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Årsredovisning
Neoen Holding Sweden 1 AB

Org.nr 559262-3028

Räkenskapsår 2020-07-03 - 2021-12-31

Fastställelseintyg

Undertecknad styrelseledamot i Neoen Holding Sweden 1 AB intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-20.

Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Stockholm 2022-06-20

Romain Camille Clement Desrousseaux

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Årsredovisning

Neoen Holding Sweden 1 AB

Org.nr 559262-3028

Räkenskapsår 2020-07-03 - 2021-12-31

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Årsredovisning för räkenskapsåret 2020-07-03 - 2021-12-31

Styrelsen för Neoen Holding Sweden 1 AB avger följande årsredovisning.

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Styrelsens säte: Stockholm
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inget annat anges, i kronor (kr).

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Förvaltningsberättelse

Information om verksamheten

Bolagets verksamhet består i att äga och förvalta bolag som i sin tur utvecklar, bygger och driver vindkraftverk, solkraftverk och batterilagring.

Väsentliga händelser under räkenskapsåret

Sedan bolagets bildande har man förvärvat samtliga aktier i Isbillen Vind AB samt Storen Vind AB. Isbillen Vind AB har därefter fusionerats in i Storen Vind AB på grund av geografiska och operationella synergier. Storen Vind AB ämnar att utveckla och driva vindkraftverk i Jämtlands Län.

Bolaget har även förvärvat 51% av aktierna i Alight Miranda AB, de resterande 49% ägs av Alight AB. Bolaget avser att utveckla och driva en solcellspark i Hultsfred, Kalmar Län.

Förbrukat eget kapital

Bolaget har förbrukat mer än 50 % av sitt registrerade aktiekapital och är skyldigt att upprätta en kontrollbalansräkning enligt Aktiebolagslagen (25 kap. 13 §). En kontrollbalansräkning kommer att upprättas efter tidpunkten för undertecknande av denna årsredovisning. Årsredovisningen är upprättad i enlighet med fortlevnadsprincipen, som beskriven i Årsredovisningslagen (2 kap. 4 §).

Flerårsöversikt (Tkr)	**2020/21** (18 mån)
Nettoomsättning	0
Resultat efter finansiella poster	-1 055
Balansomslutning	34 876
Soliditet (%)	neg

För definitioner av nyckeltal, se Not 1 Redovisnings- och värderingsprinciper.

Förändring av eget kapital

	Aktie-kapital	**Årets resultat**	**Totalt**
Aktiekapital	25 000		**25 000**
Årets resultat		-1 055 464	**-1 055 464**
Belopp vid årets utgång	**25 000**	**-1 055 464**	**-1 030 464**

Förslag till behandling av ansamlad förlust

Styrelsen föreslår att den ansamlade förlusten (kronor):

årets förlust	-1 055 464
behandlas så att	
i ny räkning överföres	-1 055 464

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Resultaträkning

	Not	2020-07-03 -2021-12-31 (18 mån)
Rörelsens intäkter		
Nettoomsättning		0
		0
Rörelsens kostnader		
Övriga externa kostnader		-164 906
Övriga rörelsekostnader		-239 235
		-404 141
Rörelseresultat	2	**-404 141**
Resultat från finansiella poster		
Övriga ränteintäkter och liknande resultatposter	3	122 448
Räntekostnader och liknande resultatposter	4	-773 771
Resultat efter finansiella poster		**-1 055 464**
Resultat före skatt		**-1 055 464**
Årets resultat		**-1 055 464**

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Balansräkning

	Not	2021-12-31
	1	

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag	5	23 104 360
		23 104 360
Summa anläggningstillgångar		**23 104 360**

Omsättningstillgångar

Kortfristiga fordringar

Fordringar hos koncernföretag	6 885 436
	6 885 436
Kassa och bank	11 771 801
Summa omsättningstillgångar	**18 657 237**

SUMMA TILLGÅNGAR **41 761 597**

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Balansräkning

	Not	2021-12-31
	1	

EGET KAPITAL OCH SKULDER

Eget kapital

Bundet eget kapital

Aktiekapital	25 000
	25 000

Fritt eget kapital

Årets resultat	-1 055 464
	-1 055 464
Summa eget kapital	**-1 030 464**

Kortfristiga skulder

Leverantörsskulder	67 718
Skulder till koncernföretag	31 994 018
Övriga skulder	10 730 325
Summa kortfristiga skulder	**42 792 061**

SUMMA EGET KAPITAL OCH SKULDER	**41 761 597**

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Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Omräkning av utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Leverantörsskulder
Leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

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Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Not 2 Medelantalet anställda
Bolaget har inte haft några anställda.

Not 3 Övriga ränteintäkter och liknande resultatposter

	2020-07-03 -2021-12-31
Ränteintäkter från koncernföretag	122 448
	122 448

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Not 4 Räntekostnader och liknande resultatposter

	2020-07-03 -2021-12-31
Räntekostnader till koncernföretag	-773 771
	-773 771

Not 5 Andelar i koncernföretag

	2021-12-31
Inköp	23 104 361
Utgående ackumulerade anskaffningsvärden	**23 104 361**
Utgående redovisat värde	**23 104 361**

Not 6 Uppgifter om moderföretag

Företaget är ett helägt dotterföretag till Neoen Northern Hemisphere SAS (org. nr. 828 197 798) med säte i Frankrike, 4 rue Euler, 75008 Paris. Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Neoen SA (org. nr. 508 320 017) med säte i Frankrike 75008 Paris 22 rue Bayard, upprättar koncernredovisning.

Not 7 Väsentliga händelser efter räkenskapsårets slut

Bolaget har efter räkenskapsårets utgång bildat aktiebolaget Storen Power Reserve AB som man äger till 100%. Bolaget skapades för att utveckla och driva batterilagring i Jämtlands Län.

Bolaget har även fattat beslut om ändring av redovisningsvaluta till Euro vilket träder i kraft fr. o m 1 Januari 2022.

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Not 8 Ställda Säkerheter och Eventualförpliktelser
Bolaget har inga ställda säkerheter eller eventualförpliktelser.

Stockholm 2022-

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Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/30/2022 10:11:32 AM
Certified Delivered	Security Checked	6/1/2022 11:47:34 PM
Signing Complete	Security Checked	6/1/2022 11:48:03 PM
Completed	Security Checked	6/1/2022 11:48:03 PM

