Director	24/05/2018	2020	Chairma n	Member	Finance, International development
The Green Option represented by Philippe Joubert	Independent director	24/05/2018	2021	Member	-	Energy, industry, governance, corporate social responsibility (CSR), Brazil, finance
Solène Guéré	Director	01/06/2017	2020	-	-	Renewable energy, environment, entrepreneurship
Evelyne Tall	Independent director	24/05/2018	2020	-	-	International development, (Africa) Governance

(1) Laurence Mulliez was appointed as Chairwoman of the Board of Directors on 5 May 2014

4.4 Managers and directors

4.4.1 Managers

Sébastien Clerc, as CEO, is responsible for the management of the Company.

Name	Age	Nationality	Position in the Company	Date of appointment or renewal	Year of next renewal	Number of shares held (1)
Sébastien Clerc	55	French	Chief Executive Officer	12-05-16	2020	18,373

(1) At 31 December 2019, shares listed in the share register

Sébastien Clerc's management expertise and experience are the result of the variety of posts and management positions previously held (see Section 4.4.3 "Biographies of the managers and directors" of the Universal Registration Document).

4.4.2 Composition of the Board of Directors

At the date of the Universal Registration Document, the composition of the Company's Board of Directors is as follows:

Name	Age	Nationality	Position in the Company	Date appointed	Year of renewal	Number of shares held (1)	Member (& Independent) (7)
Laurence Mulliez	54	French	Chairwoman of the Board of Directors	11/06/2015	2021	7,123 (2)	No
Creadev, represented by Chantal Toulas		French	Director	11/06/2015	2021	-	No
Robert Dardanne (5)	64	French	Director	11/06/2015	2020 ⁽⁶⁾	(3)	Yes
André-Paul Leclercq	56	French	Director	11/06/2015	2020	(4)	No
The Green Option represented by Philippe Joubert	65	French	Director	11/06/2015	2021	11,947	Yes
Solène Guéré	31	French	Director	01/06/2017	2020	(6)	No

Evelyne Tall	61	Senegalese	Director	24/05/2018	2020	-	Yes

- (1) As of 31 December 2019. Note that the directors are not obliged to hold Voltalia shares, either directly or indirectly.
 (2) The number of Soparvoltalia shares held by Laurence Mulliez increased each year through the reinvestment of a portion of the compensation received for her corporate office.
 (3) Robert Dardanne holds indirect interests amounting to 0.54% of the capital of the Company through Voltalia Investissement.
 (4) André-Paul Leclercq's holding in Soparvoltalia was unchanged in 2019.
 (5) The Combined General Meeting of 20 May 2019 re-appointed Robert Dardanne as a director for an exceptional period of one year. The independent members satisfy the MiddleNext Code criteria.
 (6) Solène Guéré obtained an initial capital interest in Soparvoltalia as a result of reinvesting part of the compensation received for her role as director.
 (7) The independent members satisfy the MiddleNext Code criteria.

Soparvoltalia is the vehicle designed to enable Voltalia's managers who are physical persons and directors to reinvest part of the compensation that they receive for their corporate office.
 In short, Soparvoltalia has a 0.0024% capital interest in Voltalia.

The management expertise and experience of these individuals are the result of the variety of posts and management positions previously held (see Section 4.3 of the Universal Registration Document). It should be noted that Sébastien CLERC, as CEO of the Company, attends most Board meetings.

As of 31 December 2019, the Board of Directors comprised three men and four women. As such, the Company is in compliance with Article L. 225-18-1 of the French Commercial Code.

4.4.3 Other directorships

Other current directorships

Name	Office held	Company
Directors		
Laurence Mulliez	Chairwoman of the Board of Directors	Voltalia Investissement SA
	Chairwoman	Globeleq
	Director	SBM offshore NV Morgan Advanced Materials Arcus Infrastructure Partners LLP NTR Wind Fund LLP Creadev
Creadev (represented by Chantal Toulas)	Director	Yes Holding SAS Helexia Développement SA Helexia SA Voltalia Investissement SA Groupe Maisons de Famille SAS Actility SA Innovafeed SAS Melchior Investissements et Industries SA
	Member of the Supervisory Committee	Agorize SAS
	Board member	NxtFood SAS
	Member of the Supervisory Board	Sitel Group SAD

Name	Office held	Company
Directors		
Chantal Toulas:		Abilways SAD Recommerce Solutions SAD La boîte à Encas SAS Kreative SAS
	Manager	Crea-Five SC
	Permanent representative of Creadev SAS, Director	Voltalia Investissement SA
	Permanent representative of CREADEV SAS, Member of the Supervisory Board	Abilways SAD
	Member of the Supervisory Board	Ecole W SAS
	Member of the Governance Committee	Odyssey International SAS
	Employee	Creadev SA
	Chairman of the Board of Directors	Eurofinance Travel SA
	Director	Voltalia Investissement SA FOREST INITIATIVE Le Noble Age SA DRC SA KD Développement Aéronautiques SA (KD subsidiary) Travel Technology Interactiv (TTI SA) SA Résidence le Point du jour – Belgian company
	Chairman	Fidexi SAS
Robert Dardanne	Manager	FDG SPRL
	Chairman of the Supervisory Board	Entreprise Promotion SAD
	Manager	BERAND SC Viaduc SAS Ancre SC
	Member of the Supervisory Board	Acanthe SCA Cimofat SCA Valorest SCA Soderec SC
	Chairman of the Board of Directors representing the Chairman of the Regional Council	Finorpa Conseil Lens
	Deputy Regional Adviser - Commission Chairman	Région Hauts de France
	Acting director appointed to the Board of Directors by the Regional Council	Inovam Tourcoing SAS Finorpa Financement Lens Nord France Amorçage Centre d'Innovation des Technologies sans contact
	Appointed by the Regional Council within the Proch'emploi de Lille regional platform	CRHDF Région Hauts de France
	Appointment by the Regional Council within the departmental Commission of the Chairman of the Regional Council	The Regional Directorate for Business, Competition, Consumption, Work and Employment
André-Paul Leclercq		

Name	Office held	Company
Directors		
	Acting director appointed to the Board of Directors to represent the Chairman of the Regional Council	Finorpa – PP Lens Finorpa – SCR Lens FRG Finorpa Lille Nord Franc Invest <i>Agence Régionale de Développement et d’Innovation des Hauts de France</i> (Regional Development and Innovation Agency of Hauts de France)
	Acting member appointed to the Supervisory Board to represent the Chairman of the Regional Council	Finorpa Gestion Lille Finovam Marcq-en-Baroeul
	Appointed by the Regional Council to represent the Chairman of the Regional Council	Local public employment office
	Alternate director appointed to the Board of Directors by the Regional Council	<i>Picardie Energie et Développement Durable</i> (Picardy Energy and Sustainable Development) Picardie Investissement
	The Green Option (representative: Philippe Joubert)	Director
Director and member of the Sustainability Committee		Suzano
Trustee		Client Earth
Chairman of the Advisory Board		Cambridge Institute for Sustainability Leadership
Member of the Advisory Board		A4S (Accounting for Sustainability)
Solène Guéré	Member of the Europacity Coaching Committee Employee	SAS Alliages et Territoires SAS Notolio Plus
Evelyne Tall	Executive Director	E&S Partners SAS
	Independent director	AMSCO B.V.
		The South Centre
		Fagace
		BGFI Holding
	FINAO	
	Coris Bank Intl	
Chief Executive Officer		
Sébastien Clerc	Deputy CEO	Voltalia Investissement SA
	Director	Ceetrus SA
	Member of the Advisory Board	Ciel et Terre

As the Company is not controlled by a company whose securities are admitted to trading on a regulated market, the information specified in Article L. 225-37-3 of the French Commercial Code does not appear in the Universal Registration Document.

Directorships held during the past five financial years but not currently held

Name	Office held	Company
Directors		
Laurence Mulliez	Director	Green Investment Bank Aperam
Creadev	Director	Mauna Kea Technologies SA Greenland SA Voltalis SA
	Member of the Supervisory Board	Tradholding SAD Groupe Acticall SAD
	Vice Chairman of the Supervisory Committee	Groupe Maisons de Famille SAS (until 16 December 2016)
	Chantal Toulas	Director
Robert Dardanne	Manager	E.Genius SARL SNC Guadev Elda SARL
	Director	Antillaise de Participations
	Member of the Supervisory Board	Travel Technology Interactive SA
	André-Paul Leclercq	Chairman of the Board of Directors
The Green Option (representative: Philippe Joubert)	Director	Eneo Electricity of Cameroon (1) Nexans
Solène Guéré	Company Chair Observer	Fresh Square SAS Voltalia Investissement SA
Evelyne TALL	Director representing the Ecobank Group holding company	Ecobank Transnational Inc, Togo
		Ecobank Kenya
		Ecobank Cameroun
		Ecobank Zimbabwe
		Ecobank Cote d'Ivoire
		Ecobank Nigéria
		Ecobank Ghan
		The Investment Climate Facility, Tanzania
Chief Executive Officer		
Sébastien Clerc	None	None

Company Statements regarding the managers and directors

Three directors have family ties:

- Laurence Mulliez (by marriage);
- André-Paul Leclercq; and
- Solène Guéré.

Apart from the above, there is no other relationship between the corporate managers.

To the best of the Company's knowledge, during the last five years none of the managers and directors listed in Sections 4.4.1 and 4.4.2 of the Universal Registration Document has been:

- convicted of fraud;
- associated in their capacity as a manager, director or member of the Supervisory Board in a bankruptcy, receivership or liquidation;
- subject to an official public indictments or sanction by a statutory or regulatory authority; and
- disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or running of the affairs of an issuer.

Biographies of the managers and directors

Chief Executive Officer

Sébastien Clerc:

Sébastien Clerc has specialised in the infrastructure sector, and renewable energies in particular, for over 25 years. He also has proven expertise in change management and in company creation and development. Following 10 years in project financing at Crédit Lyonnais in Canada, then in New York, he returned to France in 1999 to join Ixis, then a subsidiary of Caisse des dépôts, where he created and developed three activities: project financing consulting, management of infrastructure investment funds, then project financing. In 2007 he actively participated in the merger of Ixis and Natexis, notably by managing the fusion of the two banks' project financing teams in France and abroad. Sébastien CLERC was president of Natixis Environnement & Infrastructures (formerly IXIS Environnement & Infrastructures) from 2000 to 2011. From September 2009 he also managed Natixis Alternative Assets. He is a graduate of IEP Paris and the University of Paris X.

Chairwoman of the Board of Directors

Laurence Mulliez

Laurence Mulliez has an Economics & Finance degree from ESC Rouen and an MBA from the University of Chicago Booth (US), majoring in finance and strategy. Laurence's professional career began at BNP Paribas and, after her MBA, she was briefly with M&M Mars in Chicago (US) and subsequently held various roles, mainly in general management, over 16 years with Amoco and BP in the US, Switzerland and the UK. Her areas of expertise include strategy and M&A, but mainly in employee management and enhancing financial performance as a CEO in Chemicals, Gas, Electricity, Renewable Energies and Industrial Lubricants. Her last role at BP was Global CEO for Castrol Industrial Lubricants. From January 2010 to November 2013 she was CEO of Eoxis, an independent electricity producer owned by Platina Partners and active in the renewable energies sector (wind and solar) in Spain, Italy and India. She also spent 10 years on the Board of Directors of the Leroy Merlin Groupe (from 2000 until 2010) and on the Board of Directors of Aperam, the independent stainless steel company listed on the Luxembourg, Amsterdam and Paris stock exchanges. Laurence was elected Chairwoman of the Company's Board of Directors on 5 May 2014. She was re-appointed on 11 June 2015 and then on 24 May 2018.

Directors

Chantal Toulas:

A graduate of ESSEC and SFAF, Chantal Toulas joined Creadev at the end of 2013, bringing with her 18 years of experience in M&A. Chantal began her career at KPMG Corporate Finance, where she specialised in medium-sized cross-border transactions and was co-director of M&A. She then moved to

Gimar & Cie, a Parisian firm specialising in bancassurance. Passionate about entrepreneurship and the “people” elements of her work, she is also a certified coach.

Robert Dardanne:

Founder and former Chairman and Chief Executive Officer of Voltalia, Robert Dardanne is the co-founder of Fidexi and Travel Technology Interactive, a subsidiary of Eurofinance Travel and co-founder and director of the LNA SANTÉ Group (formerly Le Noble Age group).

André-Paul Leclercq:

André-Paul Leclercq is Chairman of the economic commission for the Hauts de France region and serves on corporate boards. He has held the position of Director of international development for Auchan, CEO Poland and CFO France for Immochan, and management controller for Décathlon in Asia.

Philippe Joubert:

Philippe Joubert worked in Brazil for nearly 25 years, primarily for the Alstom Group. He then returned to France in 2000 to assume management of Alstom T&D and later Alstom Power. He was Deputy CEO of Alstom until 2012. Philippe is currently Chairman and founder of Earth on Board, Senior Advisor to the World Business Council on Sustainable Development, Senior Advisor International development with the World Energy Council and a Fellow at the Cambridge Institute for Sustainability Leadership at Cambridge University in the United Kingdom.

Solène Guéré:

A director of Immochan Ukraine since 2016 and an observer at Voltalia Investissement since 2015, Solène Guéré was responsible for the commercial development of Adionics (a desalination start-up) from 2012 to 2014, prior to founding Fresh Square, a company specialising in urban agriculture. Solène is a graduate of the Ecole Normale Supérieure de Paris (2012), and holds a Master's degree from AgroParisTech-IFP in the Economics of Sustainable Development, the Environment and Energy (2011), and has an MBA from the Collège des Ingénieurs (2012).

Evelyn Tall

A Senegalese national, Evelyn Tall is a graduate of the Ecole d'Administration et de Direction des Affaires de Paris. She began her career at Citibank in Senegal in 1981, before joining Ecobank, the largest Pan-African bank, in 1998, where she held several management positions, contributing her vast experience in business development in Africa. Since February 2017, she has been Chairwoman of the consultancy firm that she founded, E&S Partners.

Observers

Jean-Marc Armitano

Jean-Marc Armitano has over twenty years experience in renewable energies. He notably co-founded Eole Technologie before leading Eole-RES in France and then the Europe/Africa/Middle-East/Asia-Pacific region of the British group, RES, one of the pioneers of renewable energy. He has also been heavily invested in the industry's representative organisations, particularly the Syndicat des Energies Renouvelables (France), Wind Europe and France Energie Eolienne (FEE). Jean-Marc Armitano is currently an entrepreneur and investor.

Jean-Marc Armitano is a graduate of the Aix-en-Provence Institut Universitaire de Technologie and holds a Master's degree in international commerce (MBA programme) from the *Centre d'Etudes du Commerce Extérieur* (Kedge Business School in Marseilles).

Alain Papiasse

Alain Papiasse has over forty years of financial, commercial and managerial experience within Crédit Lyonnais, Crédit Agricole and BNP Paribas. He has extensive experience covering the three continents where Voltalia is active, and also in the power sector. Alain Papiasse is currently President of the Corporate and Institutional Banking (CIB) division of BNP Paribas, which works on development activities with companies like Voltalia. It is also BNP's General Management representative for North America.

Executive Committee

Composition

The members of the Executive Committee are:

- Yoni Ammar, Head of Asset sales, Investment and Funding (ASIF)
- Céline Blachere, Head of Human Resources and Corporate Functions
- Sébastien Clerc, Chief Executive Officer
- Michel Cremieux, Deputy Chief Executive Officer and Chairman of Helexia
- Patrick Delbos, Director - France and Belgium
- Pierre-Jérôme Demarquest, Head of Operation and Maintenance
- Gustavo Fernandes, Head of International Development
- Alexis Goybet, Head of Hydro and Hybrid Project Development
- Robert Klein, Director - Brazil, Mexico and Morocco
- Marie-Odile Lavenant, Chief Financial Officer
- Henri-François Prat, Head of Construction
- Craig Windram, Head of subsidiaries in Europe and Africa
- Nicolas Mayaud, Chief Executive Officer of Helexia
- Benjamin Simonis, Deputy Chief Executive Officer of Helexia
- Maxime Vandoni, Head of agrivoltaic projects

Responsibilities - Functioning

The Executive Committee meets every two weeks to monitor the important events in the life of the Company and responds rapidly, as required. It also constitutes an entity for analysis, reflection and exchange on cross-departmental subjects with a view to establishing action plans for deployment at divisional level.

The Executive Committee also meets four or five times a year over several days for in-depth discussions on the implementation of Voltalia's strategy.

4.5 Conflicts of interest within management bodies

Certain directors are shareholders, directly or indirectly, of the Company (see Section 4.4.2).

Some related-party agreements are in place, which are described in Section 4.9 of the Universal Registration Document, specifically:

- a service agreement with the company Forest Initiative managed by Robert Dardanne for supplying wood to the Biomass power plants in French Guiana, for a duration of three years and an amount of €300 thousand, excluding specific additional services subject to a ceiling;
- monthly remuneration of €2,500 (excluding taxes) under a service agreement with the company FGD S.P.R.L, of which Robert Dardanne is the manager;
- quarterly fixed remuneration of €5,000 (excluding VAT) under the service agreement with The Green Option SAS, of which Philippe Joubert is the representative; and
- a service agreement with Creadev, a director of Voltalia, with annual remuneration of €70,000 ex. tax
- unemployment insurance taken out in favour of Sébastien Clerc, the cost of which was €13,000 in 2019.
- agreement for the contribution of shares by Helexia, a Voltalia subsidiary, to Voltalia, via Creadev, a director of Voltalia. This contribution was made in exchange for Voltalia SA shares worth €30,064 thousand.

With the exception of the above, the Company is not aware of any current or potential conflicts of interest between the duties vis-à-vis the Company and personal interests and/or other duties of directors and

the general management of the Company, as referred to in Section 4.3 of the Universal Registration Document.

To the best of the Company's knowledge, there are no arrangements or agreements with any shareholders, customers, suppliers or other persons under which any of the persons referred to in Section 4.3 of the Universal Registration Document have been appointed.

To the best of the Company's knowledge, at the date of the Universal Registration Document there are no restrictions accepted by the persons referred to in Section 4.3 of the Universal Registration Document concerning the disposal, within a certain period of time, of their interest in the Company's capital.

4.6 Compensation of directors and managers

4.6.1 The principles and rules for the determination of the compensation granted to the Chairman of the Board of Directors and the Chief Executive Officer

The following paragraphs constitute the compensation policy for the Chairman of the Board of Directors and CEO of Voltalia drawn up pursuant to Article L. 225-37-2 of the French Commercial Code. This policy sets out the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to Chairman of the Board of Directors and the CEO of Voltalia. It is specified that the payment, in 2020, of the variable and exceptional components of the compensation for financial year 2019, as set out below, is subject to the approval of the components of compensation of the corporate officers in question by the Ordinary General Meeting pursuant to the provisions of Article L. 225-100 of the French Commercial Code.

The compensation policy for corporate officers is prepared by the Appointments and Compensation Committee, which makes a proposal approved by the Board of Directors. The Board refers to the MiddleNext Code to which Voltalia refers, for the determination of the compensation and benefits granted to corporate officers and executive corporate officers.

Compensation policy for the Chairman of the Board of Directors

Compensation policy for the Chairman of the Board of Directors

The compensation for the Chairman of the Board of Directors comprises only the following two elements: fixed compensation paid monthly and a component subject to the fulfilment of the medium-term performance conditions consisting of free shares, the details of which can be found below.

The Chairman of the Board of Directors does not benefit from the Voltalia pension scheme or any benefits upon departure. Nor is he subject to a non-compete undertaking.
The Chairman of the Board of Directors does not receive attendance fees.

Share-based payment

Share-based payment for the Chairman is subject to the achievement of performance conditions in line with the targets announced by the Group to the market. Thus, the criteria used for the allocation in 2018 relate to Voltalia's EBITDA and ROCE in 2020 and 2021, as well as the intrinsic valuation of the Group (TRI) by 2021.

Starting in 2020, the performance criteria for the vesting of shares will not only take EBITDA, ROCE and valuation objectives into account, but they will also include CSR criteria. Each allocation granted to the Chairman takes into account his previous allocations and total compensation. The valuation of free shares allocated is calculated on their date of allocation.

Once the vesting period is over, the allocations are also followed by retention obligations for the Chairman.

CEO's compensation policy

General principles

Voltalia's compensation policy seeks consistency with market and industry practices to ensure competitive compensation levels, a strong link with the company's performance and maintenance of a balance between short-term and medium/long-term performance. Its objective is to align compensation with shareholders' interests both in the short term and over the longer term.

The compensation of the Chief Executive Officer is determined by the Board of Directors on the recommendation of the Appointments and Compensation Committee in accordance with market practices.

Compensation structure

Voltalia's objective is to establish and maintain a compensation structure balanced between the fixed portion, the benefits in kind, the short-term variable portion in cash and the medium-term variable portion in the form of shares.

The amounts of the fixed and the annual variable compensation are reviewed annually by the Appointments and Compensation Committee.

Voltalia's compensation policy is designed to motivate and reward performance by ensuring that a significant portion of the compensation is subject to the achievement of the financial, operational and social criteria reflecting the Company's interest and the creation of shareholder value. The two main levers of action are variable compensation in cash and share-based payment.

Annual variable compensation

The annual variable compensation ranges between 0% and 60% of the fixed compensation. It is based on quantitative and qualitative criteria, set annually by the Board of Directors and in line with the medium-term objectives announced by the Company.

As with other Voltalia employees, at least 5% of the annual variable compensation of the Chief Executive Officer depends on the achievement of health and safety objectives within the Company.

Share-based payment

Share-based payment to the Chief Executive Officer is an important component aimed at aligning the interests of the beneficiary and those of the shareholders, and at strengthening attachment to the Company. This can represent the equivalent of more than one year of the fixed compensation determined at the time of attribution. 50% is allocated in the form of Voltalia SA shares and 50% in the form of the shares of Voltalia Investissement, the reference shareholder.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors determines the performance conditions attached to share-based payment for all beneficiaries of Voltalia and its subsidiaries, which encourages the achievement of targets based on the consolidated performance of the Voltalia Group. The shares allocated by Voltalia Investissement have performance conditions similar to the shares allocated by the Company.

The performance conditions defined are in line with the targets announced by the Group to the market. Thus, the criteria used for the allocation of free shares of Voltalia Investissement in 2018 relate to Voltalia SA's EBITDA and ROCE in 2020 and 2021, as well as the intrinsic valuation of the Group (TRI) by 2021.

The valuation of free shares allocated is calculated on their date of allocation.

Each allocation granted to the CEO takes into account his previous allocations and total compensation.

Once the vesting period is over, the allocations are also followed by retention obligations for the Chief Executive Officer.

In the event of end of the term of office

The Chief Executive Officer benefits from the same pension plan as the Company's French employees, as well as a GSC insurance (unemployment insurance for managers and company executives).

Non-compete undertaking

If the CEO leaves the Company, he undertakes not to join as employee or corporate officer of, or perform services for, or cooperate with, a competitor of the Company. The Board of Directors fixes the duration of this undertaking as well as the amount and terms of payment of the compensation that the Chief Executive Officer receives in return for this undertaking.

If the Chief Executive Officer leaves the Company, the Board of Directors may nevertheless decide to release him from this undertaking, for all or part of the period covered by the undertaking. In this event, the non-compete compensation is not due for the period waived by the Company.

Consequences of the Chief Executive Officer's departure on share-based payments

If the Chief Executive Officer leaves Voltalia before the end of the vesting period of the shares, he irrevocably loses the shares not yet vested, irrespective of any partial or full discharge of his non-compete undertaking under his term of office as CEO, which may be decided by the Board of Directors.

In the event of retirement before the end of the vesting period of the free shares, the Chief Executive Officer also loses the benefit of the shares allocated initially.

Chief Executive Officer 2019 compensation

The CEO received a fixed gross compensation of €300,000 in 2019, approved by the Board of Directors on 11 April 2019, on the recommendation of the Appointments and Remuneration Committee.

His compensation for 2019 was approved by the Board of Directors on 20 March 2020 upon recommendation of the Appointments and Remuneration Committee and in accordance with principles approved by the General Meeting on 20 May 2019.

Variable compensation is based on a set of quantitative and qualitative criteria:

- The quantitative targets (for more than 50% of the variable compensation) set for 2019 related to the Company's performance in terms of revenue, achievement of installed MW, financial operating performance, personal safety, new contracts signed, business development, as well as the success of the capital increase.
- The qualitative objectives set for the 2019 financial year included in particular the structuring of the Company's human resources management, developing a strategy for future trends in the sector and the role of digitalisation within the Group;
- In total, the Chief Executive Officer exceeded these 2019 objectives, bringing his variable compensation for 2019 to €198,000, representing 110% fulfilment of targets set.

The Chief Executive Officer benefited from the free share allocation 136,572 Voltalia S.A. shares during the 2019 financial year. In addition, a decision was taken on 13 February 2020 to award him 4,250,000 Voltalia Investissement shares, subject to meeting employment and performance conditions (Voltalia SA EBITDA, and 2021 and 2022 ROCE, 2020 and 2021 CSR performance of the green loan, as well as the intrinsic valuation of Company by 2023).

4.6.2 Principles and rules for the payment of directors' compensation

Compensation policy for the directors

Based on the market studies conducted in 2019 on compensation paid to directors, the Appointments and Compensation Committee defined, at its meeting of 6 March 2020, the compensation policy applicable to Valtalia's directors for 2020. The policy will be approved at the next General Meeting scheduled for May 2020.

All independent directors will receive fixed annual compensation for 2020 roughly equivalent to their active participation in all Board meetings during the year (as well as the annual amount for directors' attendance at meetings). This amount could vary depending on the level of seniority of each director. Directors who are not independent are compensated according to a scale based on attendance at meetings, which is more or less the same scale used for independent directors.

Directors who participate in the Board's sub-committees will receive a flat-rate payment in addition to their annual compensation. This additional compensation will be adapted based on each director's role within the committee, namely as a member or the chairman or chairwoman.

Principles and rules for payment

The Chairman of the Board of Directors receives compensation for his role as Chairman but does not receive attendance fees for his office of director.

The directors, particularly the independent directors, are remunerated by means of attendance fees based on their attendance at meetings of the Board of Directors and their participation in Special committees, and on the time, they devote to their duties. In accordance with the 18th resolution of the Combined General Meeting of 1 June 2017, the annual budget for attendance fees is set at €150 thousand. This amount will be reviewed at the General Meeting in May 2020.

The Appointments and Compensations Committee is in particular responsible for examining the total amount of directors' fees and their distribution system among directors, as well as the conditions for the reimbursement of any expenses incurred by members of the Board of Directors.

4.6.3 Compensation paid to corporate officers of the Company during the last two financial years

Compensation received by the managers and by all corporate officers of the Company was as follows² :

Table 1: Summary of compensation, options and shares granted to each executive corporate officer

Executive corporate officer	2018 financial year (euros)	2019 financial year (euros)
Laurence Mulliez – Chairwoman of the Board of Directors		
Compensation for the financial year (1)	110,000	110,000
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options, BSPCEs and BSAs granted during the financial year	-	-
Valuation of free shares granted during the financial year	113,139 (2)	-
Sébastien Clerc – Chief Executive Officer		
Compensation for the financial year (1)	417,016	11,276
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options, BSPCEs and BSAs granted during the financial year	-	-
Valuation of free shares granted during the financial year	533,333 (2)	850,000 (3)

(1) Detailed in table 2

(2) For 2018: Voltalia SA and Voltalia Investissement share valuations correspond to the fair value on the award date, taking into consideration the terms and conditions under which the shares were awarded i.e. four years employment and fulfilment of EBITDA, ROCE and value creation performance criteria.

(3) For 2019: Voltalia SA share valuation corresponds to the fair value on the award date, taking into consideration the four year employment condition and fulfilment of EBITDA, ROCE and value creation performance criteria.

Table 2: Summary of the compensation of each executive corporate officer

Executive corporate officer	2018 financial year		2019 financial year	
	Amounts payable ^(*) (euros)	Amounts paid (euros)	Amounts payable ^(*) (euros)	Amounts paid (euros)
Laurence Mulliez – Chairwoman of the Board of Directors				
Fixed compensation (1)	110,000	110,000	110,000	110,000
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation				
Attendance fees				
Benefits in kind				
Total	110,000	110,000	110,000	110,000
Sébastien Clerc – Chief Executive Officer				
Fixed compensation (2)	260,000	260,000	300,000	260,000
Annual variable compensation (3)	144,000	128,000	198,000	144,000
Multi-year variable compensation				
Exceptional compensation				
Attendance fees				
Benefits in kind (4)	13,016	13,016	13,276	13,276
Total	417,016	401,016	511,276	417,276

(*) Variable compensation due for year N is paid during year N+1

- (1) Laurence Mulliez receives fixed compensation of €110,000 per year as Chairwoman of the Board of Directors
- (2) Sébastien Clerc receives fixed compensation of €300,000 thousand per year as Chief Executive Officer. This amount was confirmed by the Board of Directors on 11 April 2019, on the recommendation of the Appointments and Compensation Committee. It was paid in March 2020.
- (3) The annual variable compensation of Sébastien Clerc was approved by the Board of Directors on 20 March 2020, on the proposal of the Appointments and Compensation Committee and in accordance with the principles approved by the General Meeting of 24 May 2018. This variable compensation is subject to the achievement of qualitative targets (human resources management, 2030 vision exercise) and quantitative targets (operational performance of power plants, success in tenders, development of the service activities) predetermined by the Company's Board of Directors. It is paid on or before 30 April of the following year. The achievement of the 2019 objectives was confirmed by the Board of Directors on 20 March 2020.
- (4) The benefits in kind for Sébastien Clerc correspond to unemployment insurance for Company managers and executives (GSC).

The principles and rules for the determination of the compensation granted to the Chairman and the Chief Executive Officer are detailed in 4.6.1 of the Universal Registration Document.

Table 3: Compensation received by non-executive corporate officers

Corporate officers	2018 financial year		2019 financial year	
	Amounts payable* (euros)	Amounts paid* (euros)	Amounts payable* (euros)	Amounts paid* (euros)
André-Paul Leclercq - Director				
Compensation	29,180 (1)	26,563	43,740	23,180
Other compensation	-	-	-	-
Robert Dardanne (1) - Director				
Compensation	-	-	-	-
Other compensation	30,000	30,000	30,000	30,000
The Green Option (2) - Director				
Compensation	30,000	30,000	30,000	30,000
Other compensation	20,000	20,000	20,000	20,000
Creadev - Director				
Compensation	-	-	-	-
Other compensation	-	-	44,246	44,246
Solène Guéré - Director				
Compensation	4,920	2,650	10,200	4,920
Other compensation	-	-	-	-
Evelyne Tall (3) - Director				
Compensation	15,205	NA	25,000	15,205
Other compensation	-	NA	NA	-
Total in euros	129,305	109,213	158,940	123,305

(*) Compensation payable for year N is paid in year N+1

(1) André-Paul Leclercq's compensation for 2018 will be paid in 2020 to take into account a €6,000 adjustment in respect of his compensation as Chairman of the Audit Committee.

(2) Robert Dardanne receives indirect compensation as manager of FGD S.P.R.L. under the terms of a service agreement (see Section 4.9 of the Universal Registration Document).

(2) Philippe Joubert received indirect compensation as manager of The Green Option under the terms of a service agreement between The Green Option and the Company (see Section 4.9 of the Universal Registration Document).

(3) Evelyne Tall was appointed director of the Company on 24 May 2018.

Table 4: Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options allocated to each executive corporate officer by the Company or any of its companies during the financial years ended 31 December 2018 and 2019

None.

Table 5: Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options exercised by each executive corporate officer during the financial years ended 31 December 2018 and 2019

None.

Table n°6 : Free shares allocated to each corporate officer during the fiscal year

Regarding the Company :

Name	Allocation date	Free shares number allocated during FY2019	Acquisition date	Definitive acquisition date	Vesting conditions
Laurence Mulliez	-	-	-	-	-
Sébastien Clerc	25-10-2019	136.572	31-07-23	31-07-23	[1]
Total	-	136.572	-	-	-

1. The shares will vest on 31/07/2023, subject to performance conditions linked to the Company's results (such as EBITDA, ROCE or IRR on an investment in securities of the Company).

Regarding Voltalia Investissement, the company controlling the Company within the meaning of Article L. 233-16 of the French Commercial Code, no free shares were allocated in 2019 due to an administrative delay. Voltalia Investissement free shares were allocated in February 2020.

Table 7: Free shares allocated to each corporate officer, now vested

None.

Table 8: History of allocations of Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options to executive corporate officers

The Company has never allocated Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options to executive corporate officers.

Regarding **Voltalia Investissement**, the company controlling the Company within the meaning of Article L. 233-16 of the French Commercial Code, see the table below:

Voltalia Investissement instruments	Stock warrants	Options
Date of Voltalia Investissement's General Meeting	29-06-12	29-06-12
Date of the Board of Directors' meeting of Voltalia Investissement	29-06-12	29-06-12
Number of BSAs/Options authorised	1,086,957	6,111,112
Total number of BSAs/Options awarded	1,086,957	6,111,112
Total number of Voltalia Investissement shares that may be subscribed, including the total number that may be subscribed by corporate officers	1,086,957	6,111,112
<i>Sébastien Clerc</i>	1,086,957	6,111,112
Number of non-officer beneficiaries	0	0
Starting date of BSA stock warrants/options exercise period	30 June 2016	30 June 2016
BSA stock warrants/options expiry date	30 July 2020	30 July 2020
Voltalia Investissement single share option price (euros)	0.18	0.18
Conditions of exercise	(1)	(2)
Number of Voltalia Investissement shares subscribed at the date of the Universal Registration Document	1,086,957	6,111,112
Cumulative number of BSAs/Options cancelled or exercised	0	0
Remaining BSAs/Options at the date of the Universal Registration Document	0	0
Total number of Voltalia Investissement shares that may be subscribed at the date of the Universal Registration Document	0	0

(1) The warrants ("BSA") in force on the date of the Universal Registration Document are all exercisable from 30 June 2016.

(2) The stock options in force on the date of the Universal Registration Document are all exercisable from 30 June 2016.

Table 9: Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options granted to, and exercised by, the top ten non-corporate officer employee beneficiaries

None.

Table 10: History of free shares allocated

Regarding the Company:

Free allocation of Voltalia SA Shares			
Date of the Voltalia General Meeting that authorised the allocation	12 May 16	20 May 19	20 May 19
Date of allocation by the Board of Directors	26 Sep. 18	25 Oct. 19	25 Oct. 19
Number of shares that can be allocated	1,200,000	2,000,000	1,694,700
Total number of shares allocated	77,291 ⁽¹⁾	305,000	24,106
<i>of which the total number of shares allocated to corporate officers</i>	48,354 ⁽¹⁾	136,572	-
<i>Laurence Mulliez</i>	8,442 ⁽¹⁾	-	-
<i>Sébastien Clerc</i>	39,912 ⁽¹⁾	136,572	-
Number of non-officer beneficiaries	4	6	2
Number of shares being vested	71,346 ⁽¹⁾	305,000	24,106
Vesting date	31 Jul. 22	31 Jul. 23	31 Jul. 23
Vesting conditions		(2)	(2)
Number of shares vested at the date of the Universal Registration Document	0	0	0
Number of shares cancelled or lapsed	5,945 ⁽¹⁾	0	0
Length of holding period	0	0	0

(1) Taking into account the number of free shares allocated, decided upon following the Company's July 2019 capital increase, in accordance with the provisions of Article L. 228-99 of the French Commercial Code.

(2) The shares are vested after a period of four years, subject to performance conditions linked to the Company's results (such as EBITDA, ROCE or IRR on an investment in securities of the Company).

Regarding Voltalia Investissement, the company controlling the Company within the meaning of Article L. 233-16 of the French Commercial Code, see the table below:

Free allocation of Voltalia Investissement shares				
Date of the General Meeting of Voltalia Investissement that authorised the allocation	16/12/2016	16/12/2016	16/12/2016	16/12/2016
Date of allocation by the Board of Directors of Voltalia Investissement	16/12/2016	22/09/2017	26/09/2018	26/09/2018
Number of Voltalia Investissement shares that can be allocated	14,758,807	9,056,519	8,156,519	7,070,787
Total number of Voltalia Investissement shares allocated	5,702,288	900,000	1,085,732	2,860,834
<i>of which the total number of shares allocated to corporate officers of the Company</i>	3,320,100	900,000	0	1,789,773
<i>Laurence Mulliez</i>	301,830		0	312,500
<i>Sébastien Clerc</i>	3,018,270	900,000	0	1,477,273
Number of non-officer beneficiaries	8	0	3	4
Number of Voltalia Investissement shares currently awaiting vesting	5,702,288	900,000	1,085,732	2,640,753
Vesting date	31/07/2020	31/07/2020	31/07/2021	31/07/2022
Vesting conditions	(1)	(2)	(3)	(3)
Number of Voltalia Investissement shares vested at the date of the Universal Registration Document	-	-	-	-
Number of Voltalia Investissement shares cancelled or lapsed	-	-	-	220,081
Length of holding period	2 years	2 years	2 years	1 years

(1) The shares will be vested by their beneficiaries after a period of four years, subject to performance conditions linked to the Company's results (such as EBITDA, ROCE or IRR on an investment in securities of the Company).

(2) The shares will be vested by their beneficiaries on 31/07/2020, subject to performance conditions linked to the Company's results (such as EBITDA, ROCE or IRR on an investment in securities of the Company).

(3) The shares will vest on 31/07/2022, subject to performance conditions linked to the Company's results (such as EBITDA, ROCE or IRR on an investment in securities of the Company).

Table 11: Clarification regarding the terms and conditions of compensation and other benefits granted to executive corporate officers

Executive corporate officers	Employment contract	Supplementary pension plan	Compensation or benefits due or likely to be due on termination or change of function	Compensation due under a non-competition clause
Laurence Mulliez Chairwoman of the Board of Directors	No	No	No	No
Start of term of office	11 June 2015			
End of term of office	Ordinary General Meeting held to approve the financial statements for the financial year ended 31 December 2020			
Date of renewal of term of office	Ordinary General Meeting held to approve the financial statements for the financial year ended 31 December 2020			
Sébastien Clerc Chief Executive Officer	No	No	No	Yes ⁽¹⁾
Start of term of office	10 November 2011			
Date of renewal of term of office	12 May 2016			
End of term of office	Ordinary General Meeting held to approve the financial statements for the financial year ended 31 December 2019			

(1) See Section 4.9 of the Universal Registration Document.

In addition, Sébastien Clerc benefits from unemployment insurance for managers and company executives; see Sections 4.6.1 and 4.9 of the Universal Registration Document.

4.7 Pensions and other benefits

There is no contract between the members of the Board of Directors and the Company or its subsidiaries providing for benefits or allowances due or likely to be due on the termination or change of functions within the Company or its subsidiaries, other than the unemployment insurance of the CEO and collective supplementary pension plans.

As part of the corporate officer's agreement that binds him to the company, Sébastien Clerc undertakes not to compete with the Company on conclusion of his term. In such an event he would benefit from a monthly allowance corresponding to his compensation during the period of non-competition, for a maximum period of six months. However, the Company has reserved the right to waive this clause.

4.8 Summary of transactions by managers and Persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Transaction type	Transaction date	Transaction amount (euros)	Number of shares
The Green Option	Acquisition	15 July 2019	60,021	6,517
Sébastien Clerc	Acquisition	15 July 2019	83,204	9,044
Voltalia Investissement (Creadev)	Acquisition	15 July 2019	249,999,972	27,173,910
Laurence Mulliez	Acquisition	15 July 2019	73,572	7,123
Creadev	Delivery (Helexia acquisition payment)	1 September 2019	30,064,415	5,253,468

4.9 Service contracts between members of the administrative, management or supervisory bodies of the issuer

The following agreements concluded in previous years were renewed during the financial year ended 31 December 2019:

- Voltalia acquired Helexia shares from Creadev (Mulliez family), a majority shareholder in Voltalia. The transaction was approved today by the Voltalia Board of Directors without representatives of Creadev or the Mulliez family taking part in the vote. On the basis of the twenty-sixth resolution of the Combined General Meeting of Shareholders on 24 May 2018, the Board approved the terms and conditions of the transaction, it being stated that Creadev's representative did not take part in the vote. To finance the acquisition, 5,452,829 new Voltalia SA shares were issued at a price of €10.10 per share to pay for 97.55% of Helexia with the remainder settled in cash. A total of €33,558 thousand was paid for 100% of Helexia's shares.
- VOLTALIA SA established a service agreement with Creadev, a director of VOLTALIA SA. Under the service agreement signed on 26 November 2018, CREADEV provides VOLTALIA with assistance and collaboration in the development and execution of its business in terms of strategy, sales, finance, human resources and management. It is subject to tacit renewal on 1 January of the renewal year. The service fee amounts to €70,000 per year, or €17,500 per quarter, to be paid within 15 days of receipt of the service invoice. The Board of Directors authorised this service on 7 November 2018, for 2019. The service charge net of VAT invoiced to Voltalia SA amounted to €40.8 thousand, plus €3.4 thousand for re-invoiced expenses for the year ended on 31 December 2019.
- VOLTALIA SA established a service agreement with FGD S.P.R.L., represented by Robert Dardanne, a Director of VOLTALIA SA. This service agreement is for the provision of support and advice to VOLTALIA SA to obtain authorisations and build electricity generation plants in French Guiana.

The Board of Directors authorised the service agreement with FGD S.P.R.L on 10 November 2011. This agreement was signed on 10 January 2013 for a fixed period of one year, and has been renewed every year since then.

Wishing to continue to grow its business in French Guiana, on 7 November 2018, the Board of Directors authorised a renewal amendment which was signed on 1 January 2019.

The service charge net of VAT invoiced to VOLTALIA SA amounted to €30 thousand, plus €5 thousand for reimbursement of expenses for the year ended on 31 December 2019.

- VOLTALIA SA established a service agreement with The Green Option. Philippe Joubert, director of VOLTALIA SA, is the Chairman of this Company.
This service is for the provision of strategic monitoring and targeted business relationships in new countries to VOLTALIA SA. The service also includes strategic advice on growing Voltalia business in Brazil and internationally. €20,000 a year is invoiced on a quarterly basis. The agreement was signed on 15 September 2014 for a one-year term and is automatically renewed.
The one-year renewal was authorised by the Board on 7 November 2018, and the amendment was signed on 1 January 2019.
For the year ended 31 December 2019, the amount (excluding taxes) of services invoiced, excluding expenses, by The Green Option was €18 thousand.
- VOLTALIA SA established a service agreement with Forest Initiative. Robert Dardanne, director of VOLTALIA SA, is the Chairman of this Company.
This service agreement is intended to secure wood supplies for the future biomass power plants. It was signed for a three-year term from the signature date. Total compensation is set at €300 thousand plus the invoicing of additional specific tasks for a maximum annual amount of €150 thousand. The agreement also includes an option for Voltalia SA to purchase Forest Initiative. Since sourcing wood is key for Biomass power plants, this agreement was authorised in advance by the Board of Directors on 31 March 2017, signed on 7 April 2017 and approved by the General Meeting of 1 June 2017.
No services were invoiced for the financial year ended on 31 December 2019.
- VOLTALIA SA took out unemployment insurance for Sébastien Clerc, Chief Executive Officer. The Board of Directors approved this unemployment insurance cover when his re-appointment was approved by the Board of Directors' meeting on 2 June 2017
Voltalia SA paid €13.3 thousand for the unemployment insurance for the financial year ended 31 December 2019.

See related-party agreements in Note 4.13 of this Chapter

4.10 Human resources

4.10.1 Organisation chart as of 31 December 2019

Voltalia's organisational structure is presented in Section 1.7 of the Universal Registration Document.

4.10.2 Number and distribution of employees

Detail of the Company's workforce distribution as well as any changes is provided in Section 3.1 of the Universal Registration Document.

To the best of the Company's knowledge, there are no agreements stipulating indemnities for members of the Board of Directors or employees if they resign or are terminated without real or serious cause or their employment ends due to a takeover bid or public exchange offer.

4.11 Interests and stock options of directors and officers

As of 31 December 2019, the direct and indirect interests of the members of the Board of Directors and the CEO are set out in Section 4.5 of the Universal Registration Document.

4.12 Equity interests of the employees in the capital of the Company

In 2019, the Company set up a Group savings plan for all employees of member countries of the plan i.e. France, Brazil and Portugal.

On 18 March 2019, the Board of Directors authorised the introduction of the first employee stock ownership plan for the three countries that were members of the Group's savings plan. The plan met with tremendous success with a participation rate of nearly 70% of eligible employees. Once the transaction was complete, 153,969 shares were allocated to employee shareholders.

At 31 December 2019, Company employees and employees of related companies within the meaning of Article L. 225-102 of the French Commercial Code, held 0.16% of the Company's share capital under the Group savings plan.

4.13 Statutory Auditors' special report on related party agreements and commitments

Statutory Auditors' special report on related-party agreements and commitments

To the shareholders of Voltalia SA,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the characteristics, terms and conditions and interest for the Company of the agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, without commenting as to their usefulness or appropriateness nor verifying the existence of other agreements or commitments. It is your responsibility, in accordance with article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from those agreements and commitments prior to their approval.

In addition we are required, where applicable, to inform you, in accordance with article R225-31 of the French code of commercial law, of any agreements and commitments previously approved by shareholders which were executed during the year.

We performed the procedures which we considered necessary to comply with the professional guidance applicable in France to this type of engagement. The procedures consisted of verifying that the information provided to us was consistent with the documentation from which it was extracted.

Agreements and commitments subject to the approval of the general meeting of shareholders

Agreements and commitments authorized and concluded in the past fiscal year

Agreements and commitments authorised and signed in 2018 In accordance with article L. 225-40 of the French code of commercial law, we were advised of the following agreements and commitments signed during the year which were previously approved by your Board of Directors.

Agreement for services provided by CREADEV

Contracting party: CREADEV

Director

concerned: CREADEV, a director of VOLTALIA SA

Nature and purpose: Under the service agreement signed on 26 November 2018, CREADEV provides VOLTALIA with assistance and collaboration in the development and execution of its business in terms of strategy, sales, finance, human resources and management. This agreement had an initial duration of 6 months starting 1 June 2018 until 31 December 2018. It is subject to tacit renewal on 1 January of each year. The service fee amounts to €70,000 per year, or €17,500 per quarter, to be paid within 15 days of receipt of the service invoice.

Amounts involved: The service charge excluding taxes and expenses, invoiced for the year ended 31 December 2019, amounted to €41 thousand for 2019 as well as €3 thousand for travel and entertaining expenses.

Date of the applicable

Board meeting: 7 November 2018

Reasons: As required by law, we inform you that the prior authorisation given by the Board of Directors does not contain reasons explaining why this agreement is of interest for the Company, as provided for by article L. 225-38.

Agreement for services provided by FGD S.P.R.L

Contracting party: FGD S.P.R.L

Director

concerned: Robert Dardanne, representing FGD S.P.R.L and a director of VOLTALIA SA

Nature and purpose: At its meeting of 7 November 2018, your Board of Directors authorised the signature on 1 January 2019 of an addendum to renew the service agreement for an additional year, i.e. until 31 December 2019. Through this service agreement, FGD S.P.R.L. provides VOLTALIA SA with assistance and advice for the purposes of obtaining the requisite authorisations and engaging in the construction of electricity generating plants in French Guiana for a service fee of €2,500 net of VAT per month plus the rebilling of travel and entertaining expenses.

Terms and conditions: The service charge excluding taxes and expenses for the year ended 31 December 2019 amounted to €30 thousand. The rebilling of travel and entertaining expenses amounted to €5 thousand.

Date of the applicable

Board meeting: 7 November 2018

Reasons: As required by law, we inform you that the prior authorisation given by the Board of Directors does not contain reasons explaining why this agreement is of interest for the Company, pursuant to article L. 225-38.

Agreement for services provided by THE GREEN OPTION

Contracting party: THE GREEN OPTION

Director

Party concerned: THE GREEN OPTION, a director of VOLTALIA SA.

Nature and purpose: Under the agreement signed on September 15, 2014 with THE GREEN OPTION, a director of VOLTALIA SA, for a period of one year subject to tacit renewal, THE GREEN OPTION performs strategic watch on behalf of VOLTALIA SA and proposes targeted business relationships for the company in new countries. At its meeting on 7 November 2018, your Board of Directors decided to authorise the signature on 1 January 2019 of an addendum to renew the service agreement for an additional year, i.e. until 31 December 2019, with THE GREEN OPTION.

Amounts involved: The service charge, excluding taxes and expenses, of the services recognised by VOLTALIA SA for the year ended 31 December 2019 amounted to €18 thousand.

Date of the applicable

Board meeting: 7 November 2018

Reasons: As required by law, we inform you that the prior authorisation given by the Board of Directors does not contain reasons explaining why this agreement is of interest for the company, as provided for by article L. 225-38.

Acquisition paid for in shares

Contracting party: CREADEV

Director

concerned: CREADEV, a director of VOLTALIA SA

Nature and purpose: Voltalia acquired Helexia shares from Creadev, a majority shareholder in Voltalia. The transaction was approved on 25 October 2019 by Voltalia's Board of Directors. It should be noted that the representatives of the Mulliez family did not take part in the vote. Based on the twenty-sixth resolution of the Combined General Meeting held on 24 May 2019, the Board of Directors approved the terms of the transaction.

Amounts involved: To finance the acquisition, 5,452,829 new Voltalia SA shares with a nominal value of €5.70 were issued at a price of €10.10 per share to pay for 97.55% of the shares with the remainder settled in cash. A total of €33.6 million was paid for 100% of Helexia's shares.

Date of the applicable

Board meeting: 25 October 2019

Reasons: As required by law, we inform you that the prior authorisation given by the Board of Directors does not contain reasons explaining why this agreement is of interest for the Company, as provided for by article L. 225-38.

Agreements and commitments not authorised in advance by your Board of Directors

Please note that we were not informed of any unauthorised agreement or commitment during the year to be submitted for the approval of the General Meeting in accordance with article L. 225-42 and L. 823-12 of the French Commercial Code.

However, on 6 July 2018, your Board of Directors decided to consider three agreements as standard agreements entered into on normal terms. We do not share the analyse that concluded these agreements were entered into of normal terms, given that they are remunerated through a flat rate.

Within this context, the three agreements should be maintained as related-party agreements, given the presence of common directors.

- **Agreement for administrative services rendered to LA FAYE ENERGIE SAS (director concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of LA FAYE ENERGIES SAS)**

Under the agreement signed on 9 June 2010 with LA FAYE ENERGIES SAS for a period of one year from 1 January 2010 to 31 December 2010, subject to tacit renewal, VOLTALIA SA rebills to its subsidiary LA FAYE ENERGIES SAS the administrative, accounting, personnel, legal and fiscal services required for the company's functioning, on the basis of €4 thousand of fixed annual remuneration payable in two half-yearly instalments of €2 thousand each. Any direct costs borne by VOLTALIA SA on behalf of LA FAYE ENERGIES SAS are rebilled without mark-up.

The service charge excluding taxes billed by VOLTALIA SA to LA FAYE ENERGIES SAS for the year ended 31 December 2019 amounted to €4 thousand.

- **Agreement for administrative services rendered to VOLTALIA KOUROU (director concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of VOLTALIA KOUROU)**

Under the agreement signed on 23 December 2014 with VOLTALIA KOUROU for a period of 5 years with effect from 1 July 2014, VOLTALIA SA provides VOLTALIA KOUROU with administrative services in the areas of accounting, personnel management, tax and legal affairs, computer maintenance.

The agreement also covers the remuneration for a guarantee provided to Voltalia Kourou by Voltalia SA. Services are billed twice per year for a fixed half-yearly charge of €30,050 for administrative services and on the basis of time devoted to operating services.

This agreement was renewed with effect from 1 July 2019 to 31 December 2019.

The service charge excluding taxes billed by VOLTALIA SA to VOLTALIA KOUROU for the period from 1 July 2019 to 31 December 2019 amounted to €43 thousand.

- **Agreement for administrative services rendered to CHSMV (director concerned: Robert Dardanne, a director of Voltalia SA and of CHSMV)**

Under the agreement signed on 23 December 2014 with CHSMV for a period of 5 years with effect from 1 July 2014, VOLTALIA SA provides CHSMV with administrative services in the areas of accounting, personnel management, tax and legal affairs, computer maintenance.

The agreement also covers the remuneration for a guarantee provided to CHSMV by Voltalia SA. Services are billed twice per year for a fixed half-yearly charge of €15,025 for administrative services and on the basis of time devoted to operating services.

This agreement was renewed with effect from 1 July 2019 to 31 December 2019.

The service charge excluding taxes billed by VOLTALIA SA to CHSMV for the period from 1 July 2019 to 31 December 2019 amounted to €39 thousand.

Agreements and commitments already approved by the general meeting of shareholders

***In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, previously approved by General Meetings of Shareholders of previous financial years, continued to be executed during the year.

As required by law, we draw your attention to the fact that the Board of Directors did not carry out the annual assessment of the agreements and commitments signed and authorised during previous years and renewed in 2019, in accordance with article L. 225-40-1.

Agreements and commitments approved during previous financial years and renewed in 2019

Commitments for the benefit of the company's Chief Executive Officer

Managers

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA.

Nature and purpose: In accordance with paragraph 4 of article L.225-42-1 of the French Commercial Code, the following commitments have been made by the Company for the benefit of Sébastien Clerc whose appointment as Chief Executive Officer of Valtalia SA was renewed by decision of the Board of Directors on 12 May 2016: (i) the subscription of unemployment insurance coverage paid for by the Company; (ii) the monthly payment, for 6 months, in the event of the termination of his functions, of a non-competition benefit equal to 1/12th of his most recent fixed annual compensation (the Company can waive this requirement for a non-competition undertaking).

Terms and conditions: VOLTALIA SA paid €13,275.66 for the unemployment insurance premium as at 31 December 2019.

Treasury management agreement dated 8 January 2007

Contracting parties: VOLTALIA KOUROU, LA FAYE ENERGIES SAS

Director

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of VOLTALIA KOUROU and of LA FAYE ENERGIES SAS

Nature and purpose: A treasury management agreement was signed on 8 January 2007 between VOLTALIA SA and its subsidiary VOLTALIA KOUROU. The ensuing agreement with LA FAYE ENERGIES SAS was signed on 26 February 2007. The agreement, which is for an indefinite period, covers the organisation, coordination and optimisation of Valtalia Group's treasury management. The interest charged on the central bank accounted opened in the name of Valtalia SA is rebilled to these companies on the basis of their use of the facilities available and of the average annual rate of interest charged by banks for floating rate business loans with initial durations in excess of two years.

Terms and conditions: The applicable amounts of principal and interest for the central bank accounts opened on behalf of VOLTALIA SA for 2019 were as follows:

- VOLTALIA KOUROU: €23 thousand and €317 in interest
- LA FAYE ENERGIES SAS: €1,031 thousand and €44 thousand in interest.

Treasury management agreement with the company's Guyana subsidiaries dated 8 January 2007

Contracting parties: IRACOUBO BIOMASSE ENERGIE, BELLE ETOILE ENERGIE GUYANE, BON ESPOIR ENERGIE GUYANE, HYDRO REGINA 2 INVESTISSEMENT, VOLTALIA SAUT MAPAOU INVESTISSEMENT, VOLTALIA ORGANABO INVESTISSEMENT

Directors

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of IRACOUBO BIOMASSE ENERGIE

Robert Dardanne, director of VOLTALIA SA and of BELLE ETOILE ENERGIE GUYANE, BON ESPOIR ENERGIE GUYANE, HYDRO REGINA 2 INVESTISSEMENT, VOLTALIA SAUT MAPAOU INVESTISSEMENT, VOLTALIA ORGANABO INVESTISSEMENT.

Nature and purpose: A treasury management agreement was signed on 8 January 2007 between VOLTALIA SA and the subsidiaries listed above. The agreement, which is for an indefinite period, covers the organisation, coordination and optimisation of Voltalia Group's treasury management. The interest charged on the central bank account opened in the name of Voltalia SA is rebilled to subsidiaries on the basis of their use of the facilities available and of the average annual rate of interest charged by banks for floating rate business loans with initial durations in excess of two years.

Terms and conditions: The applicable amounts of principal and interest for the central bank account opened on behalf of VOLTALIA SA in 2019 for various companies were as follows:

- IRACOUBO BIOMASSE ENERGIE: €7 thousand and €49 in interest
- BELLE ETOILE ENERGIE GUYANE : €0
- BON ESPOIR ENERGIE GUYANE : €0
- HYDRO REGINA 2 INVESTISSEMENT : €0
- VOLTALIA SAUT MAPAOU INVESTISSEMENT : €0
- VOLTALIA ORGANABO INVESTISSEMENT: €567 thousand and €21 thousand in interest

Agreement for project development assistance provided by VOLTALIA GUYANA

Contracting party: VOLTALIA GUYANE

Director

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of VOLTALIA GUYANE

Nature and purpose: A development assistance agreement was signed on 23 December 2014 with retroactive effect from 1 July 2014 with VOLTALIA GUYANE for a period of six years. Voltalia SA undertook to bear the totality of the costs and risks associated with the development of projects in Guyana, which are billed quarterly on the basis of time spent.

Terms and conditions: The development charge excluding taxes billed by VOLTALIA GUYANE to VOLTALIA SA for the year ended 31 December 2019 amounted to €891 thousand.

In addition, on 6 July 2018, your Board of Directors decided to consider two agreements as standard agreements entered into on normal terms. We do not share the analyse that concluded these agreements were entered into of normal terms, given that they are remunerated through a flat rate.

Within this context, these agreements should be maintained as related-party agreements, given the presence of common directors.

- **Agreement for administrative services rendered to VOLTALIA KOUROU (director concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of VOLTALIA KOUROU)**

Under the agreement signed on 23 December 2014 with VOLTALIA KOUROU for a period of 5 years with effect from 1 July 2014, VOLTALIA SA provides VOLTALIA KOUROU with administrative services in the areas of accounting, personnel management, tax and legal affairs, computer maintenance.

The agreement also covers the remuneration for a guarantee provided to Voltalia KOUROU by Voltalia SA. Services are billed twice per year for a fixed half-yearly charge of €30,050 for administrative services and on the basis of time devoted to operating services.

The service charge excluding taxes billed by VOLTALIA SA to VOLTALIA KOUROU for the period from 1 January 2019 to 30 June 2019 amounted to €44 thousand.

- **Agreement for administrative services rendered to CHSMV (director concerned: Robert Dardanne, a director of Voltalia SA and of CHSMV)**

Under the agreement signed on 23 December 2014 with CHSMV for a period of 5 years with effect from 1 July 2014, VOLTALIA SA provides CHSMV with administrative services in the areas of accounting, personnel management, tax and legal affairs, computer maintenance.

The agreement also covers the remuneration for a guarantee provided to CHSMV by Voltalia SA. Services are billed twice per year for a fixed half-yearly charge of €15,025 for administrative services and on the basis of time devoted to operating services.

The service charge excluding taxes billed by VOLTALIA SA to CHSMV for the period from 1 January 2019 to 30 June 2019 amounted to €45 thousand.

Agreements and commitments approved during previous years *that were not entered into in 2019*

Furthermore, we were informed of the continuation of the following agreements and commitments that were previously approved by General Meetings during previous years and that were not entered into in 2019.

Agreement for services provided by Forest Initiative

Contracting party: FOREST INITIATIVE

Director

concerned: Robert Dardanne, Chairman of FOREST INITIATIVE and a director of VOLTALIA SA

Nature and purpose: This service agreement was signed on 7 April 2017 for a period of 3 years.

It covers:

- The performance of a procurement plan feasibility review for consideration of €230 thousand including €123 thousand to be paid on remittance of the review and €100 thousand to be paid on commencement of construction of the generating plant;
- Technical assistance in respect of another biomass generating plant amounting to €100 thousand including €50 thousand to be paid on signature of the agreement and €50 thousand to be paid on September 30, 2017;
- The performance of other assignments pertaining to securing procurement for future biomass plants, in the maximum amount of €150 thousand per annum to be billed monthly on the basis of the assignments performed.

The agreement also includes an option for Voltalia SA to purchase Forest Initiative.

Amount involved: No services were billed for the financial year ended 31 December 2019.

Agreement for project development assistance with VOLTALIA GUYANE'S SUBSIDIARIES

Contracting parties: VOLTALIA GUYANE's subsidiaries

Directors

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of some of VOLTALIA GUYANE's subsidiaries, and Robert Dardanne, a director of VOLTALIA SA and of some of VOLTALIA GUYANE's subsidiaries

Nature and purpose: Agreement to develop French Guiana signed on 23 December 2014 with retroactive effect from 1 July 2014 with VOLTALIA GUYANE's subsidiaries for a period of six years subject to tacit renewal for no more than three successive periods of one year each. VOLTALIA SA undertook to bear the totality of the costs and risks associated with the development of projects in Guyana.

Terms and conditions: Voltalia Guyane's subsidiaries did not bill any development costs to Voltalia SA for 2019.

Framework agreement for the centralised management of cash and cash equivalents and intra-group financing

Contracting party: VOLTALIA SA's subsidiaries

Director

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and director of the group's subsidiaries.

Nature and purpose: Framework agreement for the centralised management of cash and cash equivalents and intra-group financing to facilitate treasury management within the Group. Once this agreement takes effect, all current or future subsidiaries controlled by VOLTALIA SA can sign this agreement if they so wish. VOLTALIA SA is the centralising company and manages the group's cash and cash equivalents.

Terms and conditions: The services offered include but are not limited to granting and receiving advances, the possibility to grant loans and borrow money from the managing company, and the authorisation to carry out market and interest rate hedging transactions. The financial conditions comprise the application of an interest rate based on the term and margin. There were no advances or loans granted by VOLTALIA SA under this agreement for the year ended 31 December 2019.

Agreements and commitments approved during the year

We were informed of the implementation during the year of the following agreements and commitments, already approved by the General Meeting of 20 May 2019, as indicated in the Statutory Auditors' special report of 23 March 2019.

Current account financing agreement with VOLTALIA GUYANA

Contracting party: VOLTALIA GUYANE

Director

concerned: Sébastien Clerc, Chief Executive Officer of VOLTALIA SA and a director of VOLTALIA GUYANE

Nature and purpose: On 2 August 2018, the last addendum to the current account financing agreement dated 23 December 2014 was signed, authorising the increase of the loan ceiling to €34,394 thousand and incorporating the cash and cash equivalent advance agreement which took effect as from 1 July 2014, and repayment at the latest by 31 August 2031.

Terms and conditions: At 31 December 2019 VOLTALIA SA had granted a total advance of €32,686 thousand. VOLTALIA SA recorded interest income of €1,273 thousand in 2019.

Paris La Défense and Levallois, 25 March 2020

The statutory auditors

MAZARS

Juliette Decoux

H3P REAL ASSETS

Eric Hinderer

5. MANAGEMENT REPORT

5.1 General presentation of net profit and financial position

Key figures

2019 full year results show a solid and profitable performance, with growth after restatement of the non-recurring price hikes that occurred in Brazil in 2018 (+13% in revenues and +16% in EBITDA).

In € millions	2019	2018	Changes	
			at actual rates	at constant rates
Revenues	175.5	180.7	-2.9%	-1.5%
EBITDA	65.1	76.2	-14.6%	-12.3%
EBITDA margin	37.1%	42.2%	-5.1 pts	-4.6 pts
Net profit (loss) (Group share)	4.6	8.5	-45.7%	-40.5%

Overview of activities

Energy sales: portfolio expansion and diversification compensate the 2019 normalisation of pricing in Brazil

With revenues and EBITDA higher in the second half than in the first by 84% and 82% respectively, revenues in 2019 remained stable while full year EBITDA was down €9 million (-11%) compared to 2018, at constant exchange rates.

In € millions before eliminations of services provided internally	2019	2018	Changes	
			at actual rates	at constant rates
Revenues	129.2	131.7	-1.9%	-0.2%
EBITDA	77.2	87.9	-12.1%	-10.5%
EBITDA margin	59.7%	66.7%	-7.0 pts	-6.9 pts
Production (in GWh)	2,117	2,081	+2%	
Installed capacity at period-end (in MW)	678	524	+29%	

Robust performances of existing portfolio

In 2018, Voltalia added €25 million and €20 million of revenues and EBITDA, respectively, thanks to a non-recurring opportunity resulting into selling price hikes. Restated for this impact, Voltalia records in 2019 a strong double-digit growth in revenues (+23%) and EBITDA (+16%), reflecting overall robust performances across the portfolio and the increase in installed capacity: 154 MW of capacity has been added in 2019, almost entirely during the second semester.

- In Brazil, despite lower wind overall, Voltalia's wind farms capacity factors in 2019 reached 49%, four points above the regional average during the year, reflecting once more the quality of Voltalia's portfolio.
- In France, utility-scale solar and wind plants capacity factors were 19% and 27% respectively, outperforming the observed national averages by five and two points respectively.

Portfolio diversification

Voltalia's portfolio diversification accelerated in 2019: United-Kingdom, Belgium, Portugal, Italy, Greece and Egypt already represented close to 11% of Energy sales (versus less than 3% in 2018). The performance has been good overall with revenues multiplied by 4.2 compared with 2018, and first Energy sales in new countries (Egypt, Italy, Spain, Belgium) thanks to organic development and Helexia's acquisition.

Helexia

For its first six months within the Group, Helexia recorded very robust revenues growth at €14 million

driven by expansion in installed capacity (62 MW at year-end 2019 vs. 51 MW upon acquisition) and very dynamic Services activities. Commercial efforts (22 new hires since the acquisition) and one-off integration costs weighed temporarily on its EBITDA contribution, at €4 million over the six-month period.

Services: a long-term contributor to EBITDA

In € millions	Changes			
	2019	2018	at actual rates	at constant rates
Before eliminations of services provided internally				
Revenues	145.6	117.2	+24.2%	+24.1%
EBITDA	10.0	6.7	+50.0%	+58.4%
EBITDA margin	6.9%	5.7%	+1.2 pt	+1.6 pt

At constant exchange rates, Services revenues in 2019 were up 24% on 2018, with a 58% increase in EBITDA. This increase reflected high levels of construction activity for the Group's own assets as well as a strong clients' appetite for projects developed by Voltalia.

- With revenues of €126 million in 2019, the Development, Equipment Procurement and Construction business continued its profitable growth as a result of (i) higher construction volume for Voltalia's own plants (97 MW commissioned and 397 MW under construction at year-end, on three continents and five technologies, including Voltalia's largest power storage projects), and (ii) record level of sale of project development, in Brazil (227 MW of developed wind projects sold to Echoenergia, a company controlled by British investor Actis) and in France (sale of 60% in a 4.3 MW solar plant repowered immediately prior to the sale, which is now deconsolidated). Thanks to this, the Development, Construction & Equipment Procurement team generated positive EBITDA while developing a large and growing portfolio of future projects (1.7 GW added to the pipeline during 2019).

- With revenues of €19 million in 2019, Operation & Maintenance is slightly below breakeven, pending higher volume of activity to be derived from new business secured since January 2019 from third-party clients and from Voltalia's growing portfolio of plants.

As part of Voltalia's value enhancing strategy of internalizing development, construction and maintenance, revenues eliminations were up by 45% on 2018, at €99.3 million, representing, once corporate costs are added, €22.1 million of EBITDA. The increase reflects high volumes of activity in the context of the major growth of generating capacity experienced by Voltalia.

Other income statement items: net profit thanks to dynamic second half.

In € millions	Changes			
	2019	2018	at actual rates	at constant rates
EBITDA before eliminations and corporate	87.2	94.6	-7.8%	-5.7%
Eliminations and corporate	(22.1)	(18.3)	+20.6%	+22.0%
EBITDA	65.1	76.2	-14.6%	-12.3%
Depreciation, amortisation, impairment and provisions	(29.0)	(29.1)	-0.3%	+1.8%
Other financial income and expenses	(0.5)	0.1	n/a	n/a
Operating profit (EBIT)	35.6	47.2	-24.6%	-22.3%
Financial result	(27.8)	(29.9)	-7.1%	-5.4%
Taxes and net income of equity affiliates	(5.0)	(11.3)	-55.7%	-54.4%
Minority interests	(1.8)	(2.6)	-28.7%	-27.4%
Net profit (loss) (Group share)	4.6	8.5	-45.7%	-40.5%

Consolidated EBITDA stood at €65.1 million, €9.4 million less than in 2018 at constant currency. The €20 million EBITDA attributable to 2018 non-recurring price hikes in Brazil has been partially compensated by the addition of new capacity, mostly concentrated in the second half of the year, and the growing profitability of Services.

Depreciation, amortisation and provisions were broadly stable at €29 million.

Financial result improved by €2.1 million at €27.8 million, mainly due to the combined effects of lower interest rates for plants in Brazil, foreign exchange gains and the remuneration of cash deposits, which more than offset the rise in the cost of new project financings put in place since January 2019.

Taxes were down by €6.2 million, driven by the drop in Voltalia's taxable profits in Brazil, which was increased in 2018 by the non-recurring price hikes.

Minority interests recorded a loss of €1.8 million. Plants co-owned with minority partners recorded low production levels in the first half of the year and have a slower profitability ramp-up profile than fully owned plants.

These items buffered the decrease in EBITDA. The strong Group net profit in the second half of the year (+€13.3 million), translated into another year of positive Group net profit, at €4.6 million.

Impact of IFRS 16 on the financial statements

The application of IFRS 16 had the following impacts on the income statement and the balance sheet at 31 December 2019:

In € millions	31/12/2019		31/12/2019
Impact of IFRS 16 on EBITDA	+4.7	Intangible assets	40.4
Depreciation and amortisation of the asset	(3.7)	Net debt	41.0
EBIT	(1.4)		
Net profit (loss)	(0.5)		

IFRS 16 provides for the recognition of all lease contracts on the lessee's balance sheet, with recognition of an asset (representing the right to use the leased asset during the term of the lease) and a liability (with respect to the obligation to pay lease rentals). The right-of-use asset and the lease liability, equal at the beginning of the lease, are calculated as the discounted value of the future lease payments.

For Voltalia, these contracts are mainly ground leases (75%, i.e. €30 million) of land where the Company will build its power plants. The other contracts are leases of office buildings (20%) and vehicle leases and equipment rentals (5%).

Simplified consolidated balance sheet

In 2019, Voltalia's balance sheet climbed to €1.5 billion (+58%). This growth was driven by new power plants, continued investments in project development and the increase in cash and cash equivalents.

In € millions	31/12/2019	31/12/2018
Goodwill	63.5	46.0
Other intangible assets	169.0	96.4
property, plant and equipment	897.6	608.2
Intangible assets and property, plant and equipment	1,130.1	750.6
Cash and cash equivalents	269.7	108.6
Other assets	155.0	127.4
Total assets	1,554.8	986.6
Equity, Group share	708.9	317.6
Minority interests	51.3	54.7
Financial debt	656.2	506.0
Other current and non-current liabilities	138.4	108.3
Total liabilities	1,554.8	986.6

Fixed assets grew by €379.4 million (+51%) including:

- a €17.4 million increase in goodwill, generated by the Helexia acquisition and its payment in shares;
- a €72.5 million increase in intangible assets, including the capitalization of new development for €26.1 million and the first recognition of a €40.4 million asset related to rights of use under the IFRS 16 norm (see above);
- a €289.4 million increase in Property, plant and equipment due to the contribution of new Voltalia power plants for €218 million in Brazil, France and Egypt, plus €112 million at Helexia in Belgium, France, Portugal and Italy, partially offset by the straight-line depreciation of plants in operation (-€30.7 million) and a negative exchange rate impact (-€8.6 million). At December 31, 2019, tangible assets reached €897.6 million out of which around 76% are related to plant in operation and 24% related to plants in construction.

At December 31, 2019, the Group's cash position stood at €269.7 million, up by €161.1 million on 31 December 2018. In July 2019, Voltalia carried out a €376 million capital increase with the sole purpose of financing its expansion plan by 2023, with part of the proceeds initially used to (i) prepay corporate debt and (ii) postpone drawdowns of its long-term project financing in order to save interest charges when relevant.

The moderate increase in debt, up by €150.2 million, reflects this strategy and translates into a very low gearing of 46% . The Group's total financial debt, contracted in local currency, is entirely backed by power production plants. The average residual maturity of current and committed project debt is 15 years. In addition, Voltalia had €135 million of unused syndicated revolving corporate credit facilities at end 2019, on top of the unused portion of various long-term project-finance facilities funding plants in construction.

5.2 Highlights and events after the closing date

The highlights and events after the closing date for the period are set out in Section 6.2 of the Universal Registration Document.

5.3 Information on the capital, the liquidity and sources of financing

Capital and liquidity

As of 31 December 2019, the Company's capital totalled €543 million. The amount of cash and cash equivalents held by the Company amounted to €269.7 million, versus €108.6 million at 31 December 2018.

Financing

To finance its Service activities, the Company has also taken out credit lines with the banks. At 31 December 2019, €45 million was drawn down out of a total of €180 million of negotiated credit lines, taking into account that Voltalia has €135 million in unused credit lines.

To finance plants built on its own behalf, the Company uses bank loans taken out by the project company leading the project.

Such bank loans, which may take the form of finance leases, are taken out for terms generally of less than 20 years, with no recourse, limited recourse or benefiting from guarantees from the parent company, and secured against the project company and its assets (pledging of project company shares, mortgage on land, assignment of insurance payments, assignment of trade receivables, three to six month cash guarantee of loan instalments, etc.).

Operating companies that have taken out loans to finance their assets must comply with bank covenants. Depending on the terms of the financing agreement, failure to comply with these ratios may constitute a default situation with the bank which requires the full repayment of a loan and/or a restriction on dividends or current account payments by the operating companies.

In 2019 financial year, all the covenants were complied with.

In some cases, in order to meet the construction schedule, bridging loans can be set up and then repaid through a long-term loan. At 31 December 2019, no bridging loans are outstanding.

For more information, please refer to the various sections in the Universal Registration Document:

- Section 6.2 Note 12 Cash and cash equivalents;
- Section 6.2 Note 14.3 Current and non-current financial liabilities;
- Section 6.2 Note 17 Off-balance sheet commitments;
- Chapter 8 Information on the Company and the share capital.

5.4 Cash flow

See Note 12 to the Consolidated Financial Statements

5.5 Information on the borrowing conditions and financing structure

See Note 14 to the consolidated financial statements

5.6 Restrictions on the use of capital

Bank financing without recourse or with limited recourse includes restrictive clauses on project companies transferring cash to shareholders based on financial ratios for the financial year. Such financing also provides for a cash security through the reserve account equal to three to six months of loan instalments to be frozen at the project company until the loan matures.

Some of the credit agreements signed by the Company have restrictive clauses on project companies transferring cash to their shareholders. They usually provide for a restriction on cash transfers until an annual certificate of compliance with financial ratios has been issued (within six months of the end of the financial year), notably the Debt Service Coverage Ratio (after-tax operating cash flow over debt service) and the capital structure ratio (equity or quasi-equity over total investment).

In addition, banks generally require the creation of a reserve account, generally covering one or two debt service instalments. On a case-by-case basis, such reserve accounts can be funded either on commissioning of the project via equity or bank debt, or during the first months or years of operation via the operating cash flows from the power plants. Cash transfers to shareholders are restricted until the reserve account has been fully constituted.

Sources of financing for future development

In order to obtain the financial resources necessary for its growth and to achieve the target installed capacity of one gigawatt in 2020 (see 5.14 of the Universal Registration Document), the Company increased its equity by carrying out a capital increase of €376 million in July 2019. These funds were used to provide the equity financing needed for current projects, including 357 MW in power plants under construction at the date of this Universal Registration Document and which are expected to be commissioned by 2020.

As of 31 December 2019, Voltalia thus had cash amounting to €269.7 million and €135 million in unused “corporate” bank credit lines.

5.7 Balance sheet analysis

Concerning the balance sheet, please refer to the notes detailing the different items in the notes to the consolidated financial statements for the financial year ended 31 December 2019 contained in Section 6.2 of the Universal Registration Document:

- Note 11: Goodwill, intangible and tangible fixed assets;
- Note 12: Cash and cash equivalents and cash flows;
- Note 13: Equity and earnings per share;
- Note 14: Financing and derivative instruments;
- Note 15: Current and non-current provisions;
- Note 16: Operational data on working capital requirement.

5.8 Real estate assets and facilities

Significant property, plant and equipment - existing or planned

The equipment owned by Group companies consists of wind farm installations, photovoltaic power plants, biomass power plants and hydropower plants. The main tangible assets held by the Company are described in Note 11 to the consolidated financial statements.

The Group also consolidates the companies set up under the Girardin Law that hold assets in French Guiana.

The Group also has property leases, mainly in France and Brazil. In Portugal, the Group owns its offices at Oliveira de Frades.

Other property, plant and equipment

The other tangible assets held by the Company are described in Note 11 to the consolidated financial statements.

The Group owns all the assets necessary for its operations, except for assets held under finance leases and those financed within the framework of mechanisms similar to those provided under the Girardin Law. The Group will become the owner of the assets under finance leases on exercise of the purchase option under the lease agreement and after a period of five years for assets with financing of the type provided for under the Girardin Law.

5.9 Intangible assets

The other intangible assets held by the Company are described in Note 11 to the consolidated financial

statements.

5.10 Environmental constraints that could influence the Company's use of its tangible assets

Environmental issues that could have an influence on the various facilities owned and/or operated by the Company are described in Sections 1.6 and 2.3.

The provisions for decommissioning under the ICPE regulations are set out in Note 17 to the consolidated financial statements for the financial year ended 31 December 2019 contained in Section 6.2 of the Universal Registration Document.

5.11 Main investments

The main investments made by the Voltalia relate to project development and the construction of power plants.

The total amount of investments made by the Company amounted to €276.5 million in 2019, versus €105.1 million in 2018 and €80.4 million in 2017.

In 2019, the Company continued its investments in project development and the construction of power plants, mainly in Brazil (VSM projects), French Guiana (Cacao), Africa (Egypt, Kenya), and in metropolitan France.

5.12 Trends

The targets and trends presented below are based on data, assumptions and estimates deemed reasonable by the Company as of the date of the Universal Registration Document. These targets, based on Voltalia's strategic plan, should not be taken as Company forecasts or profit estimates. The data and assumptions on which these targets are based are subject to change in response to economic, financial, competitive, regulatory and fiscal developments and/or other factors of which the Company was not aware as at the date of the Universal Registration Document.

In addition, should certain risks materialise as described in Chapter 2 of the Universal Registration Document entitled "Risk Factors and Risk Management", they could have an impact on the activities, financial position, results and outlook of the Company and thereby affect its ability to meet the targets presented below. Furthermore, the attainment of objectives presupposes the success of the Company's strategy; the Company therefore makes no commitment or guarantee regarding the attainment of the objectives presented in this section.

2020 ambition

For 2020, Voltalia expects to have:

- Installed capacity of 1 GW in operation by the end of the year;
- EBITDA of €160 to €180 million.

Some of the underlying assumptions of these objectives, in a less stable environment due to the Covid-19, crisis are described in Section 5.14.

2023 ambitions confirmed and fully financed

In June 2019, Voltalia announced a new ambition to achieve installed capacity of 2.6 GW in operation

or under construction in 2023. The capital needed for this new growth target was entirely financed by the subsequent capital increase.

73% of the 2.6 GW objective is guaranteed by new long-term contracts that have recently been secured: 389 MW in 2019 and 388 MW since the beginning of 2020.

Projects under development in Voltalia's portfolio, intended to be held or sold with the construction and maintenance services, reached 7.8 GW by the end of 2019, up 28% on 2018. Voltalia must transform and hold less than 10% of this portfolio of projects under development over the next four years to achieve its installed capacity objectives.

Bolstered by these recent successes, Voltalia is able to confirm its 2023 ambitions:

- installed capacity in operation or under construction of 2.6 GW by the end of the year;
- EBITDA of €275 to €300 million.

5.13 Earnings projections or estimates

The Company does not intend to make any earnings forecasts or estimates.

5.14 Known trends, uncertainties, commitments or events reasonably likely to influence the Company's outlook

2020 ambitions maintained in a less stable environment due to the Covid-19 crisis

In € millions	Installed capacity	Capacity managed	EBITDA
2020 Target	1 GW	1.5 to 2.0 GW	€160 to €180 million
Current levels	717 MW	2.5 GW	€65 million in 2019
Comments	More than 508 MW under construction	Of which 72% for third-party clients	717 MW in operation = €111 million expected in 2020 717+508 MW in operation+construction expected to generate €180 million per year once fully built

Voltalia is closely monitoring the impact of the ongoing Covid-19 outbreak on its activity, with a strong priority given to its employees' health. A dedicated action plan has been deployed to implement the relevant safety measures and closely inform all the employees. In line with each country's regulations and recommendations, Voltalia has organized work from home. Construction and Maintenance activities are performed on site for essential operations with a higher level of safety and sanitary measures.

Businesswise, the Company expects neither short- nor long-term impact on its 717 MW ongoing Energy sales activity, with producing assets selling power at contracted price under long-term agreements (17.1 years of weighted average residual maturity).

However, the Covid-19 situation can affect some of Voltalia's suppliers which could delay construction of sites to be completed in 2020, even though the supply of equipment is already contracted for plants currently under construction. In addition, since the Covid-19 outbreak, the Brazilian real (BRL) weakened versus the euro. Finally, although it is not the case so far, some Services clients could request Voltalia to postpone the execution of certain development or construction contracts due to the Covid-19. Voltalia

closely follows the potential impacts on the construction time frames. Valtalia will publicly release updated information in case of significant delay on the commissioning dates of the plants.

Valtalia provides the following information in order to help its shareholders to analyze certain potential effects of an extended and aggravated Covid-19 situation, as well as the robustness of Valtalia's business model.