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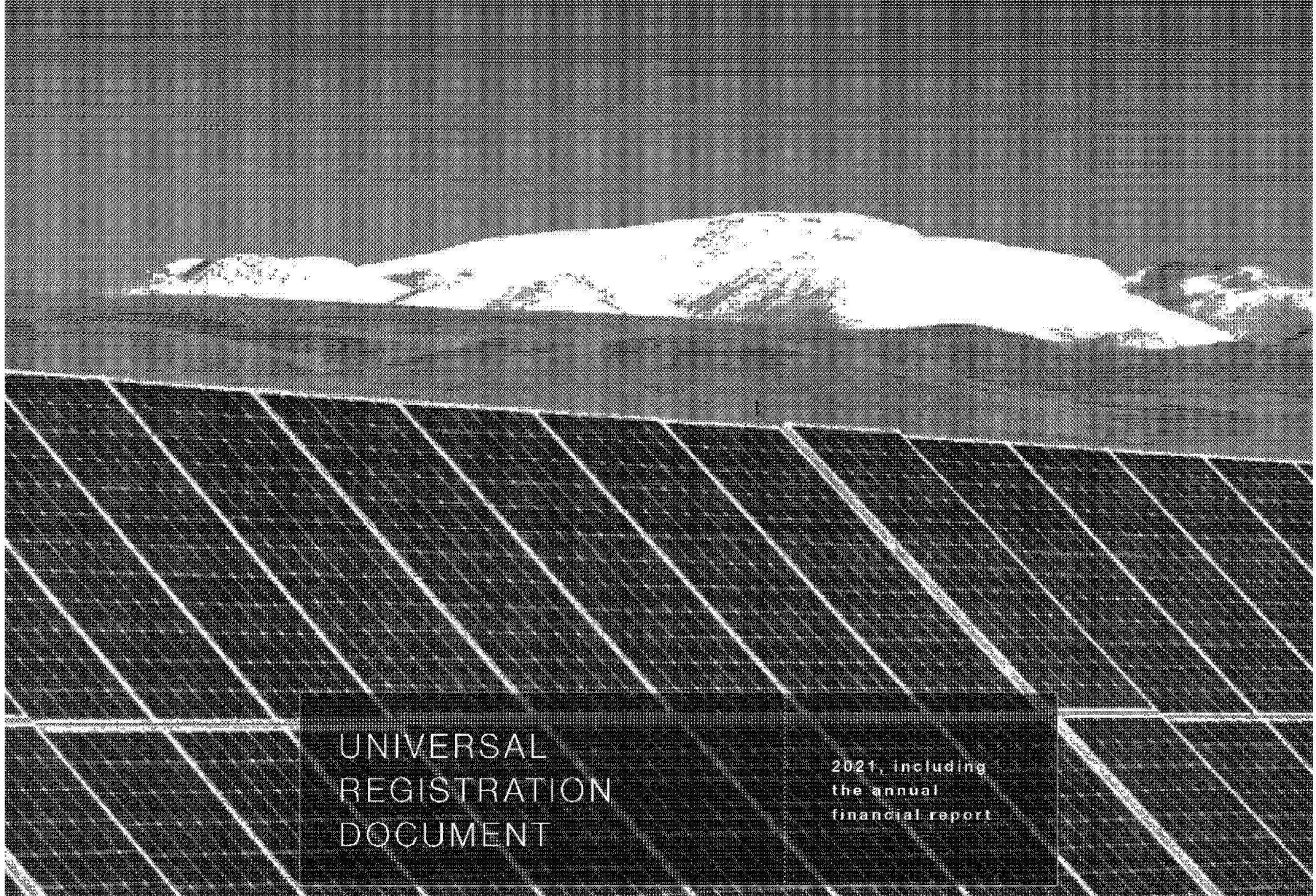

UNIVERSAL REGISTRATION DOCUMENT

2021, including the annual financial report

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** This information forms an integral part of the Annual Financial Report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.*

2021

Universal Registration Document

Including the annual financial report

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AMF

This Universal Registration Document has been filed on March 31, 2022 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in ESEF format and is available on the issuer's website https://www.neoen.com/en/investors#regulated-information.

Copies of the French Document d'Enregistrement Universel may be obtained free of charge at Neoen, 22 rue Bayard, 75008 Paris, France, as well as on the websites of Neoen (www.neoen.com) and of the AMF (www.amf-France.org).

NEOEN WE ARE A FRENCH IPP OF EXCLUSIVELY RENEWABLE ENERGY

Since the company was founded in 2008, Neoen has become a renowned independent player in the worldwide renewable energy sector, with a presence in 15 countries at the end of 2021.

Our rapid and profitable growth stems from the geographical and technological diversification of our assets and our projects portfolio, ensuring robust performance and development dynamics.

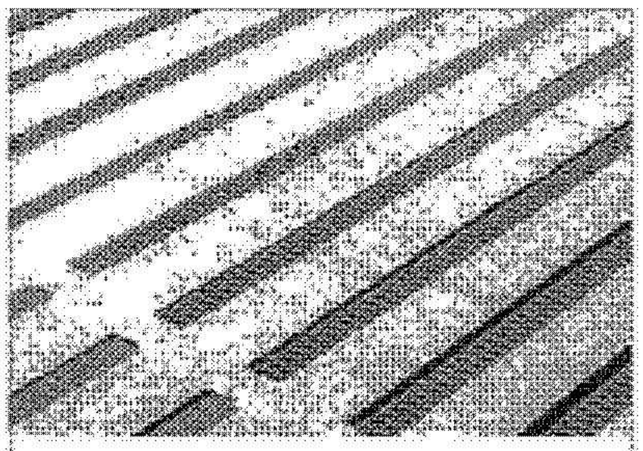
As the leading French independent producer of renewable energy, we develop our own projects, arrange their financing and project management and operate them for the long term.

Our business model is based on retaining control of our assets and we currently own nearly 92 % of the facilities we operate. Thanks to this strategy, we guarantee the long-term quality and performance of our assets.

Audacity, integrity, commitment and esprit de corps. Our company values form the basis of all our relations with business partners, customers and end-users. Our 299-strong workforce embraces some 36 nationalities. The values we share underpin our corporate identity and are borne out in the way we conduct our day-to-day business.

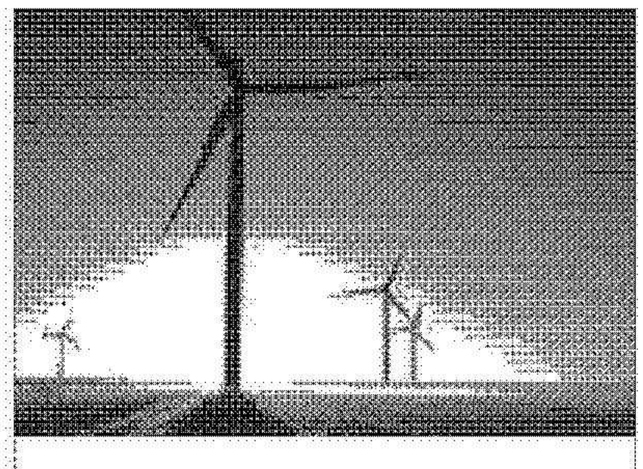
OUR MISSION

We design and implement the means to produce the most competitive renewable electricity sustainably and on a large scale.



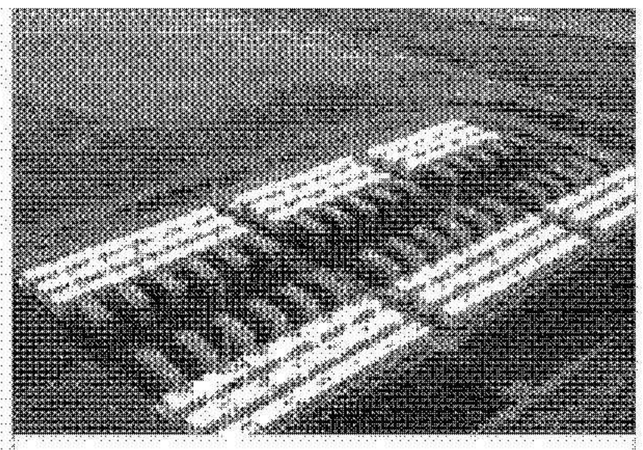
SOLAR POWER

The sun is the most widely available source of energy on earth and the quickest to be deployed. Particularly competitive in many countries, solar power was Neoen's first sector and remains our main business line.



WIND POWER

Onshore wind farms are a mature source of renewable energy at competitive rates. We currently focus our wind farm business and our projects under development in France, Australia, Finland, Ireland, and Sweden.



STORAGE

Energy storage is the answer to the volatile nature of renewable energy sources and a key part of our activities. Our 300 MW /450 MWh Victorian Big Battery is one of the world's largest batteries. We now have storage units in Australia, France, Finland and El Salvador.

« Today, Neoen is a key player in the field of renewable energies »



Ever since Neoen was founded, we have built our success on strong growth and value creation, always taking a long-term view when developing projects. Four years into our listing on the Euronext Paris stock exchange, our rapid expansion continues; we reached 5.4 GW of capacity in operation or under construction at the end of last year, exceeding the 5 GW target we set at the IPO.

Our pure-player strategy revolves around a comprehensive mix of renewable energies solar, wind and storage. Thanks to our expertise, we have been awarded in 2021 just under 900 MW in new projects across our technologies and our geographies – Australia, Europe, and the Americas. We distinguished ourselves by being the principal winner of two French government tenders and by launching the construction of two wind farms of over 400 MW in Finland and Australia, both designed to be multi-client.