- Valtalia owns assets in operations totaling 717 MW plus assets under construction for 508 MW of which a great part (357 MW) is expected to be completed in 2020. Valtalia has also secured long-term sales contracts for an additional 681 MW which are not yet in construction, allowing for further growth.
- Valtalia owns assets in operations totaling 717 MW plus assets under construction for 508 MW of which a great part (357 MW) is expected to be completed in 2020. Valtalia has also secured long-term sales contracts for an additional 681 MW which are not yet in construction, allowing for further growth.
- The 2020 EBITDA outlook is sensitive to the EUR/BRL exchange rate, which has been highly volatile since the outbreak of the Covid-19 crisis. The indicative range was initially set at a EUR/BRL exchange rate of 4.3. At €160 million, the lower end of the range takes into account an assumption of the EUR/BRL exchange rate at 5.0. Since the beginning of the year, the average EUR/BRL exchange rate has been 4.8¹⁵. After 2020, Valtalia will benefit from a natural long-term exchange rate hedge since the long-term contracts provide for inflation-indexed prices.

5.15 Significant change in the issuer's financial or trading position

There have been no changes in Valtalia's financial or trading position since the end of the 2019 financial year.

¹⁵ Between 1 January and 18 March 2020

6. CONSOLIDATED FINANCIAL STATEMENTS

6.1 Financial statements

6.1.1 Statement of Comprehensive Income

(in thousands of euros)	Note	As of 31 December 2019	As of 31 December 2018	Change	%
Revenues	7	175,470	180,660	(5,190)	(3)%
Purchases and sub-contracting	7	(9,574)	(27,282)	17,708	(65)%
External expenses	7	(63,323)	(54,873)	(8,450)	15%
Payroll expenses	8	(30,376)	(20,384)	(9,992)	49%
Other operating income and expenses		(7,105)	(1,913)	(5,192)	3.7x
Total operating expenses		(110,377)	(104,452)	(5,925)	6%
EBITDA		65,092	76,209	(11,117)	(15)%
% EBITDA		37%	42%		
Other financial income and expenses		(472)	103	(575)	x (4.6)
Allocations and reversals of depreciation, amortisation and provisions	7	(28,984)	(29,078)	95	(0)%
Operating profit (EBIT)		35,637	47,234	(11,597)	(25)%
% EBIT		20%	26%		
Gross loan expenses	14	(33,836)	(32,020)	(1,816)	6%
Other financial income and expenses	14	6,019	2,076	3,943	2.9x
Income tax and other taxes	10	(4,970)	(11,480)	6,510	(57)%
Income from companies at equity		(51)	151	(202)	(0.3)x
Net profit (loss)		2,799	5,960	(3,161)	(53)%
% Net profit (loss)		2%	3%		
Group Share		4,627	8,525	(3,898)	(46)%
Minority interests		(1,828)	(2,565)	737	(29)%
Earnings per share (in euros):					
Before dilution		0.067	0.174	(0.107)	(62)%
After dilution		0.066	0.173	(0.107)	(62)%

6.1.2 Other items of comprehensive income

(in thousands of euros)	Note	As of 31 December 2019	As of 31 December 2018	Change	%
Net profit (loss)		2,799	5,960	(3,161)	()%
Currency conversion adjustments resulting from the conversion of foreign		(5,729)	(30,840)	25,111	81%
Actuarial gains/(losses) on pension commitments	16	(119)	17	(136)	x (7)
Gross change in value of hedging instruments	18	(7,843)	(797)	(7,046)	9.8x
Deferred taxes related to changes in value of hedging instruments		-	(46)	46	(0)x
Other items of comprehensive income		(13,692)	(31,666)	17,974	57%
Comprehensive income		(10,893)	(25,706)	14,813	(58)%
Comprehensive income:					
Group Share		(7,740)	(14,322)	6,582	(46)%
Minority interests		(3,154)	(11,384)	8,230	(72)%

6.1.3 Statement of financial position

(in thousands of euros)	Note	As of 31 December 2019	As of 31 December 2018	Change	%
Goodwill	11	63,457	46,033	17,424	38%
Intangible assets	11	168,961	96,418	72,543	75%
Property, plant and equipment	11	897,639	608,228	289,411	48%
Equity affiliates	5	3,048	2,303	745	32%
Non-current financial assets	14	22,628	22,012	616	3%
Deferred tax assets	10	2,360	367	1,993	6.4x
Other non-current assets	16	12,607	226	12,381	55.7x
Non-current assets		1,170,700	775,588	395,112	51%
Inventories, work in progress and supplier advances	16	40,952	30,868	10,085	33%
Trade receivables	16	47,023	41,439	5,584	13%
Other current financial assets	14	3,576	3,055	521	17%
Other current assets	16	21,353	25,706	(4,353)	(17)%
Current tax assets	10	1,471	1,359	113	8%
Net cash and cash equivalents	12	269,743	108,608	161,134	2.5x
Current assets		384,118	211,034	173,084	82%
Total Assets		1,554,817	986,622	568,195	58%
Group equity		708,167	317,624	390,273	2.2x
Non-controlling interests		51,310	54,747	(3,437)	(6)%
Equity	13	760,207	372,371	387,836	2x
Non-current provisions	15	2,255	5,308	(1,1877)	(35)%
Provisions for post-employment benefits	15	1,172	805	367	46%
Deferred tax liabilities	10	2,687	1,658	1,029	62%
Long-term borrowings	14	592,561	435,342	157,219	36%
Other non-current financial liabilities		8,956	3,665	5,291	2.4x
Non-current liabilities		282	1,464	(1,182)	(81)%
Non-current liabilities		609,089	448,242	160,847	36%
Current provisions	15	6,375	12,876	(6,501)	(50)%
Short-term borrowings	14	66,372	70,654	(6,980)	(10)%
Trade and other payables	16	77,403	48,677	28,726	59%
Other tax liabilities		6,641	11,427	(4,786)	(42)%
Other current liabilities		31,428	22,374	9,054	40%
Current liabilities		185,521	166,008	19,512	12%
Total Liabilities		1,554,817	986,622	568,195	58%

6.1.4 Statement of cash flows

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Operating income (EBIT)	35,637	47,234
Depreciation, amortisation and provisions of non-current assets	28,984	29,078
Other operating income and expenses	472	(103)
EBITDA	65,092	76,209
Income and expenses not affecting cash and cash equivalents	(22,425)	2,049
EBITDA Cash	42,667	78,258
Change in working capital requirement	14,978	(12,045)
Tax paid	(9,780)	(6,999)
Cash and cash equivalents from operating activities, excluding non-current items	47,865	59,214
Cash flows generated by exceptional items	(2)	338
Other operational cash flows	-	-
Net cash flow from operating activities	47,863	59,552
Net flow from financial investments	28,259	(4,130)
Net flow from tangible investments	(233,896)	(72,164)
Net flow from intangible investments	(42,603)	(32,946)
Other flows from investments	-	-
Subsidies	-	-
Dividends received	28	-
Net cash flow from investing activities	(248,211)	(109,240)
Capital increase	370,402	77
Financial income and expenses	(2,396)	(1,491)
Other financial items	-	11,300
Interest paid to non-controlling interests	-	(1,025)
Interest paid to banks	(34,912)	(28,963)
Repayments on leasing loans	(2,825)	(2,179)
Bond issues	335,910	164,273
Borrowing repayments	(316,362)	(48,149)
Dividends paid to non-controlling interests	(471)	-
Dividends paid to shareholders of the parent company	-	-
Net cash flow from financing activities	351,347	93,844
Impact of changes in accounting principles	-	-
Change in cash flows	150,999	44,156
Opening cash and cash equivalents	108,608	71,247
Impact of changes in currency prices	(1,341)	(6,765)
Impact of scope changes	11,477	(28)
Closing cash and cash equivalents	269,743	108,608

6.1.5 Statement of changes in equity

(in thousands of euros)	Share capital	Additional paid-in capital	Conversion reserves	Consolidated reserves	Net profit for the financial year	Shareholders' equity - Group share	Total minority interests	Equity
As of 1 January 2018	279,011	96,456	(37,389)	(16,679)	566	321,965	67,232	389,196
Appropriation of earnings	-	-	-	566	(566)	(0)	-	(0)
Net profit (loss)	-	-	-	-	8,525	8,525	(2,565)	5,960
Other items of comprehensive income	-	-	(21,496)	(1,352)	-	(22,847)	(8,819)	(31,666)
Comprehensive income	-	-	(21,496)	(1,352)	8,525	(14,322)	(11,384)	(25,706)
Change in equity	166	25	-	-	-	191	-	191
Dividends	-	-	-	-	-	-	(591)	(591)
Scope changes	-	-	(6,258)	12,459	-	6,200	(512)	5,689
Other movements	-	-	52	3,538	-	3,590	1	3,591
As of 31 December 2018	279,177	96,482	(65,091)	(1,469)	8,525	317,624	54,747	372,371
Appropriation of earnings	-	-	-	8,525	(8,525)	-	-	-
Net profit (loss)	-	-	-	-	4,627	4,627	(1,828)	2,799
Other items of comprehensive income	-	-	(5,963)	(6,404)	-	(12,367)	(1,326)	(13,692)
Comprehensive income	-	-	(5,963)	(6,404)	4,627	(7,740)	(3,154)	(10,893)
Change in equity	263,906	138,591	-	-	-	402,497	-	402,497
Dividends	-	-	-	-	-	-	-	-
Scope changes	-	-	(22)	(725)	-	(748)	1,646	898
Other movements ¹⁶	-	-	-	(2,739)	-	(2,739)	(1,930)	(4,669)
As of 31 December 2019	543,083	235,071	(71,076)	(2,808)	4,627	708,897	51,310	760,207

¹⁶Until 31 December 2019, the costs of bank guarantees taken out by the Group as part of the BNDES loans were included in the effective interest rate calculation. After analysis, a portion of these costs may not be included in the effective interest rate. The impact of this adjustment is €(4,548) thousand shown in other equity movements. The offset is an increase in liabilities (See Note 13.2). N.B. this adjustment has no significant impact on the 2018 consolidated income statement.

6.2 Notes to the consolidated financial statements

Note 1 Voltalia's formation, development and business

The Voltalia company was founded on 28 November 2005. Its registered office is located at 84 Boulevard de Sébastopol 75003 - Paris, France, as of 2 July 2018. It began trading in France and French Guiana then branched out into Brazil before acquiring several new regional markets with the purchase in August 2016 of Portuguese solar energy company Martifer Solar. Today Voltalia is active in 20 countries. It has been listed on Euronext since July 2014.

The attached consolidated financial statements as of 31 December 2019 present the operations of Voltalia and its subsidiaries (together referred to as "the Company") and the Company's proportionate share in associates and joint ventures.

Note 2 Voltalia's business

Voltalia is an independent player in the renewable energy market. As an integrated industrial player, the Company develops, constructs and operates renewable energy power plants, on its own behalf and on behalf of third parties.

Voltalia is present in the main renewable energy production areas: wind, solar, small hydro and biomass.

As of 31 December 2019, Voltalia's principal source of profits comes from the sale of renewable electricity produced by its power plants. Such sales are governed by long-term contracts with full transparency of the volumes and prices of the electricity sold. The Company also generates income through the sale of projects developed in-house or through services, such as the construction or operation and maintenance of power plants owned by third-party clients.

Social and environmental responsibility is at the heart of the Company: Voltalia's mission to "improve the global environment, foster local development" highlights the importance that it attaches to having a positive local and social impact.

Throughout its history, Voltalia has established lasting relationships with many partners. The Caisse des Dépôts et des Consignations (CDC) has been a shareholder of Voltalia Guyane since 2008. COPEL and CHESF, Brazilian leaders in power production, are shareholders of Voltalia's major power plants in Brazil. Proparco and the EBRD have been shareholders of Voltalia S.A since November 2016 and July 2019, respectively. Other partners in the areas of capital, banking, and operations, as well as public partners, have also contributed to the development of Voltalia since its inception.

Note 3 Highlights of the period and after the closing date

Note 3.1 Governance

Appointment of two independent observers

In October 2019 Voltalia SA's Board of Directors appointed two observers chosen for their skills sets and independence. Alain Papiasse and Jean-Marc Armitano will attend Board meetings for three years.

Renewal of Robert Dardanne's term of office as director

The term of office of Robert Dardanne was renewed by the Company's General Meeting on 23 May 2019 for a period of one year.

Note 3.2 Highlights of the financial year

Continued organic growth

Plants commissioned in 2019

Country	Region/site	Plant	MW	Energy	Contract	Commissioning
France	Southern France	Talagard	5	Solar	20 years	December 2019
France	Southern France	Tresques	3	Solar	20 years	October 2019
France	Southern France	Parroc	5	Solar	20 years	October 2019
France	French Guiana	Savane des Pères	6	Solar+storage	25 years	October 2019
France	Normandy	Echauffour	10	Wind	15 years	April 2019
France	Alps	Taconnaz	4.5	Hydro	20 years	November 2019
Egypt	Benban solar park	Râ Solar	32	Solar	25 years	October 2019
Brazil	Serra Branca wind farms	9 VSM 1&2 turbines	31	Wind	20 years	December 2019
Europe	France, Belgium, Italy, Spain, Portugal	Miscellaneous	62	Rooftop solar panels	15 years	Consolidated in July 2019

In 2019 Voltalia built and commissioned seven new plants—wind power, solar power (including rooftop), hydroelectricity and battery storage—on three continents. In addition, Voltalia is gradually commissioning the turbines of VSM 1&2, its largest plant under construction, with nine turbines (31MW) commissioned in 2019, bringing the total commissioned to 22 turbines (77MW), and another 61 turbines (213MW) planned by the end of June 2020.

The plant is serviced by a transmission line having a total capacity of 2GW which Voltalia commissioned and connected to its Serra Branca wind farm in September 2019. At a length of 52km, it will link the Company's plants as well as those of its partners to Brazil's power grid.

Plants under construction as of end 2019

Country	Region/site	Plant	MW	Energy	Contract	Commissioning
France	Southern France	Carrière des Plaines	8	Solar	20 years	2020
France	French Guiana	Mana Stockage	10	Storage	10 years	H1 2020
France	French Guiana	Cacao	5	Biomass	25 years	H2 2020
France	Burgundy	Sarry	22	Wind	20 years	2020
France	Western France	Vergné	16	Wind	20 years	H2 2020
France	Western France	Coivert	11	Wind	20 years	H2 2020
France	Southern France	Jonquières	4	Solar	20 years	H2 2020
Brazil	Serra Branca wind farms	VSM 1 & 2	260	Wind	15 years	Mid 2020
Kenya	Nandi County	Kopere	50	Solar	20 years	2021
Europe	France, Belgium, Italy, Spain, Portugal	Miscellaneous	11	Rooftop solar panels	Up to 25 years	2020

At the end of 2019 these plants were under construction, and once completed will have a total capacity of 397MW spread across solar, wind, biomass and battery storage and operating on three continents. Of these, the Mana Stockage and Savane-des-Pères battery storage plants in French Guiana together make up the Toco park, the largest battery storage park in France.

New commercial successes in 2019: two long-term electricity sales contracts for 400MW

Country	Region/site	Plant	MW	Energy	Contract	Commissioning
France	Southern France, Provence-Alpes-Côte d'Azur	Corporate PPA with Boulanger	5	Solar	25 years	2022
France	Burgundy Franche-Comté	Argenteuil	24	Wind	20 years	2023
France	Occitania and Southern France, Provence-Alpes-Côte d'Azur	Corporate PPA with SNCF	143	Solar	25 years	2022-2023
France	Upper Rhine	Logelbach/Fessenheim	10	Solar	20 years	H1 2021
France	TBC	Corporate PPA with Crédit Mutuel	10	Solar	25 years	2023
Brazil	Rio Grande do Norte / Serra Branca wind farms	VSM 3 corporate PPA	63	Wind	10 years	H2 2022
Brazil	Rio Grande do Norte / Serra Branca wind farms	VSM 3 utility PPA	7	Wind	20 years	H2 2022
Brazil	Rio Grande do Norte / Serra Branca wind farms	SSM 1 & 2	32	Solar	20 years	2023
Brazil	Minas Gerais	Cabuí	16	Hydro	30 years	2023
Brazil	Bahia (Canudos)	Canudos	90	Wind	19 years	2022

The Canudos wind farm is the first in a cluster Voltalia is developing in the state of Bahia in Brazil. The cluster has a total estimated capacity of more than 1GW.

Acquisition of Helexia, rapid growth in the B2B market and sharp rise in corporate PPAs

Voltalia sees much potential in the business-to-business (B2B) market. In 2019 it saw a big increase in the number of agreements signed with other firms.

On 25 September 2019, Voltalia completed the acquisition of Helexia from Creadev (Mulliez family), which is also the majority shareholder in Voltalia. Helexia is a solar power pioneer and leading provider of large rooftop solar panels and energy efficiency services to companies. It has a solid network of partners, with around 30% of its business coming from rooftop solar panels installed on buildings and covered parking lots owned by retailers whose majority shareholder is the Mulliez family, such as Auchan, Decathlon, Leroy-Merlin and Boulanger. By the end of 2019 Helexia's total installed capacity reached 62MW (it was 51MW before its acquisition) across five European countries, including its first rooftop solar array in Spain.

The B2B market offers power producers the possibility of signing corporate power purchase agreements (PPAs) with other firms. Having already established itself in this market in Brazil, in 2019 Voltalia took the lead in France. In the second half of the year Voltalia concluded the first corporate PPAs in France with Boulanger (5MW), SNCF (143MW) and Crédit Mutuel (10MW) for a total of 158MW for 25 years. Through Helexia it will also offer Crédit Mutuel on-site energy consumption and efficiency services in a prime example of the cross-selling strategy of Voltalia and its new subsidiary at work.

New objectives for 2023

On 6 June 2019 during a Capital Markets Presentation, Voltalia presented its 2023 strategic plan.

The Company believes that long-term growth factors in the renewable energy market are unchanged and that it is ideally positioned thanks to its diversified model.

Voltalia operates across the value chain through its two businesses as an electricity producer and service provider with a number of firm projects developed organically in the pipeline. This positioning enables the Company to ensure, at each project phase, that its interests are aligned with those of its stakeholders thus guaranteeing shared and sustainable value creation.

At the presentation Voltalia outlined its latest objectives, which include reaching a consolidated capacity of at least 2.6GW in operation or under construction by 2023.

Financing growth

Capital increase

Following the market presentation of its 2023 objectives, Voltalia launched a €376 million capital increase with preferential subscription rights. At least €300 million of the funds raised will go towards building 1.6GW in new generating capacity on top of the 1GW installed in 2020. The rest of the funds may be used for new acquisitions in Africa, Latin America or Europe and thus strengthen the Company's presence in its new regional markets, or to expand Voltalia's services business.

The capital increase was a great success and oversubscribed at 109.5% with demand totalling €411.2 million.

Conclusion of a syndicated loan agreement

On 21 May 2019, the Company announced it had entered into a syndicated loan agreement for a principal amount of €100 million with a syndicate of twelve tier-one French and international banking partners, with an interest rate to be indexed to Voltalia's non-financial performance.

For this sustainable green loan, the Group selected environmental, social and governance (ESG) performance indicators aligned with its corporate social responsibility (CSR) priorities: health and safety at work (including the frequency rate of work accidents), business ethics (including the percentage of employees having received ethics training) and the ESG rating of the Company as assessed by extra-financial rating agency Ethifinance.

Partnerships and disposals

Voltalia sold a majority stake in its Coco-Banane solar power plant in French Guiana, in operation since 2010, to an investor. Prior to the sale, the plant was repowered, increasing its power from 4.3 MW to 4.7 MW.

Voltalia also sold 227MW of developed capacity to Echoenergia in Brazil as part of a partnership under which 252MW were already sold in 2018 as part of an agreed total of up to 600MW.

First employee stock ownership plan

At the end of October 2019 Voltalia announced the successful introduction of its first employee stock ownership plan with a participation rate of 69.5%. The aim of employee stock ownership is to encourage loyalty among employees and align the interests of all the Company's stakeholders.

Note 3.3 Highlights after the closing date

As part of its dynamic services strategy Voltalia sold a 67MW wind project as well as maintenance services (eBOP and O&M) to Total-Eren in Brazil. The sale of the development will be recognized in 2020, the year the construction of the project begins, and the long-term maintenance contract will start in 2021.

In Portugal in February 2020, Voltalia announced that Smartenergy (owned by Edisun Power) had chosen it to provide engineering, procurement and turnkey construction services as well as operation-maintenance for three solar power plants having a total installed capacity of 134MW. The contract will be worth around €80 million.

On 25 February 2020 Voltalia bought Greensolver to expand its range of services to third-party clients.

On 2 March 2020 Voltalia announced an electricity sales contract with Brazilian petrochemical giant Braskem, a leading global producer of thermoplastic resin. Voltalia's Solar Serra do Mel (SSM) 1&2 plant in the state of Rio Grande do Norte (Brazil) will supply Braskem and other existing long-term clients with solar power. The plant will have a capacity of 270MW, making it Voltalia's biggest solar project.

On 19 March 2020, Voltalia announced that it had signed an electricity sales contract and had started the construction of the VSM wind farm in Serra Branca in Brazil with installed capacity of 150 MW. For this new wind farm, Voltalia signed a 20-year electricity sales contract with a Brazilian utility.

Note 4 Accounting rules and methods

Note 4.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and applicable on 31 December 2019.

The standards applied are available at the following address:

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en

The Company's consolidated financial statements were approved by the Board of Directors of Voltalia SA on 20 March 2020.

Note 4.2 Basis for the preparation and presentation of the financial statements

Preparation basis

In the consolidated financial statements for the year ended 31 December 2019, the Company applied the same accounting principles and valuation methods as those used on 31 December 2018, with the exception of the new standards applied as described in Note 4.3.

As of 31 December 2019, the financial statements were prepared in accordance with the principles of operational continuity and historical cost, with the exception of financial or hedging instruments held for trading, which were measured at fair value.

Pursuant to the AMF's recommendations, the Company presents in each note to the consolidated financial statements the applicable accounting rules and methods.

Presentation of the financial statements

The Company presents a "Statement of Comprehensive Income" by type, showing revenues, EBITDA, other operating income and expenses, operating income (EBIT), net profit (loss), income from equity-accounted companies and net income, Company share.

Following ANC Recommendation No 2013-03 of 7 November 2013 on the presentation of the income statement under IFRS, the Company decided to include "EBITDA"¹⁷—calculated as "Operating income

¹⁷ EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortisation. It is calculated by restating current operating income for allocations and reversals of depreciation and provisions.

(EBIT)¹⁸ plus “Depreciation, amortisation and provisions” and “Other income and expenses”—in its statement of comprehensive income.

“Other income and expenses” corresponds to unusual, abnormal or infrequent events of a significant material nature that could make current operating performance more difficult to interpret. This may include the following:

- gains or losses on disposal or significant and unusual impairment of non-current tangible or intangible assets¹⁹;
- certain restructuring expenses: these are solely restructuring costs that would be likely to make the interpretation of recurring operating income more difficult as a result of their unusual nature and size;
- other operating income and expenses, such as a provision for litigation, are of very significant materiality.

For the presentation of the statement of financial position, the distinction between current and non-current items results from the application of IAS 1.

Note 4.3 New standards

New standards and application interpretations adopted by Europe and applicable as of 1 January 2019

As of 31 December 2019, the Company applied the standards, interpretations, principles and accounting policies effective at the time of the financial statements for the 2018 financial year, with the exception of the new standards and interpretations adopted by Europe and applicable as of 1 January 2019:

- IFRS 16 “Leases”:
IFRS 16, applicable as of 1 January 2019, establishes the principles of recognition, measurement and presentation of lease contracts, with the aim of ensuring that lessors and lessees provide relevant information that fairly represents these transactions. It replaces IAS 17 and the corresponding interpretations;
- IFRIC 23 “Uncertainty over income tax treatments”;
- Amendments to IAS 19 “Plan, amendment, curtailment or settlement”;
- Amendments to IAS 28 “Long-term Interests in associates and joint ventures”;
- Amendments to IFRS 9 “Prepayment features with negative compensation”;
- “Annual Improvements to IFRS”: Cycle 2015-2017”.

The impact of IFRS 16 on the Company's financial statements is presented in Note 4.4. The adoption of IFRIC 23 (modified retrospective method) had no material impact on the Company's consolidated financial statements. The other amendments whose application is mandatory did not impact the Company's consolidated financial statements.

New standards and application interpretations adopted or not adopted by Europe and applicable in advance as at 31 December 2019

¹⁸ EBIT is the English equivalent of Operating income.

¹⁹ It should be noted that the sale price of development assets is recognised as revenues, and that the net book value of the assets sold is recognised as an operating expense. (see Note 7)

The Company has not applied in advance the other standards, amendments or interpretations applicable for financial years beginning after 31 December 2019, whether or not they have been adopted by the European Union.

Note 4.4 Estimated impact of first application of IFRS 16

As of 31 December 2019, the application of IFRS 16 had a material impact on the Company's consolidated financial statements. Tangible assets, financial liabilities, EBIT and financial results were impacted.

At the time this standard was applied, the accounting rules and methods, as published in the 2018 Registration Document, were reviewed. As authorised by the standard, Voltalia chose to apply the simplified retrospective method in which leases are deemed to begin on 1 January 2019.

For lessees, the recognition is now based on a single model which eliminates the distinction between operating and finance leases. IFRS 16 provides for the recognition of all lease contracts on the lessee's balance sheet, with recognition of an asset (representing the right to use the leased asset during the term of the lease) and a liability (with respect to the obligation to pay lease rentals).

Consequently, Voltalia has restated the operating leases of all Company entities with the following characteristics:

- terms greater than 12 months (leases ending during the 2019 financial year have not been restated for IFRS 16);
- asset purchase values over €5,000;
- assets which the Company controls or has the right of use.

Leases matching these criteria were mainly leases for land and plants (75%), the balance being office leases (20%) and vehicle or equipment leases (5%). These leases had not been included in Off-Balance Sheet Commitments in prior years.

The right-of-use asset and the lease liability, equal at the beginning of the lease, are calculated as the discounted value of the future lease payments. The lease payment used for this calculation only comprises the fixed portion; any variable component, such as indexation to electricity sales revenues, is excluded by the standard and treated as an operating expense.

For property leases, this calculation is made on the longest of the lease terms or on the electricity sales contract related to the site's plant. When the contract provides for an early termination clause, Voltalia defines a likely scenario which is compatible with the contractual clauses.

To determine the discount rate, Voltalia uses the interest rate implicit in the lease (IFRS 16.26). On the basis of official sources, it has ascertained this rate for each asset/country, resulting in a range of 2 to 9%.

For plants under construction, a right-of-use asset was assessed as at 1 January 2019, together with recognition of a corresponding liability for an equivalent amount. The lease expense is capitalised in intangible assets until the commissioning of the plant.

The application of IFRS 16 had the following balance sheet and operating income impacts as of 31 December 2019:

(in thousands of euros)	Land	Other fixed assets	Vehicles and equipment	Intangible assets	Lease liabilities
As of 1 January 2019	21,492	7,048	2,673	31,213	31,213
Increase	4,590	2,067	718	7,374	7,374
Change in scope	5,314	374	54	5,743	5,865
Depreciation and amortisation	(700)	(1,381)	(1,647)	(3,727)	0
Interest					144
Payments					(3,418)
Translation reserve	(107)	(22)	(73)	(202)	(207)
As of 31 December 2019	30,589	8,087	1,725	40,400	40,971
<i>Of which other current financial liabilities</i>					3,430
<i>Of which other non-current financial liabilities</i>					37,542

(in thousands of euros)	As of 31 December 2019
Cancellation of the lease expense	4,669
EBITDA	4,669
Depreciation and amortisation of the asset	(3,727)
EBIT	942
Interest expense	(1,411)
Net profit (loss)	(469)

Liability = Asset, for the initial implementation of IFRS 16

Note 4.5 Functional and presentation currency

The consolidated financial statements are presented in thousands of euros, the reporting currency and functional currency of the parent company.

Note 4.6 Use of estimates

As part of the process of drawing up the consolidated financial statements, the valuation of certain balance sheet items requires the use of assumptions, estimates and assessments. This includes the valuation of the intangible assets and, in particular, of the assets related to projects in development, the determination of provisions, the recognition of revenues, impairment tests, and the valuation of financial instruments.

These assumptions, estimates or assessments are made based on information or situations existing at the financial statement preparation date and that may differ from the actual situation in the future.

In addition, at each reporting date, the Company identifies assets whose sale is in progress and assesses whether the sale is highly probable. If applicable, it applies IFRS 5, which requires an entity to classify a non-current asset (or group of assets held for sale) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Finally, most of the Company's operating entities have multi-year contracts with significant clients. During the course of these contracts and on the occasion of their termination and/or renewal, discussions may take place between these entities and their clients about the conditions, including financial, from the past performance of these contracts.

Note 5 Scope of consolidation

Note 5.1 Accounting rules and methods

Consolidation methods

Full consolidation

In accordance with IFRS 10 “Consolidated Financial Statements”, the consolidated financial statements include the accounts of all entities that the Company controls directly or indirectly, whatever its level of participation in the capital of these entities. An entity is controlled when the Company has power over this entity, when it is exposed to or has rights to variable returns because of its involvement in this entity, and when it has the ability to use its power over the entity to influence the amount of these returns. The determination of control takes into account the existence of potential voting rights if they are significant, i.e. if they can be exercised on a timely basis when decisions about the relevant activities of the entity must be taken.

The consolidated entities of the Company are classified as “subsidiaries”. The entities that the Company controls by means other than voting rights are described as “consolidated structured entities”.

Reciprocal receivables and liabilities, as well as reciprocal income and expenses related to fully consolidated companies, are eliminated in full. The internal margins between these companies are eliminated.

Joint activities and companies at equity

The Company applies IFRS 11, which supersedes IAS 31 “Interests in joint ventures” and SIC 13 “Jointly controlled entities - non-monetary contributions by venturers”. This new standard defines how a joint arrangement is to be treated.

Under this standard, partnerships through which two or more parties have joint control are accounted for on the basis of rights and obligations of each party to the partnership, taking particular account of the structure, the legal form of the agreements, the rights granted to each party by the agreements, as well as the facts and circumstances, where appropriate:

- assets and liabilities (income and expenses) of joint activities that give each of the co-participants direct rights in the assets and obligations reported as liabilities shall be recognised using the interest in the joint activity;
- joint ventures that confer rights in net assets should be recognised using the equity method

In addition to the case of joint ventures indicated above, and pursuant to IAS 28, the equity method is applied to associates in which the Group has significant influence (generally over 20%), i.e. when it has the power to participate in financial and operating policy decisions, but cannot control or exercise exclusive or joint control over those policies.

This method of consolidation consists of retaining the net assets and net income of a company in proportion to the interest held by the parent company in the capital and the goodwill relating thereto, as appropriate.

Receivables and payables to associates are considered as outside of the Group and are therefore not eliminated.

Consequently, IFRS standards require consolidation under the equity method of the following:

- associates, companies over which the Company has significant influence;
- and joint ventures, companies over which the Company has joint control.

As of 31 December 2019, the Company has not identified any companies classified as joint ventures.

Business combinations

Business combinations are recognised by applying the acquisition method on the date the control is transferred to the Company.

Up to now, the Company has always evaluated the goodwill on the acquisition date according to the full goodwill method. It corresponds to the difference between:

- the acquisition cost of the business combination;
- the proportionate share of the fair value of the net identifiable asset acquired.

Goodwill does not include goodwill related to minority interests.

When the difference is negative, a profit in view of the acquisition under favourable conditions is immediately recognised in income.

Acquisition costs, other than those related to the issue of a debt or capital securities, that the Company bears due to a business combination, are recorded as expenses when they are incurred.

Any potential consideration to be paid is assessed at fair value on the acquisition date. Any potential consideration that has been classified as shareholders' equity is not reassessed, and its settlement is recognised under shareholders' equity. However, future changes in the fair value of this consideration will be recognised in income.

It should be noted that acquisitions of project company (SPV) securities, in view of the fact that (i) the substance of the acquisition is a purchase of assets, and that (ii) the acquired company does not have employees, nor a process, the transaction is not considered a business acquisition (IFRS 3, B7). This acquisition is therefore considered as the acquisition of a set of assets and liabilities, to be treated under IAS 38, and not as a business combination under IFRS 3.

Assets and liabilities held for sale

In accordance with IFRS 5, when the Company has decided to sell an asset or group of assets, it classifies it as an asset held for sale if:

- the asset or group of assets is available for immediate sale in its present condition subject only to the conditions that are usual and customary for sales of such assets; and
- its sale is likely within one year.

Furthermore, an activity is classified under “discontinued operations” when:

- all the criteria for classification as non-current assets held for sale or discontinuation are met; and if
- one of the additional criteria below is also satisfied: (a) represents a main and separate business line or geographical region, or (b) it forms an integral part of a unique plan to dispose of a business line or of the activities in a geographic area, or (c) is a subsidiary acquired for the purpose of being resold or abandoned.

As of 31 December 2019, no assets or group of assets have been recognised under assets held for sale.

Investments in non-consolidated companies

Investments in non-consolidated companies are, by default, recognised at fair value through the income statement.

However, when initially recognised, the Company may opt, for entities not held for trading purposes, for the irrevocable application of the alternative fair value accounting method, through other items of comprehensive income.

If the Company opts for the alternative method, other gains and losses recorded in other items of comprehensive income may not be recycled in the income statement, including on disposal.

The choice and application of these methods is made on an investment by investment basis.

At 31 December 2019, the Company opted for the alternative method for all its investments.

Foreign currency transactions

Foreign currency transactions are translated into euros using the exchange rate in effect on the transaction date. Monetary items and, where appropriate, non-monetary items measured at fair value in a foreign currency are translated using the closing rate.

Financial statements denominated in foreign currencies

The functional currency of the foreign subsidiaries of the Company corresponds to the local currency of these entities, or the currency generally used in transactions. On this basis, the assets and liabilities of the companies included in the scope of consolidation and denominated in foreign currencies are translated into euros using the exchange rate at the balance sheet date. The income and expenses of these companies are converted into euros using the average exchange rate over the period.

All currency translation differences arising from the conversion of the financial statements are recognised in other items of comprehensive income. All currency translation differences from foreign currency transactions are recognised in income over the period.

Net investments in an overseas business

Translation differences relating to intragroup assets and liabilities are also recognised in income. On an exceptional basis, such translation differences are temporarily recognised in other comprehensive income when the monetary asset or liability forms an integral part of the net investment in a foreign company. Such is effectively the case of loans and receivables in foreign currencies for which settlement is neither planned nor probable in the foreseeable future.

Note 5.2 Exchange rates used by Voltalia

		As of 31 December 2019		As of 31 December 2018	
Code	Currency	Closing rate	Average rate	Closing rate	Average rate
AED	UAE Dirham	4.11963	4.11218	4.20375	4.33781
BRL	Brazilian Real	4.50853	4.41515	4.44028	4.30483
CLP	Chilean Peso	826.44628	788.02206	794.28118	757.00227
EGP	Egyptian Pound	17.99791	18.83700	20.49684	21.03403
GBP	Pound sterling	0.85059	0.87718	0.89864	0.88485
INR	India Rupee	79.93605	78.75876	79.54817	80.61916
JOD	Jordanian Dinar	0.79519	0.79375	0.81144	0.83747
JPY	Japanese Yen	121.87690	122.05541	125.94458	130.34411
MAD	Moroccan Dirham	10.74287	10.76345	10.93948	11.08144
MXN	Mexican Peso	21.20891	21.54754	22.49112	22.68860
SGD	Singapore Dollar	1.50947	1.52709	1.56045	1.59257
TZS	Tanzanian Shilling	2,583.97933	2,583.97933	2,631.57895	2,688.17204
USD	US Dollar	1.12156	1.11954	1.14449	1.18100
CAD	Canadian dollar	1.45992	1.48541	n/a	n/a

Note 5.3 Scope of consolidation

The lists of consolidated and non-consolidated companies, changes in scope of consolidation, associates and partnerships are detailed in Note 18.

In 2019 Voltalia set up 26 companies in Brazil, Burundi, France, Italy, Mexico and the Netherlands, bought 49 companies in Belgium, Canada, Colombia, France, French Guiana, Italy, the Netherlands, Portugal, Spain and South Africa, sold three companies in Chile, French Guiana and Greece, and wound up six companies in Chile, Japan, Mozambique and Turkey.

As of 31 December 2019:

- 224 companies are consolidated (excluding Voltalia SA, the consolidating entity), including 216 through full consolidation and 8 under the equity method;
- 64 companies were majority-held by the Companies but were not consolidated, as these were not significant;
- No partnerships were signed in respect of the reported periods.

As of 31 December 2019, shares in equity associates contributed to the Company's consolidated financial statements as follows:

(in thousands of euros)	Change	Total
As of 1 January 2018		748
Net profit (loss)	151	
Translation reserve	(55)	
Others	1,459	
As of 31 December 2018		2,303
Net profit (loss)	(51)	
Translation reserve	(36)	
Scope changes	833	
As of 31 December 2019		3,048

Note 5.4 Business combination with Helexia²⁰

General information

On 25 September 2019 the Company completed the purchase of all the shares of Helexia, which was under the joint control of the Company's own majority shareholders, Creadev and Crea-Five.

Helexia is a leading provider of rooftop solar panels and energy efficiency services, and its acquisition will give further impetus to the Company's solar power and B2B activities.

The purchase price was set at €33,558 thousand to be paid for mainly in shares.

Means of payment

To finance the acquisition, 5,452,829 new Voltalia SA shares were issued at a price of €5.88 per share to pay for 97.55% of Helexia with the remainder settled in cash.

The following table breaks down the fair value at the acquisition date of the consideration transferred:

²⁰ See press release of 25 September 2019.

(in thousands of euros)	32,079
Capital increase (5,452,829 shares)	1,479
Cash payment	33,558
Total	

Identifiable assets acquired and liabilities assumed

The following table lists the amounts for assets acquired and liabilities assumed recorded at the acquisition date:

In € thousands	Helexia before fair value measurement
Fixed assets	113,032
Current assets less cash and cash equivalents	13,385,
Cash and cash equivalents	12,413,
Current and non-current liabilities (less debt)	(30,222,
Financial debt	(92,476)
Net assets acquired	16,134

Goodwill and adjustments to the value of assets acquired and liabilities assumed

Helexia became fully consolidated on 1 July 2019. Its assets and liabilities have not yet been measured at fair value.

In € thousands	Consolidated entities	Goodwill	Total
Net assets acquired	16,134		16,134
Net assets acquired after adjustments	16,134		16,134
	17,424	17,424	
Provisional allocation of the acquisition price	16,134	17,424	33,558

Determination of goodwill

Voltalia has a recognised know-how in contracts for the direct purchase of electricity by companies (corporate PPAs), with 211 MW secured with private customers since the beginning of 2019. The Group has notably signed the first (Boulanger, 5 MW) and the largest (SNCF, 143 MW) corporate PPA in France. The acquisition of Helexia will enable to reinforce its commercial reach with new clients and expand its range of services.

In addition to these commercial synergies, the two companies have identified other synergies such the mutualising of the supervision of power plants, the optimisation of O&M costs and economies of scale throughout the supply chain. Finally, Helexia will establish itself in some of the countries where Voltalia is already present.

Allocation to CGUs/operating segments

Helexia's business, which consists of electricity production through solar power plants under contracts signed with corporate customers, is the same type of business model as the one developed by Voltalia, which has already signed three major contracts with private customers.

The acquisition of Helexia, which will bolster this recent growth, can only be assessed when the combined new “Electricity sales” are taken in account. These sales will benefit from the business and technical synergies expected from this combination. Corporate contracts and traditional IPPs are expected to quickly become more closely aligned. This is why the transaction’s goodwill will be allocated to this CGU.

Impact of the business combination on the Company's earnings

As of 31 December 2019 the Company's consolidated financial statements included Helexia's earnings since 1 July 2019, recording €14,376 thousand in revenues and a net loss of €(1,740) thousand.

Note 6 Operating segments

Note 6.1 Accounting rules and methods

Segment reporting is presented in accordance with the internal reporting system of the Company, which is used by the General Management to measure performance and allocate resources.

Segment reporting by business segment is favoured by the Company, because the risks and returns depend mainly on its activities rather than the type of energy to which they refer.

The segmentation used by the Company includes two operating segments:

- the “Energy sales” business, which brings together the owned, operating power plants;
- the “Services” business, comprising the activities of:
 - “Development, Construction and Procurement”, which comprises: the development and sale of projects, and the construction of power plants and procurement of equipment for solar power plants,
 - “Operation – maintenance”, a service provision activity.

These Services activities are carried out on behalf of the Company's own power plants or on behalf of third-party clients.

The business segments described above are presented by the Company in a “stand-alone” manner, i.e. considering the business segment as a truly autonomous whole and as one of the components contributing to the Valtalia consolidated entity. This presentation enables revenues and the service costs from internal services to be identified and isolated under the item “Eliminations and Corporate²¹”.

This presentation complies with the needs identified by the General Management and enables the Company to (a) measure the individual performance of the identified operating segments, (b) compare the level of services provided internally, for Valtalia, to the cost of identical services available outside of the Company, and lastly, (c) as part of the financing of its activities, to present the performance of the financed entity, consistent with the business of the said entity.

²¹ They are corporate items, to which are added the effects of intra-group eliminations corresponding to internal re-invoicing of services carried out within the Company.

Note 6.2 Segment reporting by business**Items from the income statement by business**

(in thousands of euros)	Energy Sales	Services		Eliminations and corporate	As of 31 December 2019
		Development, construction and procurement	Operation-Maintenance		
Revenues	129,218	126,499	19,102	(99,349)	175,470
EBITDA	77,205	10,692	(681)	(22,124)	65,092
EBITDA margin (in %)	60%	8%	(4)%	22%	37%

(in thousands of euros)	Energy Sales	Services		Eliminations and corporate	As of 31 December 2018
		Development, construction and procurement	Operation-Maintenance		
Revenues	131,675	98,688	18,524	(68,227)	180,660
EBITDA	87,882	6,122	554	(18,349)	76,209
EBITDA margin (in %)	67%	6%	3%	27%	42%

Items of the financial position by business

The Company is unable to present balance sheet items by business. However, it aims to eventually compile and present significant indicators by business.

Note 6.3 Segment reporting by region

(in thousands of euros)	Europe	Latin America	Asia and Africa	As of 31 December 2019
Revenues	70,283	101,563	3,624	175,470
EBITDA	(1,216)	66,052	256	65,092
EBITDA margin (in %)	(2)%	65%	7%	37%

(in thousands of euros)	Europe	Latin America	Asia and Africa	As of 31 December 2018
Revenues	53,554	125,382	1,725	180,660
EBITDA	(8,628)	85,202	(365)	76,209
EBITDA margin (in %)	(16)%	68%	(21)%	42%

Voltalia's business varies widely across the three continents in which it operates. Its main activity is still generating electricity in Latin America, especially in Brazil where a substantial share of its installed capacity is located. Europe is an important source of revenues from Services as well as the home of the

Company's main head offices in France and Portugal. These factors explain the differences in revenues and profitability between these two regions.

Europe's share of revenues rose in 2019 due to growth in Services, newly commissioned capacity and the acquisition of Helexia coupled with lower energy sales in Latin America. The year also saw the Company enter Africa and commission its first plant there.

Note 7 Operating result

Note 7.1 Accounting rules and methods

Revenues

Revenues include (i) income from activities based on customer contracts (revenue), and (ii) income from the disposal of development projects and power plants.

Revenues comprise of:

- “Energy sales” from the Company's production units;
- “Services sales” from:
 - the completion of power plant construction contracts,
 - the supply of equipment,
 - the supply of power plant operation and maintenance services;

Pursuant to IFRS 15, revenues are recognised when each performance obligation is met, i.e. when control of the good or service is transferred to the customer

Revenue

Revenue corresponds to the fair value of the consideration received or receivable for goods and services sold, net of discounts and rebates, in the normal course of the Company's activities. Income is recognised in the income statement when the control of goods or services rendered has been transferred.

Energy sales revenue corresponds to the sale of electricity produced by each power plant and sold to the operator in accordance with various contracts which guarantee in particular the sales prices in relation to volumes produced and sold. Revenue is calculated on the basis of the MWh actually delivered, which constitutes the service performance obligation, over the period concerned.

15- to 20-year contracts for the sale of energy generally include tolerance and adjustment mechanisms for the volumes actually sold relative to those contracted. These adjustments are estimated on the basis of actual production and taking into account forecasts (contractual period of up to 4 years in certain Brazilian contracts) and recognised as production progresses.

In the case of early commissioning of power plants or suspension of long-term contracts, the Company can sign short-term contracts with a private distributor or sell on the open market.

Services sales mainly comprise power plant construction for which Voltalia is the general contractor (design, building site supervision, supplier and sub-contractor selection) and all power-plant construction (turnkey contracts) and maintenance activities, as well as sales of development projects:

- Construction revenue is based on the contract, which can take the form of a turnkey contract or a service contract (assistance, project management);
- Maintenance revenue is based on multi-year contracts with duration of between 2 and 15 years in general and up to 25 years. Most of these contracts include clauses related to availability or performance;
- The transfer price of development projects or production units. This is through the sale of assets

that are an integral part of the operational activity.

Note 7.2 Operating expenses

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Purchases and sub-contracting	(9,574)	(27,282)
Equipment rental	(1,410)	(3,098)
Maintenance and repairs	(7,264)	(6,711)
Cost of external services	(27,761)	(17,161)
Operating expenses	(17,705)	(17,128)
Non-revenue based taxes	(9,183)	(10,775)
Operating expenses	(72,896)	(82,154)

The decrease in operating expenses is due to the capitalisation of a large number of costs related to the growing Services segment.

The drop in equipment lease rental expenses is due to the IFRS 16 restatement (see Note 4.4).

Note 7.3 Allocations and reversals of depreciation and amortisation

Depreciation, amortisation and provisions

The rules and methods applicable to depreciation, amortisation, impairments and provisions are detailed in Note 11.1 and Note 15.1.

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Additions	(37,090)	(28,199)
Reversals	-	171
Depreciation and amortisation of intangible fixed assets and property, plant and equipment	(37,090)	(28,028)

Depreciation and amortisation reflect the depreciation of power plants in operation. The €8,889 thousand increase is mainly attributable to the consolidation of Helexia in the second half of 2019 (€4m), the impact of IFRS 16 (€3.8m) and the impact of new plants commissioned in Europe and Egypt.

Note 7.4 Additions to and reversals of depreciations and provisions

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Additions	(1,919)	(10,050)
Reversals	10,025	9,000
Impairment and provisions	8,106	(1,050)

Depreciation, amortisation and provisions presented in the table below relate to the current and non-current asset groups, presented in the statement of financial position.

Allocations and reversals in 2019 mostly concern changes in provisions, which are described in Note 15.

Note 8 Employee benefits and expenses

Note 8.1 Accounting rules and methods

Payroll expenses

Payroll expenses allocated to development and construction projects on behalf of the Company are recorded as assets, when projects meet the activation criteria. Other personnel expenses are included in the revenue statement.

Employee benefits

These benefits may be offered through defined contribution plans or defined benefit plans. Within the framework of defined contribution plans, the Company has no obligation other than to pay contributions; the charge corresponding to the contributions paid is recognised directly in the profit for the financial year.

Post-employment benefits

Defined benefit plans are subject to actuarial measurement using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to measure the final obligation. This final obligation is then discounted.

These actuarial calculations include demographic and financial assumptions defined for each of the entities concerned and taking into consideration their local macro-economic environment. All actuarial differences are recognised under other items of comprehensive income.

Such regimes only concern the following countries, within the Company: metropolitan France, French Guiana, Greece, Italy, Mexico and Slovakia.

Termination benefits

Where necessary, employment contract termination benefits may be reviewed, and provisions are made up to the amount of the resulting commitment. Benefits that fall due more than 12 months after the balance sheet date are discounted.

Share-based compensation expense

Stock options granted to corporate officers and certain key executives are measured at fair value at the grant date by the Board of Directors. This measurement is not subsequently revised. Based on the estimated number of options that will vest at the end of the vesting period, the Company recognises the overall charge spread equally across this period. These expenses are offset by charges in equity under reserves.

Note 8.2 Payroll expenses

As of 31 December 2019, payroll expenses in the income statement amounted to €(31,130) thousand compared to €(20,384) thousand as of 31 December 2018 and are shown net of activations (See Notes 11.4 and 11.5).

Payroll increased by 44% in 2019 compared to 2018. However, in the income statement, the amount is offset by the capitalisation effect in relation to development.

Note 8.3 Workforce

Voltalia's workforce (including Helexia) as of 31 December 2019 totalled 791 people. The increase in headcount is mainly explained by the reinforcement of teams in France, Portugal and Brazil to support the Group's growth, and by the acquisition of Helexia on 1 July 2019.

In 2019, the Voltalia average total workforce (including Helexia) comprised 668 people over 20 countries.

Most of the workforce is located in four countries: Brazil (Rio de Janeiro and Natal), France (Paris, Aix-en-Provence and Cayenne), Italy (Milan) and Portugal (Oliveira de Frades and Porto).

Actual Workforce	Brazil	France & French Guiana	Italy	Portugal	Other	As of 31 December 2019	As of 31 December 2018
Executive managers	1	13	0	2	5	21	19
Managers	25	202	14	52	59	352	220
Employees	108	43	39	119	105	414	301
Temporary employees		4				4	7
Total	134	262	53	173	169	791	547
Average workforce	Brazil	France & French Guiana	Italy	Portugal	Other	As of 31 December 2019	As of 31 December 2018
Executive managers	1	10	1	2	5	19	18
Managers	26	162	5	48	47	288	199
Employees	97	35	39	109	77	357	277
Temporary employees	0	3	1	0	0	4	6
Total	124	210	46	159	129	668	499

Note 8.4 Employee benefits**Change in the net carrying amounts of pension and other benefit commitments to personnel**

Pensions and other employee benefits only apply, within the Company, to the following countries: metropolitan France, French Guiana, Greece, Italy, Mexico and Slovakia.

(in thousands of euros)		Post-employment benefits
Commitments as of 31 December 2018		805
Net cost for the period		215
Cost of services rendered	202	-
Discount effect	14	-
Other items		-
Acquisition/disposal		156
Net amount recognised in comprehensive income		119

<i>Experience effects</i>	27	
<i>Changes in demographic assumptions</i>	(1)	
<i>Changes in economic assumptions</i>	93	
Net employer contribution		(127)
Translation reserve		3
Commitments as of 31 December 2019		1,172

(in thousands of euros)	Post-employment benefits
Defined obligation benefits	1,172
Fair value of the plan	-
Commitments as of 31 December 2019	1,172

Main actuarial assumptions

	France, French Guiana & Greece	Italy	Mexico	Slovakia
Discount rate	0.70%	0.35%	7.02%	0.70%
Wage increase rate	2.00%	3.13%	4.40%	2.00%

Note 9 Statutory Auditors' fees

(in thousands of euros)	MAZARS	H3P	As of 31 December 2019	MAZARS	H3P	As of 31 December 2018
Voltalia SA	334	230	564	299	202	501
Statutory audit	205	129	362	286	201	487
Non-audit services	129	101	202	13	1	14
Subsidiaries	582	229	811	521	190	711
Statutory audit	541	229	770	519	190	709
Non-audit services	41		41	2	-	2
Total fees	916	459	1,375	820	392	1,212

As of 31 December 2019, the Statutory Auditors' fees amounted to €1,375 thousand.

An increase in the Company's scope offset by lower additional costs meant that the Statutory Auditors' fees were largely the same in 2019. Services other than the certification of the financial statements (SACC) provided in 2019 have to do with the capital increase of July 2019 and an audit relating to a financing requirement.

The Company presents SACC provided based on a legal document, such as the audit of the reports of the Board of Directors or of the regulated agreements, in the legal audit fees to ensure a better comparability of advertised fees.

Note 10 Income tax

Note 10.1 Accounting rules and methods

Income tax and other taxes

Income tax (expense or income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Tax is recognised in the income statement unless it relates to items recognised directly in equity, in which case it is recognised in other items of comprehensive income.

Current tax is (i) the estimated amount of tax payable on the taxable income of a period, determined using tax rates that have been enacted or substantively enacted by the balance sheet date, and (ii) any adjustment to the amount of tax payable in respect of previous periods.

Tax consolidation scopes have been established within the Group. Each of the areas is treated as a taxable entity under IAS 12 and is accordingly the subject of corresponding deferred taxation compensation.

Deferred taxes

Deferred taxes are recognised in the income statement and statement of financial position to reflect the temporary differences between the carrying amounts and tax bases of assets and liabilities.

Deferred taxes are accounted for using the balance sheet approach of the liability method. Deferred taxes are measured taking into account known changes in tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The impact of possible changes in tax rates on deferred taxes previously recognised on the income statement or in equity is recognised on the income statement or in equity during the financial year in which these rate changes become effective.

Deferred taxes are recognised in the statement of net income or in other items of comprehensive income or in equity during the year in which they relate to the items themselves recognised in profit or loss or in equity.

Deferred tax assets are recognised if and only if it is probable that taxable profits will be available against which the deferred tax asset can be utilised. In the absence of a high degree of probability, such assets are not recognised. The carrying amount of deferred tax assets is reviewed at each balance sheet date to determine whether this value should be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Conversely, any such reduction must be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are not discounted.

Note 10.2 Income tax and other taxes

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Current tax	(5,949)	(11,480)
Deferred taxes	979	(0)
Income tax and other taxes	(4,970)	(11,480)

As of 31 December 2019 income tax and other taxes of €(4,970) thousand mostly consist of current tax on Brazilian firms under the “assumed” and “actual” profit regimes (*lucro presumido* and *lucro real*) amounting to €(6,031) thousand euros.

The decrease from 2018 is largely due to lower wind power generation in Brazil.

At 31 December 2019, the net change in deferred taxes was positive at €979 thousand, mainly the result of the use of tax loss carryforwards in Brazil.

Note 10.3 Tax rationalisation

in thousands of euros	As of 31 December 2019	As of 31 December 2018
Net profit (loss) from consolidated companies	2,799	5,960
Net income of equity affiliates	96	151
Net income from consolidated companies excluding companies at equity	2,702	5,809
Income tax expense	(1,874)	(7,964)
Tax expense of entities outside of the IAS 12 scope of application	(3,097)	(3,516)
Profit before taxes (excluding equity-accounted companies)	7,673	17,289
Standard tax rate applicable to the parent company (%)	28%	28%
(Expense) Income from theoretical tax	(2,148)	(4,841)
Impact:		
- Of differences between the tax rate of the parent company and that of its subsidiaries	(406)	(1,586)
- Of entities excluded from the scope of IAS 12	577	1,295
- Effect of non-recognition of deferred tax assets on deductible temporary differences	(3,340)	(2,285)
- Of non-recognition of deferred tax assets on tax loss carryforwards	(6,810)	(3,632)
- Of the consumption of tax income on other deductible temporary differences not recognised previously	446	0
- Consumption of tax income on tax loss carryforwards	2,872	1,618
- Of permanent differences	3,823	(805)
- Other taxes not based on pre-tax profit	15	(1,244)
(Expense)/Income from effectively recognised tax	(4,970)	(11,480)

Companies outside the scope of IAS 12 are Brazilian SPVs subject to the "lucro presumido" tax regime.

The rationalisation of the tax expense is carried out on the basis of pre-tax profit including entities outside the scope of IAS 12, and amounted to €13,257 thousand. As a result, the impact of entities excluded from the scope of IAS 12 of €577 thousand differs from the actual expense recognised in the financial statements, of €(3,097) thousand.

Note 10.4 Deferred taxes

As of 31 December 2019, deferred taxes mainly relate to the value of assets (for projects in development or in operation).

Deferred tax assets, and deferred tax income, as shown respectively in the Group's statement of financial position and statement of comprehensive income, and resulting in a deferred tax net asset,

relate exclusively to French subsidiaries outside the tax consolidation arrangement or foreign entities that pay current tax.

At 31 December 2019, net deferred tax assets amounted to €2,360 thousand and net deferred tax liabilities amounted to €2,687 thousand. Recognised deferred tax assets leading to a net position of zero amounted to €1,559 thousand.

The stock of available loss carryforwards amounted to €162 million as of 31 December 2019.

Note 11 **Goodwill, intangible and tangible fixed assets**

Note 11.1 **Accounting rules and methods**

Business combinations - Goodwill

Business combinations are recognised in compliance with the instructions of IFRS 3. According to these standard, acquired assets, liabilities and possible liabilities are assessed at their fair value.

The valuation differences arising on consolidation are allocated to the assets and liabilities concerned, including the share attributable to non-controlling interests.

Goodwill corresponds to the difference between the purchase price paid during a business combination and the amount of assets and liabilities acquired, net of the liabilities and contingent liabilities assumed. The positive difference between the acquisition cost and the proportionate share of the acquirer in the fair value of identifiable assets and liabilities acquired is recognised as goodwill in the balance sheet. If this difference is negative, it is recognised directly in income at the date of acquisition.

Goodwill is not amortised but is subject to impairment tests at least once a year.

Intangible assets

Intangible assets are initially recognised at their cost or fair value if they are acquired in the context of a business combination.

Intangible assets correspond to the capitalised costs of projects under development.

Expenses for each project are capitalised as soon as all of the following criteria are met:

- visibility with respect to access to land, such as obtaining a lease agreement and favourable environmental impact studies;
- visibility of authorisations, e.g., filing of administrative records and high probability of obtaining permits;
- feasibility of the grid connection;
- project profitability.

Such capitalised costs include external costs (corresponding to commitments to outside vendors or service providers (invoices, invoices receivable, status reports, etc.) and internal costs (measured based on the time allocated to these projects).

All projects are reviewed at each reporting date. Projects in development that no longer meet the capitalisation criteria or which are abandoned are depreciated up to the capitalised expenses.

Depreciation is recognised in expense using the straight-line method over the useful lives of the intangible assets, unless such lives are indefinite. Intangible assets with finite useful lives are amortised as soon as they are brought into service. Intangible assets with an indefinite useful life and intangible assets not yet in service are subject to an annual impairment test and/or each time there is an indication of impairment.

It should be noted that projects undergoing disposal whose value is less than the carrying amount will be impaired in the amount of the disposal price, if this can be reliably measured.

In the case of the acquisition of development assets through the purchase of securities with a price supplement clause, the price supplement and any subsequent variations are recorded as intangible assets in progress in consideration of the debt. (see Note 5.1 - IFRS 3 Business Combinations)

Fixed assets —Leases²²

Right of use is recorded for leases where (a) the period is over 12 months, (b) the acquisition cost of the leased asset is over €5,000 and (c) the Company has the right to control the use of the asset.

Right-of-use assets related to operating leases where the Company is the lessee are presented under intangible assets.

The lease liability is initially measured at the present value of future lease payments and is presented as an acquisition for the period of use.

Lease payments only comprise the fixed portion; any variable component, such as indexation to electricity sales revenues, is treated as an operating expense for the period.

For property leases, the period of use is the longest of the lease term or electricity sales contract related to the site's plant. When the contract provides for an early termination clause, the Company defines a likely scenario which is compatible with the contractual clauses.

To determine the discount rate, the Company uses the interest rate implicit in the lease.

Property, plant and equipment

Property, plant and equipment consist mainly of electricity generation facilities. They are recognised at cost (purchase price plus ancillary costs).

Property, plant and equipment under construction correspond to the capitalised costs of projects under construction.

When the components of an asset have different useful lives, they are accounted for separately and depreciated over their own useful lives. Significant spare parts are capitalised and depreciated over the useful life of power plants.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental thereto. These finance lease contracts are then recognised at the lower of the fair value of the asset and the present value of the minimum payments under the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to the various periods during the lease term so as to produce a constant periodic effective rate of interest on the remaining balance of the liability under each period.

The straight line amortisation method, which leads to a constant expense over the useful life of the assets, is normally used by the Company.

The Company may opt for amortisation using production units in the specific case where the power plants in production face technical, operations or regulatory constraints. The absence of connection to the power grid, and therefore an absence of production, results in no amortisation expenses.

The useful lives used for the main components are the following:

- for wind power plants: 25 years;
- for solar power plants: 25 years;
- for hydro-power plants: infrastructure from 5 to 40 years; equipment from 8 to 20 years;
- for biomass power plants: infrastructure from 15 to 30 years; equipment from 5 to 30 years.

²²The impact of first application of IFRS 16 to operating leases is explained in Note 4.4.

Other fixed assets are amortised on a straight-line basis over periods of between 2 and 10 years.

The Company conducts an annual review of useful lives.

Land is not depreciated.*

Decommissioning obligations were recognised as an asset component against a provision in the same amount. Decommissioning obligations are amortised based on the life of the underlying assets concerned.

In the absence of multi-year maintenance expenses, expenses for routine maintenance of power plants to keep them in good working order are recorded as expenses as they arise.

The carrying amount of an asset is written down immediately to its recoverable amount when the carrying amount of the asset exceeds its estimated recoverable amount.

Production facilities are amortised on a straight line basis over their estimated useful lives, (or actual use if a contract provides for a transfer of ownership), as of the date on which the asset is put into use, i.e. once it is in place and in the condition necessary to be capable of operating in the manner intended by management.

Impairment of goodwill, intangible assets and property, plant and equipment

The Company uses estimates and must use certain assumptions designed to (i) assess the expected useful life of the assets in order to determine their amortisation period; and (ii) recognise impairment, if necessary, on the balance sheet value of any asset.

In order to ensure the correct valuation of its assets on the balance sheet, the Company regularly reviews certain indicators that would lead to the performance of an impairment test, if necessary.

Impairment of assets with fixed life spans

Assets with fixed life spans are subject to an impairment test if an indication of impairment is identified.

Impairment of assets with indefinite life spans

The net carrying amount of Goodwill and assets under construction is subject to review at least once a year, or in the presence of an indication of impairment.

To test impairment, goodwill is allocated to the CGUs (Cash Generating Units) or to CGU groups likely to benefit from business combination synergy, corresponding to the level at which goodwill is monitored by the Group.

The CGUs defined by the Company correspond to homogeneous groups of assets belonging to the same cash generating division, largely independent from the flows generated by other CGUs and broken down as follows:

- the “Energy sales business” CGU;
- the “Development, Construction and Procurement business” CGU;
- the “Operation – Maintenance business” CGU.

The “Energy Sales” business is divided into as many CGUs as there are farms or clusters in operation. The two “Development, Construction and Procurement” and “Operation-Maintenance” businesses are broken down by region.

The impairment tests are carried out for all intangible assets and property, plant and equipment, as well as for assets and liabilities making up the CGUs' working capital requirement. When the net carrying amounts for all the elements exceed their recoverable value, impairment is recognised and allocated in priority to Goodwill.

The recoverable value is the higher of the fair value of the asset (or group of assets) net of disposal costs, and its value in use. The value in use is thus exclusively determined from the discounted future cash flows expected from assets (or group of assets) and involve management judgements notably

concerning elements such as weather conditions, inflation, operating costs, and costs of investments in projects in development.

Cash flows used as the basis for the calculation of the values in use of the CGUs (or groups of CGUs) is from the Medium Term Plan and the budgets prepared by the Company's management for the next five financial years.

An assumption of zero growth and inflation is applied to determine normative flows, which are extrapolated for the "Energy Sales" CGU over the following 20 years, i.e. the life of the plants operated within the CGU; and for the "Development, Construction and Procurement" and "Operation - Maintenance" CGUs to infinity.

The discount rate used is the average weighted cost of capital. These are established based on rates by region and by business, weighted by the weight of the activity for each region.

Note 11.2 Business combination with Martifier Solar

On 18 August 2016 Voltalia acquired all the shares of Martifier Solar (MTS) for €9,000 thousand. The Martifier Solar entities were consolidated into the Voltalia scope from 1 August 2016 at their carrying amount.

The definitive goodwill (difference between the sale price and the adjusted net book value) is €46.0 million and has been allocated as follows:

- Energy sales €25.1 M
- Development, Construction and Procurement €17.5 M
- Operation-Maintenance €3.5 M
- Total **€46.0 M**

Note 11.3 Business combination with Helexia²³

On 25 September 2019 the Company acquired all the shares of Helexia, which was under the joint control of the Company's own majority shareholders, Creadev and Crea-Five, for €33,558 thousand. Helexia and its entities were consolidated into the Company's scope on 1 July 2019, with the securities which were held by Creadev and Creafive (97.55%) consolidated at their carrying amount, and the balance at fair value.

Defined as the difference between the acquisition cost and the adjusted net book value, goodwill was initially measured at €17.4 million and was allocated to the Energy Sales CGU at 31 December 2019.

²³ See Note 5.4 "Business combination with Helexia"

Note 11.4 Goodwill

At 31 December 2019, the net book value of goodwill and assets in progress was not impaired.

As of the Group's reporting date, no indication of impairment of tangible and intangible assets, or of operating assets and liabilities of the CGUs to which Goodwill is allocated, has been identified.

(in thousands of euros)	Gross value	Depreciation	As of 31 December 2019	Gross value	Depreciation	As of 31 December 2018
Sapeel	595	(595)	-	595	(595)	-
Voltalia Greece	435	(435)	-	435	(435)	-
Energen SA	11	(11)	-	11	(11)	-
Voltalia Portugal, S.A.	46,033	-	46,033	46,033	-	46,033
Helexia	17,424	-	17,424	-	-	-
Goodwill	64,498	(1,041)	63,457	47,074	(1,041)	46,033

Allocations to CGUs (in thousands of euros)	As of 31 December 2018	Scope changes	As of 31 December 2019
IPP	25,104	17,424	42,528
Of which Martifer Solar	25,104		25,104
Of which Helexia		17,424	17,424
Development, Construction & Procurement	17,450	-	17,450
Of which Martifer Solar	17,450	-	17,450
Operation-Maintenance	3,479	-	3,479
Of which Martifer Solar	3,479	-	3,479
Goodwill	46,033	17,424	63,457

Discount rate

The discount rates used as of 31 December 2019 by CGU are:

- Energy sales: between 4% and 12.2%;
- Development, Construction & Procurement: between 6.8% and 18.4%;
- Operation-Maintenance: between 6.8% and 18.4%.

Sensitivity analyses

IPP

	WACC -10pts	WACC	WACC +10pts
Zero growth	272	-	(235)
Growth of -10%	48	(198)	(411)

The discount rate used is 7.35%. At a zero growth rate, the threshold for an impairment is a WACC of 16.5%.

Development, Construction & Procurement

	WACC -10pts	WACC	WACC +10pts
Zero growth	7	-	(6)
Growth of -10%	(60)	(64)	(68)

The discount rate used is 11.2%. At a zero growth rate, the threshold for an impairment is a WACC of 26.0%.

Operation-Maintenance

	WACC -10pts	WACC	WACC +10pts
Zero growth	2	-	(1)
Growth of -10%	(17)	(18)	(19)

The discount rate used is 9.0%. At a zero growth rate, the threshold for an impairment is a WACC of 14.9%.

Note 11.5 Intangible assets

(in thousands of euros)	Gross value	Depr., Amort.	As of 31 December 2019	Gross value	Depr., Amort.	As of 31 December 2018
Intangible assets in progress	97,343	(11,150)	86,193	75,040	(10,905)	64,135
Intangible assets	53,969	(12,428)	41,540	41,010	(9,895)	31,115
Other intangible assets	1,699	(1,871)	828	1,854	(685)	1,169
Right-of-use assets	44,360	(3,960)	40,400	-	-	-
Intangible assets	197,371	(28,409)	168,961	117,903	(21,485)	96,418

(in thousands of euros)	Intangible assets in progress	Intangible assets	Other intangible assets	Right-of-use assets	Total
As of 1 January 2018	33,106	33,323	3,624		70,053
Acquisitions	31,817	61	225		32,103
Disposals	(1,868)	-	-		(1,868)
Scope changes	(95)	(202)	-		(297)
Depreciation and amortisation	-	(2,247)	(201)		(2,448)
Impairment	(270)	174	-		(96)
Translation reserve	(1,167)	(1,035)	(38)		(2,240)
Others	2,613	1,040	(2,441)		1,212
As of 31 December 2018	64,135	31,115	1,169	-	96,418
Change in method	-	-	-	31,213	37,049
Acquisitions	29,287	388	-	7,374	36,295
Project disposals	(952)	-	-		(952)
Scope changes	2,704	2,888	64	5,743	11,399
Depreciation and amortisation	-	(2,332)	(368)	(3,727)	(6,427)
Others	(8,709)	9,707	(36)		821
Impairment	(250)	-	-		(250)
Translation reserve	(23)	(84)	-	(203)	(310)
As of 31 December 2019	86,193	41,540	828	40,400	168,961

“Intangible assets in progress” largely correspond to the capitalised costs of projects under development or under construction.

As of 31 December 2019, these amounted to €86,193 thousand and the €22,058 thousand increase was mainly due to the emergence of new development projects and the completion of existing projects in the portfolio in 2018.

“Intangible assets” correspond to the development costs of plants in operation and are amortised on the same basis as tangible assets.

Note 11.6 Property, plant and equipment

(in thousands of euros)	Gross value	Depr, Amort & Imp.	As of 31 December 2019	Gross value	Depr, Amort & Imp.	As of 31 December 2018
Land ²⁴	6,915	(2,100)	4,815	6,779	(2,002)	4,776
Buildings	699,942	(126,142)	573,800	566,150	(83,097)	483,053
Materials, equipment and tooling	91,327	(28,536)	62,791	79,918	(23,897)	56,021
Property, plant and equipment in progress	246,101	-	246,101	62,916	-	62,916
Other property, plant and equipment	10,132	-	10,132	1,548	(86)	1,462
Property, plant and equipment	1,054,417	(156,778)	897,639	717,311	(109,083)	608,228

²⁴ Land development and land are presented under the heading “Land”. All amortisation and depreciation presented under this heading relates to land development.

The increase in tangible fixed assets is due to the consolidation of Helexia for €112 million and the main items of capital expenditure in the period:

- in Brazil, the VSM wind farm projects;
- in Egypt, the Ra Solar project;
- in France, the Parroc and Tresques solar plants, the Sarry and Échauffour wind farm projects and the Taconnaz hydropower plant;
- in French Guiana, the Cacao biomass plant and the Savane des Pères solar plant.

Acquisitions of "tangible assets in progress" correspond to the construction costs of the power plants operated on its own account.

(in thousands of euros)	Land	Buildings	Materials, equipment and tooling	Property, plant and equipment in progress	Other property, plant and equipment	Total
As of 1 January 2018	4,973	546,497	44,665	20,829	1,610	618,575
Acquisitions	3	1,981	2,285	65,362	1,370	71,001
Disposals	-	(258)	(1,420)	-	-	(1,678)
Scope changes	(57)	-	(7)	(37)	(2)	(102)
Depreciation and amortisation	(190)	(22,969)	(2,583)	-	-	(25,742)
Impairment	-	-	2,556	-	25	2,581
Translation reserve	(7)	(51,763)	(345)	(738)	(8)	(52,860)
Others	54	9,564	10,870	(22,501)	(1,534)	(3,548)
As of 31 December 2018	4,776	483,053	56,021	62,916	1,462	608,228
Acquisitions	395	4,053	1,728	218,490	9,326	233,991
Disposals	-	-	-	-	-	-
Scope changes	(169)	91,942	(9,275)	11,963	-	94,461
Depreciation and amortisation	(185)	(26,298)	(4,177)	-	-	(30,661)
Impairment	-	101	1	-	25	127
Translation reserve	(2)	(5,674)	(60)	(2,702)	(193)	(8,630)
Others	-	26,623	18,553	(44,566)	(488)	122
As of 31 December 2019	4,815	573,800	62,791	246,101	10,132	897,639

Note 12 Cash and cash equivalents and cash flows

Note 12.1 Accounting rules and methods

Cash and cash equivalents comprise cash on hand and demand deposits. They also include UCITS that meet the definition of IAS 7. UCITS that do not meet the definition of cash and cash equivalents are classified as other current financial assets.

Any bank overdrafts repayable on demand that are an integral part of the Company's cash management

are a component of cash and cash equivalents for purposes of the statement of cash flows.

The concept of net cash used by the Company corresponds to the total of cash and cash equivalents less bank overdrafts. These bank overdrafts are not intended to be financing elements for the Company.

An instrument is classified as an investment at fair value through profit or loss if it is held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. On initial recognition, directly attributable transaction costs are recognised in income as incurred. Financial instruments at fair value through profit or loss are measured at fair value and any resulting change is recognised in income.

Note 12.2 Cash and cash equivalents

Change in net cash and cash equivalents

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Cash assets	149,743	80,557
Marketable securities	119,999	28,122
Cash and cash equivalents	269,743	108,679
Bank overdrafts	-	(70)
Net cash and cash equivalents	269,743	108,608

At 31 December 2019, the Company's cash position improved by 148%. Cash assets blocked for a covenant represent 38% of cash. In Brazil, most of these are invested.

The revenues generated by plants in operation make it possible to finance the Company's prospecting and growth activities. The use of corporate and project debt supports investment transactions including projects under development and those under construction.

For investment transactions and changes in debt, see Note 11 and Note 14.

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Net cash flow from operating activities	47,863	59,552
Net cash flow from investing activities	(248,211)	(109,240)
Net cash flow from financing activities	351,347	93,844
Change in cash flows	150,999	44,156
Opening cash and cash equivalents (as of 31 December 2018)	108,608	
Impact of changes in currency prices	(1,341)	
Impact of scope changes	11,477	
Change in cash flows	150,999	
Closing cash and cash equivalents	269,743	

Note 13 **Equity and earnings per share****Note 13.1** **Accounting rules and methods****Share capital**

Ordinary shares are classified as equity instruments. Supplementary costs directly attributable to the issue of new shares or options are recognised in equity as a reduction of income from the issue.

Earnings per share

The earnings for the period (Company share) divided by the weighted average number of ordinary shares outstanding during the period, after deduction of treasury shares held during the period. The average number of ordinary shares in circulation is an adjusted annual weighted average of the number of ordinary shares bought back or issued during the period and calculated based on the date of issue of shares during the period.

Diluted earnings per share

Earnings for the period (Company share) and the weighted average number of shares outstanding, used to calculate the earnings per share, are adjusted for the effects of all potentially diluting ordinary shares: stock options, free shares and other dilutive instruments (BSPCE warrants).

Note 13.2 **Equity and dividends**

During the 2019 financial year, capital increases were recorded for €263,906 thousand, bringing total share capital to €543,083 thousand. These capital increases were carried out by the Chief Executive Officer, on the authority of the Board of Directors:

- On 20 June 2019, following the exercise of 16,970 stock options for €97, thousand;
- On 15 July 2019, following the exercise of 40,829,520 shares for €232,728 thousand;
- On 25 September 2019, following the exercise of 5,452,829 shares for €31,081 thousand.

No dividends have been paid since the Company's creation.

Note 13.3 **Earnings per share**

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Net earnings attributable to the parent company in the period	4,627	8,525
Net earnings taken into account to calculate earnings per share	4,627	8,525
Weighted average number of outstanding shares	69,142,091	48,900,667
Basic earnings per share (in €)	0.0563	0.1743
Weighted average number of outstanding shares	69,142,091	48,900,667
Earnings per share (in euros)	0.0669	0.1743

Note 13.4 Diluted earnings per share

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Net earnings attributable to the parent company in the period	4,627	8,525
Net earnings taken into account to calculate diluted earnings per share	4,627	8,525
Weighted average number of outstanding shares	69,142,091	48,900,667
Number of shares resulting from the conversion of dilutive instruments	546,870	318,525
Weighted average number of outstanding shares used to calculate diluted earnings per share	69,688,961	49,219,192
Diluted earnings per share in euros - after consolidation	0.0664	0.1732
Weighted average number of outstanding shares	69,688,961	49,219,192
Basic earnings per share (in €)	0.0664	0.1732

As of 31 December 2019, dilutive instruments include:

- 82,202 stock options (for employees) giving rights to the same number of shares;
- 464,668 free shares (allocations from the 2016, 2017, 2018 and 2019 plans detailed in Note 13.5);

The number of shares from these dilutive instruments was therefore 546,870.

The potential dilution from these instruments would be 0.79%.

Note 13.5 Dilutive instruments

BSPCEs

The BSPCEs issued on 1 April 2009 and 3 August 2009 expired on 1 April 2019 and 3 August 2019, respectively, and were not exercised.

Free share allocation

	Free share allocation 2016	Free share allocation 2018	Free share allocation 2018
Date of the meeting that authorised the allocation	12 May 2016	12 May 2016	12 May 2016
Date of allocation by the Board of Directors	16 Dec 2016	26 Sep 2018	26 Sep 2018
Number of shares that can be allocated	1,200,000	1,144,506	1,115,172
Total number of shares allocated	55,494 ⁽¹⁾	29,334 ⁽¹⁾	77,291 ⁽¹⁾
<i>of which the total number of shares granted to corporate officers</i>		-	48,354 ⁽¹⁾
<i>Laurence Mulliez</i>			8,442 ⁽¹⁾
<i>Sébastien Clerc</i>			39,912 ⁽¹⁾
Number of non-officer beneficiaries	5	3	4
Number of shares being vested	34,882 ⁽¹⁾	29,334 ⁽¹⁾	71,346 ⁽¹⁾
Vesting date	31 Jul 2020	31 Jul 2021	31 Jul 2022
Vesting conditions	(2)	(3)	(2)
Number of shares vested at the date of the Universal Registration Document	0	0	0
Number of shares cancelled or lapsed	20,612 ⁽¹⁾	0	5,945 ⁽¹⁾
Length of holding period	0	0	0

1. Taking into account the number of free shares allocated, decided upon following the Company's July 2019 capital increase, in accordance with the provisions of Article L. 228-99 of the French Commercial Code.
2. The shares will vest at the end of a four-year period.
3. Period of 3 years instead of 4 years; these allocations should have been made in 2017

	Free share allocation 2019 Votalia	Free share allocation 2019 Helexia
Date of the meeting that authorised the allocation	20 May 2019	20 May 2019
Date of allocation by the Board of Directors	25 Oct 2019	25 Oct 2019
Number of shares that can be allocated	2,000,000	1,694,700
Total number of shares allocated	305,000	24,106
<i>of which the total number of shares granted to corporate officers</i>	<i>136,572</i>	<i>-</i>
<i>Laurence Mulliez</i>	<i>-</i>	<i>-</i>
<i>Sébastien Clerc</i>	<i>136,572</i>	<i>-</i>
Number of non-officer beneficiaries	6	2
Number of shares being vested	305,000	24,106
Vesting date	31 Jul 2023	31 Jul 2023
Vesting conditions	(2)	(2)
Number of shares vested at the date of the Universal Registration Document	0	0
Number of shares cancelled or lapsed	0	0
Length of holding period	0	0

(2) The shares will vest at the end of a four-year period.

Stock options

	Stock options
Date of the General Meeting that authorised the allocation	11 Jun 2015
Date of option allocation by the Board of Directors	6 Aug 2015
Maximum authorised number of shares that can be issued	800,000
Number of stock options allocated	201,204
Number of Voltalia shares to which the options were likely to give rights at the date of their allocation	221,249 ⁽¹⁾
<i>of which the total number that may be subscribed by corporate officers of the Company</i>	0
<i>of which the total number that may be subscribed by corporate officers of the Company</i>	80,778 ⁽¹⁾
Number of non-officer beneficiaries	1
Starting date of option exercise period	7 Aug 2017
Stock option expiry date	7 Aug 2022
Single Voltalia share option price	€7.93 ⁽¹⁾
Conditions of exercise	⁽²⁾
Number of Voltalia shares subscribed at the date of the Universal Registration Document	35,712 ⁽³⁾
Cumulative number of stock options cancelled or lapsed	106,717
Outstanding stock options at the date of the Universal Registration Document	78,820 ⁽¹⁾
Total maximum number of Voltalia shares that may be subscribed at the date of the Universal Registration Document (given the exercise conditions of the options)	78,820 ⁽¹⁾
Total maximum number of shares that may be subscribed during the financial year for all outstanding options at the date of the Universal Registration Document (that are assumed to meet all the conditions for the exercise of the said options)	78,820 ⁽¹⁾

1. Taking into account the adjustments to the subscription price and the number of shares that may be subscribed through the exercise of the options decided upon following the Company's November 2016 and July 2019 capital increases, in accordance with the provisions of Article L. 228-99 of the French Commercial Code.
2. The exercise of stock options is subject to Company performance conditions and conditions of employment within the Company.
3. Subscription of 16,970 shares by the exercise of share subscription options in 2019.

Note 14 **Financing and derivative instruments****Note 14.1** **Accounting rules and methods****Financial assets and liabilities**

Financial assets consist of term deposits, loans, non-consolidated securities, investments and cash equivalents and derivative instruments with a positive value.

Sufficiently liquid investments are considered to be trading assets and are classified as “assets at fair value through profit or loss”.

Non-consolidated investments and other assets available for sale are recognised at fair value, and the consideration for these variations is included in other comprehensive income.

Guarantee deposits and term deposits are recorded using the amortised cost method at the effective interest rate. This method does not result in significant differences with the nominal value of receivables that is used. In case of difficulties in debt recovery, impairments are recognised on the basis of collection estimates.

Despite the possible negative value of financial instruments, financial liabilities recorded by the Company are recognised using the amortised cost method at the effective interest rate.

Financial result

The cost of net financial debt includes interest payable on borrowings calculated using the effective interest rate method, net of interest receivable on investments and other financial income.

Income from interest is recognised in the income statement as it accrues, using the effective interest rate method.

Net financial income includes both the cost of debt and other financial revenues and expenses.

Derivative instruments

Derivative instruments are recorded at fair value and recognised as derivative instrument assets or liabilities in the statement of financial position.

If the instrument is designated as a fair value hedge of assets or liabilities recognised in the balance sheet, its changes in value, like those of the underlying hedged item, are recorded in the income statement over the same period.

If the derivative instrument is designated as a hedge of future cash flows, changes in the fair value of its effective portion are recognised in other items of comprehensive income and will be recycled to the income statement when the underlying hedged item itself is recognised in the income statement.

Changes in the fair value of the ineffective portion of hedging instruments, as well as changes in the fair value of derivative instruments that are not eligible for hedge accounting, are recognised in the income statement for the period, in EBIT or financial income, depending on the type of underlying item concerned.

In the case where the underlying item is linked to an asset under construction, the impacts of changes in derivative instruments on the income statement are capitalised as part of the underlying asset.

Loans

Loans are recognised using the amortised cost method, based on the effective interest rate.