We have expanded our local presence, to be ever closer to our project sites, welcoming over 50 new recruits in 2021. Our local presence is the foundation of our growth and everyone who represents Neoen conducts themselves according to our company values: Audacity, Integrity, Commitment and Esprit de corps.

In terms of financial performance, once again we have displayed a net profit – the 11th year in a row. In April 2021, we further strengthened our financial capacity by successfully increasing our capital by 600 million euros. We have successfully executed three farm-down operations which increase our investment power. Also, in line with the commitment made at the time of the IPO, we shall issue dividends in 2022, based on our 2021 results.

Our resilience stems from the visibility provided by our Power Purchase Agreements, the robustness of our industrial strategy, and the quality of our financing.

Neoen's future looks brighter than ever!

XAVIER BARBARO
Chairman and CEO

DEVELOPMENT AND DESIGN

First, we assess the technical, economic, societal and environmental feasibility of our projects.

Then we define the project, based on the characteristics of the site and the resources available. This process includes engaging in constructive dialogue with stakeholders, local residents and communities, elected representatives and administrations.

FINANCING

We finance our projects through a combination of equity contributions and long-term debt, mainly through non-recourse financing, and the creation of a separate company for each project developed.

Our equity increases, thereby providing us with a solid and sustainable financial base and thus a growing investment capacity.

PROJECT MANAGEMENT

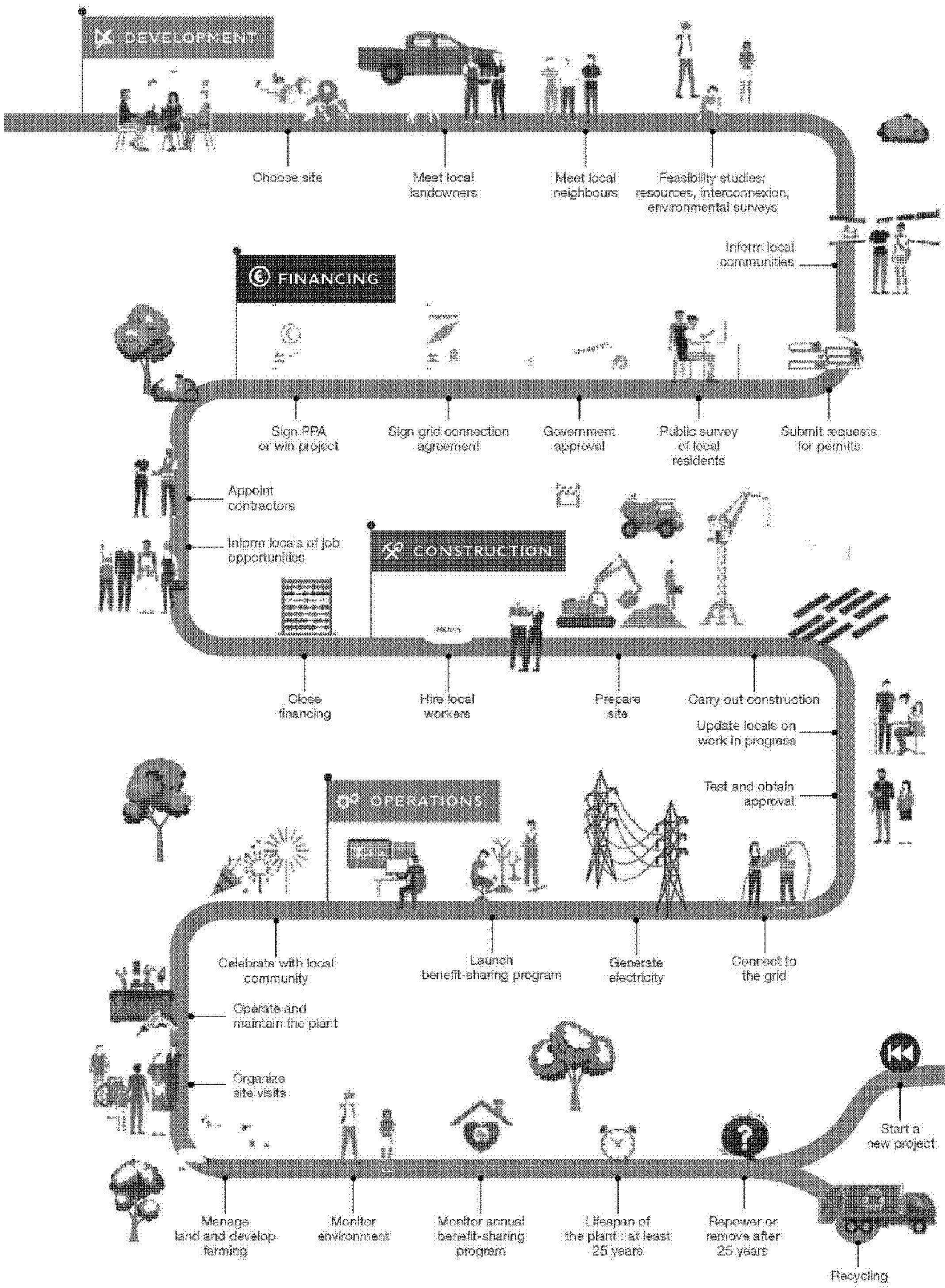
As project owner, we are closely involved in supervising the construction of our power plants. We ensure that the criteria are met to enable each of our plants to become a reliable, sustainable, and competitive asset.

We deal with tier-1 contractors and other suppliers and have extensive recourse to local industrials for the construction work.

OPERATIONS

As an energy producer, we are particularly attentive to the functioning of our power plants worldwide.

They are monitored in real time by our team of specialists and their maintenance is performed by our subcontractors under O&M contracts. In some markets, we also sell electricity ourselves.


DEVELOPMENT
Choose site
Meet local landowners
Meet local neighbours
Feasibility studies: resources, interconnexion, environmental surveys
Inform local communities
FINANCING
Sign PPA or win project
Sign grid connection agreement
Government approval
Public survey of local residents
Submit requests for permits
Appoint contractors
Inform locals of job opportunities
CONSTRUCTION
Close financing
Hire local workers
Prepare site
Carry out construction
Update locals on work in progress
Test and obtain approval
OPERATIONS
Celebrate with local community
Launch benefit-sharing program
Generate electricity
Connect to the grid
Operate and maintain the plant
Organize site visits
Start a new project
Manage land and develop farming
Monitor environment
Monitor annual benefit-sharing program
Lifespan of the plant : at least 25 years
Repower or remove after 25 years
Recycling