Hierarchy of fair value measurement of financial assets and financial liabilities

Voltalia distinguishes three categories of financial instruments based on the two valuation methods used (listed prices and valuation techniques), and uses this classification, in accordance with international accounting standards, to present the characteristics of financial instruments recognised on the balance sheet at fair value through income or other comprehensive income at the reporting date. The three categories are defined as follows:

- Level 1: Financial instruments listed on an active market;
- Level 2: Financial instruments measured at fair value using valuation techniques based on observable market parameters;
- Level 3: Financial instruments measured at fair value using valuation techniques based on non-observable parameters (parameters whose value results from assumptions not based on observable transaction prices in markets in the same instrument or observable market data available at closing) or which are only partially observable.

Lease liabilities ²⁵

A liability is recorded for leases where (a) the Company is the lessee, (b) the period is over 12 months, (c) the acquisition cost of the leased asset is over €5,000 and (d) the Voltalia has the right to control the use of the asset.

The lease liability is initially measured at the present value of future lease payments and is presented as an increase for the period of use.

Lease payments only comprise the fixed portion; any variable component, such as indexation to electricity sales revenues, is treated as an operating expense.

For property leases, the period of use is the longest of the lease term or electricity sales contract related to the site's plant. When the contract provides for an early termination clause, the Company defines a likely scenario in accordance with the contractual clauses.

To determine the discount rate, Voltalia uses the interest rate implicit in the lease.

Note 14.2 Current and non-current financial assets

(in thousands of euros)	Gross value	Impairment	As of 31 December 2019	Gross value	Impairment	As of 31 December 2018
Deposits and guarantees	8,206	(45)	8,161	7,360	-	7,360
Investments in non-consolidated companies	2,519	-	2,519	3,788	(1,995)	1,793
Other financial assets	15,962	(436)	15,526	17,244	(1,331)	15,913
Total financial assets	26,687	(481)	26,205	28,392	(3,326)	25,066

Other financial assets are mainly loans with non-consolidated companies or companies accounted for with the equity method.

²⁵ The impact of first application of IFRS 16 on operating leases is explained in Note 4.4.

(in thousands of euros)	Deposits and guarantees	Investments in non-consolidated companies	Other financial assets	Total financial assets
Non-current financial assets	5,622	1,793	14,596	22,012
Other current financial assets	1,738	-	1,317	3,055
As of 31 December 2018	7,360	1,793	15,913	25,066
Non-current financial assets	5,900	2,519	14,210	22,629
Other current financial assets	2,260	-	1,316	3,576
As of 31 December 2019	8,161	2,519	15,526	26,205

Note 14.3 Current and non-current financial liabilities

(in thousands of euros)	Borrowings from credit establishments	Lease liabilities	Other bank financing	Bank overdrafts (debts) (revolving loans)	Accrued interest on borrowings	Total financial liabilities
As of 1 January 2018	382,017	12,619	13,438	7,992	1,310	417,376
Decreases	(38,792)	(1,605)	(1,365)	(7,992)	(22,689)	(72,442)
Increases	164,158	-	-	105	23,115	187,378
Capitalised interest	180	-	-	-	(180)	-
Scope changes	-	-	-	-	-	-
Translation reserve	(26,844)	-	(1,400)	(3)	(106)	(28,353)
Others	1,729	0	426	-	(118)	2,037
As of 31 December 2018	482,449	11,014	11,099	102	1,332	505,996
Decreases	(291,586)	(5,695)	(21,301)	(103)	(30,881)	(349,565)
Increases	326,794	7,374	350	-	31,948	366,466
Capitalised interest	147	-	-	-	(147)	-
Change in method (IFRS 16)	-	31,237	-	-	-	31,237
Scope changes	71,834	14,683	20,641	-	301	107,459
Translation reserve	(5,262)	(207)	(163)	1	(45)	(5,676)
Others	152	-	408	-	(241)	319
As of 31 December 2019	584,528	58,406	11,035	-	2,266	656,235

Following the capital increase in July 2020, the Company restructured its debt, leading to substantial rises and falls and resulting in a change of €150 million accounted for by:

- The first-time application of IFRS 16 for €31 million;
- New loans for project companies for €149 million;
- Project loan repayments (excluding interest) for €68 million;
- Corporate debt repayments (excluding interest) for €66 million;
- Scope changes related to the acquisition of Helexia for €107 million.

Analysis by maturity

In thousands of euros (2019)	Balance sheet value 31 December 2019	Fair value 31 December 2019	Less than one year	From 1 to 5 years	Over 5 years
Borrowings from credit establishments	584,528	607,098	56,141	213,144	337,714
Other bank financing	11,035	11,035	1,197	5,138	4,700
Bank overdrafts (Liabilities)	-	-	-	-	-
Accrued interest on borrowings	2,123	2,123	2,123	-	-
Total bank liabilities	597,686	620,257	59,461	218,382	342,414
Lease liabilities	58,406	58,406			
Accrued interest on lease liabilities	143	143			
Total financial liabilities	656,235	678,806			

in thousands of euros (2018)	Balance sheet value 31 December 2018	Fair value 31 December 2019	Less than one year	From 1 to 5 years	Over 5 years
Borrowings from credit establishments	482,449	504,274	68,609	204,454	231,211
Other bank financing	11,099	11,099	640	1,494	8,965
Bank overdrafts (Liabilities)	102	102	102	-	-
Accrued interest on borrowings	1,332	1,332	1,332	-	-
Total bank liabilities	494,982	516,808	70,684	205,949	240,176
Lease liabilities	11,014	11,014			
Accrued interest on lease liabilities	-	-			
Total financial liabilities	505,996	527,822			

Analysis by type of rate and currency

(in thousands of euros)	Balance sheet value 31 December 2019	Fair value as of 31 December 2019	Less than 1 year	From 1 to 5 years	Over 5 years
Fixed	33,392	42,842	11,039	16,039	15,764
Variable	250,565	253,046	22,949	105,735	124,362
Adjustable ²⁶	313,729	324,369	25,473	96,607	202,289
Total bank liabilities	597,686	620,257	59,461	218,382	342,414

²⁶ Revisable rates: Related to Brazilian loans whose capital is indexed to the TJLP index.

In € thousands	Balance sheet value 31 December 2019	Fair value as of 31 December 2019	Less than one year	From 1 to 5 years	Over 5 years
EUR	273,239	276,104	32,883	117,356	125,866
BRL	324,447	344,153	26,578	101,026	216,548
Total bank liabilities	597,686	620,257	59,461	218,382	342,414

Note 14.4 Financial result

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Interest on borrowings	(30,987)	(30,491)
Interest on lease liabilities	(1,913)	(574)
Interest on other borrowings	(936)	(956)
Gross loan expenses	(33,836)	(32,021)
Translation losses net of the impact of hedging instruments	(2,483)	(8,093)
Translation gains	3,859	7,777
Other financial income and expenses	4,643	2,392
Other financial income and expenses	6,019	2,076
Financial result	(27,217)	(29,945)

Other financial income and expenses correspond to the interest generated by the surplus cash invested by the Company, minus the interest expense on the current accounts of the minority shareholders.

Note 14.5 Derivative financial instruments

As of 31 December 2019, the only financial instruments recognised at fair value are interest rate and currency hedging liabilities for a total net amount of €(13,090) thousand.

Hedging instruments eligible for hedging accounting

Hedge Counterparty/Company	Notional	Start date	Duration (years)	Expiry	Fair value as of 31 December 2018	Fair value as of 31 December 2019	Change in fair value Impact on earnings	Change in fair value Impact on equity
Interest rate hedging instruments:								
La Faye Energies	€12.9m	27/07/10	14	30/06/25	(752)	(602)		150
Molinons wind farm	€14m	15/01/15	15	15/10/29	(952)	(1,106)		(154)
Adriers Energies	€12m	31/03/15	15	28/09/29	(445)	(645)		(200)
Adriers Energies	€1.3m	30/09/15	15	31/10/29	(34)	(58)		(25)
Pagap	€3.9m	31/08/18	20	31/08/38	(231)	(410)		(179)
Castellet 2	€4.8m	02/01/18	20	01/01/38	(119)	(335)		(216)
Canadel	€11.5m	30/09/18	20	30/06/38	(513)	(1 078)		(565)
Echauffour	€14.6m	19/10/18	18	01/04/37		(1 322)		(1322)
Parc éolien de Sarry	€24.3m	15/02/18	20	01/10/37		(2 322)		(2 322)
VBAI	€16m	30/09/20	20	30/09/40		(1 644)		(1 644)
VBAI	€25m	30/09/20	20	30/09/40		(1 092)		(1 092)
GES Invest	€1.95m	30/11/11	10	30/11/21		(43)		(43)
SOLAR 30	€1.39m	31/03/19	11	30/09/30		(38)		(38)
SOLAR 30	€0.81m	31/03/19	11	30/09/28		(16)		(16)
GES Invest	€0.65m	30/12/11	15	31/12/26		(28)		(28)
HELEXIA INVEST 1	€14.8m	31/12/16	12	01/07/28		(416)		(416)
HELEXIA INVEST 1	€10.05m	31/12/16	17	30/06/33		(669)		(669)
HELEXIA INVEST 2	€12.9m	29/12/17	15	31/12/32		(915)		(915)
SOLAR 11	€0.75m	05/10/17	13	31/12/30		(42)		(42)
SOLAR 11	€0.69m	31/05/18	12	31/12/30		(33)		(33)
SOLAR 22	€3.34m	05/10/17	13	31/12/30		(185)		(185)
HELEXIA INVEST 2	€14.73m	01/03/17	11	31/12/28		(554)		(554)
Currency hedging instruments								
Voltalia SA	\$26m	02/10/19	1	29/01/20		507	507	
Voltalia SA	\$3.57m	13/12/19	1	13/02/20		(42)		(42)
Total					(3,047)	(13,090)	507	(7,843)

In order to hedge exposure to rising interest rates that impact interest flows related to variable rate financings, Company subsidiaries entered into interest rate swaps which characteristics in terms of nominal amount and fixing dates exactly match the characteristics of the hedged item. Consequently, these financial instruments are accounted for as fully effective.

In order to hedge future cash flows to suppliers against exchange rate variation, the Company took out financial instruments in US Dollars in 2019.

Hedging instruments not eligible for hedging accounting

As of 31 December 2019, no derivative instruments not eligible for hedging accounting were recorded.

Note 14.6 Hierarchy of fair value measurement of financial assets and financial liabilities

Hierarchy of fair value measurement of financial assets and financial liabilities

The tables below present the financial assets and liabilities as recorded on the balance sheet ("balance sheet value"), broken down according to their IFRS classification, as well as their "fair values". The valuation methods (see Note 14.1) are:

- for "derivative assets and liabilities", which are interest rate and currency hedging instruments: Prices based on observable data (Level 2);
- for "cash and cash equivalents": Quoted prices in an active market for identical assets (Level 1);
- for other financial assets and liabilities: Prices based on unobservable data (Level 3).

The main difference between fair value and balance sheet value relates to the treatment of borrowing costs.

Categories of financial assets and financial liabilities – As of 31 December 2019

(in thousands of euros)	Fair value through income	Fair value through OCI	Assets and liabilities at amortised cost	Balance sheet value	Fair value
Non-current assets					
Non-current financial assets		2,102	20,525	22,628	22,628
Other non-current assets			12,296	12,296	12,296
Current assets					
Inventories, work in progress and supplier advances			40,952	40,952	40,952
Trade receivables			47,023	47,023	47,023
Other current financial assets			3,576	3,576	3,576
Other current assets			2,209	2,209	2,209
Derivative assets	508			508	508
Cash and cash equivalents	269,744			269,744	269,744
Total Assets - As of 31 December 2019	270,252	2,102	126,582	398,936	398,936
Non-current liabilities					
Long-term borrowings			589,592	589,592	569,571
Non-current liabilities			282	282	282
Current liabilities					
Trade and other payables			77,403	77,403	77,403
Short-term borrowings			63,674	63,674	61,718
Other current financial liabilities			416	416	416
Derivative liabilities		13,598		13,598	13,598
Total Liabilities - As of 31 December 2019	-	13,598	734,336	474,934	725,364

Categories of financial assets and financial liabilities – As of 31 December 2018

(in thousands of euros)	Fair value through income	Fair value through OCI	Assets and liabilities at amortised cost	Balance sheet value	Fair value
Non-current assets					
Non-current financial assets		1,793	20,218	22,012	22,012
Other non-current assets			227	227	227
Current assets					
Inventories and work in progress			30,868	30,868	30,868
Trade receivables			41,439	41,439	41,439
Other current financial assets			3,055	3,055	3,055
Other current assets			1,042	1,042	1,042
Derivative assets				-	-
Cash and cash equivalents	108,679			108,679	108,679
Total Assets - As of 31 December 2018	108,679	1,793	96,849	207,321	207,321
Non-current liabilities					
Long-term borrowings			435,342	435,342	455,456
Non-current liabilities			1,464	1,464	1,464
Current liabilities					
Trade and other payables			48,677	48,677	48,677
Short-term borrowings			70,654	70,654	72,366
Other current liabilities			457	457	457
Derivative liabilities		3,047		3,047	3,047
Total Liabilities - As of 31 December 2018	-	3,047	556,594	559,641	581,467

Note 14.7 Currency risk

The table below summarises the exposure to currency risk on the Company's balance sheet and net income:

2019	Impact on revenue		Impact on the EBITDA		Pre-tax impact on equity	
	Appreciation of 10%	Down 10%	Appreciation of 10%	Down 10%	Appreciation of 10%	Down 10%
BRL	12,044	(9,854)	7,367	(6,028)	98,397	(80,507)
Other (all)	1,413	(1,156)	(590)	482	(2,812)	2,301
Total	13,457	(11,010)	6,777	(5,545)	95,585	(78,206)

The other main currencies to which the Company's equity is exposed are the EGP, GBP and JOD.

The impact on equity depends on the net position of each company.

Note 14.8 Interest rate risk

Position regarding borrowings (Fair value position)	As of 31 December 2019	As of 31 December 2018
Fixed-rate loans	42,842	39,826
<i>of which project</i>	39,092	31,576
<i>of which corporate</i>	3,750	8,250
Variable-rate loans	253,046	217,197
<i>of which project subject to an interest rate swap</i>	122,448	48,716
<i>of which project</i>	79,348	39,546
<i>of which corporate</i>	51,250	108,495
Adjustable-rate loans	324,369	247,539
<i>Of which project</i>	324,369	247,539
Total borrowings	620,257	504,562
<i>Maturity ≤ 1 year</i>	59,461	69,220
<i>Maturity 1 to 5 years</i>	218,382	207,209
<i>Maturity ≥ 5 years</i>	342,414	228,133
Total by maturity	620,257	504,562

The table below summarises the net exposure to interest-rate risk before and after hedging:

As of 31 December 2019	Financial liabilities before hedging		Financial liabilities after hedging	
	Fixed rate	Variable rate	Fixed rate	Variable rate
Less than one year	11,039	51,120	15,215	46,943
From 1 to 5 years	16,039	221,070	35,704	201,406
More than 5 years	15,764	305,224	61,079	259,909
Total	42,842	577,415	111,998	508,259

As of 31 December 2019, after hedging, 82% of the Company's debt consisted of variable or adjustable rate loans exposed to interest rate risk.

Unhedged loans includes:

- Loans taken out in Brazil for €324,369 thousand, which the change in rates is considered to be hedged by revenues indexed to the same indices.
- Borrowings for which the revision indices are currently negative.

An increase of 100 basis points on loans taken out in the Company (unhedged adjustable or variable-rate loans) before 31 December 2019 would represent approximately €4,550 thousand of additional costs in 2020 and a cumulative amount of approximately €26,332 thousand over the life of the loans.

Note 15 **Current and non-current provisions****Note 15.1** **Accounting rules and methods**

The Company recognises provisions when:

- it has a present obligation as a result of a past event;
- it considers it probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- it can reliably estimate the amount of the obligation.

For wind farms, Voltalia has an obligation to decommission and restore sites at the end of the production period. This obligation includes the decommissioning of production facilities, the excavation of a part of the foundations, the restoration of land unless the owner wishes it to remain as it is, the disposal or recycling of waste from decommissioning or dismantling, which for example in France falls under the remit of Decree no. 2011-652.

A provision for decommissioning the farm is established with an offsetting entry for decommissioning the asset, the cost of which is the subject of an estimate each year and which is amortised on a straight-line basis over the useful life of the asset. In case of a change in estimate that leads to an increase in the provision, the net value of the asset being decommissioned will be increased accordingly. Conversely, if the change in estimate leads to a decrease in the provision, the asset being decommissioned will be depreciated.

In rare cases, maintenance obligations assumed by the Company that meet the provisioning requirements summarised above have been recorded as a liability. As with all provisions, the Company regularly reviews these valuations, which must in any case reflect the best estimate at the close of the period.

The Company's construction business requires guarantees that are the subject to provisions. These construction contracts entail risks of additional costs or penalties, which are the subject to provisions for risks.

Note 15.2 Provisions

<i>(in thousands of euros)</i>	Provisions for contingencies (disputes & litigation on business)	Provisions for guarantees	Provisions for social and tax risks	Other provisions	Total
As of 1 January 2018	3,055	9,691	2,149	1,704	16,599
Provisions	1,560	6,973	400	24	8,957
Reversals used	-	(3,445)	-	(76)	(3,521)
Unused reversals	(263)	(3,283)	(156)	(13)	(3,714)
Scope changes	(0)	-	(260)	-	(260)
Translation reserve	23	(44)	(176)	1	(196)
Others	(198)	220	(9)	305	320
As of 31 December 201	4,177	10,113	1,950	1,945	18,184
Provisions	656	91	576	357	1,679
Reversals used	(21)	(4,330)	(32)	(12)	(4,396)
Unused reversals	(404)	(4,501)	(749)	(27)	(5,681)
Scope changes	-	-	-	-	-
Translation reserve	10	230	(20)	1	221
Others	7	-	-	(210)	(202)
As of 31 December 201	4,425	1,602	1,725	2,053	9,805

As of 31 December 2019, the balance sheet shows total provisions of €9,805 thousand:

- Provisions for business-related contingencies and litigation are unchanged and mainly for the Kigoma project in Tanzania;
- Guarantee provisions are significantly lower largely due to the closure of projects under construction in Jordan and the United Kingdom;
- Provisions for social and tax risks mostly cover the risk incurred by Brazilian companies;
- Provisions for expenses to be apportioned mainly related to legal and/or contractual decommissioning obligations for projects in France which increased overall compared with December 2018 as new plants came online in 2019.

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Non-current provisions	3,431	5,308
Current provisions	6,375	12,876
Total Provisions	9,805	18,185

Note 16 Operational data on working capital requirement**Note 16.1 Accounting rules and methods****Inventories and work in progress**

Replacement part inventories are valued at historical cost and in application of the FIFO method. Impairment exists when the fair value is below the purchase cost.

Trade receivables

Trade receivables are recognised at their fair value, in the statement of financial position. Impairment is recognised by the Company when an "expected credit loss" is identified.

Note 16.2 Operating working capital requirement

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Inventories, work in progress and supplier advances	40,952	30,868
Trade receivables	47,023	41,439
Trade and other payables	(77,403)	(48,677)
Operating working capital requirement	10,572	23,629

The change in working capital requirement reflects plant construction activity and the consolidation of Helexia.

Constructions generate significant movements in trade payables: supplier advances of €10 million for the VSM wind farm in Brazil, increasing supplier debts in Brazil for €10 million and in France for €12.6 million.

The Energy sales activity represented 63% of our trade receivables at the end of 2019, down €5 million from the end of 2018 due to weaker production in Brazil. Other receivables related to buildings for third party clients increased by €4 million.

Note 16.3 Non-operating working capital requirement

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Other current assets	21,353	25,706
Other tax liabilities	(6,641)	(11,427)
Other current liabilities	(31,012)	(21,917)
Non-operating working capital requirement	(16,300)	(7,638)

The non-operating working capital requirement is mainly comprised of tax and social assets and liabilities and the fair value of financial instruments.

Note 17 Off-balance sheet commitments**Note 17.1 Commitments given****Commitments given relating to operating activities**

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018

Commitments given by the Company to its suppliers	92,693	146,851
Commitments given by the Company to its customers	241,232	275,748
Guarantees relating to the decree ensuring the safety of installations classified for the protection of the environment (ICPE)	2,248	1,254
Commitments given relating to operating activities	336,173	423,853

The commitments given by the Company to its suppliers are payment guarantees, mainly given to equipment suppliers in respect of construction.

The commitments given by the Company to its customers mainly comprise guarantees, where the Company is the guarantor and backs the performance of the contractual commitments, made on the basis of research, design, development, construction, operation and maintenance contracts. These guarantees are generally granted for the duration of the contract in question, with a ceiling amount. They constitute the majority of the Company's commitments to its customers.

As part of the remediation guarantee for facilities classified for environmental protection (ICPE), the Group companies affected by this requirement benefit from a grandfather provision and took out surety insurance with a top-tier insurer in July 2016. The dismantling obligation is recognised as a dismantling asset. The decommissioning insurance coverage is €2,248 thousand.

As of 31 December 2019, the commitments given by the Company amounted to €381,735 thousand.

Commitments given in relation to financing activities

As part of the implementation of project financing, the Company is required to give financial guarantees to its bank partners. As of 31 December 2019, these commitments stood at €133,467 thousand (of which 80% in Brazilian Real-denominated transactions and associated with the Company's Brazilian activities).

Pledges

Debts contracted by the Company in the framework of project financing are guaranteed by sureties (mortgages, pledge on equipment, pledge of securities and receivables, and reserve accounts) as collateral, in the amount of €511,020 thousand. The presentation of the non-operating working capital requirements was revised on 31 December 2019 and the comparable was adjusted accordingly. The furthest maturity of these debts is in 2043.

Note 17.2 Commitments received

Commitments received relating to operating activities

(in thousands of euros)	As of 31 December 2019	As of 31 December 2018
Commitments received by the Company from suppliers	37,738	49,455
Subsidies received	419	7,209
Commitments received relating to operating activities	38,157	56,664

The commitments received from suppliers are mainly performance/completion guarantees or even advance payments in favour of the Company under supply contracts concluded by subsidiaries with these suppliers. 81% of the commitments received relate to Brazil's operational activities.

The Greek government has committed to pay the Company investment subsidies totalling €419 thousand. These subsidies enable early repayment of loans contracted for the construction of

projects. Given the estimated counterparty risk with Greece, these subsidies are not recognised in the Company's statement of financial position.

Financing commitments received

The Company benefits from the following financing commitments:

- €80,000 thousand in syndicated credit lines due in December 2022: this line has not been drawn down;
- €100,000 thousand in syndicated credit lines due in May 2024: €45,000 thousand of this line has been used;
- Confirmed bilateral credit lines: these lines have not been drawn down.

Note 17.3 Related party disclosures

Loans to associates

As of 31 December 2019, there were no loans to key Group executives.

Related-party transactions

The transactions made by the Company with its non-consolidated or equity associates are included in the Company's consolidated financial statements.

Note 18 List of companies - Scope of consolidation

The percentages presented in the tables below correspond to the Company's percentage interest at the closing dates of the financial years.

Note 18.1 List of fully-consolidated companies

Country	Entity	31 December 2019	31 December 2018
Parent Company	Voltalia SA	100%	100%
Belgium	Voltalia Belgium NV	100%	100%
	GREEN ENERGY SOLUTIONS INVEST	100%	-
	HELEXIA BELGIUM 1	100%	-
	HELEXIA FLANDERS	60%	-
Spain	Voltalia Renovables España S.A.U.	100%	100%
	Solar Parks Construcción Parques Solares ETVE S.A.	100%	100%
	Voltalia Holding Colombia, S.L. (1)	100%	100%
	GIMNESIA SOLAR II	100%	--
France	Parc Solaire du PAGAP	100%	100%
	Home Energy France SAS	100%	100%
	MTSFR PARROC	100%	40%
	Fangas 1	100%	40%
	Fangas 2	100%	40%

4 Termes 1	100%	40%
4 Termes 2	100%	40%
Anelia	100%	100%
Parc Eolien Argenteuil	100%	100%
Parc Eolien Laignes	100%	100%
Parc Eolien Sarry	100%	100%
Adriers Energies	100%	100%
La Faye Energies	100%	63%
Echauffour Energies	100%	100%
Parc Eolien Coulmier	100%	100%
3VD	100%	100%
Taconnaz Energie	67%	100%
Molinons wind farm	100%	100%
Parc solaire de Montclar	100%	100%
Parc solaire du Castellet (formerly Peyrefuguede)	100%	100%
Parc solaire de Piboulon	100%	100%
Parc Solaire de Mana	100%	100%
Parc Solaire Puy Madame II	100%	100%
Parc Solaire Puy Madame III	100%	100%
Parc Solaire Puy Madame IV	100%	100%
Parc solaire Carrière des plaines	100%	100%
Parc solaire de Tresques	100%	100%
Parc solaire du Castellet 2	100%	100%
Ombrière Solaire du Marché	100%	100%
Parc Solaire du Canadel	100%	100%
PEP Energie France	100%	100%
GEP Energie France	100%	100%
ECM Energie France	100%	100%
SVNC Energie France	100%	100%
Voltalia Energie	100%	100%
Parc Eolien de Marly	100%	100%
Parc Solaire du Seranon	100%	100%
Parc Solaire du Talagard	100%	100%
Parc Solaire de Laspeyres	100%	100%
Croix et Jorasse Energie	100%	100%
Jalandre Energie	100%	100%
Champs Agrivolaïque du cabanon	100%	100%
Merderel Energie	100%	100%
Ferme Eolienne de Pouligny Saint Pierre: formerly Isère Energie	100%	100%
Le Guil Energie	100%	100%
Parc Solaire du Domaine des Selves	100%	100%
Fangas 1	100%	40%
Fangas 2	100%	40%
4 Termes 1	100%	40%
4 Termes 2	100%	40%
Kopere Energy Investment (1)	100%	100%

	Ombrières Solaires de Jonquières SAS (1)	100%	100%
	Helexia	100%	-
	HEXIEL	100%	-
	HELEXIA INVEST 1	100%	-
	HELEXIA INVEST 2	100%	-
	HELEXIA SOLAR 8	100%	-
	HELEXIA SOLAR 9	100%	-
	HELEXIA SOLAR 10	100%	-
	HELEXIA PERFORMANCE 2	100%	-
	HELEXIA DEVELOPPEMENT	100%	-
	HELEXIA SOLAR 1	100%	-
	HELEXIA SOLAR 2	100%	-
	MIROIR DU SOLEIL	100%	-
	SOLEILIMMO	100%	-
	VOLTERRE	100%	-
	HELEXIA PERFORMANCE 1	100%	-
	HELEXIA SOLAR 4	100%	-
	HELEXIA SOLAR 5	100%	-
	HELEXIA SOLAR 6	100%	-
	HELEXIA SOLAR 7	100%	-
	ALTER GRAND SUD	100%	-
	IRISOLAR 1	100%	-
	HELEXIA SOLAR 12	100%	-
French Guiana	Voltalia Guyane	80%	80%
	SIG Mana	80%	100%
	SIG Kourou - manager	80%	80%
	SIG Cacao	100%	100%
	Voltalia Kourou	80%	80%
	Voltalia Caraïbes	100%	100%
	Centrale Hydroélectrique de Saut Maman Valentin (CHSMV)	80%	80%
	Belle Etoile energie Guyane	80%	80%
	VLT saut Mapaou Investissement	80%	80%
	Voltalia Organabo Investissement	80%	80%
	Hydro Régina 2 Investissement	80%	80%
	Bon Espoir energie Guyane	80%	80%
	Voltalia Biomasse Amazone Investissement	80%	80%
	Tamanoir energie Guyane	80%	80%
	Voltalia Saut Mapaou Exploitation	80%	80%
	Parc Solaire de Coco Banane (2)	-	100%
	Saut Dalles Energie Guyane	80%	80%
	Maripasoula Energie Guyane	80%	80%
	Roura Bois Energie	80%	80%
	Cr'Eole	100%	100%
	Iracoubo Biomasse Energie	100%	100%

United Kingdom	Voltalia UK Ltd	100%	100%
	MTS Tonge Solar Limited	100%	100%
Greece	Voltalia Greece	100%	100%
	Energiaki Agionoriou	100%	100%
	Energeiaki Aggelokastrou Korinthias SA	100%	100%
	Energiaki Sesklou Magnisias	100%	100%
	Cluster Holding SA	80%	80%
	Energen SA	100%	100%
	Rougero Holding SA	78%	51%
	Lakka Kokkini Aioliiki SARL	100%	100%
	Energiaki Sesklou 1 Ltd	100%	100%
	Xenakis Yorgos SCS	98%	98%
	Sarafadis SNC	100%	100%
	Fotovoltaiki Systemata Katerin	100%	100%
	Fotovoltaiki Parka Pieras	100%	100%
	Fotovoltaiki Katerinis SNC	100%	100%
	Kalaitzidis St - Ofidis AR	100%	100%
	GSolar Energiaki	64%	64%
	Gerovolt Ltd	100%	100%
	Forgero Holding SA	65%	65%
	Voltalia Solar Hellas SA	100%	100%
Italy	Voltalia Italia SRL	100%	100%
	MTS1 S.R.L.	100%	100%
	MTS2 S.R.L.	100%	100%
	HELEXIA ITALY	100%	-
	SOLAR 30 S.R.L.	100%	-
	SOLAR 11	97%	-
	SOLARIMMO	100%	-
	SOLAR 22	100%	-
	HELEXIA ENERGY SERVICES	100%	-
The Netherlands	Martifer Solar Investments B.V.	100%	100%
	Khepri Solar B.V.	100%	100%
	Osiris Solar Holding B.V.	100%	100%
	VLT INVESTMENT 1	100%	-
	VLT INVESTMENT 2	100%	-
Portugal	Voltalia Portugal, S.A.	100%	100%
	MPrime Solar Solutions, S.A.	100%	100%
	Sol Cativante	100%	100%
	Greencoverage Unipessoal Lda.	100%	100%
	Believe in Bright Unipessoal LDA	100%	100%
	HELEXIA PORTUGAL	100%	-
	HELEXIA II ENERGY SERVICES LDA	100%	-
	HELEXIA PSL NAVITAS I,LDA	100%	-
	HELEXIA LMP 1	100%	-
	HELEXIA PT SOLAR 1	100%	-
Slovakia	Voltalia Central & Eastern Europe s.r.o.	100%	100%
Canada	Triton Resources Inc.	100%	-

Brazil	Martifer Solar S.A. Brazil branch	100%	100%
	Voltalia Do Brazil	100%	100%
	Sapeel	95%	95%
	Junco 1	51%	51%
	Junco 2	51%	51%
	Caiçara 1	51%	51%
	Caiçara 2	51%	51%
	Terral	100%	100%
	Carcara 1	100%	100%
	Carcara 2	100%	100%
	Usina de Energia Eolica Reduto S.A	51%	51%
	Usina de Energia Eolica Santo Cristo S.A	51%	51%
	Usina de Energia Eolica Carnauba S.A	51%	51%
	Usina de Energia Eolica Sao João S.A	51%	51%
	Envolver	100%	100%
	Areia Branca I	100%	100%
	Areia Branca II	100%	100%
	Vila Para I	100%	100%
	Vila Para II	100%	100%
	Vila Para III	100%	100%
	Vila Amazonas V	100%	100%
	Voltalia Sao Miguel Do Gostoso Participacoes S.A	51%	51%
	Voltalia SMG I	51%	51%
	Oiapoque Energia	100%	100%
	Vamcruz Participacoes SA	51%	51%
	Vamcruz 1 Participacoes SA	51%	51%
	Serra Pará I Participações S.A	100%	100%
	Serra Pará Participações S.A	100%	100%
	Usina de Energia Eólica Vila Acre I S.A	100%	100%
	Alameda Acre Participações S.A	100%	100%
	Voltalia do Brazil Comercializadora de Energia Ltda	100%	100%
	Ventos de Vila Paraíba I spe S.A	100%	100%
	Ventos de Vila Paraíba II spe S.A	100%	100%
	Ventos de Vila Ceará I spe S.A	100%	100%
	Ventos de Vila Ceará II spe S.A	100%	100%
	Ventos de Vila Acre II spe S.A	100%	100%
	Voltalia Serviços do Brazil LTDA	100%	100%
	EOL Potiguar B141 SPE S.A	100%	100%
	EOL Potiguar B142 SPE S.A	100%	100%
	EOL Potiguar B143 SPE S.A	100%	100%
	EOL VENTOS DE VILA PARAIBA IV (Vila Ceará I)	100%	100%
	VENTOS DE SERRA DO MEL A S.A.	100%	-
	VENTOS DE SERRA DO MEL B S.A.	100%	-
	Oiapoque II energia SPE S.A	100%	-

	EOL Potiguar B61 SPE S.A	100%	-
	EOL Potiguar B31 SPE S.A	100%	-
	EOL Potiguar B32 SPE S.A	100%	-
	EOL Potiguar B33 SPE S.A	100%	-
	EOL Maral I SPE S.A.	100%	-
	EOL Maral II SPE S.A.	100%	-
	EOL Potiguar B11 SPE S.A	100%	-
	EOL Potiguar B62 SPE S.A	100%	-
Colombia	Voltalia Colombia S.A.S	100%	-
Chile	Voltalia Solar Chile Holding Limitada	100%	100%
Mexico	VLT Proyectos y Sistemas Solares	100%	100%
	Voltalia Servicios Mexico	100%	100%
	Voltalia Mexico Renovables SA de CV	100%	100%
India	Inspira Solar	51%	51%
Japan	Martifer Solar Japan KK	100%	100%
	VX Solar	-	100%
Myanmar	Voltalia Esco Co. Limited (1)	100%	100%
Singapore	Martifer Solar Singapura PTE. LTD.	100%	100%
Egypt	Eshu Energy Egypt LLC	100%	100%
	RA Solar S.A.E.	100%	100%
Morocco	Voltalia Maroc	100%	100%
	Alterrya Maroc	100%	100%
	VMA Sahara	100%	100%
Kenya	Kopere Solar Park (1)	100%	100%
	Voltalia Kenya Services (1)	100%	100%
Tanzania	Mahale Renewable energy	100%	100%
United Arab Emirates	Martifer Solar Middle East	100%	100%
Jordan	Voltalia Portugal SA (Jordânia branch)	100%	100%

(1) Not consolidated as of 31 December 2018

(2) On 30 June 2019, Parc Solaire de Coco Banane was sold and is now held by VLT INVESTMENT III, a consolidated company accounted for by the equity method.

Note 18.2 List of consolidated companies accounted for by the equity method

Country	Entity	31 December 2019	31 December 2018
Spain	Parque Solar Sesena I, S.L.	37.48%	37.48%
France	3LE	40%	40%
	VLT INVESTMENT III	40%	-
Belgium	Energis	17.34%	-
	N&B RENEWABLE ENERGY	24%	-
Chile	Maria del Sol Norte S.A.	49%	49%
	MSN SOLAR UNO SPA	-	49%
	MSN SOLAR DOS SPA	-	49%
Mexico	Mire Solar, SA de CV	35%	35%
	Mire Solar SPV1	34.90%	34.90%

Note 18.3 **List of non-consolidated companies**

Country	Entity	31 December 2019	31 December 2018
France	Parc Solaire de Bayol	100%	100%
	Parc Solaire du Clos de la Blaque	100%	100%
	Southeast Africa Energy Invest 1	100%	100%
	Southeast Africa Energy Invest 2	100%	100%
	Ombrières Solaires du Castellet N	100%	100%
	Ombrières Solaires du Castellet S	100%	100%
	Parc Solaire du Clap	100%	100%
	AVENERGIE	100%	100%
	Parc Solaire du Mattas	100%	100%
	Parc Solaire du Gamadou	100%	100%
	Parc Solaire de Terres Salées	100%	100%
	Parc Solaire La Faye 2	100%	100%
	Parc Eolien des Groies	100%	100%
	Parc Eolien des Grands Buissons	100%	100%
	Parc Eolien de Beddes Saint Jeanvrin	100%	100%
	Parc éolien de Pioussay	100%	-
	Parc Solaire de Château Raymond	100%	-
	Poste Electrique du Mattas	100%	-
	Parc Solaire du Coin du Four	100%	-
	Ombrières Solaires d'Epinouze	100%	100%
	Champ Agrivoltaïque de Salon	100%	100%
	VLT INVESTMENT IV	100%	-
	VLT INVESTMENT V	100%	-
	Parc Eolien de Séraumont	100%	-
French Guiana	Sinnamary Biomass Energie	100%	100%
	Mana Biomasse Energie	100%	100%
	Mana Energie Guyane	100%	100%
	Parc Solaire de Macouria	100%	100%
	Parc Solaire FLottant de Petit Saut	100%	100%
	Soleil de Grand Santi	100%	100%
	Soleil de Montsinery	100%	100%
	Mana Energie Services	100%	100%
	Triton Resources Underwater Harvesting SAS	100%	-
	Triton Resources Wood Products SAS	100%	-
United Kingdom	MTS Exbury Solar Limited	100%	100%
	MTS Stud Farm Solar Limited	100%	100%
	South Farm Solar Limited	100%	100%
	Higher Stockbridge Limited	100%	100%
	Clifton Solar Limited	100%	100%
Greece	Greek Wind Power	-	7%
	EVIVA SOLAR 1 LTD	100%	100%
	EVIVA SOLAR 2 LTD	100%	100%
The Netherlands	VLT INVESTMENT 6	100%	-

	VLT INVESTMENT 7	100%	-
	Triton Resources Holdings B.V	100%	-
	Triton Resources French Guyana B.V	100%	-
Italy	PVGlass Itália, SRL	100%	100%
	Solar Spritehood S.R.L.	100%	100%
	MTS6 S.R.L.	100%	100%
	HELEXIA SOLAR 15	100%	-
Brazil	VLT Solar Ltda	100%	100%
	Paracatu Energia	53%	100%
	Voltalia Energia do Brazil Consultoria e Participações S.A	100%	100%
Chile	MSN SOLAR CUATRO SPA	-	49%
	MSN SOLAR CINCO SPA	49%	49%
Colombia	SOLAR HERMANAS S.A.S. E.S.P.	100%	100%
	KAI VERDE BT S.A.S. E.S.P.	100%	100%
	KVM ALPHA S.A.S. E. SP.	100%	100%
	Las Trinitarias Solar S.A.S	100%	-
	Las Icoteas Solar S.A.S	100%	-
Mexico	ZARAGOZA Solar de CV	100%	-
Morocco	Alterrya Wind Solar	50%	50%
Malawi	Voltalia Kanengo Dzuwa Ltd	100%	100%
Mozambique	Martifer Solar MZ, S.A.	-	51%
Kenya	Kopere Solar Park	0%	100%
	Voltalia Kenya Services	0%	100%
South Africa	Voltalia South Africa	100%	100%
	Bolobedu Solar Farm PV Propriety Limited	65%	-
Turkey	Martiper Solar Initiative Enerji Uretim Dagitim Sanayi Ve Ticaret Ltd Sirketi	-	80%
	Martimak Solar Initiative Enerji Uretim Dagitim Sanayi Ve Ticaret Ltd Sirketi	-	80%
Burundi	Voltalia Burundi SU	100%	-

Note 18.4 Change in the list of Voltalia companies

Country	Entity	Consolidation method as of 31 December 2019	Consolidation method as of 31 December 2018	
France	VLT INVESTMENT III	EM	-	Creation
	VLT INVESTMENT IV	NC	-	Creation
	VLT INVESTMENT V	NC	-	Creation
	Parc Eolien de Séraumont	NC	-	Creation
	Kopere Energy Investment	FC	NC	Initial consolidation
	Fangas 1	FC	EM	Acquisition
	Fangas 2	FC	EM	Acquisition
	4 Termes 1	FC	EM	Acquisition
	4 Termes 2	FC	EM	Acquisition

	Ombrières Solaires de Jonquières SAS	FC	NC	Initial consolidation
	Helexia	FC	-	Acquisition
	HEXIEL	FC	-	Acquisition
	HELEXIA INVEST 1	FC	-	Acquisition
	HELEXIA INVEST 2	FC	-	Acquisition
	HELEXIA SOLAR 8	FC	-	Acquisition
	HELEXIA SOLAR 9	FC	-	Acquisition
	HELEXIA SOLAR 10	FC	-	Acquisition
	HELEXIA PERFORMANCE 2	FC	-	Acquisition
	HELEXIA DEVELOPPEMENT	FC	-	Acquisition
	HELEXIA SOLAR 1	FC	-	Acquisition
	HELEXIA SOLAR 2	FC	-	Acquisition
	MIROIR DU SOLEIL	FC	-	Acquisition
	SOLEILIMMO	FC	-	Acquisition
	VOLTERRE	FC	-	Acquisition
	HELEXIA PERFORMANCE 1	FC	-	Acquisition
	HELEXIA SOLAR 4	FC	-	Acquisition
	HELEXIA SOLAR 5	FC	-	Acquisition
	HELEXIA SOLAR 6	FC	-	Acquisition
	HELEXIA SOLAR 7	FC	-	Acquisition
	ALTER GRAND SUD	FC	-	Acquisition
	IRISOLAR 1	FC	-	Acquisition
	HELEXIA SOLAR 12	FC	-	Acquisition
	Parc éolien de Pioussay	NC	-	Creation
	Parc Solaire de Château Raymond	NC	-	Creation
	Poste Electrique du Mattas	NC	-	Creation
	Parc Solaire du Coin du Four	NC	-	Creation
French Guiana	Coco-Banane solar park	-	FC	Sale
	Triton Resources Underwater Harvesting SAS	NC	-	Acquisition
	Triton Resources Wood Products SAS	NC	-	Acquisition
Belgium	GREEN ENERGY SOLUTIONS INVEST ENERGIS	FC	-	Acquisition
	HELEXIA BELGIUM 1	EM	-	Acquisition
	HELEXIA FLANDERS	FC	-	Acquisition
	N&B RENEWABLE ENERGY	FC	-	Acquisition
		EM	-	Acquisition
Spain	Voltalia Holding Colombia, S.L.	FC	NC	Initial consolidation
	GIMNESIA SOLAR II	FC	-	Acquisition
Greece	Greek Wind Power	-	NC	Sale
Italy	HELEXIA ITALY	FC	-	Acquisition
	SOLAR 30 S.R.L.	FC	-	Acquisition
	SOLAR 11	FC	-	Acquisition
	SOLARIMMO	FC	-	Acquisition
	SOLAR 22	FC	-	Acquisition
	HELEXIA ENERGY SERVICES	FC	-	Acquisition

	HELEXIA SOLAR 15	NC	-	Creation
The Netherlands	VLT INVESTMENT 1	FC	-	Creation
	VLT INVESTMENT 2	FC	-	Creation
	VLT INVESTMENT 6	NC	-	Creation
	VLT INVESTMENT 7	NC	-	Creation
	Triton Resources Holdings B.V	NC	-	Acquisition
	Triton Resources French Guyana B.V	NC	-	Acquisition
Portugal	HELEXIA PORTUGAL	IG	-	Acquisition
	HELEXIA II ENERGY SERVICES LDA	FC	-	Acquisition
	HELEXIA PSL NAVITAS I,LDA	FC	-	Acquisition
	HELEXIA LMP 1	FC	-	Acquisition
	HELEXIA PT SOLAR 1	FC	-	Acquisition
Canada	Triton Resources Inc.	FC	-	Acquisition
Brazil	VENTOS DE SERRA DO MEL A S.A.	FC	-	Creation
	VENTOS DE SERRA DO MEL B S.A.	FC	-	Creation
	Oiapoque II energia SPE S.A	FC	-	Creation
	EOL Potiguar B61 SPE S.A	FC	-	Creation
	EOL Potiguar B31 SPE S.A	FC	-	Creation
	EOL Potiguar B32 SPE S.A	FC	-	Creation
	EOL Potiguar B33 SPE S.A	FC	-	Creation
	EOL Maral I SPE S.A.	FC	-	Creation
	EOL Maral II SPE S.A.	FC	-	Creation
	EOL Potiguar B11 SPE S.A	FC	-	Creation
	EOL Potiguar B62 SPE S.A	FC	-	Creation
Chile	MSN SOLAR UNO SPA	-	EM	Liquidation
	MSN SOLAR DOS SPA	-	EM	Liquidation
	MSN SOLAR CUATRO SPA	-	NC	Sale
Colombia	Las Trinitarias Solar S.A.S	NC	-	Acquisition
	Las Icoteas Solar S.A.S	NC	-	Acquisition
	VOLTALIA COLOMBIA S.A.S	FC	-	Acquisition
Mexico	ZARAGOZA Solar de CV	NC	-	Creation
Japan	VX Solar	-	FC	Liquidation
Myanmar	Voltalia Esco Co. Limited	FC	NC	Initial consolidation
South Africa	Bolobedu Solar Farm PV Propriety Limited	NC	-	Acquisition
Burundi	Voltalia Burundi SU	NC	-	Creation
Kenya	Kopere Solar Park	FC	NC	Initial consolidation
	Voltalia Kenya Services	FC	NC	Initial consolidation
Turkey	Martiper Solar Initiative Enerji Uretim Dagitim Sanayi Ve Ticaret Ltd Sirketi	-	NC	Liquidation
	Martimak Solar Initiative Enerji Uretim Dagitim Sanayi Ve Ticaret Ltd Sirketi	-	NC	Liquidation
Mozambique	Martifer Solar MZ, S.A.	-	NC	Liquidation

6.3 Statutory auditors' report on the consolidated financial statements

To the General Meeting of the company Voltalia,

Opinion

In compliance with the engagement entrusted to us by your Company's General Meeting, we have audited the consolidated financial statements of Voltalia for the year ended 31 December 2019, as attached to this report.

These financial statements were approved by the Board of Directors on 20 March 2020 based on the elements available on that date within the changing context of the Covid-19 health crisis.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report, and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors.

Emphasis of Matter

Without qualifying our opinion stated above, we draw your attention to Note 4.4 to the consolidated financial statements, which describes the impacts on the financial statements of the change in accounting policy resulting from the initial application of IFRS 16 "Leases".

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements, which were approved under the conditions mentioned above, and in forming our opinion expressed above. We do not express an opinion on individual items in these consolidated financial statements.

Recognition and measurement of projects under development and generating plants under construction

Notes 11.1, 11.5 and 11.6 of the consolidated financial statements

Identified risk

At 31 December 2019 the carrying amount for the Group's projects under development and generating plants under construction amounted to €332,294 thousand (31 December 2018: €127,051 thousand) or 21% of total consolidated assets.

Development projects are non-amortisable intangible assets, recognised for a net carrying amount of €86,193 thousand as at 31 December 2019, equal to the costs committed which comply with the criteria to be recognised as a balance sheet asset. As described in Note 11.1 to the consolidated financial statements, capitalised project development costs must meet the following criteria: visibility as to land access, visibility as to administrative authorisations, feasibility of power network connection and profitability. Once the development phase has been completed, generating plants enter their construction phase (€246,101 thousand of construction in progress as at 31 December 2019) if the development projects have not been sold as such.

Management verifies at each reporting date, or in the event of any indication of impairment, that the carrying amount for these assets does not exceed their recoverable amounts. Management performs impairment testing at the level of each CGU corresponding to the applicable assets or asset clusters.

The recoverable amount for a development project or generating plant under construction is defined as the higher of the asset's fair value and value in use. The determination of value in use requires significant exercise of judgement and formulation of assumptions by Management with regard in particular to future operating cash flows (climatic conditions, inflation, investment costs for the applicable development or construction projects and the appropriate discount rates).

We considered the recognition and measurement of projects under development and generating plants under construction as a key audit matter given:

- the degree of Management's judgement required for estimating development costs and complying with the applicable capitalisation criteria; and
- the sensitivity for those estimates of the main data and assumptions retained by Management.

Our audit response

Our audit procedures consisted, on the basis of the documentation communicated by the Company, in:

- examining the compliance of the Company's methodology for determining the recoverable amounts of projects under development and generating plants under construction with the applicable accounting standards;
- analysing the compliance of the capitalisation criteria for development projects with the applicable accounting standards, notably by interviewing Management and vouching the Group's work in progress file to supporting documentation (business plan, administrative authorisations, building permits, etc.);
- examining on a test basis, for projects under development and generating plants under construction, the impairment testing performed:
 - in reconciling the carrying amount of each project under development and generating plant under construction with the amounts recorded as assets,
 - in assessing the reasonableness of the main underlying data and assumptions for the estimates performed (of discount rates and long-term growth rates in particular), by interviewing Management and with assistance from our specialists,
 - in analysing Management's sensitivity tests.

Recognition of revenue from Energy sales

Notes 6.2 and 7.1 of the consolidated financial statements

Identified risk

Voltalia recognised €129,218 thousand of Energy sales at 31 December 2019.

Energy sales contracts are generally signed for periods of 15 to 20 years. In Brazil, the Group has signed contracts including annual and four-year tolerance and volume adjustment mechanisms with regard to the overall contractual volumes. When the tolerance limits are exceeded in either direction, MWh sales price adjustments have to be calculated and recorded. In the event of early launch of a generating plant, or of suspension of a long-term contract, the Group may have occasion respectively to sign short-term contracts with a private distributor or to sell electricity on the open market.

We considered the recognition of revenue from Energy sales a key audit matter given:

- the diversity of contracts;
- the management judgements required for the estimation of energy production and any applicable penalties and price adjustments in respect in particular of multiannual energy sales contracts in Brazil.

Our audit response

To assess energy revenue recognition, we:

- analysed the Group's energy sales contracts;
- obtained supporting documentation for the quantities produced;
- compared the applicable selling prices to the contract documentation and verified the calculation and recording of the contractual adjustments.

Specific verifications

As required by laws and regulations and in accordance with professional standards applicable in France, we have also verified the specific information pertaining to the Group presented in the management report of the Board of Directors approved on 20 March 2020. Regarding events that have occurred and elements known after the date of the financial statements regarding the impacts of the Covid-19 crisis, Management informed us that an announcement will be made on this matter to the General Meeting held to approve the financial statements.

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

We attest that the consolidated non-financial statement provided for by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which must be subject to a report by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of the company Voltalia by the General Meeting held on 9 November 2011 for Mazars and on 13 June 2014 for H3P Real Assets.

At 31 December 2019, Mazars was in its ninth year of total uninterrupted engagement and H3P Real Assets in its sixth year of total uninterrupted engagement, including six years for both firms since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit. And furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence

obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

Levallois Perret and Paris La Défense, 25 March 2020

The statutory auditors

H3P REAL ASSETS

Eric Hinderer

MAZARS

Juliette Decoux

7. ANNUAL FINANCIAL STATEMENTS OF VOLTALIA SA

7.1 Balance sheet as of 31 December 2019

Balance sheet assets

(in euros)	Gross amount	Amort. Prov.	Net 31/12/2019	Net 31/12/2018
INTANGIBLE ASSETS				
Software	3,754,366	1,392,294	2,362,072	630,852
Other intangible assets	90,009		90,009	149,369
Intangible assets in progress	1,766,391		1,766,391	2,197,037
PROPERTY, PLANT AND EQUIPMENT				
Facilities and equipment	25,496	16,622	8,874	13,287
Other property, plant and equipment	1,566,036	632,349	933,687	636,820
Property, plant and equipment in progress	47,983		47,983	1,787
Prepaid expenses	59,224		59,224	59,224
FINANCIAL ASSETS				
Other investments	393,104,594	15,496,779	377,607,815	321,476,668
Receivables related to equity investments	194,659,717	562,511	194,097,206	76,002,926
Loans	21,500		21,500	20,000
Other fixed financial assets	3,571,637		3,571,637	3,353,801
FIXED ASSETS	598,666,952	18,100,556	580,566,397	404,541,771
INVENTORIES AND WORK IN PROGRESS				
Production of goods in progress	26,771,466	2,798,953	23,972,513	20,857,543
Advances and prepayments on orders	5,451,166		5,451,166	8,268,085
ACCOUNTS RECEIVABLE				
Trade receivables and related accounts	64,117,356		64,117,356	24,486,376
Other receivables	85,880,080	4,154,052	81,726,028	54,438,619
MISCELLANEOUS				
Cash assets	134,731,831		134,731,831	6,952,119
ACCRUED INCOME				
Prepaid expenses	1,208,855		1,208,855	7,766,589
CURRENT ASSETS	318,160,755	6,953,004	314,804,664	122,769,331
Debt issuance costs to be amortised	1,121,792		1,121,792	407,753
Translation reserve - assets	187,043		187,043	113,696
GENERAL TOTAL	918,136,542	25,053,560	893,082,982	527,832,551

Balance sheet liabilities

(in euros)	31/12/2019	31/12/2018
Share capital or individual capital	543,083,312	279,177,194
Issue, merger and contribution premiums	235,072,296	96,481,550
Legal reserve	58,367	58,367
Retained earnings	(16,971,049)	(19,434,847)
INCOME FOR THE YEAR (profit or loss)	9,990,497	2,463,798
Tax-regulated provisions	1,342,760	1,010,596
EQUITY	772,576,183	359,756,657
Provisions for contingencies	21,441,026	2,232,529
Provisions for expenses	336,230	200,507
PROVISIONS	21,877,256	2,433,036
FINANCIAL LIABILITIES		
Borrowings and liabilities at credit establishments	51,391,297	117,190,812
Other borrowings and financial liabilities	1,217,087	6,614,513
OPERATING DEBTS		
Trade accounts payable and related accounts	20,613,108	14,093,897
Tax and employee-related expenses	11,003,626	8,054,847
OTHER LIABILITIES		
Fixed asset liabilities and related accounts	201,929	235,252
Other debts	3,471,594	1,328,974
ACCRUED INCOME		
Deferred income	10,224,501	18,019,874
LIABILITIES	98,123,350	165,538,169
Translation reserve - Liabilities	606,193	104,689
GENERAL TOTAL	893,082,982	527,832,551

7.2 Income statement as of 31 December 2019

Headings	Financial year 2019			Financial year
	France	Exports	Total	2018
Sale of goods	32,813		32,813	3,318
Production of goods sold				
Production of services sold	66,551,971	23,687,604	90,239,575	60,491,456
NET REVENUE	66,584,784	23,687,604	90,272,387	60,494,774
Production transferred to inventory			3,036,723	7,127,471
Capitalised production			1,757,567	1,271,578
Operating subsidies				
Reversals on depreciation, provisions (and amortisation), transfer of expenses			333,790	362,029
Other income			1,615	110
OPERATING INCOME			95,402,083	69,255,962
Other purchases and external expenses			83,748,164	61,265,890
Taxes and similar payments			564,974	411,150
Wages and salaries			12,391,903	8,915,468
Social charges			6,052,711	3,891,070
Operating allowances:				
On fixed assets: depreciation and amortisation			1,169,789	526,864
On fixed assets: impairment charges				
On current assets: impairment charges				749,930
Provisions			185,723	881,118
Other expenses			114,615	63,112
OPERATING EXPENSES			104,227,878	76,704,602
OPERATING PROFIT/LOSS			(8,825,795)	(7,448,641)
FINANCIAL INCOME			36,414,754	23,197,025
Financial income from investments			31,869,709	12,766,076
Income from other securities and receivables from fixed assets				
Other interest and similar products			469,027	6,357,265
Reversals on provisions and transfer of expenses			3,030,615	2,161,018
Positive currency differences			1,045,404	1,912,666
FINANCIAL EXPENSES			28,385,426	11,478,737
Financial depreciation, amortisation and provisions			23,262,714	1,225,968
Interest and similar expenses			3,420,664	994,542
Negative currency differences			1,702,048	9,258,227
FINANCIAL PROFIT (LOSS)			8,029,328	11,718,288
CURRENT EARNINGS BEFORE TAXES			(796,467)	4,269,648
NON-RECURRING INCOME			43,789,100	856,310
Non-recurring income from management operations			583,628	836,257
Non-recurring income from capital transactions			43,205,472	20,053
Reversals on provisions and transfer of expenses				
NON-RECURRING EXPENSES			32,966,217	1,974,896
Non-recurring expenses on management operations			1,496,510	1,306,931
Non-recurring expenses on capital transactions			31,137,544	275,097
Non-recurring depreciation, amortisation and provisions			332,164	392,868
NON-RECURRING INCOME (EXPENSES)			10,822,883	(1,118,586)
Employee profit-sharing				
Income taxes			35,919	687,264
TOTAL INCOME			175,605,937	93,309,296
TOTAL EXPENSES			165,615,440	90,845,498

PROFIT OR LOSS

9,990,497

2,463,798

7.3 Appendices

Note 1 Highlights of the financial year

The reporting period is 12 months, beginning on 1 January 2019 and ending on 31 December 2019.

The Notes indicated below are an integral part of the annual financial statements.

These financial statements were approved by the Company's Board of Directors on 20 March 2020.

Governance

Appointment of two independent observers

In October 2019, Voltalia SA's Board of Directors appointed two observers chosen for their additional skills and independence. Alain Papiasse and Jean-Marc Armitano will attend Board meetings for three years.

Renewal of Robert Dardanne's term of office as director

The term of office of Robert Dardanne was renewed by the Company's General Meeting on 23 May 2019 for a period of one year.

Highlights of the year

Continued organic growth

Plants commissioned in 2019

Country	Region/Site	Plant	MW	Energy	Contract	Commissioning
France	Southern France	Talagard	5	Solar	20 years	December 2019
France	Southern France	Tresques	3	Solar	20 years	October 2019
France	Southern France	Parroc	5	Solar	20 years	October 2019
France	French Guiana	Savane des Pères	6	Solar + storage	25 years	October 2019
France	Normandy	Echauffour	10	Wind	15 years	April 2019
France	Alps	Taconnaz	4.5	Hydro	20 years	November 2019

Plants under construction at end 2019

Country	Region/Site	Plant	MW	Energy	Contract	Commissioning
France	Southern France	Carrière des Plaines	8	Solar	20 years	2020
France	French Guiana	Mana Stockage	10	Storage	10 years	S1 2020
France	French Guiana	Cacao	5	Biomass	25 years	S2 2020
France	Burgundy	Sarry	22	Wind	20 years	2020
France	Western France	Vergné	16	Wind	20 years	S2 2020
France	Western France	Coivert	11	Wind	20 years	S2 2020
France	Southern France	Jonquières	4	Solar	20 years	S2 2020

New commercial successes in 2019: long-term electricity sales contracts secured for 192 MW

Country	Region/Site	Plant	MW	Energy	Contract	Commissioning
France	Southern France	Corporate PPA with Boulanger	5	Solar	25 years	2022
France	Burgundy, Franche-Comté Occitania and	Argenteuil	24	Wind	20 years	2023
France	Southern France, Provence-Alpes-Côte d'Azur	Corporate PPA with SNCF	143	Solar	25 years	2022/2023
France	Upper Rhine	Logelbach/Fessenheim	10	Solar	20 years	S1 2021
France	TBC	Corporate PPA with Crédit Mutuel	10	Solar	25 years	2023

Acquisition of Helexia, rapid growth in the corporate market and sharp rise in corporate PPAs

Voltalia sees very strong potential in the corporate market. 2019 saw a strong acceleration in the growth of Voltalia's offering to companies.

On 25 September 2019, Voltalia completed the acquisition of Helexia from Creadev (Mulliez family), which is also the majority shareholder in Voltalia. Helexia is a solar power pioneer and leading provider of large rooftop solar panels and energy efficiency services to companies. It has a solid network of partners, with around 30% of its business coming from rooftop solar panels installed on buildings and covered parking lots owned by retailers whose majority shareholder is the Mulliez family, such as Auchan, Decathlon, Leroy-Merlin and Boulanger. At the end of 2019, Helexia's total installed capacity reached 62 MW (versus 51 MW when the acquisition was initiated) in five European countries, including its first rooftop solar panel installation in Spain.

One of the components of the offer to companies is the opportunity for energy producers to sign corporate power purchase agreements (PPAs) with other firms. Having already established itself in this market in Brazil, in 2019 Voltalia took the lead in France. In the second half of the year Voltalia concluded the first corporate PPAs in France with Boulanger (5 MW), SNCF (143 MW) and Crédit Mutuel (10 MW) for a total of 158 MW for 25 years. Through Helexia it will also offer Crédit Mutuel on-site energy consumption and efficiency services as a prime example of the cross-selling strategy of Voltalia and its new subsidiary at work.

Capital increase

Following the market presentation of its 2023 objectives, Voltalia launched a €376 million capital increase with preferential subscription rights. At least €300 million of the funds raised will go towards building 1.6 GW in new generating capacity on top of the 1 GW installed in 2020. The rest of the funds may be used for new acquisitions in Africa, Latin America or Europe and thus strengthen the Company's presence in its new regional markets or to expand Voltalia's Services business.

The capital increase was a great success and oversubscribed at 109.5% with demand totalling €411.2 million.

Conclusion of a syndicated loan agreement

On 21 May 2019, the Company announced it had entered into a syndicated loan agreement for a principal amount of €100 million with a syndicate of twelve tier-one French and international banking partners, with an interest rate to be indexed to Voltalia's non-financial performance. For this sustainable green loan, the Group selected environmental, social and governance (ESG) performance indicators aligned with its corporate social responsibility (CSR) priorities: health and safety at work (including the frequency rate of work accidents), business ethics (including the percentage of employees having received ethics training) and the ESG rating of the Company as assessed by extra-financial rating agency Ethifinance.

First employee stock ownership plan

At the end of October 2019, Voltalia announced the successful introduction of its first employee stock ownership plan with a participation rate of 69.5%. The Company aims to make employee stock ownership a sustainable lever for employee loyalty and align the interests of all the Company's stakeholders.

Partnerships and disposals

Voltalia sold a majority stake in its Coco-Banane solar power plant, in French Guiana, in operation since 2010, to an investor. Prior to the sale, the plant was repowered, increasing its power from 4.3 MW to 4.7 MW.

Significant events since the end of the year

On 25 February 2020 Voltalia bought Greensolver to expand its range of services to third-party clients.

Note 2 Accounting rules and methods

The annual financial statements have been prepared in accordance with generally accepted accounting principles in France and in particular with the provisions of the latest version of the Accounting Plan and regulation 2018-01 of 20 April 2018, amending regulation 2014-03.

Basis for preparation of the financial statements

In the separate financial statements to 31 December 2019, the Company applied the following rules:

- Going concern;
- Consistency of methods;
- Independence of fiscal years.

Use of estimates

The preparation of the financial statements requires management to make assumptions and estimates affecting the financial statements. The main estimates made by the Group relate in particular to the assumptions used:

- for valuation and impairment of property, plant and equipment and intangible assets;
- for valuation of equity investments;
- to constitute provisions.

These estimates are based on the best information available to the management on the date of the financial statements. They include, for example, the assessment on that date of the state of the markets in which the Company operates. Considering the uncertainties inherent to the sector, the countries and the economic and financial conditions that impact the business of Valtalia SA and its subsidiaries, these estimates may need to be revised if the circumstances on which they were based change or as a result of new information. Actual results may therefore differ from these assumptions and estimates.

Intangible assets

Purchased software is recognised as an intangible asset and is amortised over its useful life of between three and five years. Tax derogations allowing accelerated amortisation of such software may also be applied and are recognised in regulated provisions.

In the specific case of mergers, the accounting cost of assets received under the merger is the contribution value.

Property, plant and equipment

The gross amount of property, plant and equipment corresponds to its historical acquisition cost. This cost includes expenses directly attributable to bringing the asset to the location and the cost of enabling to be operated in the manner intended by management. Amortisation of fixed assets is calculated on a straight-line basis over the estimated useful life.

Table of estimated useful lives:

Type of asset	Method	Duration
Fixtures and fittings	L	8 to 10 years
Vehicles	L	4 years
Office and computer equipment	L	3 years
Office equipment	L	10 years

Equity investments and other financial assets

The gross value of financial assets corresponds to their acquisition cost excluding ancillary costs. Securities acquired in foreign currencies are recorded at the acquisition price converted into euros using the exchange rate of the transaction date.

When the value in use is lower than the carrying amount, impairment exists. The value in use is determined by taking into account the share of the net position or the profitability outlook (present value of future cash flows) in relation to the position and nature of the Company.

The present value of future cash flows is relative to the profitability outlook with regard to the historical, present and projected market conditions resulting from the actual data and the strategic plans of the subsidiaries.

Inventories and work in progress

Production costs are re-invoiced to subsidiaries when the construction of the project begins. Production work in progress represented the costs capitalised for generation plants under development. Expenses for each power plant project are capitalised as soon as all of the following criteria are met:

- Visibility with respect to access to land, such as obtaining a lease agreement and favourable

- environmental impact studies;
- Visibility of authorisations, e.g., filing of administrative records and high probability of obtaining permits;
- Feasibility of connection to the grid;
- Project profitability.

Capitalised costs include the internal and external costs recorded for each power plant project:

- External costs correspond to commitments to suppliers or external service providers (invoices, invoices receivable, status reports, etc.); and
- Internal costs are measured on the basis of overhead expenses applicable to the projects and the time allocated to these projects.

All projects are reviewed at each reporting date, with the implementation of individual impairment tests. The net carrying amount of the fixed asset is then compared to its present value. The present value is the highest value of the market value or the value in use. This value in use is based on discounted cash flow analysis of the plant and implies significant exercise of judgement by management in respect of items such as climatic conditions, inflation and operating and investment costs for each development project. If the present value is lower than the net carrying amount, the projects in development are fully impaired.

It should also be noted that projects undergoing disposal whose value is less than the carrying amount will be impaired in the amount of the price specified in the contract of sale.

Power plant projects under consideration continue to be recognised in expenses.

Abandoned projects are recognised as losses.

Accounts receivable

Accounts receivable are recognised at face value. They are impaired according to the risk of non-recovery, assessed on a case-by-case basis.

Debt issuance costs to be amortised

Debt issuance costs are spread over the duration of the subscribed loan.

Marketable securities

Investment securities are valued at the lowest of acquisition value and market value.

Tax-regulated provisions

Regulated provisions consist of excess depreciation and amortisation; associated provisions and reversals are constituted in accordance with the tax rules.

Foreign currency transactions

The accounts are prepared in euros. Income and expenses denominated in foreign currencies are recognised at their equivalent value in euros at the transaction date. Liabilities, receivables and cash in foreign currencies are recognised using the exchange rate on the transaction date.

Receivables, liabilities, loans and borrowings in foreign currencies are converted on the balance sheet based on the exchange rate in effect on the balance sheet date to offset the "Translation reserve - Assets/Liabilities" items on the balance sheet. Unrealised translation gains are not used in calculating accounting income. A provision for risks is made for unhedged unrealised losses. If there is a hedge, the provision only covers the unhedged risk.

Voltalia SA, as the parent company, establishes financing to support the development and construction of power plants until long-term local bank financing can be obtained and set up. These short- or long-term financings can involve Company cash or inter-company borrowings in foreign currencies by the Company, thereby exposing it to a currency risk.

Voltalia uses foreign exchange derivatives for the loans granted to the companies within the Group.. Translation gains and losses associated with these derivatives are recognised under financial result symmetrically to the hedged items. When the maturity of the derivatives is not aligned with the schedule of hedged cash flows, the results from the derivatives, based on the spot rate, are stored in a suspense account on the balance sheet, and symmetrically recycled on the hedged risk.

On the balance sheet, the translation differences generated by the revaluation of the hedging derivatives are recognised symmetrically to the translation differences originating from the revaluation of the receivables and liabilities in foreign currencies at the closing rate.

Litigation and provisions

In general, each of the known legal cases in which the Company is involved has been reviewed by management as at the balance sheet date and, where applicable, on the advice of outside counsel, any provisions deemed necessary have been made to cover the estimated risks.

Retirement benefits

Pursuant to French law, Voltalia SA has an obligation to pay a pension to employees on retirement. The corresponding liabilities are calculated annually using the projected unit credit method based on final salary. Such calculations are made based on the applicable collective agreement.

Contingent liabilities are calculated and recognised in provisions. Any differences resulting from changes in actuarial assumptions are immediately recognised in profit and loss. Retirement benefits are recognised as an expense when actually incurred.

Revenue

The revenue of Voltalia SA mainly consists of:

- Services related to the development and monitoring of projects at the development phase on behalf of its various subsidiaries: services are recognised in revenue as and when they are provided, i.e. at the time of sale;
- Services related to the construction of power plants on behalf of its various subsidiaries: revenue is recognised based on progress and corresponds to the technical progress of the construction site, along with the construction of monitoring services, which are recognised as revenue in accordance with the stage of completion;
- Services related to the operation of power plants on behalf of its various subsidiaries: services are recognised in revenue as and when they are provided;
- Various services (administrative services, etc.) on behalf of its various subsidiaries: services are recognised in revenue as and when they are provided.

Note 3 Notes to the balance sheet

Intangible assets and property, plant and equipment

Figures expressed in euros	At 31/12/2018	Acquisitions	Transfers between items and corrections +/-	Disposals/ Scrapped	At 31/12/2019
Software	1,276,553	22,400	2,455,413		3,754,366
Other intangible assets	90,009				90,009
Intangible assets in progress	2,197,037	2,024,767	(2,455,413)		1,766,391
Total 1 Intangible assets	3,563,599	2,047,167	0	0	5,610,766
General installations and fixtures and fittings	246,777	272,801			519,578
Facilities and equipment	25,496				25,496
Office and computer equipment, furniture	663,150	381,521	1,787	0	1,046,458
Total 2 Property, plant and equipment	935,423	654,322	1,787	0	1,591,532
Property, plant and equipment in progress	1,787	47,983	(1,787)		47,983
Total 3 Outstanding amount of property, plant and equipment	1,787	47,983	(1,787)	0	47,983
Advances	59,224				59,224
TOTAL	4,560,033	2,749,472	0	0	7,309,505

The main change in fixed assets concerns the development of the following IT software and solutions: project management software, HRIS, finance and accounting ERP, and Group IS Share Point.

To a lesser extent, fixtures and fittings correspond to the development of the new premises in Aix en Provence, as well as IT hardware.

Depreciation, Amortisation and Impairment

Figures expressed (in euros)	At 31/12/2018	Additions	Reductions and reversals	At 31/12/2019
Software	586,140	1,063,247		1,392,293
Total 1	586,340	1,063,247	0	1,392,293
General installations and fixtures and fittings	19,142	161,415		180,557
Facilities and equipment	12,208	4,414		16,622
Office and computer equipment, furniture	253,965	197,827		451,792
Total 2	285,315	363,656	0	648,971

Fixed financial assets

Figures expressed in euros	Gross value at 31/12/2018	Acquisitions and transfers between items	Disposals and transfers between items	Gross value at 31/12/2019	Provision	Net value at 31/12/2019
Equity investments	333,792,943	90,135,334	30,823,683	393,104,594	15,496,779	377,607,815
Loans and receivables related to equity investments	78,885,296	155,695,459	39,921,039	194,659,717	562,511	194,097,206
Loans and Other fixed financial assets	3,373,801	4,066,839	3,847,503	3,593,137		3,593,137
TOTAL	416,052,041	249,897,632	74,592,225	591,357,448	16,059,290	575,298,158

The main changes to the investments and related receivables of Valtalia during the 2019 financial year can be broken down into the following items:

Acquisitions:

- Equity investments were mainly linked to the €13,808 thousand equity stakes taken in the Brazilian subsidiaries and to the acquisition of a 94.90% stake in Helexia for €31,846 thousand. Disposals were mainly linked to the verticalization of stakes in Brazilian subsidiaries.
- Borrowings to finance construction companies and support newly acquired companies.

Subsidiaries and investments:

Financial information for subsidiaries and investments at 31/12/2019 (in euros)	Capital	Equity other than capital	Share of capital held as a percentage	Acquisition costs	Carrying amount of securities + acquisition costs	Loans granted by the Company at 31/12/2019	Advances/ current account liabilities at 31/12/2019	Revenue excl. taxes - non-Group at 31/12/2019	Dividends received in 2019	Net income (profit or loss) at 31/12/2019
Egypt										
Eshu	9,391	(128,842)	1%		97	7,597,059	479,753			(2,816,901)
France										
Anelia Holding	40,000	(1,319,803)	100%		20,041		404,037			(580,056)
La Faye Energies	59,000	2,462,745	100%		449,603	1,031,423	44,415	2,328,179		222,882
Adriers Energies	336,380	576,926	100%		582,680		3,939,089	2,532,828	443,468	543,288
Echauffour Energies	37,000	641,731	100%		37,000	3,111,126	151,947	1,491,788		793,261
3V Développement	39,000	(753,701)	100%	11,550	1,061,550	2,784,312	36,488	1,724,931		36,059
3L Energies	3,000	(344,749)	40%		1,200	994,902	14,700	1,270,177		65,947
Taconnaz Energie Renouv.	37,000	(180,913)	67%		24,790	2,988,705	259,881	22,669		(5,536)
Parc éolien de Molinons	37,000	660,348	100%		37,000		3,349,532	2,670,031	356,009	656,648
Parc solaire de Montclar	37,000	(43,822)	100%		37,000		439,374			(9,209)
Parc solaire du Castellet	37,000	155,976	100%		37,000		1,739,767	1,057,739	40,240	152,276
Parc solaire de Piboulon	5,000	(43,374)	100%		5,000		49,014			(3,835)
Parc Solaire de Mana	5,000	(294,958)	100%		5,000		344,505			(1,471)
Parc solaire Puy Madame II	5,000	(311,052)	100%		5,000		460,061			(9,907)
Parc solaire Puy Madame II	5,000	(301,617)	100%		5,000		354,241			(8,296)
Parc Solaire Puy Madame IV	5,000	(310,920)	100%		5,000		440,373			(9,459)
Parc éolien d'Argenteuil	37,000	(218,175)	0.05%		11		560,898			(1,527)
Parc éolien de Laignes	37,000	(244,431)	0.05%		11		471,266			(9,560)
Parc éolien de Coulmier	37,000	(432,705)	0.05%		11		395,171			(8,500)
Parc éolien de Sarry	37,000	9,887	0.05%		11	14,124,877	1,083,989			299,895
Parc solaire de Carrière des plaines	10,000	895,467	100%		10,000	6,972,642	598,359			(21,058)
Ombrière Solaire du Marché	10,000	(55,187)	100%		10,000		123,834			(7,519)
Parc solaire Castellet 2	10,000	45,728	100%		10,000	2,475,367	100,556	568,966		(115,160)
Parc Solaire du Canadel	10,000	(80,064)	100%		10,000	4,038,952	234,482	1,376,745		(272,982)

GEF Energie France	10,000	(4,078)	100%		10,000		1,704,638		(6,552)	
Financial information for subsidiaries and investments at 31/12/2019 (in euros)	Capital	Equity other than capital	Share of capital held as a percentage	Acquisition costs	Carrying amount of securities + acquisition costs	Loans granted by the Company at 31/12/2019	Advances/ current account liabilities at 31/12/2019	Revenue excl. taxes - non-Group at 31/12/2019	Dividends received in 2019	Net income (profit or loss) at 31/12/2019
PEP Energie France	10,000	(13,014)	100%		10,000		73,896			(4,380)
ECM Energie France	10,000	(24,491)	100%		10,000		689,253			(9,701)
SVNC Energie France	10,000	(22,391)	100%		10,000		902,944			(3,033)
Parc solaire Le Fangas 1	5,000	(347,831)	100%		5,000		407,586			(7,181)
Parc solaire Le Fangas 2	5,000	(349,712)	100%		5,000		409,075			(7,203)
Parc solaire Les 4 Termes 1	5,000	(351,742)	100%		5,000		412,436			(7,596)
Parc solaire Les 4 Termes 2	5,000	(349,624)	100%		5,000		413,482			(7,565)
Voltalia Energie	10,000	(658,272)	100%		10,000		762,389			(1,722)
Parc éolien de Marly	1,000	(11,066)	100%		328,215		38,472			(1,726)
Parc solaire du Seranon	5,000	(7,549)	100%		5,000		5,983			(2,836)
Parc solaire de Laspeyres	5,000	(8,831)	100%		5,000		53,361			(1,459)
Croix et Jorasse Energie	5,000	(8,783)	100%		5,000		7,007			(2,860)
Jalandre Energie	5,000	(8,843)	100%		5,000		3,984			(3,035)
Champs Agrivoltaique du Cabanon	5,000	(5,730)	100%		5,000		30,439			(498)
Merderel Energie	5,000	(8,760)	100%		5,000		3,984			(2,838)
Ferme Eolienne de Pouligny St Pierre	5,000	(7,914)	100%		5,000		5,983			(3,201)
Le Guil Energie	5,000	(8,760)	100%		5,000		3,984			(2,838)
Parc Solaire du Domaine des Selves	5,000	(7,343)	100%		5,000		5,983			(2,836)
Parc solaire de Bayol	5,000	(5,378)	100%		5,000		5,238			(2,882)
Parc solaire Clos de la Blaque	5,000	(5,400)	100%		5,000		10,260			(2,904)
Southeast Africa Energy Invest 1	5,000	(3,680)	100%		5,000		237			(3,680)
Southeast Africa Energy Invest 2	5,000	(3,505)	100%		5,000		237			(3,505)
Ombrières Solaires du Castellet N	5,000	(2,915)	100%		5,000		237			(2,915)
Ombrières Solaires du Castellet S	5,000	(4,886)	100%		5,000		237			(4,886)
Parc solaire du Clap	5,000	(5,306)	100%		5,000		179			(2,843)
Kopere Energy Investment	5,000	(1,889)	100%		5,000		86,955			(1,889)

Financial information for subsidiaries and investments at 31/12/2019 (in euros)	Capital	Equity other than capital	Share of capital held as a percentage	Acquisition costs	Carrying amount of securities + acquisition costs	Loans granted by the Company at 31/12/2019	Advances/ current account liabilities at 31/12/2019	Revenue excl. taxes - non-Group at 31/12/2019	Dividends received in 2019	Net income (profit or loss) at 31/12/2019
Avenergie	5,000	(2,749)	100%		5,000					(2,749)
Mattas	5,000	(2,749)	100%		5,000					(2,749)
Gamadou	5,000	(2,749)	100%		5,000					(2,749)
Terres salées	5,000	(2,749)	100%		5,000					(2,749)
La Faye 2	5,000	(2,749)	100%		5,000					(2,749)
Groies	5,000	(2,749)	100%		5,000					(2,749)
Grands Buisson	5,000	(2,749)	100%		5,000					(2,749)
Ombrières Solaires d'Ambares	5,000	(2,704)	100%		5,000					(2,704)
Ombrières Solaire d'Andancette	5,000	(1,234)	100%		5,000					(1,234)
Ombrières solaires de Certines	5,000	(2,778)	100%		5,000		480			(2,778)
VLT Investissement III	5,000		40%		2,000	1,600,000	222,848			(226,250)
VLT Investissement IV	5,000		100%		5,000					
VLT Investissement V	5,000		100%		5,000					
Parc Eolien de Séraumont	5,000		100%		5,000					
Helexia	17,261,410	9,992,987	95%	735,838	31,846,350	30,000,000	91,427			(2,161,364)
Parc éolien de Poussay	5,000		100%		5,000		5,000			
Parc solaire de Château Raymond	5,000		100%		5,000					
Poste électrique du Mattas	5,000		100%		5,000		5,000			
Parc solaire du coin du four	5,000		100%		5,000					
French Guiana										
Voltalia Caraïbes	37,000	(41,540)	100%		37,000		6,552			(3,640)
Voltalia Guyane	1,043,841	(8,123,503)	80%		835,051	25,360,376	8,480,674	0		(220,944)
SIG Cacao	1,000	(1,213,591)	100%		1,000		156,898			(5,179)
Voltalia Kourou	300,000	(3,454,333)	0.33%		1,000		23,087	3,364,182		(1,269,678)
Cr'Eole	174,000	(17,734)	100%		200,100		21,422			(2,773)
Iracoubo Biomasse Energie	5,000	(8,230)	100%		5,000		6,884			(2,606)

Financial information for subsidiaries and investments at 31/12/2019 (in euros)	Capital	Equity other than capital	Share of capital held as a percentage	Acquisition costs	Carrying amount of securities + acquisition costs	Loans granted by the Company at 31/12/2019	Advances/ current account liabilities at 31/12/2019	Revenue excl. taxes - non-Group at 31/12/2019	Dividends received in 2019	Net income (profit or loss) at 31/12/2019
Sinnamary	5,000	(5,116)	100%		5,000		96			(2,847)
Mana Biomasse Energie	5,000	(2,719)	100%		5,000					(2,719)
Mana Energie Guyane	5,000	(2,719)	100%		5,000					(2,719)
Mana Energie Services	5,000	(2,719)	100%		5,000					(2,719)
Parc solaire Macouria	5,000	(2,825)	100%		5,000					(2,825)
Parc Solaire Flottant de petit saut	5,000	(2,719)	100%		5,000					(2,719)
Soleil de Grand Santi	5,000	(2,734)	100%		5,000					(2,734)
Soleil de Montsinery	5,000	(2,734)	100%		5,000					(2,734)
Greece										
Voltalia Greece	9,180,815	(2,669,556)	100%	77,407	19,263,346	7,657,772	1,283,024	4,043,790		(2,506,972)
Martifer Solar Hellas	1,130,000	(1,506,537)	100%		1,130					(32,399)
Brazil										
Voltalia Do Brasil	31,871,039	9,868,155	100%		39,512,036	2,518,165	2,131,558	12,079,395		9,474,387
Envolver	40,316,623	(7,289,543)	100%		33,579,234					(862,718)
Voltalia Areia Branca I Participações	36,641,874	3,097,445	99%		51,300,533				16,262,702	3,586,973
Oiapoque Energia	2,527,508	5,274,545	0.0004%		16			19,212,397	37	5,423,097
Voltalia Sao Miguel Do Gostoso I Particip.	54,058,836	(2,625,012)	25%	2,929	16,004,150					(1,596,709)
Serra Para I	64,312,591	1,303,631	94%	57,268	69,806,844				1,510,897	1,635,322
Alameda Acre Participações	22,493,854	(1,663,774)	100%	37,433	23,270,870				947,275	1,814,852
Voltalia Energia Do Brasil Consultoria			0.02%		1					
Voltalia Serviços do Brasil	232,297	(16,537)			23,885,335			141,512		29,995
Voltalia Do Brazil Commercializa de Energia	347,145	(13,593)	100%		373,476				697	4,772
Ventos de Serra do Mel A SA	39,781,159	(827,591)	60%							176,943
Tourinho 1			95%		292					
Tourinho 2			95%		292					
Financial information for subsidiaries and investments at 31/12/2019 (in euros)	Capital	Equity other than capital	Share of capital held	Acquisition costs	Carrying amount of securities +	Loans granted by the Company at 31/12/2019	Advances/ current account	Revenue excl. taxes -	Dividends received in 2019	Net income (profit or loss) at 31/12/2019

	as a percentage			acquisition costs		liabilities at 31/12/2019	non-Group at 31/12/2019			
Morocco										
Voltalia Maroc	548,629	(1,663,932)	100%		547,760	4,563,823			(322,457)	
Alterrya Maroc	125,759	(128,420)	100%		40,737	200,149			(12,447)	
Voltalia Maroc Sahara	9,146	15,613	100%		37,924				11,825	
Mexico										
Ojuelos Del Sol	2,204	(187,320)	95%		2,322	3,300,000	50,041		(294,724)	
Portugal										
Voltalia Portugal	5,000,000	(48,093,104)	100%	1,866,712	78,926,988	3,665,000	122,778	4,189,451	11,966,884	
Tanzania										
Mahale	8,742	(327,168)	1%		4,332	986,223	104,056		(182,754)	
United Kingdom										
Martifer Solar UK	1,184	(19,528,153)	100%		1,174		20,886,837	891,225	2,967,957	
Canada										
Triton	6,642,860		100%		657,082	5,257,471	30,436		(1,242,860)	
TOTAL	380,225,289	(71,750,236)		2,053,299	393,104,594	131,228,343	55,743,286	58,966,006	19,561,325	24,883,275

(1) Data as of 31 December 20

Schedule of receivables related to equity investments

At 31 December 2019, the amount of borrowings and receivables related to investments amounted to €194,660 thousand, including €17,020 thousand in foreign currencies.