WE ARE A MULTI-LOCAL LEADER

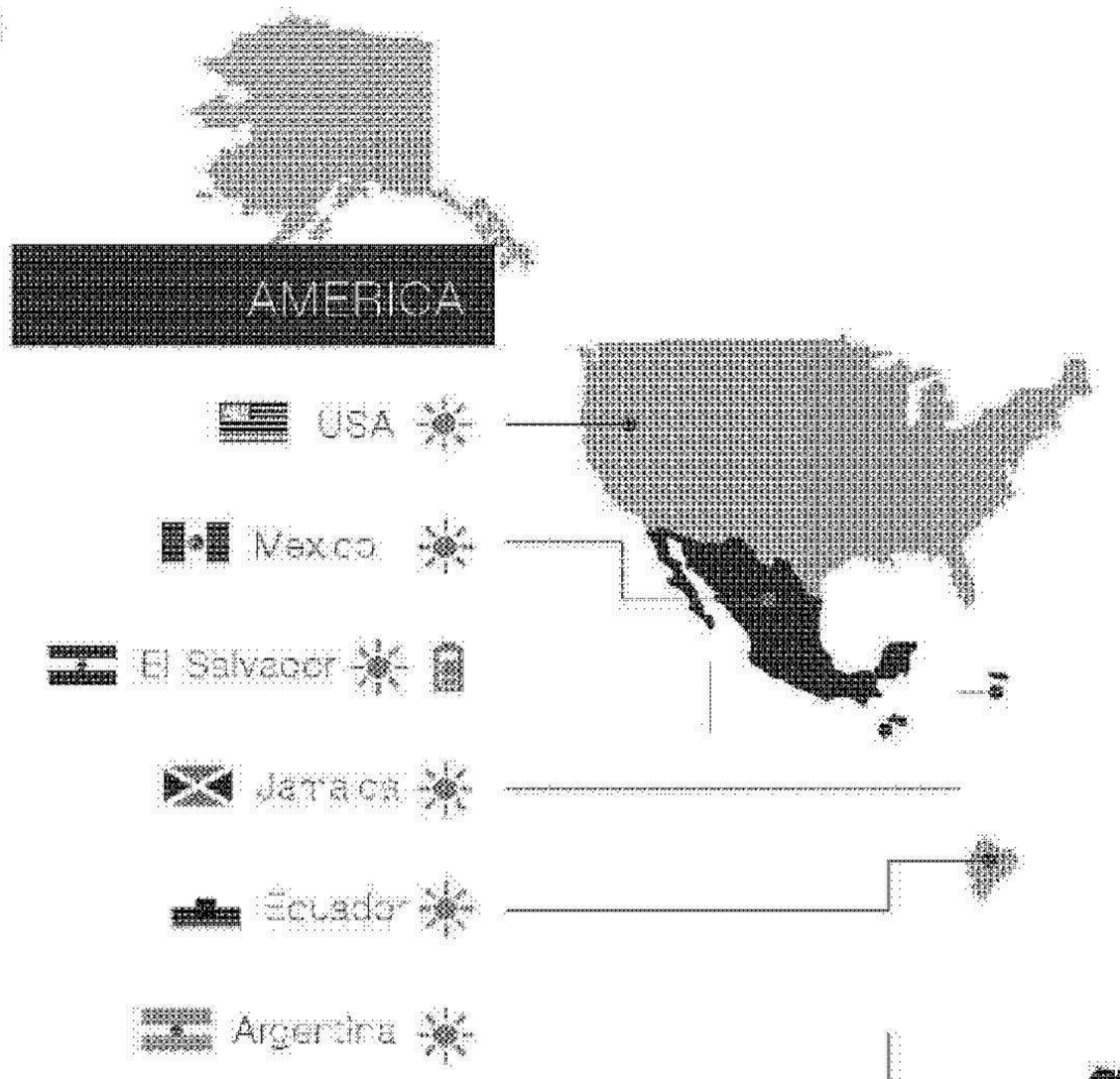
Neoen is one of the leading IPP of renewable energy, the leading French independent producer of renewable energy in France and the leading independent producer in Australia

Neoen focuses on organic growth through a "multi-local leadership strategy", with local teams that actively support the development of new projects.