Related receivables from indirect investments amounted to €54,152 thousand, including €6,281 thousand in foreign currencies.

Other fixed financial assets

Figures expressed in euros	Gross value at 31/12/2018	Acquisitions and transfers between items	Disposals and transfers between items	Gross value at 31/12/2019
Loans to personnel	20,000	1,500		21,500
Deposits	2,058,250	10,123		2,068,373
BPI loan guarantee retention	250,000			250,000
BPI loan guarantee retention	250,000			250,000
Other long-term receivables	220,769	1,274,251	985,282	509,738
Treasury shares	574,782	2,585,552	2,666,808	493,526
TOTAL	3,373,801	3,871,426	3,652,090	3,593,137

Production in progress

Figures expressed in euros	Gross amount	Impairment	Balance as of 31/12/2019
Production of goods in progress	26,771,466	2,798,953	23,972,513

As of 31 December 2019, the projects are recognised in Voltalia SA's financial statements as being under construction. As they are at different stages of development and have differing development costs, they were analysed individually.

As of the balance sheet date, projects under development are reviewed and, where necessary, fully impaired.

Current accounts receivable

Figures expressed in euros	Gross amount	Within one year	At more than one year
Customers	64,117,356	64,117,356	
Personnel and related receivables	18,954	18,954	
Social security bodies	61,746	61,746	
State: Taxes other than on income	5,467,796	5,467,796	

Group and partners	64,510,328	64,510,328	
Supplier advances and credit notes	9,272,924	9,272,924	
Miscellaneous receivables	11,999,998	11,999,998	
Debt issuance costs to be amortised	1,121,792	287,938	833,854
Prepaid expenses	1,208,855	1,208,855	
TOTAL	157,779,249	157,779,249	833,854

Trade receivables: trade receivables are mainly composed of internal invoices for development, construction and maintenance costs to special purpose vehicle (SPV) subsidiaries.

Group and associates: the amount recognised under current accounts includes cash contributions made by Valtalia SA to its subsidiaries. These current accounts were written down in the amount of €4,154 thousand to reflect the negative net assets of subsidiaries.

Miscellaneous receivables: the "miscellaneous receivables" item mainly comprises the seller credit given for the disposal of Parc solaire de Coco Banane shares.

Prepaid expenses: prepaid expenses mainly relate to billings on construction projects.

Cash and cash equivalents

Figures expressed in euros	At 31/12/2018	At 31/12/2019
Cash assets	6,700,544	134,731,610
Cash instruments	251,575	221
TOTAL	6,952,119	134,731,831

Available cash as of 31 December 2019 stood at €134,732 thousand, including €55,000 thousand in term deposit accounts.

Changes in equity

Figures expressed in euros	At 31/12/2018	Appropriation of earnings	Capital increase	Change in regulated provisions	At 31/12/2019
Capital	279,177,194		263,906,118		543,083,312
Issue premium	96,481,550		138,328,519		234,810,569
Acquisition premium	0		261,727		261,727
Legal reserve	58,367				58,367
Retained earnings - debit	(19,434,847)	2,463,798			(16,971,049)
Income for the year	2,463,798	(2,463,798)			9,990,497

TOTAL	358,746,062	0	403,232,203	771,233,423

As of 31 December 2019, the share capital of Voltalia SA totalled €543,083,312, consisting of 95,277,774 shares with a par value of €5.70 each.

Pursuant to the meeting of the Board of Directors of 5 August 2015, 16,970 stock options were exercised during the first half of 2019. Consequently, by decision of the Chief Executive Officer dated 20 June 2019, the share capital was increased by €96,729, with an issue premium totalling €45,479.60.

During the 2019 financial year, Voltalia SA completed two capital increases:

- Following the decision taken by the Chief Executive Officer on 15 July 2019, 40,829,520 new shares were issued with a unit price of €9.20, i.e. an increase, including issue premium, of €375,631,584. The par value of the new shares issued was €5.70, increasing the capital from €279,273,922.50 to €512,002,186.50. The issue premium amounted to €142,903,320;
- Following the Board of Directors' decision on 25 September 2019 to acquire Helexia, Voltalia SA issued 5,452,829 new shares at €5.70 each, resulting in a capital increase of €31,081,125.30.

The free float amounted to 20.90% of the capital.

Liquidity contract

As of 31 December 2019, the following positions featured in the liquidity account:

- 47,776 securities representing a value of €493,526;
- Liquidity in the amount of €509,738.

Provisions

Provisions for risks and charges break down as follows:

Figures expressed in euros	At 31/12/2018	Additions	Reversals	At 31/12/2019
Provisions for litigation	188,495	50,000	32,050	206,445
Provisions for translation losses	110,275	182,035	110,275	182,035
Other provisions for risks and charges	1,933,759	19,263,743	144,956	21,052,546
Provisions for pensions and similar obligations	200,507	135,723		336,230
TOTAL	2,433,036	19,631,501	287,281	21,777,256

The provision for translation losses of €182,035 mainly reflects the risk of unrealised translation losses recorded as of 31 December 2019 on advances in Brazilian reais to the Brazilian subsidiaries.

The other provisions for risks and charges comprise provisions for equity investments and related receivables from subsidiaries. The change is due to the acquisition in 2019 of Voltalia UK shares previously held by Voltalia Portugal.

As of 31 December 2019, the provision for retirement benefits was adjusted upwards (+ €136 thousand). The discount rate used was 0.70%, and the future salary growth rate was 2%.

Financial and operating liabilities

Figures expressed in euros	At 31/12/2018	At 31/12/2019	Change
Borrowings and liabilities at credit establishments			
<i>at maximum 1 year at inception</i>	3,000,000	2,141,297	(858,703)
<i>at more than 1 year at inception</i>	114,150,000	49,250,000	(64,900,000)
Other borrowings and financial liabilities	2,453,546	1,217,087	(1,236,459)
Bank overdrafts	40,812	-	(40,812)
Trade payables and related accounts	14,093,897	20,613,108	6,519,211
Personnel and related receivables	1,764,244	2,671,023	906,779
Social liabilities	1,475,164	2,304,791	829,627
Tax liabilities	4,815,438	6,028,020	1,212,582
Fixed asset liabilities and related accounts	235,252	201,919	(33,333)
Voltalia and partners	4,160,967	3,205,397	(855,570)
Other liabilities	-	166,197	166,197
Deferred income	18,019,874	10,224,501	7,795,373
TOTAL	164,209,194	96,973,302	(66,085,844)

Borrowings: €178,928 thousand in new bilateral lines of credit were set up in 2019. In the second half of 2019, Voltalia SA repaid most of its credit lines.

Groups and associates: the amount of €2,842 thousand mainly corresponds to the debt owed by VSA to its subsidiaries as a result of the introduction of consolidated VAT in 2019.

Tax and employee-related expenses:

- Tax liabilities comprise, for the most part, VAT collected and not yet payable to the revenue office. They are to be included in the SPV billings for development, monitoring and construction costs;
- employee-related expenses of €2,305 thousand representing liabilities to social security bodies.

Deferred income: deferred income relates to the progress of various projects under construction.

Maturity schedule of debts at 31 December 2019

Figures expressed in euros	Gross amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings and liabilities at credit establishments				
<i>at maximum 1 year at inception</i>	49,250,000		49,250,000	
<i>at more than 1 year at inception</i>	2,141,297	2,141,297		
Other borrowings and financial liabilities	1,217,087	1,217,087		
Bank overdrafts	-	-		
Trade payables and related accounts	20,613,108	20,613,108		
Personnel and related receivables	2,671,023	2,671,023		
Social liabilities	2,304,791	2,304,791		
Tax liabilities	6,028,020	6,028,020		
Fixed asset liabilities and related accounts	201,919	201,919		
Voltalia and partners	3,305,397	3,305,397		
Other liabilities	166,197	166,197		
Deferred income	10,224,501	10,224,501		
TOTAL	98,123,350	48,873,350	49,250,000	
Borrowings subscribed during the financial year	178,928,398			
Borrowings repaid during the financial year	244,828,398			

Accrued expenses

Amount of accrued expenses included in the following balance sheet items:

Figures expressed in euros	31/12/2019
Borrowings and liabilities at credit establishments	141,297
Trade accounts payable and related accounts	18,696,124
Tax and employee-related expenses	4,140,270
Total	22,977,691

Taxes and tax consolidation scope

The tax loss of the consolidated group for the 2019 financial year amounted to €5,634,622. Added to the loss carryforward from 2018, the cumulative loss carryforward as of 31 December 2019 is €50,200,064 (tax group and prior to joining the consolidated group).

The table below presents the tax consolidation of the Group as of 31 December 2019 and the option start dates:

Scope of the French tax consolidation at 31/12/2019	Option start date	Tax savings
VOLTALIA SA (head of the group)	01/01/2012	
3V DEVELOPPEMENT	01/01/2012	
PARC EOLIEN DE MOLINONS	01/01/2012	262,531
PARC SOLAIRE DU CASTELLET	01/01/2013	87,118
ADRIERS ENERGIES	01/01/2014	246,210
CR'EOLE	01/01/2016	
PARC SOLAIRE DES CARRIERES DES PLAINES	01/01/2017	
PARC SOLAIRE DU CANADEL	01/01/2017	
PARC SOLAIRE DU CASTELLET 2	01/01/2017	202,381
ECHAUFFOURS ENERGIES 2	01/01/2017	
ANELIA	01/01/2017	199
PARC EOLIEN DE SARRY	01/01/2017	8,110
PARC EOLIEN D'ARGENTEUIL	01/01/2019	
PARC SOLAIRE DE MANA	01/01/2019	
PARC SOLAIRE DE TRESQUES	01/01/2019	
OMBRIERE SOLAIRE DU MARCHE	01/01/2019	
SVNC Energie France	01/01/2019	1,279
VOLTALIA ENERGIE	01/01/2019	
PARC SOLAIRE DU TALAGARD	01/01/2019	227
PARC SOLAIRE DE LASPEYRES	01/01/2019	664
CHAMPS AGRIVOLTAIQUE DU CABANON	01/01/2019	
OMBRIERE SOLAIRE DE JONQUIERES	01/01/2019	
GEP ENERGIE	01/01/2019	
TOTAL		808,719

For the entire tax group, the tax savings as of 31 December 2019 stood at €808,719.

Note 4 Notes to the income statement

Breakdown of revenue by region

Voltalia SA invoices its various subsidiaries for amounts corresponding to the sale of goods and services related to the development, construction and operation of power plants and miscellaneous services. Voltalia may also charge third parties, for example, in connection with transfers of rights relating to power plant projects under development.

Figures expressed in euros	Change (in %)	Change (in €)	2018	2019
Europe	16%	9 417 029	58 946 730	68 363 759
Amérique Latine	48%	65 485	135 894	201 379
Asie-Afrique	1433%	20 231 099	1 412 150	21 643 249
Total	49%		60,494,774	90 208 387

Other operating income

Figures expressed in euros	At 31/12/2018	At 31/12/2019
Production transferred to inventory	7,127,471	3,036,723
Capitalised production	1,271,578	1,757,567
Other miscellaneous management and operating subsidy income	110	1,615
Reversals on depreciation, amortisation and provisions, transfer of expenses	362,029	3,333,790
TOTAL	8,761,188	5,129,695

Production transferred to inventory totalling €3,036 thousand reflects the capitalisation of project development costs.

Capitalised production amounting to €1,758 thousand represents capitalised IT projects.

Reversals of provisions and expense transfers of €3,334 thousand comprise the following:

- reversals of provisions for impairment of receivables in the amount of €78 thousand;
- reversals of provisions for risks and charges in the amount of €32 thousand;
- the transfers of expenses include reimbursements for claims as well as those associated with personnel (CPAM repayments, benefits in kind, training expenses) totalling €223 thousand.

Purchases and external expenses

Other purchases and external expenses mainly correspond to outsourcing costs related to project development, advertising costs, accountants' fees, auditors' fees, legal expenses and expenses related to personnel costs.

Other operating expenses

Other operating expenses amounting to €(20,580) thousand mainly include the following items:

- Taxes and duties. €(565)k
- Personnel costs €(18,445)k
- Depreciation and amortisation of fixed assets €(1,170)k
- Provisions for risks and charges (1) €(286)k
- Other expenses €(114)k

(1) The provision for risks and charges was mainly the result of a supplement to retirement benefits of €(136) thousand and a provision for litigation of €(150) thousand.

Financial result

The financial result of €8,029 thousand mainly consists of the following elements:

- Net interest income on current accounts €8,731k
- Dividends received €23,416k
- Net reversal on impairment of securities and current accounts €2,920k
- Interest on borrowings and bank interest €(2,776)k
- Net expenses on foreign exchange transactions €(728)k
- Provisions for financial risks associated with subsidiaries €(23,081)k

- Employer contributions to employee stock ownership €(645)k
- €Term deposit revenues €96k
- Interest on trade receivables €95k

Non-recurring income (expense)

Non-recurring income (expense) of €10,823 thousand was mainly due to the disposal of Parc solaire de Coco-Banane shares. The capital gain from this transaction amounted to €11,408 thousand.

Income tax

The tax mainly related to the withholding tax on transactions carried out abroad.

Net profit (loss)

The profit for the financial year was €9,990,497 compared to a profit of €2,463,798 as of 31 December 2018

Note 5 Other information

Actual workforce	At 31/12/2018	At 31/12/2019
Executive officers	10	10
Executives	98	154
Non-executives	16	23
Temporary employees	4	4
TOTAL	128	191

Average workforce	At 31/12/2018	At 31/12/2019
Executive officers	9.7	9.5
Executives	86.5	133.1
Non-executives	16.2	21.2
Temporary employees	4.2	3.3
TOTAL	116.6	167.1

Note 6 Affiliates

Figures expressed in euros	Asset (gross value)	Liability	Income statement
Operating and non-recurring income			88,660,414
Trade receivables and related accounts	47,816,650		
Operating and non-recurring expenses			(4,462,830)
Trade accounts payable and related accounts		3,928,498	
Deferred income		9,706,690	

Note 7 Off-balance sheet commitments

Commitments given relating to operating activities

(in thousands of euros)	At 31/12/2019
Commitments given by Voltalia to suppliers, in favour of its subsidiaries	92,577
Commitments given by Voltalia to customers, in favour of its subsidiaries	3,473
Guarantees relating to the decree ensuring the safety of installations classified for the protection of the environment (ICPE)	2,248
Commitments given relating to operating activities	98,298

This item mainly involves delivery, due execution, performance or payment guarantees.

The commitments given by Voltalia to its suppliers in the course of its activities are mainly payment guarantees granted under the terms of the supply contracts entered into by the subsidiaries.

The commitments given by the Group to its customers mainly comprise guarantees, where the Group is the guarantor and backs the performance of the contractual commitments, made on the basis of research, design, development, construction, operation and maintenance contracts. These guarantees are generally granted for the duration of the contract in question, with a ceiling amount. They constitute the majority of the Group's commitments to its customers.

Guarantees and commitments given in relation to project financing

As part of the implementation of project financing, Voltalia is required to give financial guarantees to its bank partners. As of 31 December 2019, these commitments stood at €133,467 thousand (of which 80% in Brazilian real-denominated transactions and associated with the Group's Brazilian activities).

Pledges

Pledge of all shares held in its French subsidiaries to a bank or banking pool until the financing received is repaid in full. The subsidiaries concerned are 3V Développement, 3L Energies, La Faye Energies, Parc Solaire du Castellet, Parc Eolien de Molinons, Parc solaire de Coco Banane (formerly Volta Guyane), Parc Solaire de Carrière des Plaines, Parc solaire de Canadel and Parc solaire de Castellet 2, Echauffour Energie, Parc Eolien de Sarry, Parc solaire de PAGAP and Taconnaz Energies.

Pledge of two loans, as part of €1,763 thousand in project financing for Unifergie, Natixis Energieco and Oséo Financements until the expiry of the 3V finance lease contract.

Development and 3L Energies.

Commitments received relating to operating activities

(in thousands of euros)	At 31/12/2019	At 31/12/2018
Commitments received by Voltalia from suppliers	6,337	4,918
Subsidies - commitments received	0	0
Commitments received relating to operating activities	6,337	4,918

The commitments received from suppliers are mainly performance/completion guarantees or even advance payments made to the Group under supply contracts concluded by subsidiaries with these suppliers.

Confirmed Corporate financing lines

As of 31 December 2019, Voltalia SA had:

- €80,000 thousand in syndicated credit lines due in December 2022. This line has not been used;
- A €100,000 thousand syndicated credit line due in May 2024. This line has been drawn for €45,000 thousand;
- Two confirmed bilateral credit lines, €10,000 thousand of which has not been used.

In 2019, Voltalia's Corporate financing lines were increased by a cumulative amount of €70,000 thousand due to the signing of a syndicated credit line and early repayment of bilateral credit lines following the capital increase in July 2020.

This new cash will finance the Group's continued development as well as the construction of new projects while awaiting long-term refinancing, e.g. as in the case of Brazil.

Note 8 Compensation of the corporate officers

Note 8.1 Compensation paid to corporate officers of the Company during the last two financial years

Table 1: Summary of compensation, options and shares granted to each executive corporate officer

Executive corporate officer	2018 financial year (euro)	2019 financial year (euro)
Laurence Mulliez – Chairwoman of the Board of Directors		
Compensation for the financial year (1)	110,000	110,000
Valuation of multi-year variable compensation granted during the fiscal year	-	-
Valuation of options, BSPCEs and BSAs granted during the fiscal year	-	-
Valuation of free shares granted during the fiscal year	-	-
Sébastien Clerc – Chief Executive Officer		
Compensation for the financial year (1)	404,000	417,276
Valuation of multi-year variable compensation granted during the fiscal year	-	-
Valuation of options, BSPCEs and BSAs granted during the fiscal year	-	-
Valuation of free shares granted during the fiscal year	-	-

1. Detailed in table no. 2

Table 2: Summary of the compensation of each executive corporate officer

Executive corporate officer	2018 financial year		2019 financial year	
	Amounts payable (*) (euro)	Amounts paid (euro)	Amounts payable (*) (euro)	Amounts paid (euro)
Laurence Mulliez – Chairwoman of the Board of Directors				
Fixed compensation (1)	110,000	110,000	110,000	110,000
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation				
Attendance fees				

Benefits in kind				
Total	110,000	110,000	110,000	110,000
Sébastien Clerc – Chief Executive Officer				
Fixed compensation (2)	260,000	260,000	300,00	260,000
Annual variable compensation (3)	144,000	128,000	216,000	144,000
Multi-year variable compensation				
Exceptional compensation				
Attendance fees				
Benefits in kind (4)	13,016	13,016	13,276	13,276
Total	417,016	401,016	529,276	417,276

(*) attendance fees and variable compensation payable due for year N are paid during year N+1

1. Laurence Mulliez receives fixed compensation of €110,000 per year for her office of Chairman of the Board of Directors
2. Sébastien Clerc receives fixed compensation of €300,000 per year as Chief Executive Officer. This amount was confirmed by the Board of Directors on 11 April 2019, on the recommendation of the Appointments and Compensation Committee. It was paid in March 2020.
3. The annual variable compensation of Sébastien Clerc was approved by the Board of Directors on 20 March 2020, on the proposal of the Appointments and Compensation Committee and in accordance with the principles approved by the General Meeting of 24 May 2018. This variable compensation is subject to the achievement of qualitative targets (human resources management, 2030 vision exercise) and quantitative targets (operational performance of power plants, success in tenders, development of the service activities) predetermined by the Company's Board of Directors. It is paid on or before 30 April of the following year. The achievement of the 2019 objectives was confirmed by the Board of Directors on 20 March 2020.
4. The benefits in kind for Sébastien Clerc correspond to unemployment insurance for company managers and executives (GSC).

Table 3: Attendance fees and other compensation received by non-executive corporate officers

Corporate officers	2018 financial year		2019 financial year	
	Amounts payable *	Amounts paid *	Amounts payable *	Amounts paid *
	(euro)	(euro)	(euro)	(euro)
André-Paul Leclercq - Director				
Attendance fees	23,180	26,563	23,180	23,180
Other compensation	-	-	-	-
Robert Dardanne (1) - Director				
Attendance fees	-	-	-	-
Other compensation	30,000	30,000	30,000	30,000
The Green Option (2) - Director				
Attendance fees	30,000	30,000	30,000	30,000
Other compensation	20,000	20,000	20,000	18,000
Creadev - Director				
Attendance fees	-	-	-	-
Other compensation	-	-	-	-
Solène Guéré - Director				
Attendance fees	4,920	2,650	4,920	4,920
Other compensation	-	-	-	-
Evelyne Tall (3) - Director				
Attendance fees	15,205	NA	25,000	NA
Other compensation	-	NA	-	NA
Total in euros	123,305	109,213	158,940	109,213

(*) Attendance fees payable for year N are paid in year N+1

(1) Robert Dardanne receives indirect compensation as manager of FGD S.P.R.L. under the terms of a service agreement (see Section 4.9 of the Universal Registration Document).

(2) Philippe Joubert receives indirect compensation as manager of The Green Option under the terms of a service agreement between The Green Option and the Company (see Section 4.9 of the Universal Registration Document).

(3) Evelyne Tall was appointed director of the company on 24 May 2018. She receives compensation of €25,000.

Table 4: Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options allocated to each executive corporate officer by the Company or any of the Group companies during the financial years ended 31 December 2017 and 2018

None.

Table 5: Company founder warrants (BSPCEs), stock warrants (BSAs) and stock options exercised by each executive corporate officer during the financial years ended 31 December 2018 and 2019

None.

Table 6: Free shares allocated to each corporate officer during the financial year

None.

Table 7: Free shares allocated to each corporate officer, now vested

None.

Note 8.2 Pensions and other benefits

There is no contract between the members of the Board of Directors and the Company or its subsidiaries providing for benefits or allowances due or likely to be due on the termination or change of functions within the Company or its subsidiaries, other than the unemployment insurance of the CEO and collective supplementary pension plans.

As part of the corporate officer's agreement that binds him to the company, Sébastien Clerc undertakes not to compete with the Company on conclusion of his term. In such an event he would benefit from a monthly allowance corresponding to his compensation during the period of non-competition, for a maximum period of six months. However, the Company has reserved the right to waive this clause.

Note 9 Dividend distribution policy

Volitalia plans to implement a distribution policy in line with its growth trajectory, financial profile and outlook.

Discussions with investors have suggested that the payment of a dividend is not a priority in a context of strong Company growth. Equally, although the Group is able to pay a dividend in 2019 in respect of the 2018 financial year, such a payment has been postponed in order to further increase the resources invested in the development of new power plants.

The Company has not distributed any dividends in the past three years.

Note 10 Table of the last five financial years

	At 31/12/2018	At 31/12/2017	At 31/12/2016	At 31/12/2015	At 31/12/2014
Financial position at year end					
Share capital	279,177,194	279,011,084	278,976,086	149,405,909	139,106,659
Number of shares issued	48,978,455	48,921,173	48,949,313	26,211,563	24,404,677
Total income from current operations					
Revenue excl. taxes	60,494,774	19,252,538	2,745,888	1,195,429	1,968,209
Earnings before taxes, depreciation and provisions	4,600,650	(5,348,187)	3,401,719	40,799	(2,264,523)
Income taxes					
Earnings after taxes, depreciation and provisions	2,463,798	(4,595,224)	3,502,850	(749,639)	(2,758,008)
Amount of profits distributed					
Earnings per share					
Earnings before taxes, depreciation and provisions	0.09	(0.11)	0.07	0	(0.09)
Earnings before taxes, depreciation and provisions	0.05	(0.09)	0.07	(0.03)	(0.11)
Dividends paid per share					
Personnel					
Number of employees	128	92	58	47	34
Total payroll	8,915,468	6,921,448	4,414,210	3,431,389	2,321,007
Amount paid in employee benefits	3,891,070	3,119,855	1,942,578	1,525,503	1,060,905

7.4 . Statutory Auditors' report on the financial statements

Statutory Auditors' report on the annual financial statements

To the General Meeting of the company Voltalia,

Opinion

In compliance with the engagement entrusted to us by your Company's General Meeting, we have audited the annual financial statements of Voltalia for the financial year ended 31 December 2019, as attached to this report.

These financial statements were approved by the Board of Directors on 20 March 2020 based on the elements available on that date within the changing context of the Covid-19 health crisis.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2019, and of the results of its operations for the year then ended, in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and we specifically did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors.

Justification of our assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the annual financial statements, which were approved under the conditions mentioned above, and in forming our opinion expressed above. We do not express an opinion on individual items in these annual financial statements.

Investments in subsidiaries and associated receivables

Note 2 "Accounting rules and methods – Equity investments and other financial assets" and 3 "Notes to the balance sheet – Fixed financial assets" to the 2019 parent company financial statements

Identified risk

At 31 December 2019, Voltalia SA's equity investments had a net carrying amount of €377,608 thousand (31 December 2018: €321,477 thousand) and the associated receivables had a carrying amount of

€194,097 thousand (31 December 2018: €76,023 thousand). In aggregate, they thus represented 64% of Voltalia SA's total assets.

The Company's investments in subsidiaries are recognised for a gross amount reflecting their cost of acquisition net of transaction costs; impairment is subsequently charged with any excess of their carrying amount over value in use.

Value in use is estimated by Management, depending on the subsidiary's nature and position, on the basis of the Company's share of the subsidiary's net assets or on a discounted cash flow basis reflecting the company's historical, current and future market conditions as per its historical data and strategic forecasts.

The valuation of the Company's investments in subsidiaries and associated receivables is regarded as a key audit matter given the inherent uncertainties and in particular, the likelihood of achieving the forecasts included in the fair value measurement.

Our audit response

Our procedures involved:

- comparing the data used for the Company's impairment testing of investments in subsidiaries with the entities' source data. In particular, based on the approach used by the Group for the valuation we:
 - for valuations based on the share in net equity: compared the carrying amounts of investments in subsidiaries with the entities' net assets,
 - for approaches based on the discounted cash flows: assessed the consistency of Management's cash flow forecasts for each subsidiary;
- assessing the recoverability of the receivables associated with the investments in subsidiaries in terms of the overall analysis of the applicable investments;
- ensuring the consistency of the economic assumptions used, with assistance from our specialists;
- assessing the appropriateness of the disclosures on equity investments and related receivables presented in Note 2 "Accounting rules and methods – Equity investments and other financial assets" and Note 3 "Notes to the balance sheet – Fixed financial assets" to the annual financial statements.

Inventories and work in progress

Note 2 "Accounting rules and methods – Inventories and work in progress" and Note 3 "Notes to the balance sheet – Current assets under construction" to the annual financial statements.

Identified risk

At 31 December 2019, Voltalia SA's inventories and work in progress had a carrying amount of €23,973 thousand (2018: €20,858 thousand). Work in progress represented the costs capitalised for generating plants under development. Expenses for each generating plant project are capitalised as soon as a list of exhaustive criteria is verified.

The recoverable amount of a development project is defined as the higher of the asset's fair value and value in use. Value in use is based on discounted cash flow analysis of the plant and implies significant exercise of judgement by Management in respect of items such as climatic conditions, inflation and operating and investment costs for each development project.

We considered the valuation of inventories and work in progress as a key audit matter given the complexity of the economic models used for the valuation of generating plants under development and their sensitivity to the underlying data and assumptions retained by Management.

Our audit response

We assessed the achievement of the criteria for capitalisation of development costs, notably in interviewing Management on the basis of the Group's work in progress file, in vouching the amounts booked to supporting documentation and in reviewing the profitability forecasts of the projects.

We verified the bases of determination and consistency of the calculation of internal unit costs.

We verified, on a sample basis, the reality and completeness of the recording of internal costs (including the file of internal time spent on each project) and external costs (commitments towards third party suppliers or service providers).

We had support from our specialists to assess the consistency of the discount rates retained by Management.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the other specific verifications required by French law.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors approved on 20 March 2020 and in the other documents with respect to the financial position and the annual financial statements sent to shareholders. Regarding events that have occurred and elements known after the date of the financial statements regarding the impacts of the Covid-19 crisis, Management informed us that an announcement will be made on this matter to the General Meeting held to approve the financial statements.

As required by law, we inform you that the information on payments deadlines specified in Article D.441-4 of the French Commercial Code (*Code de commerce*) are not presented in the management report. As a consequence, we cannot attest their sincerity and consistency with the financial statements.

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to compensation and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of the company Voltalia by the General Meeting held on 9 November 2011 for Mazars and on 13 June 2014 for H3P Real Assets.

At 31 December 2019, Mazars was in its ninth year of total uninterrupted engagement and H3P Real Assets in its sixth year of total uninterrupted engagement, including six years for both firms since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those involved in corporate governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors Responsibilities for the Audit of Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit. And furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

Levallois Perret and Paris La Défense, 25 March 2020

The statutory auditors

H3P REAL ASSETS

Eric Hinderer

MAZARS

Juliette Decoux

8. INFORMATION ON THE COMPANY AND THE CAPITAL

8.1 Share capital

At 31 December 2019, the capital of the Company totalled €543,043,311.80. It is divided into 95,277,774 fully paid-up shares, each with a par value of €5.70.

8.2 Major shareholders

The table below shows the shareholding structure of the Company as of 29 February 2020:

Shareholder	Number of shares	% of capital	Number of theoretical voting rights ⁽¹⁾	% of theoretical voting rights	Number of voting rights exercisable at the General Meeting ⁽²⁾	% of voting rights exercisable at the General Meeting
Voltalia Investissement	67,997,875	71.37%	103,475,264	79.08%	103,475,264	79.10%
Subtotal other shareholders holding more than 5% of the capital	-	-	-	-	-	-
Treasury shares	38,754	0.04%	38,754	0.03%	0	0.00%
Free float	27,241,145	28.59%	27,337,870	20.89%	27,337,870	20.90%
Total	95,277,774	100%	130,851,888	100%	130,813,134	100%

1. A double voting right is granted to all fully-paid shares which can be demonstrated to have been registered in the name of the same shareholder for at least two consecutive years.
2. Number of theoretical voting rights, less the voting rights attached to the treasury shares held under the terms of a liquidity contract.

To the best knowledge of the Company, there is no action in concert between shareholders.

To the best knowledge of the Company, no other shareholder, directly or indirectly, alone or in concert, holds more than 5% of the share capital and voting rights.

8.3 Share capital history

The Company was registered with the Trade and Companies Registry on 28 November 2005, with an initial share capital of €37,000.

At the date of the Universal Registration Document the share capital of the Company totals €543,083,311.80. It is divided into 95,277,774 shares with a par value of €5.70 each. In addition, 7,882

options giving rights to the same number of shares were exercised between 1 January 2020 and 28 February 2020, bringing the number of shares making up Voltalia's capital to 95,285,656 shares at 28 February 2020.

The following table presents a summary of the change in the share capital over the last three financial years:

Date	Type of transaction	Amount of share capital increase	Amount of increase in issue premium	Number of shares issued	Number of shares comprising the share capital	Nominal value	Share capital
02-02-18 ⁽¹⁾	Capital increase by exercise of stock options	€34.998	€16,455.2	6.140	48,949,313	€5.70	€279,011,084.1
30-06-18	Capital increase by exercise of stock options	€52,554	€24,709.6	9,220	48,958,533	€5.70	€279,063,638.10
31-12-18 ⁽²⁾	Capital increase resulting from the vesting of free shares	€113,555.4	-	19,922	48,978,455	€5.70	€279,177,193.5
2019 total (between April and May)	Six capital increases by exercise of stock options	€96,729.00	€45,479.60	16,970	48,995.425	€5.70	€279,273,922.50
11-07-2019	Capital increase with shareholders' preferential subscription rights	€232,728,264	€142,903,320.0	40,829,520	89,824,945	€5.70	€512,002,186.50
30-09-2019	Capital increase with the contribution of Helexia shares	€31,081,125.3	-	5,452,829	95,277,774	€5.70	€543,083,311.80

(1) The €34,998 capital increase was recorded before 31/12/2017 and recognised at the meeting of the Board of Directors of 2 February 2018.

(2) Allocated by the Board of 25 July 2014 (Free share allocation 2014)

8.4 Changes in shareholder structure and rights over the last three financial years

The following tables show the change in the share capital and voting rights of the Company for the last three financial years:

Changes in shareholder structure

Shareholder	31/12/2017	31/12/2018	31/12/2019
Voltalia Investissement and CREADEV (1)	72.48%	72.62%	71.37%
Subtotal other shareholders holding more than 5% of the capital	-	-	-
Subtotal other shareholders holding less than 5% of the capital	27.52%	27.38%	28.63%
Total	100%	100%	100%

(1) Voltalia Investissement, a subsidiary of Creadev, is controlled by the Mulliez family.

Changes in the distribution of theoretical voting rights

Shareholder	31/12/2017	31/12/2018	31/12/2019
Voltalia Investissement and CREADEV	79.43%	83.84%	79.11%
Subtotal other shareholders holding more than 5% of the capital	-	-	-
Subtotal other shareholders holding less than 5% of the capital	20.57%	16.16%	20.89%
Total	100%	100%	100%

During the financial year ended 31 December 2019, the Company received the following notifications regarding threshold crossings:

None

The Company has received no further notifications of threshold crossings from 31 December 2019 until the date of this Universal Registration Document.

8.5 Major shareholders not represented on the Board of Directors

At the date of the Universal Registration Document the company Voltalia Investissement held more than 5% of the capital of the Company and was not represented on the Board of Directors, it being specified, however, that the company Creadev, a director, controls Voltalia Investissement.

8.6 Control of the Company

As of 31 December 2019, Voltalia Investissement (a French société anonyme 98.20% owned by investment holding companies of the MULLIEZ family) held 71.37% of the share capital and 79.11% of the theoretical voting rights of the Company.

Changes in the shareholder structure of Voltalia Investissement

Voltalia Investissement shareholders	31/12/2017	31/12/2018	31/12/2019
Creadev SA	98.44%	98.20%	98.82%
Subtotal Mulliez Family	98.44%	98.20%	98.82%
Robert Dardanne	0.85%	0.85%	0.54%
SOPARVOLTALIA	0.47%	0.47%	0.37%
Sébastien Clerc	0.24%	0.48%	0.20%
Total	100%	100%	100%

The following measures have been put in place to protect the Company from any risk of control being exercised in an abusive manner:

- the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, and
- the presence of three independent directors on the Board of Directors, one of whom is on the Audit Committee.

8.7 Agreements which could result in change of control

To the best of the Company's knowledge, there is no agreement whose implementation could result in a change of control of the Company or action in concert between the shareholders of the Company.

8.8 Factors likely to have an impact in the event of a public offer

8.8.1 Structure of the capital of the Company

See Section 8.2 of the Universal Registration Document.

8.8.2 Statutory restrictions on the exercise of voting rights and transfers of shares or the clauses of agreements brought to the knowledge of the Company in application of Article L. 233-11 of the French Commercial Code

None.

8.8.3 Direct or indirect investments in the capital of the Company of which it has knowledge by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code

See Sections 8.2 and 8.5 of the Universal Registration Document

8.8.4 List of holders of any security having special rights of control and a description of those rights

The Company has no knowledge of the existence of any special rights of control.

8.8.5 Mechanisms of control specified in an employee shareholder system, when the rights of control are not exercised by the employees

In 2019, the Company introduced its first employee stock ownership plan. This did not, however, result in the introduction of any control mechanisms, other than those exercised directly by employee shareholders.

8.8.6 Agreements between shareholders of which the Company has knowledge that can lead to restrictions in the transfer of shares and exercise of voting rights

None.

8.8.7 Rules applicable to the appointment or replacement of the members of the Board of Directors as well as to the amendments of the Articles of Association

The rules applicable in this matter are statutory and legally compliant.

8.8.8 Powers of the Board of Directors, in particular concerning share issues or buybacks

The Combined General Meeting of the Company held on 20 May 2019, authorised the Board of Directors, for a term of 18 months from 20 May 2019, to implement a share buyback programme on Company shares pursuant to Article L. 225-209 of the French Commercial Code and in compliance with the General Regulation of the AMF (in this regard, see Section 8.9 of the Universal Registration Document).

8.8.9 Agreements entered into by the Company that are amended or that end in the case of a change of control of the Company

The Company has entered in to several funding agreements to finance its business. One of these has an early repayment clause in the event of a change in Company control.

8.8.10 Agreements specifying payments for the members of the Board of Directors or employees, if they resign or are laid off without real or serious cause, or if their employment ends due to a public offering

To the best of the Company's knowledge, there are no agreements stipulating indemnities for members of the Board of Directors or employees if they resign or are terminated without real or serious cause or their employment ends due to a takeover bid or public exchange offer.

8.9 Non-equity securities

None.

8.10 Acquisition by the Company of its own shares

The Company's Combined General Meeting, held on 20 May 2019, authorised the Board of Directors in its fourteenth resolution, for a period of 18 months from the General Meeting, to implement a share buyback programme on Company shares pursuant to Article L. 225-209 of the French Commercial Code and in compliance with the General Regulation of the AMF, under the terms and conditions stated below.

Maximum number of shares that can be purchased: 10% of the share capital as of the share buyback date. Where shares are acquired in order to promote trading and liquidity, the number of shares taken into account for calculating the 10% limit shall correspond to the number of shares purchased minus the number of shares resold during the term of the authorisation.

Objectives of share buybacks:

- to maintain a liquid market in the Company's shares through a liquidity agreement with an investment services provider, in accordance with a code of ethics recognised by the AMF;
- to honour obligations related to share purchase option programmes, free share allocation programmes, employee savings schemes or other allocations of shares to Company employees and managers or those of related companies;
- to issue shares on the exercise of rights attached to securities giving access to the capital;
- to purchase shares for retention and subsequent use in exchange or as payment for any external growth transactions; or
- to cancel all or part of the repurchased shares;

Maximum purchase price: €25 per share, excluding fees and commissions and any adjustments to take account of transactions concerning the capital.

It is stipulated that the number of shares acquired by the Company to be retained and subsequently

delivered in payment or exchange in connection with a merger, demerger or contribution may not exceed 5% of the share capital.

Maximum amount of funds that may be allocated to purchase shares: €15 million.
Repurchased shares may be cancelled.

As part of the aforementioned share buyback programme, the Company tasked Invest Securities with the establishment of a liquidity contract compatible with the Company's trading and liquidity objectives.

During the financial year ended 31 December 2019, the following assets were included in the liquidity account of the share buyback programme with Invest Securities:

- 24,049 Company shares (representing 0.03% of its share capital) with a nominal value of €5.70 per share and a total carrying value of €249,412.18 valued at the shares' purchase price; and
- €528,138.78.

These shares were purchased at an average price of €10.371. During the financial year ended 31 December 2019, 76,815 shares were purchased and 117,363 shares were sold under the terms of this liquidity contract. The average purchase price was €10.3782 and the average sale price was €10.8573. These shares were not reallocated for any other purposes.

Also in the context of the aforementioned share buyback programme, and as of 18 December 2018, Voltalia has entrusted Natixis with the share buyback mandate intended to cover most of the 2016 and 2018 performance share plans.

As part of this mandate, and under the terms of these three successive buyback programmes, Natixis had repurchased 176,996 Company shares at 31 December 2019 at an average purchase price of €9.77. 153,869 of these shares were used to cover Voltalia's first employee stock ownership plan.

8.11 Securities conferring a right to a share of the capital

A summary of the transferable securities conferring a right to a share of the capital is available in Note 13.5 "Dilutive instruments" of Chapter 6 "Consolidated financial statements" of this Universal Registration Document.