3
regions

16
countries

24
offices



■ Countries with assets in operation and under construction

▩ Other countries with assets in advanced development



A UNIQUE HUMAN CAPITAL

299
employees

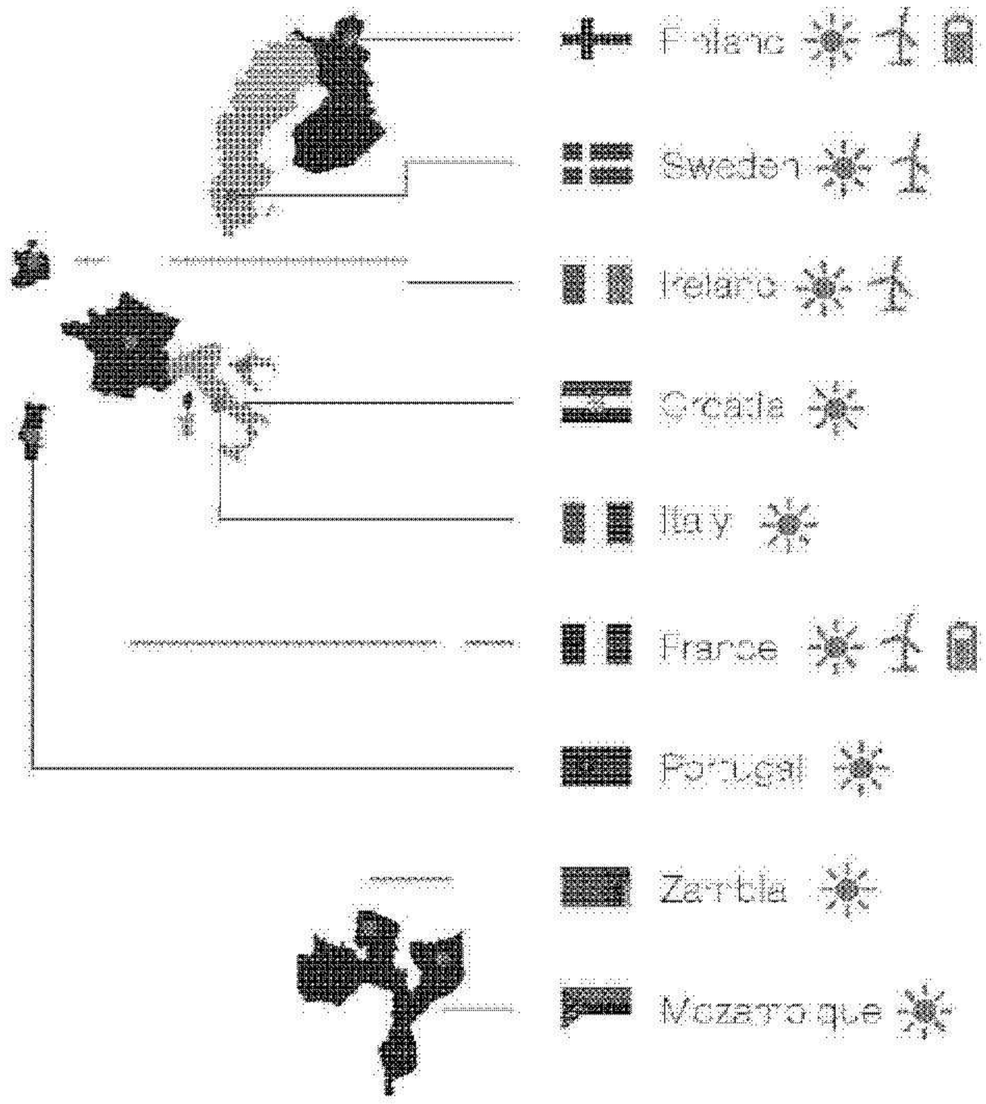
36
average age

28.8%
women

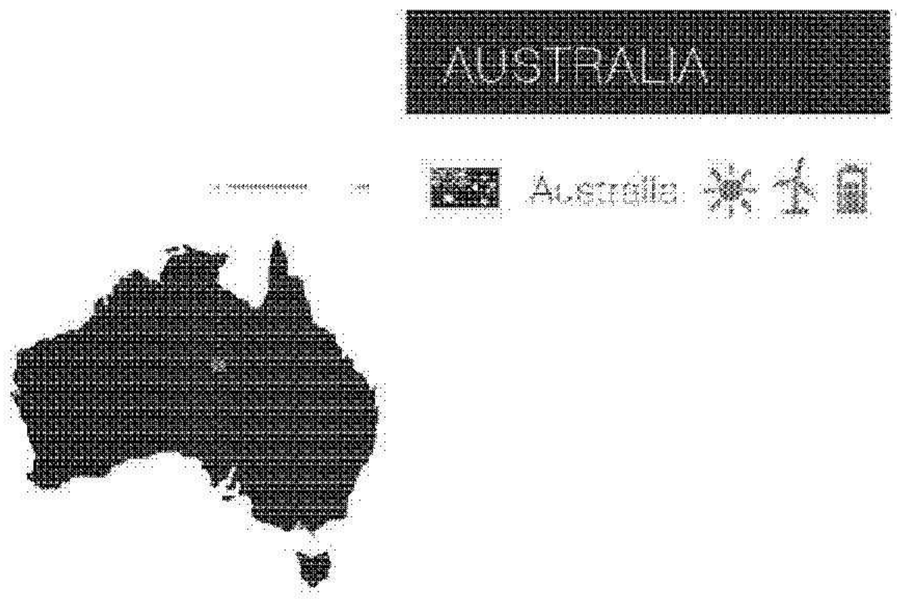
36
nationalities



EUROPE AFRICA

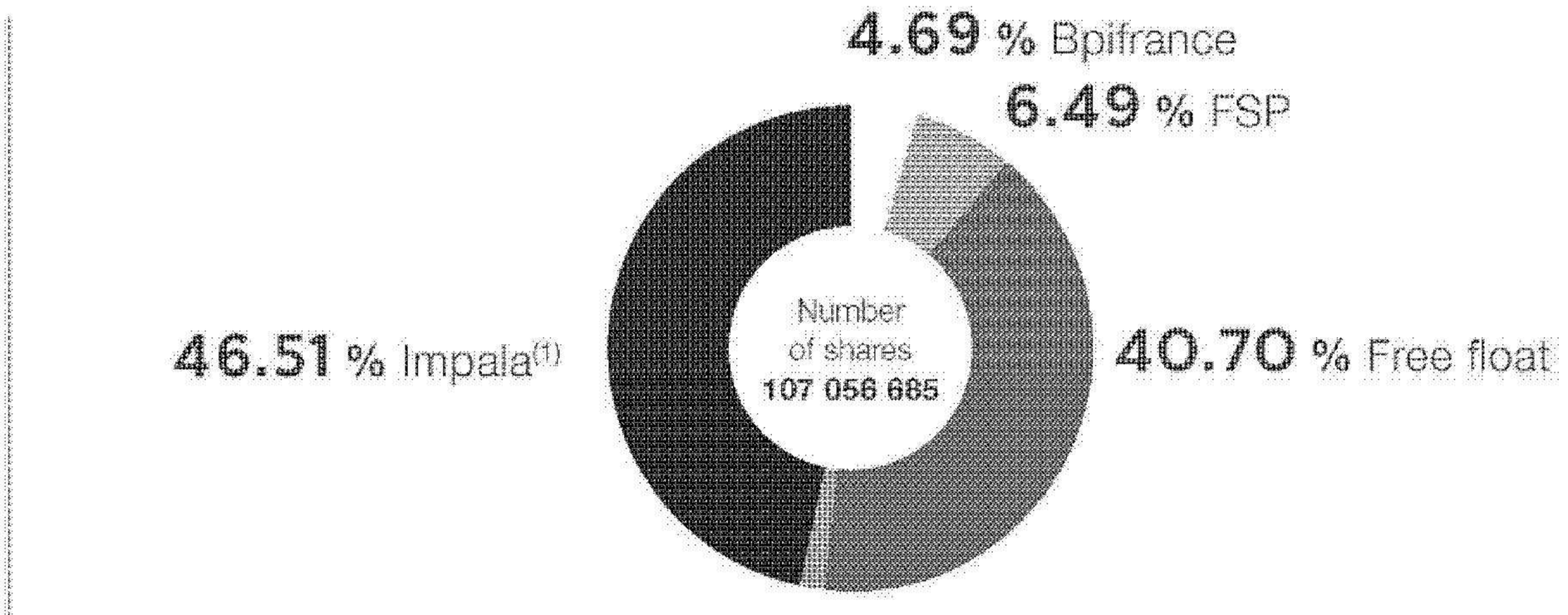


AUSTRALIA





SHAREHOLDING STRUCTURE AS OF DECEMBER 31, 2021



(1) Impala and Cartusia are acting in concert.
Cartusia is a long-term investment vehicle controlled by Mr Xavier Barbaro and his family.

IMPALA — 46.51 %

Impala, a group owned and managed by Mr Jacques Veyrat and his family, invests in projects with strong development potential, in different business sectors and with variable levels of participation: Energy (stakes in Neoen, Tag Energy, Albioma and Castleton Commodities International), Technologies (stakes in Technoplus Industries, Edgyn, Inexto),Cosmetics (stakes in Laboratoire Native, owner of the Roger&Gallet, Lierac, Phyto, stakes in P&B Group and Augustinus Bader), Culture, Entertainment and Fashion (stakes in Pullin, L'Exception, Rosa Bonheur and La Caserne), Finance (stakes in Eiffel Investment Group and in high-growth projects in China), Real estate projects and Hotels (residential real estate projects in the Paris region, Luxembourg and Spain and a hotel group in Portugal and France). Impala is a long-term investor.

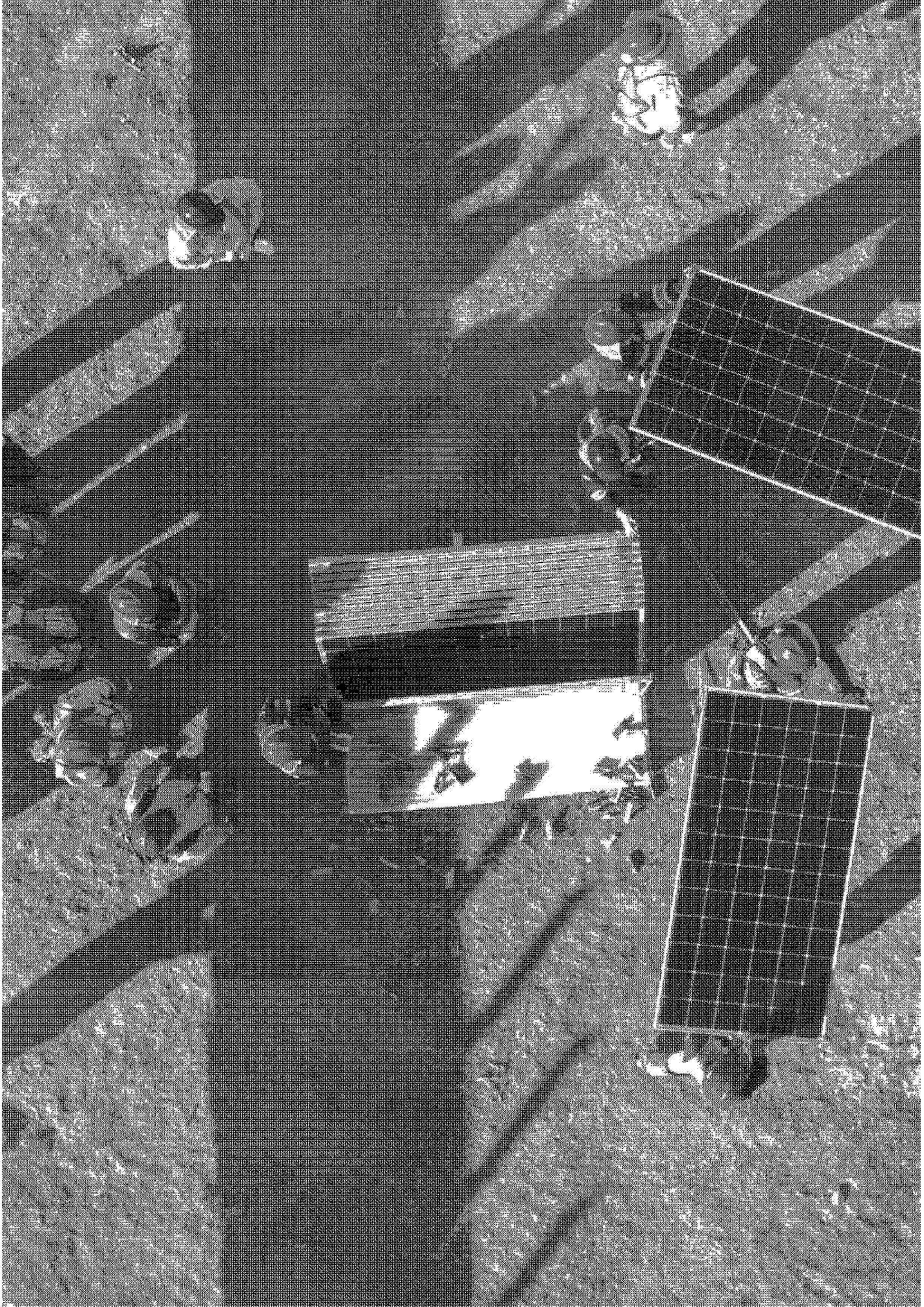
FSP — 6.49 %

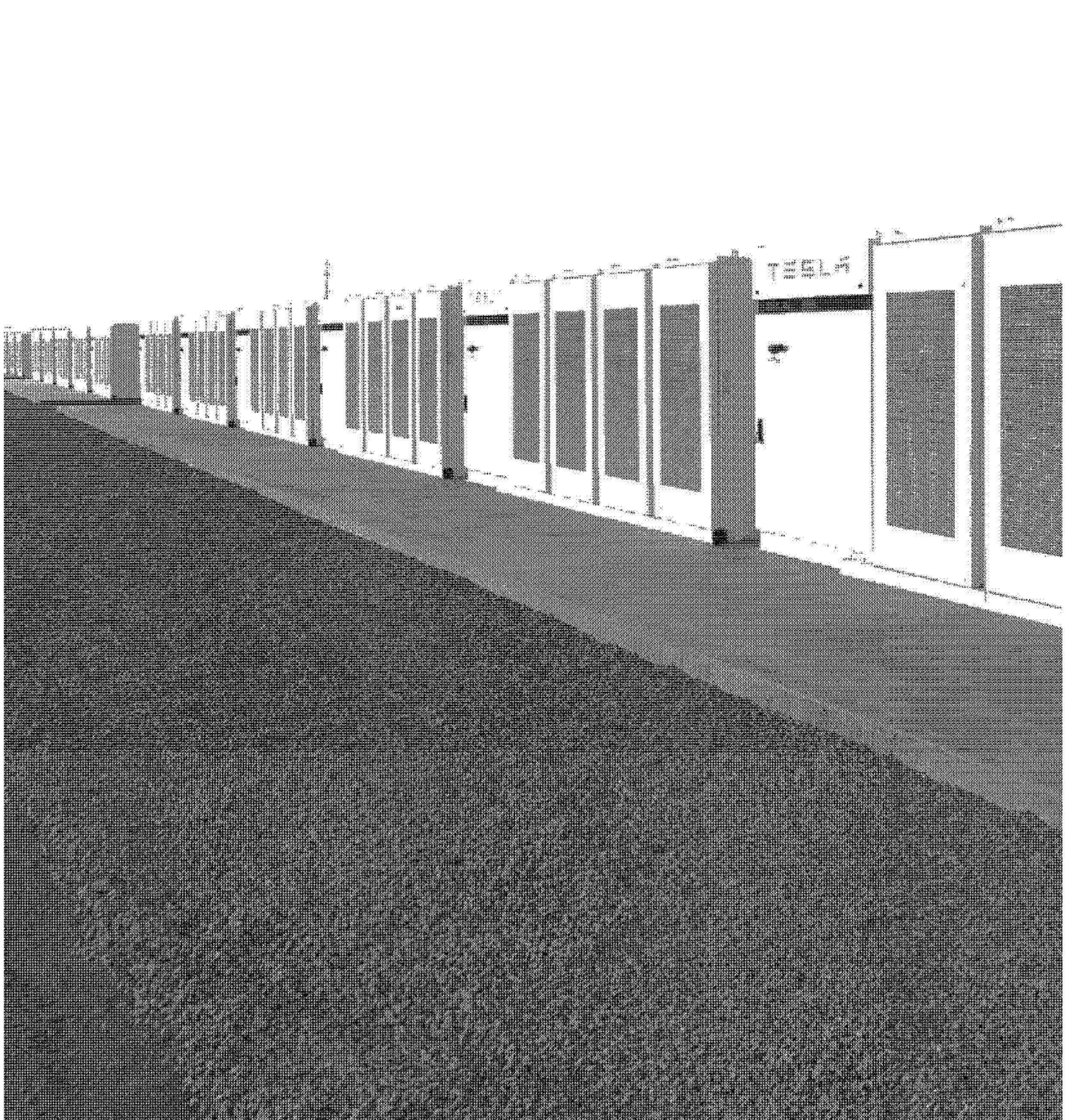
Fonds Stratégique de Participations (FSP) is an open-ended investment company (*société d'investissement à capital variable*) registered with the French financial markets authority (*Autorité des Marchés Financiers* - AMF), that promotes long-term equity investment. FSP's purpose is to acquire "strategic" equity stakes in the capital of French companies and participate in their governance by holding a seat on their board of directors and governance board. The fund is financed by seven major insurance companies seeking long term investments in French companies to help them with their development and transition projects. FSP's shareholders are BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Société Générale Assurances, Groupama, Natixis Assurances and Suravenir. On December 31, 2021, FSP held nine equity investments, Arkema, Seb, Safran, Eutelsat Communications, Tikehau Capital, Elior Group, Neoen, Valeo and Believe. FSP continues to study equity investment opportunities in French companies.

FSP is managed by ISALT (*Investissements Stratégiques en Actions Long Terme*), an independent management company which monitors the companies in which FSP invests and coordinates relations with the permanent representatives of FSP who sit on the boards of directors or supervisory boards of those companies. FSP has appointed Mr Christophe Gégout as its permanent representative on the Company's board of directors.

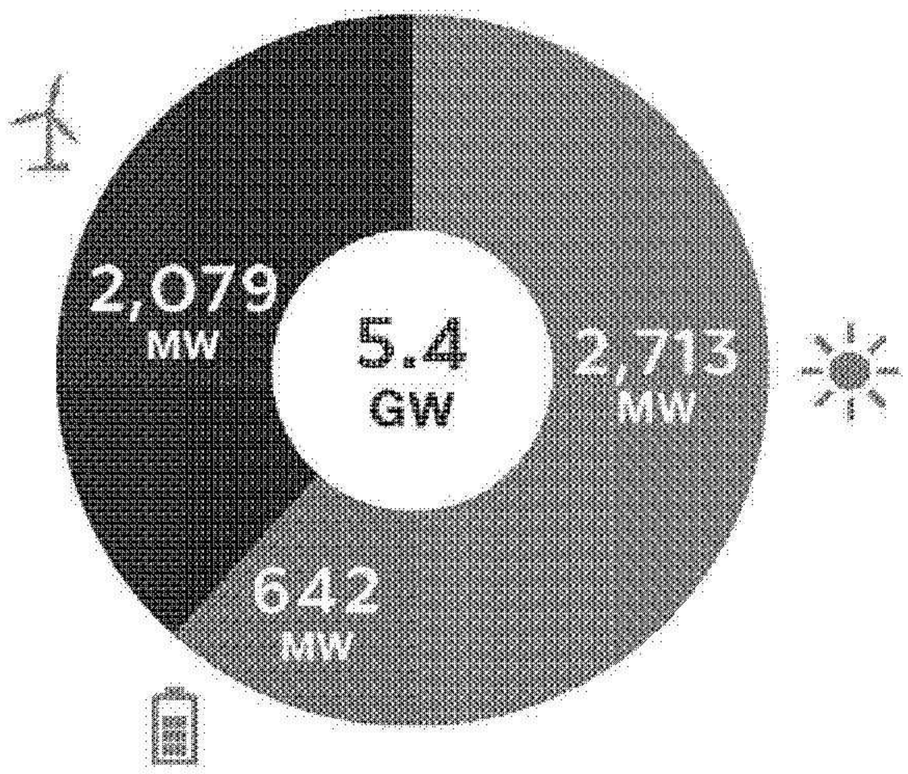
bpi — 4.69 %

Bpifrance finances businesses at each stage of their development through loans, guarantees and equity. Bpifrance provides support with their innovation projects and international activities through a wide range of products and services. Bpifrance is particularly involved in the renewable energy sector, with more than €3 billion mobilised to finance and invest in the ecological and energy transition; it sees companies in this sector as genuine catalysts of competitiveness for the French economy, a sector that will receive increased support in the coming years via its climate plan.