8.12 Summary of dilutive instruments

On the date of the Universal Registration Document, the total number of ordinary shares that may be created through the full exercise of all rights convertible into shares of the Company amounts to 217,764 shares, representing a maximum dilution of 0.23% based on the existing capital. The dilution of voting rights itself stands at 0.17% on the basis of theoretical voting rights as well as on the basis of exercisable voting rights.

8.13 Authorised capital

The resolutions approved by the Extraordinary General Meeting of 20 May 2019 are summarised below:

Subject of the resolutions adopted by the General Meeting of the Company on 20 May 2019	Resolution number	Duration and expiration of the authorisation	Maximum nominal amount (in euros)	Price calculation methods	Date and conditions of use by the Board of Directors during the past financial year
Delegation of authority to be granted to the Board of Directors to increase the capital immediately or in the future by issuing ordinary shares and/or any transferable securities, with preferential subscription rights of the shareholders	Seventeenth resolution	20-07-21 (26 months)	300,000,000 (1)	-	On 20 June 2019, the Board of Directors made use of this delegation to authorise a maximum capital increase of €232,728,264
Delegation of authority granted to the Board of Directors to immediately (or in the future) increase the capital by issuing ordinary shares and/or transferable securities, without preferential subscription rights of the shareholders by way of public offering	Eighteenth resolution	20-07-21 (26 months)	300,000,000 (1)	(2)	The Board of Directors did not make use of this delegation during the past financial year
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares and/or transferable securities, without preferential subscription rights of the shareholders to be issued as part of an offering to qualified investors or a limited number of investors as described in part II of Article L. 411-2 of the French Monetary and Financial Code	Nineteenth resolution	20-05-20 (12 months)	200,000,000 within a limit of 20% of the share capital per 12-month period	(2)	The Board of Directors did not make use of this delegation during the past financial year
Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital	Twenty-first resolution	20-11-20 (18 months)	100,000,000 (1)	(3)	The Board of Directors did not make use of this delegation during

through the issue of ordinary shares or securities without preferential subscription rights for shareholders for the benefit of a class of persons within the framework of an equity financing facility					the past financial year
Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in case of a capital increase with or without preferential subscription rights	Twenty-second resolution	20-07-21 (26 months)	within a limit of 15% of the initial issue (1) (4)	Same price as initial issue	The Board of Directors did not make use of this delegation during the past financial year
Delegation of authority granted to the Board of Directors for the purposes of awarding stock warrants (BSAs)	Twenty-fourth resolution	20-07-22 (38 months)	2,000,000 share subscription warrants giving rights to the issue of 2,000,000 shares with a nominal value of €5.70 each	(5) and (6)	The Board of Directors did not make use of this delegation during the past financial year
Authorisation given to the Board of Directors to make bonus allocations of existing or new shares	Twenty-fifth resolution	20-07-22 (38 months)	11,400,000 (corresponding to the issue of a maximum number of 2,000,000 shares with a par value of €5.70 each), may account for more than 10% of the share capital of the Company (5)	-	The Board of Directors made use of this authorisation on 25 October 2019 and on 17 December by allocating a total of 329,606 free shares to certain Company employees.
Delegation of authority granted to the Board of Directors to issue stock and/or redeemable equity warrants (BSAARs) or stock warrants (BSAs), without preferential subscription rights, in	Twenty-sixth resolution	20-11-20 (18 months)	2,850,000 (corresponding to the issue of a maximum of 500,000 shares with a par value of €5.70 each)	-	The Board of Directors did not make use of this delegation during the past financial year

favour of the following
class of beneficiaries:
employees and
corporate officers of
the Company and its
subsidiaries

Delegation of authority to be granted to the Board of Directors with a view to increasing the share capital by issuing shares and securities giving access to the Company's capital to the employees who belong to the group savings plan	Twenty-eighth resolution	20-11-20 (18 months)	8,000,000 (1)	(7)	The Board of Directors did not make use of this delegation during the past financial year
Authorisation granted to the Board of Directors to the Board of Directors to repurchase by the Company of its own shares	Fourteenth resolution	20-11-20 (18 months)	10% of the share capital	(8)	The Board of Directors repurchased its shares as part of the liquidity contract concluded with Invest Securities (see Section 8.9 of the Universal Registration Document)
Authorisation granted to the Board of Directors to reduce the share capital by cancelling shares under the authorisation to repurchase its own shares	Sixteenth resolution	20-11-20 (18 months)	10% of the share capital per twenty-four (24)-month period	(8)	The Board of Directors did not make use of this authorisation during the past financial year
Authorisation granted to the Board of Directors, in the event of the issue of ordinary shares and/or securities, without shareholders' preferential subscription right, to set the issue price	Twentieth resolution	20-07-21 (26 months)	within a limit of 10% of the existing share capital on the date of the transaction under consideration	(9)	The Board of Directors did not make use of this authorisation during the past financial year

- (1) The maximum aggregate nominal amount of the capital increases that may be carried out pursuant to the delegations conferred by the seventeenth resolution to the twentieth resolution, the twenty-first resolution, the twenty-second resolution and the twenty-eighth resolution above adopted by the General Meeting of the Company is set at €400,000,000, it being specified that to this ceiling will be added the additional amount of the shares to be issued to preserve, in accordance with the legal or regulatory provisions and, where necessary, the applicable contractual stipulations, the rights of the holders of securities and other rights giving access to shares.
- (2) the issue price of the shares will be at least equal to the volume-weighted average market price of the last three trading sessions preceding its setting, reduced, where applicable, by the discount allowed by law (currently 5%), corrected in the event of a difference in the vesting date, it being specified that the issue price of the securities giving access to the capital shall be such that the amount received immediately by the Company, plus, where applicable, the amount likely to be subsequently received by it, is, for each share issued as a result of the issue of such securities, at least equal to the issue price defined above.
- (3) the issue price of the shares will be at least equal to the volume-weighted average market price of the last three trading sessions preceding its setting, reduced, where applicable, by a maximum discount of 20%, taking into account, if necessary, their vesting date; it being specified that the issue price of the securities giving access to the capital shall be such that the amount received immediately by the Company, where applicable, plus the amount likely to be received by it when said securities are exercised or converted, is, for each share issued as a result of the issue of such securities, at least equal to the aforementioned amount.
- (4) 15% or any other fraction determined by the regulations in force.
- (5) The sum (i) of the shares that may be issued or acquired upon exercise of the options allocated under the twenty-fourth resolution above, and (ii) the free shares that may be allocated under the twenty-fifth resolution above, cannot exceed 2,000,000 shares with a par value of €5.70 per share, it being understood that to this ceiling will be added the additional amount of shares to be issued in order to maintain, in accordance with applicable contractual provisions, the rights of holders of securities and other rights giving access to shares.
- (6) The purchase or subscription price per share will be set by the Board of Directors on the day the option is granted within the limits set by law and this resolution, and may not be less than ninety-five percent (95%) of the average quoted price over the twenty trading days preceding the day of the Board of Directors' decision to award the options, rounded down to the next euro, or, in the case of purchase options, 80% of the average purchase price of treasury shares held by the Company, rounded down to the next euro.
- (7) the issue price of new shares or securities giving access to the capital will be determined by the Board of Directors under the conditions set out in Article L. 3332-19 of the French Labour Code and may not be higher than the average quoted prices of the twenty trading sessions preceding the day of the decision of the Board of Directors setting the opening date of the subscription nor more than 20% lower than this average or 30% when the vesting period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years.
- (8) the maximum unit purchase price per share (excluding fees and commissions) is set at €25, with an overall ceiling of €15 million, it being specified that this purchase price will be subject to adjustments if necessary to take account of capital transactions (particularly in the event of the incorporation of reserves and the free allocation of shares, or of the division or consolidation of shares) during the period of validity of this authorisation.
- (9) Within a limit of 10% of the Company's capital (as at the date of the transaction) per 12-month period, to derogate from the price-setting conditions provided for in the above-mentioned resolutions and to set the issue price of ordinary shares and/or securities giving immediate or future access to the issued capital, as follows:
 - the issue price of the ordinary shares will be at least equal to the weighted average price of the last three trading sessions preceding its setting, if applicable reduced by a maximum discount of 20%, it being recalled that under no circumstances can it be less than the nominal value of a Company share on the issuance date of the shares concerned; and
 - the issue price of the securities giving access to the capital shall be such that the amount received immediately by the Company, plus, where applicable, the amount that may subsequently be received by it, is, for each share issued as a result of the issue of such securities, at least equal to the issue price defined in the paragraph above.

At the date of the Universal Registration Document, the issuance resolutions approved by the Extraordinary General Meeting of 12 May 2016 and still valid, are summarised below:

Subject of the resolutions adopted by the General Meeting of the Company on 24 May 2018	Resolution number	Duration and expiration of the authorisation	Maximum nominal amount (in euros)	Price calculation methods	Date and procedures followed by the Board of Directors during the past financial year
Delegation of authority granted to the Board of Directors to issue ordinary shares and securities convertible into shares of the Company, in case of public offer with an exchange component initiated by the Company	Twenty-fifth resolution	24-07-20 (26 months)	240,000,000 (1)		The Board of Directors did not make use of this delegation during the past financial year
Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any transferable securities, up to a maximum of 10% of the capital, to remunerate in-kind contributions of equity securities or securities giving access to third-party capital outside of a public exchange offering	Twenty-sixth resolution	24-07-20 (26 months)	160,000,000 within a limit of 10% of the share capital as it stood on the date of the transaction under consideration (1)		The Board of Directors made use of this delegation on 25 September 2019 by authorising a €31,081,125.30 capital increase via the contribution of Helexia shares
Delegation of authority granted to the Board of Directors in order to increase the share capital by capitalising premiums, reserves, earnings or other accounting items	Twenty-eighth resolution	24-07-20 (26 months)	2,000,000		On 25 September 2019, the Board of Directors made use of this delegation

8.14 Information on the capital of any member of the Company that is subject to an option or a conditional or unconditional agreement to place it under option

To the best knowledge of the Company, there is no option to buy or sell or other commitments in favour of shareholders of the Company or made by them involving shares of the Company.

8.15 Memorandum and articles of association

8.15.1 Company purpose

In accordance with Article 3 of its Articles of Association, the purpose of the Company in France and all other countries is:

- all operations relating to energy in the broadest sense and including, but without being limited to, the acquisition and sale and the promotion/construction/operation of wind farms, biomass plants, hydropower stations and any power plants that use renewable energies;
- all transactions in the acquisition, sale and promotion/construction/operation of plants that process, treat, recover and dispose of waste, whether or not associated with the production of energy;
- the production, trading or transactions of any kind relating to energy in the broadest sense of the term, to the treatment of waste and, more generally, all activities related to the environment;
- all operations involving the study, design, development, construction, implementation and execution, direct or indirect operation, maintenance and training, and all consulting services provided for third parties;
- all transactions relating to acquiring direct or indirect interests in any form whatsoever in any French or foreign companies as well as the administration, management and development of such investments and related interventions;
- any use of funds for the creation, management or realising the value of a portfolio that may consist of equity securities of any company, of patents, of licenses of any type, and of securities available to the Company by way of sale or assignment, contribution or option-taking and any other legally admissible means;
- all the above whether directly or indirectly on its own account or on behalf of third parties, and more generally all transactions of any nature whatsoever, whether economic, legal, financial, civil or commercial, which may be related directly or indirectly to this corporate purpose or to all similar, related or complementary purposes.

8.15.2 Provisions under the Articles of Association and other stipulations relating to members of administrative and management bodies

Board of Directors (Articles 11, 12 and 13 of the Articles of Association)

Composition

The Company is managed by a Board composed of natural or legal persons whose number is set within the limits of the law.

Any legal person shall, upon appointment, designate a natural person as permanent representative to the Board. The term of office of the permanent representative shall be the same as that of the legal person represented as director. Should the legal person dismiss its permanent representative, it must immediately provide a replacement. The same applies in the event of the death or resignation of the permanent representative.

Directors are appointed for three-year terms. The term of a director shall end at the close of the Ordinary General Shareholders' Meeting called to approve the previous year's financial statements and held in the year during which the appointment expires.

Directors may be re-elected indefinitely; their appointment may be revoked at any time by the General Shareholders' Meeting.

In the event of a vacancy caused by the death or resignation of one or more directors, the Board of Directors may make appointments on a provisional basis between two General Meetings.

Appointments made by the Board of Directors under the previous paragraph are subject to approval by the next Ordinary General Meeting.

If such appointments are not approved, the deliberations and acts previously carried out by the Board shall nevertheless remain valid.

When the number of directors falls below the legal minimum, the remaining directors must immediately convene the Ordinary General Meeting in order to complement the number of directors.

A Company employee may be appointed director. His/her employment contract must, however, correspond to an actual job. In such cases he/she will retain the benefit of their employment contract. The number of directors who are tied to the Company by an employment contract may not exceed one third of the directors in office.

The number of directors who are over 70 years of age may not exceed one third of the directors in office. When this limit is exceeded during a term, the oldest director shall be deemed to have resigned from office after the next General Shareholders' Meeting.

Chairman

The Board of Directors shall elect from among its members a chairman, who must be a natural person. It determines his/her term of office, which may not exceed their term as director, and may revoke it at any time. The Board determines any compensation.

The Chairman organises and directs the work of the Board, on which he/she shall report to the General Meeting. He/she ensures the smooth functioning of the Company's management and governance bodies and notably ensures that the directors are able to fulfil their responsibilities.

The Chairman of the Board may not be more than 70 years of age. If the Chairman reaches this age limit during their term as Chairman, they will be deemed to have resigned. However, their term of office shall extend to the next meeting of the Board of Directors, during which a successor will be appointed. Subject to this provision, the Chairman may be re-elected indefinitely.

Observers

The Board of Directors may at any time appoint one or more observers (up to a maximum of three) who may be natural or legal persons and are chosen from outside the members of the Board of Directors.

Observers are appointed for a maximum of three years. The term of observers shall end on conclusion of the Ordinary Annual General Meeting called to approve the previous year's financial statements and held in the year during which their appointments expire. They are eligible for re-election and may be removed from office at any time by decision of the Board of Directors.

Observers are not corporate officers. They may make any observations they deem to be necessary during meetings of the Board of Directors. They are at the disposal of Board and its Chairman to provide their opinions on matters of all types submitted to them, including technical, commercial, administrative or financial matters.

The observers' role is solely advisory and they do not vote at meetings of the Board of Directors, which they are invited to attend, in accordance with applicable regulations and, where applicable, the rules of procedure of the Board of Directors and/or any other agreement adopted by its members. Their interventions are limited to a purely consultative role. They may not intervene in the management of the Company. Their opinions are not binding on the directors or senior management, who are free to determine the course of action to take. They may not, therefore, be entrusted with any management, supervision or control duties and may not, under any circumstances, replace the Company's statutory bodies or functions (Board of Directors, Chairman, senior managers or Statutory Auditors). The observers may be tasked with examining issues submitted by the Board of Directors or Chairman and reporting thereon.

Directors have the option of remunerating observers by passing on part of the attendance fees allocated to them by the General Meeting. Observers may obtain reimbursement from the Company for expenses incurred during the performance of their mission against production of receipts.

Meetings of the Board of Directors

The Board of Directors meets as frequently as warranted by the interests of the Company.

Directors are called to meetings of the Board of Directors by the Chairman. The meeting may be convened by any means, whether in writing or orally.

The Chief Executive Officer may also demand a meeting to be called by the Chairman to discuss a particular agenda.

Where a Works Council has been established, its representatives, appointed in accordance with the provisions of the French Labour Code, shall be invited to all meetings of the Board of Directors.

The meetings of the Board are held at the registered office or at any other place in France or abroad.

For the decisions of the Board to be valid, the number of members present must be at least half the members.

Decisions of the Board shall be taken by majority vote; in the event of a tie, the Chairman shall have the casting vote.

A rule of procedure may be adopted by the Board of Directors that directors participating in a Board meeting by video conference or other telecommunications system that complies with regulations will be considered present for the purposes of quorum and majority. This provision is not applicable to the adoption of decisions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code.

Each director receives the information necessary for the accomplishment of his/her mission and mandate, and may request any documents deemed to be useful.

Any director may, even by letter, telegram, telex or facsimile, authorise another director to represent him/her at a Board meeting, but each director may only have one proxy during a given meeting.

Copies or extracts of the deliberations of the Board may be validly certified by the Chairman, the CEO, a director acting as Chairman or any person duly authorised to this effect.

Powers of the Board of Directors

The Board of Directors shall determine the strategy of the Company and oversee its implementation. Subject to the powers expressly conferred to shareholders' meetings and within the limit of the Company purpose, it shall deal with any issue affecting the Company's efficient operation and make business decisions within its remit.

In dealing with third parties, the Company is bound by acts of the Board of Directors that fall outside the Company purpose, unless it is able to prove that the third party knew that the act exceeded the said

purpose or could not have been unaware thereof given the circumstances; the mere publication of the Articles of Association is not sufficient to constitute such proof.

The Board of Directors shall undertake any controls and verifications that it considers appropriate.

In addition, the Board of Directors shall exercise the special powers conferred upon it by law.

Management (extracts from Article 14 of the Articles of Association)

Conditions of exercise

The Company shall be managed either under the authority of the Chairman of the Board of Directors or of another individual appointed by the Board of Directors and having the title of Chief Executive Officer.

The CEO may not be more than 70 years of age. If the CEO reaches this age limit, he/she will be deemed to have resigned. However, his/her term of office shall extend to the next meeting of the Board of Directors, during which the new CEO will be appointed.

When the CEO is also a director, his/her term of office may not exceed their term as director.

The Board of Directors may dismiss the CEO at any time. The CEO may be entitled to damages if he/she is dismissed without just cause, except when the CEO assumes the functions of Chairman of the Board of Directors.

On deliberation by a majority vote of the directors present or represented, the Board of Directors chooses between the two methods of exercising general management. Shareholders and third parties shall be notified of the Board's decision in accordance with the applicable statutory and regulatory conditions.

The choice of the Board of Directors remains in force until otherwise determined by the Board or, at the option of the Board, for the term of office of the CEO.

If the general management of the Company is assumed by the Chairman of the Board of Directors, the provisions applicable to the CEO shall apply to the Chairman.

Pursuant to the provisions of Article 706-43 of the French Code of Criminal Procedure, the CEO may validly delegate to any person of their choice the power to represent the Company in the context of any criminal proceedings that may be instigated against it.

Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances. The CEO exercises these powers within the limits of the corporate purpose and to the exclusion of those matters which are expressly reserved by law to the shareholders at Shareholders' Meetings or to the Board of Directors.

The CEO shall represent the Company in its dealings with third parties. The Company is bound by acts undertaken by the CEO that fall outside of the corporate purpose, unless it proves that the third party knew that the act went beyond this purpose or could not have been unaware thereof given the circumstances; the mere publication of the Articles of Association are not sufficient to constitute such proof.

On the date of the Universal Registration Document, Sébastien Clerc is the Company's CEO as a result of the renewal of his term of office by the Board of Directors of 12 May 2016.

Deputy Chief Executive Officers (extracts of Article 14 of the Articles of Association)

On the proposal of the CEO, the Board of Directors may appoint one or more natural persons to assist the CEO as Deputy CEO.

In agreement with the CEO, the Board of Directors determines the extent and duration of the powers delegated to any Deputy CEO. The Board of Directors shall determine any compensation of the Deputy CEOs. When a deputy CEO is also a director, their term of office may not exceed their term as a director.

With respect to third parties, Deputy CEOs shall have the same powers as the CEO; Deputy CEOs may notably be a party to legal proceedings.

There may be no more than five Deputy CEOs.

The Deputy CEO(s) may be dismissed at any time by the Board of Directors, at the proposal of the CEO. A Deputy CEO may be entitled to damages if he/she is dismissed without just cause.

A Deputy CEO may not be more than 70 years of age. If an active Deputy CEO reaches this age limit, he/she will be deemed to have resigned. However, their term of office shall extend to the next meeting of the Board of Directors, during which a new Deputy CEO may be appointed.

If the CEO ceases or is unable to perform his/her duties, the Deputy CEOs will retain their functions and powers until the nomination of the new CEO, unless the Board of Directors decides otherwise.

As of the date of the Universal Registration Document, the Company does not have any Deputy CEOs.

8.15.3 Rights, privileges and restrictions attached to shares of the Company

Voting rights

Subject to applicable legal and regulatory provisions, and except for the double voting rights provided for in Article 9 of the Company's Articles of Association, the right to vote attached to the shares is proportional to the amount of capital they represent, and each share is entitled to at least one vote.

Double voting rights were established by decision of the Extraordinary General Meeting of 20 February 2006. Article 9 of the Articles of Association provides for double voting rights compared to those conferred on other shares, taking into consideration the proportion of share capital they represent, to be granted to all fully-paid shares which can be demonstrated to have been registered for at least two consecutive years to the same shareholder.

In the event of a capital increase by capitalisation of reserves, earnings or issue premiums, this right is also conferred on issue to registered shares allocated to a shareholder who already holds the said right in respect of existing shares.

The shares are stripped of their double voting rights if they are converted into bearer shares or transferred, except in the case of the transfer between registered shareholders as part of an inheritance, family gift or liquidation of community property between spouses.

Finally, double voting rights may also be removed by a decision of the Extraordinary General Meeting after ratification by a Special Shareholders' Meeting of beneficiaries benefiting from double voting rights.

Rights to dividends and profits

Each share confers rights to a share in the ownership of the Company's assets and to a share in the profits. This share is in proportion to the number of shares in existence, taking into account the nominal value of the shares.

Period of limitation for dividends

Dividends not claimed within five years from the date of payment will be forfeited to the State (Article L. 1126-1 of the French General Code on the Property of Public Entities).

Right to liquidation proceeds

Each share confers rights to a share in the liquidation proceeds. This share is in proportion to the number of shares in existence, taking into account the nominal value of the shares and rights to shares in different classes.

Preferential subscription right

Shares of the Company all have a preferential right to subscribe to capital increases.

Limitation of voting rights

None.

Identifiable bearer shares

Shareholders may choose to hold their shares in registered or bearer form. When shares are in registered form, an entry is made in an individual account under the conditions and in the manner prescribed by the laws and regulations in force.

Under the conditions prescribed by applicable laws and regulations, at any time the Company may, at its own expense, request the central depository responsible for maintaining its securities issue account to provide information relating to shareholders with immediate or future voting rights at General Meetings and the number of shares held by each of them and, if applicable, any restrictions applicable to such securities.

Repurchase by the Company of its own shares

See Section 8.9 of the Universal Registration Document.

8.15.4 Changes to the rights of shareholders

Shareholder rights as set out in the Articles of Association of the Company may be amended only by the Extraordinary General Meeting of shareholders of the Company.

8.15.5 General Meetings

The General Meeting consists of all shareholders, regardless of the number of shares they own.

General Meetings, whether ordinary, extraordinary or special depending on the purpose of the proposed resolutions, may also be held at any time of year.

General Meetings are convened under the formal requirements and time limits established by law. The meetings are held at the registered office or any other address stated in the notice of meeting.

All shareholders have the right to obtain the necessary documentation to enable them to make an informed decision and judgement on the management and operations of the Company.

Regardless of the number of shares they hold, all shareholders may attend General Meetings in person or via a representative by issuing a proxy to another shareholder or their spouse, or to the Company without stipulating the direction of their vote, or by postal vote according to the legal and regulatory conditions in force.

An Ordinary General Meeting is a meeting called to make all decisions that do not amend the Articles of Association.

Only an Extraordinary General Meeting is authorised to amend the Articles of Association and all of the provisions contained therein. Unless unanimously approved by the shareholders, it may not, however, increase the commitments of the shareholders, with the exception of transactions resulting from an exchange or a reverse stock split that has been decided and carried out in a due and proper manner.

Special Meetings ratify the decisions of General Meetings that amend the rights attached to a class of shares.

Ordinary, Extraordinary and Special General Meetings deliberate under the conditions of quorum and majority required under the respective legal provisions by which they are governed.

8.15.6 Provisions for delaying, deferring or preventing a change in control

The Articles of Association of the Company do not contain any provisions for delaying, deferring or preventing a change in control.

8.15.7 Specific provisions governing changes in share capital

There is no particular stipulation in the Articles of Association of the Company governing changes to its share capital.

8.16 Voting rights of the major shareholders

See Section 8.2 of the Universal Registration Document.

8.17 Statement of pledges of Company shares

None.

8.18 Share disposals (Article R. 233-19-2)

There has not been any disposal of shares made by a company in application of Articles L. 233-29 and L. 233-30 in the financial year.

8.19 Intra-group transactions

Intra-group transactions are described in Section 8.23 of the Universal Registration Document. The Statutory Auditors' report on regulated agreements is available in section 4.13 of the Universal Registration Document.

8.20 Related-party transactions

Related-party transactions are described in note 17 of the Notes to the consolidated financial statements for the financial year ended 31 December 2019, contained in Section 6.2 of the Universal Registration Document.

The current related-party agreements existing on the date of the Universal Registration document are referred to in the special reports on the regulated agreements and commitments by the Statutory Auditor, prepared with respect to the financial years ended 31 December 2019 and 2018 shown in section 4.13 of the Universal Registration Document.

Since the issue of the special report of the Statutory Auditor for financial year 2019, no new related-party agreements have been submitted to the Board of Directors for approval.

In addition, pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, it is specified that, during the financial year ended 31 December 2019, no agreement was concluded, either directly or by proxy, between, on the one hand, one of the Company's corporate officers or one of its shareholders having a fraction of the voting rights greater than 10% and, on the other, another Group company.

8.21 Legal structure

Voltalia has subsidiaries in various countries where it provides services or produces electricity.

The main operational subsidiaries are listed below:



Eshu, Helexia, Voltalia Portugal, Voltalia Solar UK are wholly-owned subsidiaries.

Voltalia Guyane is 80%-owned by Voltalia SA and 20%-owned by Caisse de dépôts et Consignations.

Voltalia Greece is 99.85%-owned by Voltalia, the remainder belonging to Energiaki Agionoriou.

Sébastien CLERC owns one Voltalia Do Brasil share, the remainder being owned by Voltalia SA.

Voltalia Investissement owns one Voltalia Maroc share, the remainder being owned by Voltalia SA.

Details of percentages of ownership for SPVs and holding companies are shown in Note 18 of the consolidated financial statements.

At 31 December 2019, Voltalia directly, and indirectly, owned shares in 224 companies. The Company's scope of consolidation, including Voltalia SA, the consolidating entity, comprised 225 companies, including 167 SPVs.

	Total	Europe	Americas	Asia and Africa
Legal entities dedicated to Engineering Procurement Construction (EPC) and O&M ("Operating") activities	28	15	7	7
Legal entities that are shareholders of vehicle companies ("Holding company")	30	15	14	1
Legal entities dedicated to development activities ("SPV DEV")	59	47	8	3
Legal entities dedicated to development of the energy sales activity ("SPV IPP")	108	75	32	1

The operational organisation of the Company and the main cross-divisional functions are presented in Section 1.8 of the Universal Registration Document.

8.22 Information on holdings

Information on the Companies in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits, is shown in Chapter 7- Note 6.

Main equity investments

- **VOLTALIA GUYANA:** 80%-owned by Voltalia and Caisse des Dépôts et Consignation, Voltalia Guyane is a service provider in French Guiana and has a 100% shareholding in the Saut Mama Valentin, Kourou, Voltalia Biomasse Investissement and Voltalia Organabo Investissement power plants, as well as in SPVs currently in the development phase.
- **ENVOLVER:** owned by Voltalia (99.999%) and Voltalia Energia do Brasil (0.001%), a civil engineering company in the State of Sao Paulo. Holding Envolver has a 51% stake in the subsidiaries charged with operating Vamcruz wind farms; CHESF, another major operator in the Brazilian electricity industry, owning 49% of Vamcruz subsidiaries.
- **Voltalia Sao Miguel do Gostoso I Participacoes:** owned by Voltalia and Voltalia Energia do Brasil (51%) and COPEL (49%), Voltalia Sao Miguel do Gostoso I Participacoes' sole activity is holding the shares of Voltalia Sao Miguel do Gostoso Participacoes which, in turn, holds all the shares of the subsidiaries responsible for the operation of the Sao Miguel do Gostoso wind farms.
- **Taconnaz:** 67%-owned by Voltalia and 33%-owned by the mairie des Houches, is a Hydroelectric power station.
- **Miroir du Soleil:** 67%-owned by Voltalia and 33%-owned by Auchan Retail, operates solar power plants installed on Auchan stores (roofs or car parks)
- **Soleil Immo:** 67%-owned by Voltalia and 33%-owned by Ceetrus France, operates solar power plants installed on Ceetrus shopping centres (roofs or car parks) and energy performance contracts.

Minority shareholders do not participate in the operational management of SPVs. Shareholders' pacts were signed for Voltalia Guyane (with the CDC) and for the La Faye plant in Metropolitan France, as well as in Brazil for the Vamcruz and Sao Miguel do Gostoso plants.

8.23 Main intra-group transactions

In terms of managing transactions within the Company, based on cash flow forecasts (e.g., financing of working capital requirements or bridging loans), the Company provides the funds required by the various subsidiaries by way of cash supply agreements.

As part of the financing for the construction of power plants, Voltalia SA provides its subsidiaries with the necessary equity, via current account and/or capital advances. Bank financing, for its part, is contained within each of the project companies.

The Services activities (equipment development, construction & supply, operation-maintenance) are carried out by specialised Voltalia subsidiaries. These services are sold to third-party clients as well as to Voltalia's own plants. In the case of Voltalia's own power plants, contracts are signed with SPVs and different services are handled intra-group. It should be noted that subsidiaries specialising in the provision of services also invoice the various SPVs for administrative services (mainly bookkeeping and legal secretarial services).

9. PARTIES RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Sébastien Clerc, Chief Executive Officer of Voltalia S.A.

9.1 Certification of the person responsible

I declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omissions likely to affect its scope.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and that they present a true and fair view of the assets, financial position and results of the Company and the consolidated group and that the management report contained in the Universal Registration Document accurately presents the changes in business, results and financial position of the Company and the consolidated group, as well as describes their principal risks and uncertainties.

I obtained a statement from the statutory auditors at the end of their engagement affirming that they had reviewed the entire Universal Registration Document and examined the information about the financial position and the financial statements contained therein. This letter does not contain any comments.

Paris, 25 March 2020

Sébastien Clerc
Chief Executive Officer

9.2 Person responsible for the financial information

Marie-Odile Lavenant
Chief Financial Officer
84, boulevard de Sébastopol
75003 Paris
France
Tel: +33 (0)1 81 70 37 00
invest@voltalia.com

9.3 Primary auditors

In compliance with resolution number 19 presented to the General Meeting on 1 June 2017, the Company proposed to shareholders to renew the appointment of Mazars for a term of six years. As the appointment of a substitute statutory auditor is not required when the primary statutory auditor is not a physical person or a legal entity represented by a physical person, the Company has chosen not to renew the term of office of David Chauchat at the same General Meeting.

Cabinet Mazars
Member of the Paris Auditors' Association
Tour Exaltis
61, rue Henri Regnault

92075 Paris La Défense Cedex

Represented by Mrs Juliette Decoux

Appointed by decision of the Ordinary General Meeting of 9 November 2011 for a term of six financial years. Term renewed in 2016 and expiring at the close of the Ordinary General Meeting held to approve the financial statements for the financial year ending 31 December 2022.

H3P REAL ASSETS

Immeuble Allure

101-109 rue Jean Jaurès

92300 Levallois Perret

Represented by Mr Eric Hinderer

Appointed by decision of the Ordinary General Meeting of 13 June 2014 for a term of six financial years that will expire at the close of the Ordinary General Meeting held to approve the financial statements for the financial year ending 31 December 2019.

9.4 Substitute Statutory Auditors

Auditeurs & Conseils Associés

31 Rue Henri Rochefort

75017 Paris

Represented by Mr Eric Chapus

Appointed by decision of the Ordinary General Meeting of 13 June 2014 for a term of six financial years that will expire at the close of the Ordinary General Meeting held to approve the financial statements for the financial year ending 31 December 2019.

Information on the Statutory Auditors that have resigned, were removed or whose mandate was not renewed

9.5 Information on the statutory auditors that have resigned, were eliminated or whose mandate was not renewed

During the period covered by the historical financial information, there was no resignation of the statutory auditors.

9.6 Certification of the fees paid to the Statutory Auditors

The table of fees of the statutory auditors of the Company is shown in Note 9 to the consolidated financial statements for the financial year ended 31 December 2019 contained in Section 6.2 of the Universal Registration Document.

10.DOCUMENTS AVAILABLE TO THE PUBLIC

The press releases of the Company and the annual registration documents (including historical financial information on the Company filed with the AMF and any revisions) are available on the Company's website at the following address: www.voltalia.com; a copy may also be obtained from the registered office of the Company located at 84, boulevard de Sébastopol, 75003 Paris.

All information published and made public by the Company during the last 12 months in France is available on the Company's website at the above address and on the AMF website at the following address: www.amf-france.org.

Finally, the Articles of Association of the Company, the minutes of the General Meetings, the Statutory Auditors' reports and all other corporate documents may be consulted at the registered office of the Company.

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12. APPENDICES

12.1 Note on methodology

12.1 Scope

The social, environmental and societal disclosures in this report concern the consolidated scope of Voltalia, in accordance with the requirements of Decree no. 2012-557 of 24 April 2012 covering transparency obligations in social and environmental matters.

Committed to a process of continuous improvement, Voltalia structured its non-financial reporting process for the financial year 2019 to extend the scope of publication for social, societal and environmental information in comparison with financial year 2018.

Employment information covers 100% of the 2019 scope (with the exception of absenteeism data for France, Brazil, Italy and Portugal and unless otherwise mentioned for Helexia).

Environmental reporting information only covers the generating plants owned by Voltalia in Metropolitan France, French Guiana and Brazil, i.e. 89.5% of Voltalia's installed capacity at 31 December 2019, and the office buildings in France (including French Guiana), Brazil, Portugal and Greece, accounting for 75% of Voltalia's employees (excluding Helexia). The calculation of avoided CO2 equivalent takes into account the generating plants in operation owned by Voltalia in Metropolitan France, French Guiana, Brazil, Portugal, Greece, the United Kingdom, Egypt, Italy and Belgium.

12.2 Methodological limitations and clarification

The methodologies used for certain social, environmental and societal indicators may have limits due to:

- Variations in definitions between France and other countries. Voltalia continuously seeks to harmonise its reporting;
- Specific features of the social laws in each country;
- Changes in definition that could affect comparability;
- Information gathering and recording methods.

Societal scope

Calculation of the percentage of employees trained on the Code of Conduct and Ethics Code:

- Reference population: the reference population to train is defined as Voltalia's average monthly workforce in all countries over the year excluding external service providers, employees with temporary contracts and O&M technicians who are considered to be less exposed to the risk of corruption given the nature of their work;
- Employees trained are defined as people who have been trained at least once on ethics over the course of their employment with Voltalia and working for Voltalia during the current year (N). Employees who were trained in previous years (N-1) but who left Voltalia during the current year (N) or before are excluded from the population of trained employees;

Employment scope

- The workforce included in the published social indicators includes workers on permanent contracts (CDI), those on fixed-term contracts (CDD) and temporary workers. It excludes employees on French Overseas Volunteering Secondments (Volontariat International en Entreprise - VIE), professional training contracts, apprentices and interns; (les entrées et les sorties prennent en compte le même périmètre que les effectifs : CDI, CDD, intérimaires).

- Geographical region: the classification used for the breakdown of workforce by geographical region is as follows: France, Brazil, Portugal, Other Europe, Other Latin America, Africa-ME-Asia, Helexia – Other Europe, Helexia - France. Breakdown by region:

For Voltalia:

- France includes: French Guiana;
- The « Other Europe » region includes: Belgium, Greece, Italy, the Netherlands, Slovakia, Spain and the United Kingdom;
- The « Other Latin America » region includes: Columbia and Mexico;
- The Africa-ME-Asia region includes Egypt, India, Japan, Jordan, Kenya, Morocco and Myanmar.

For Helexia :

- The « Helexia – France » region includes metropolitan France;
- The « Helexia – Other Europe » region includes: Belgium, Italy, Portugal and Spain..
- Quantitative information on training does not include interns, work-study employees, volunteers (French VIEs), temporary employees and Helexia's employees and is calculated using the average workforce;
- The Helexia workforce is included for the breakdown of the workforce by region, by gender, composition of the Executive Committee, gender breakdown by category (Executive Committee, managerial or non-managerial), breakdown of the workforce by age and average age of employees.

Calculation of gross monthly compensation

The workforce taken into account for the calculation of average gross compensation only includes employees present at 31 December 2019, using the same methodology as the one applied for the actual workforce. Compensation for apprentices or for professional training contracts are not taken into account. Helexia's gross compensation is not included in the calculation.

The gross monthly compensation is composed of:

- theoretical monthly salary at the end of the current year (N) (including salary paid for the 13th and 14th months);
 - bonus; and
 - commissions from the previous year (N-1) and paid during the current year (N) in euros.
- Exchange rate used: average 2019 interbank exchange rate taken from oanda.com.

Note for France and French Guiana: the definition was changed from the one used in 2018 and in other countries. The definition used is the same as the one used to calculate the gender equality index. Data include employees with fixed-term contracts and permanent contracts who were present in 2019 for at least six months, whether or not they were present at the end of the year. Average compensation includes the annual reference salary, the bonus, commissions from the previous year (N-1) and paid during the current year (N), compensation for paid leave (excluding compensation paid for an employee's departure), benefits in kind, company car, paid housing and others. Average monthly compensation does not include bonuses based on seniority or where the employee works, or profit sharing.

Health and safety scope

- The workplace accident severity rate was calculated by multiplying the total number of days of lost work following an workplace accident by 1,000, and then dividing the result by the total number of actual hours worked during the year;

- The workplace accident frequency rate was calculated by multiplying the total number of workplace accidents (with working days lost) by 1,000, and then dividing the result by the total number of actual hours worked during the year. Travel accidents are not included in the calculation of the severity and frequency rates.

Environment scope

- The water consumption relates to the Voltalia plants in operation and under construction in France (including French Guiana) and Brazil as well as offices in France (Aix-en-Provence and Rémire-Montjoly), Brazil (Natal), Greece (Athens) and Portugal (Oliveira de Frades and Porto). The Paris and Rio offices are excluded.
- Fuel consumption corresponds to fuel consumed by Voltalia's vehicle fleet in Portugal (Oliveira), Greece and France (only in Aix-en-Provence because there are no vehicles for the offices in Paris). Fuel consumption also corresponds to fuel consumed by vehicles and machines used at construction sites in French Guiana (Cacao and the Savane des Pères solar farm), Brazil (VSM), France (Echauffour, Sarry, Taconnaz and Talagard) as well as the Oiapoque, Vila Para and Vila Acre sites in operation in Brazil.
- The electricity consumption relates to the Voltalia plants in operation and under construction in France (including French Guiana) and Brazil as well as offices in France (Aix-en-Provence, Paris and Rémire-Montjoly), Brazil (Natal and Rio), Greece and Portugal (Oliveira de Frades and Porto). The Vamcruz and Vila Para I plants in operation under self-consumption are excluded.
- Waste production corresponds to the quantity of waste produced by Voltalia's generating plants in operation and under construction in France (including French Guiana) and Brazil, as well as offices in Paris, France and Portugal. The Coco-Banane and CHSMV power plants in operation are excluded. The offices in Aix-en-Provence, Rémire-Montjoly, Rio, Natal and Athens are excluded.
- Recycled waste corresponds to data from the Kourou biomass power plant, the VSM, Talagard, Sarry and Taconnaz construction sites, as well as the offices in Paris, Oliveira and Porto.
- In 2015, the Group performed a complete carbon assessment with the help of Carbone4, a specialised consulting firm. In 2016, 2017 and 2018, Voltalia updated its avoided carbon emissions using methodology adopted by Carbone4 and its actual electricity generation data for the year concerned. In 2019, Voltalia called upon Carbone 4 again and updated the reference emission factors and emissions by technology for the calculation of avoided emissions of CO₂ eq.
- As of 31 December 2019, in France, there are six "ICPE" (facilities classified for environmental protection). These sites are included in the scope of Voltalia Group reports.

12.3 Objective for reducing greenhouse gas (GHG) emissions

Voltalia's operations aim to generate electricity from renewable energy sources using procedures that emit no or very little GHG. Due to its business model, Voltalia therefore helps reduce GHG emissions worldwide by generating power and providing consumers with electricity that generally emits less GHG than the various national energy mixes. This aspect is illustrated by the calculation of avoided GHG emissions presented by in the Statement of Non-Financial Performance (DPEF). As a result, Voltalia does not set numerical targets for reducing GHG emissions because they are the same as its business objectives regarding the commissioning of new generating plants and electricity production presented in the relevant chapters of the Universal Registration Document.

12.4 Consolidation and internal control

The 2019 data and indicators were used and consolidated by Human Resources, the local teams, the various Company divisions and the Corporate function.

Voltalia also engaged a third-party organisation to verify the compliance and faithfulness of the Statement of Non-Financial Performance.

12.5 Exclusion

The issues of food waste, the fight against food insecurity, respect of animal well-being and responsible, equitable and sustainable food do not concern the Company's activities. This explains why these issues are not included in the report.



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