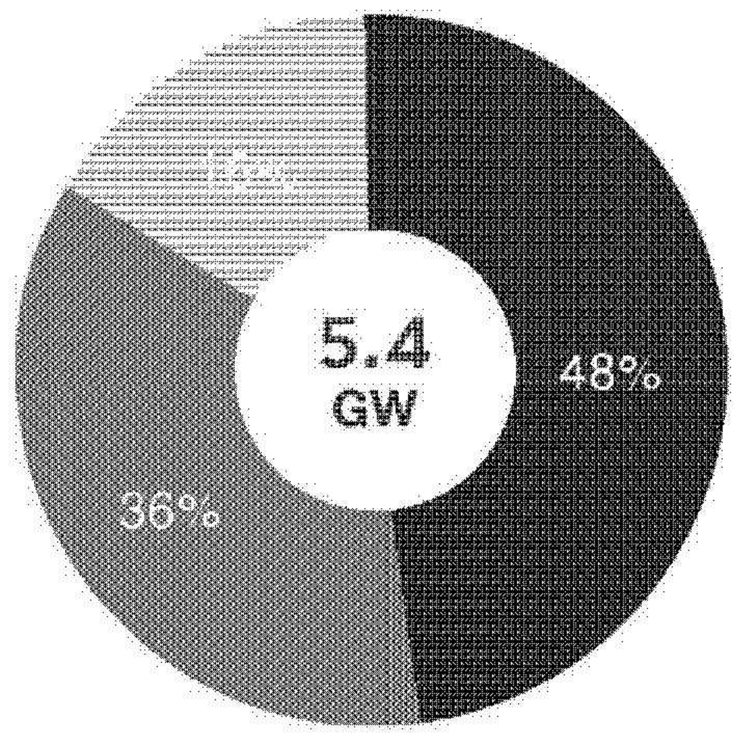



TESLA

CAPACITY IN OPERATION OR UNDER CONSTRUCTION *



Ownership rate of our assets : 92%



Australia Europe-Africa America

* At December 31, 2021

+1.4 GW
Of new capacity in operation or under construction in 2021

32
Plants under construction

102
Plants in operation

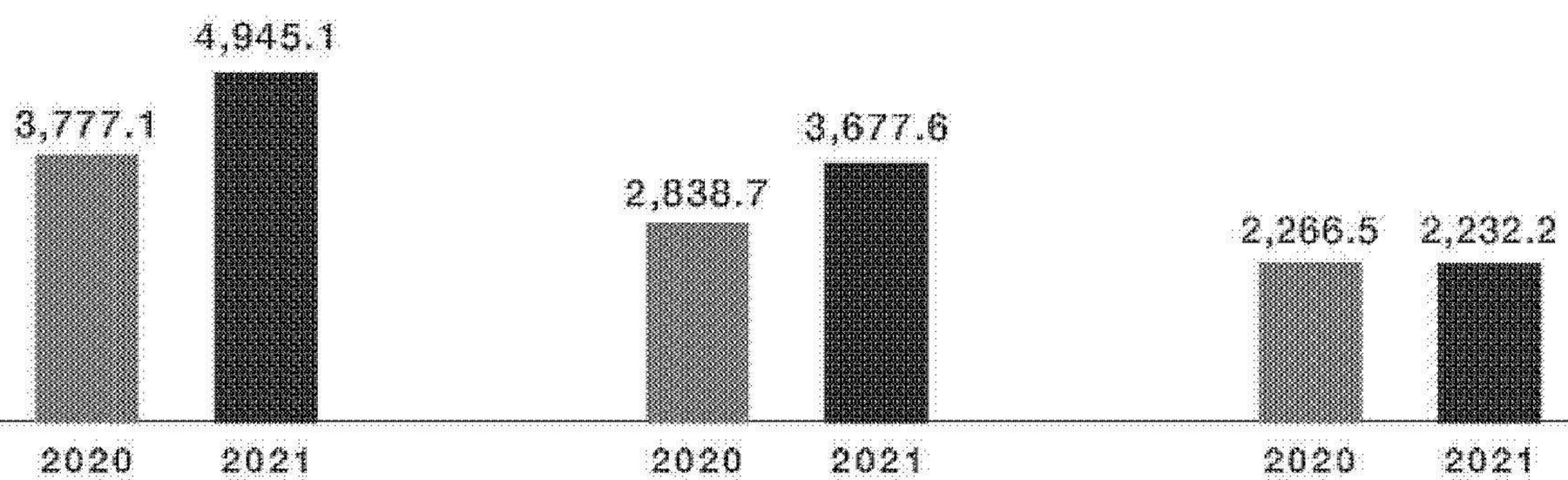
FINANCIAL RESULTS

€333.6
million
2021 revenue

€300.4
million
2021 EBITDA

€41.0
million
2021 Group share of net income

Balance sheet (€ million) at December, 31



Property, plant and equipment (€ million) at December, 31

Consolidated net debt (€ million) at December, 31

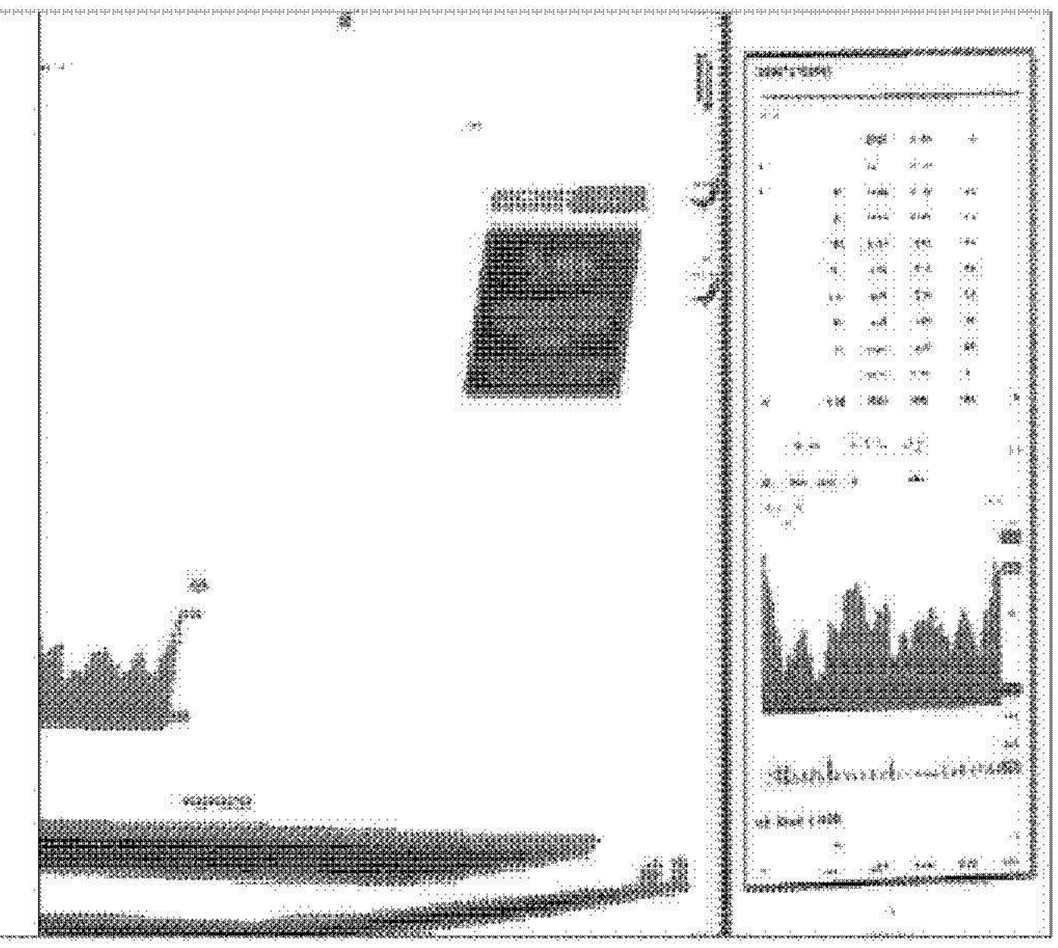


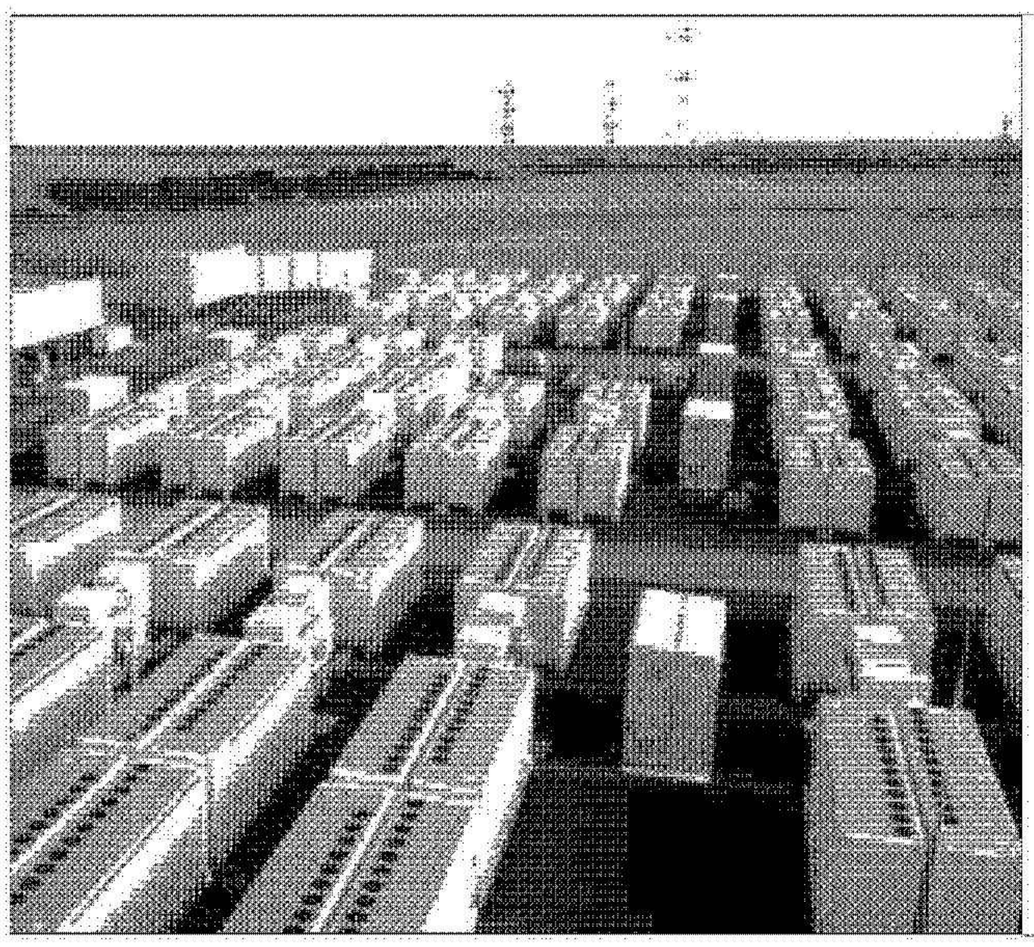
5.4 GW IN OPERATION AND UNDER CONSTRUCTION, INCLUDING OVER 1 GW IN FRANCE AND 2.5 GW IN AUSTRALIA

At year end, Neoen possessed 5.4 GW in operation and under construction, well above the 5 GW target set at our IPO in 2018. Australia, with 2.5 GW in operation and under construction, and France, with nearly 1.2 GW, are our two largest markets, followed by Finland, Mexico and El Salvador.

A CAPITAL INCREASE TO FUND OUR STRONG GROWTH AND AMBITIOUS GOALS

Last April, we increased our capital by 600 million euros, thanks to support from our loyal shareholders, in particular Impala, FSP and Bpifrance and to many new shareholders. The operation, coupled with our first farm-down operations later in the year, has financed the first investment cycle in our development plan to reach 10 GW in operation or under construction by the end of 2025.





COMMISSIONING OF THE VICTORIAN BIG BATTERY, AUSTRALIA, 300 MW / 450 MWH

The commissioning of the Victorian Big Battery is a major accomplishment. Not only is it one of the most powerful in the world, it represents a huge advance in terms of innovation. Our storage operations began in Australia in 2015 and we now have over half a gigawatt of storage capacity in operation across three continents. We take great pride in our leader status in this sector because we are convinced that big batteries are key to the energy transition.

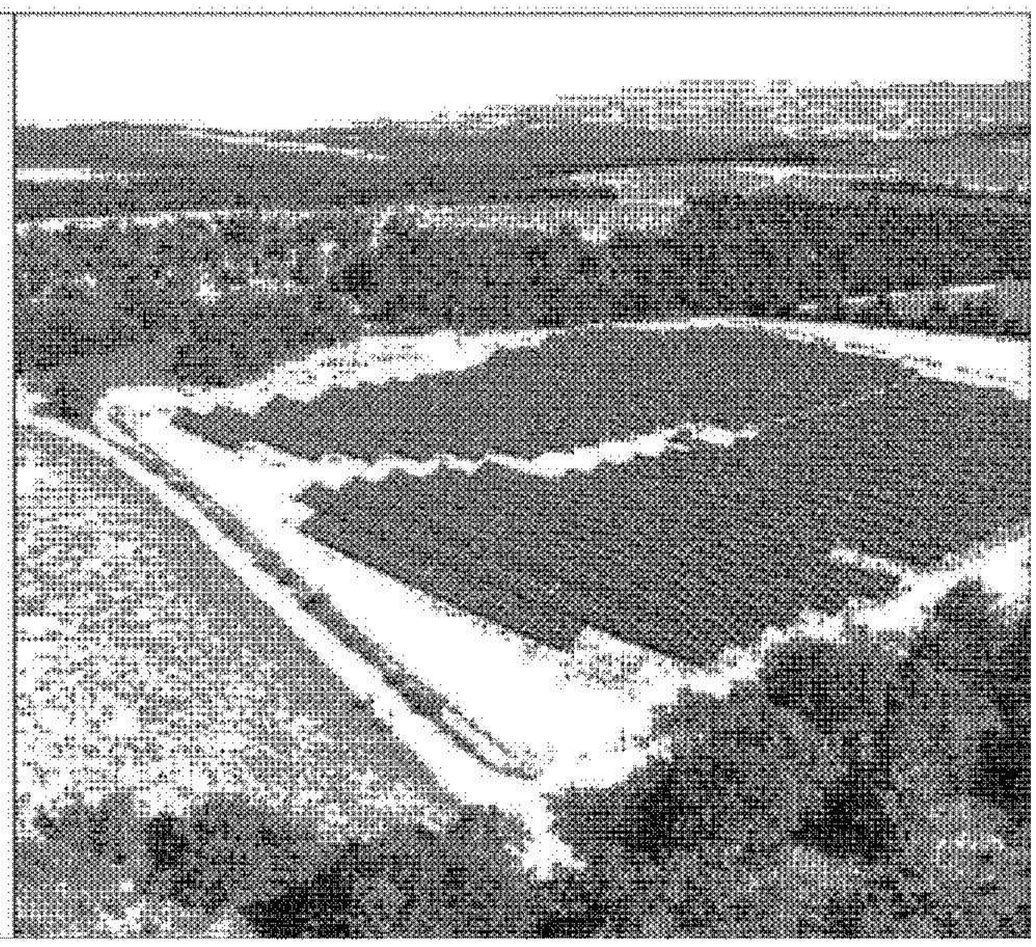


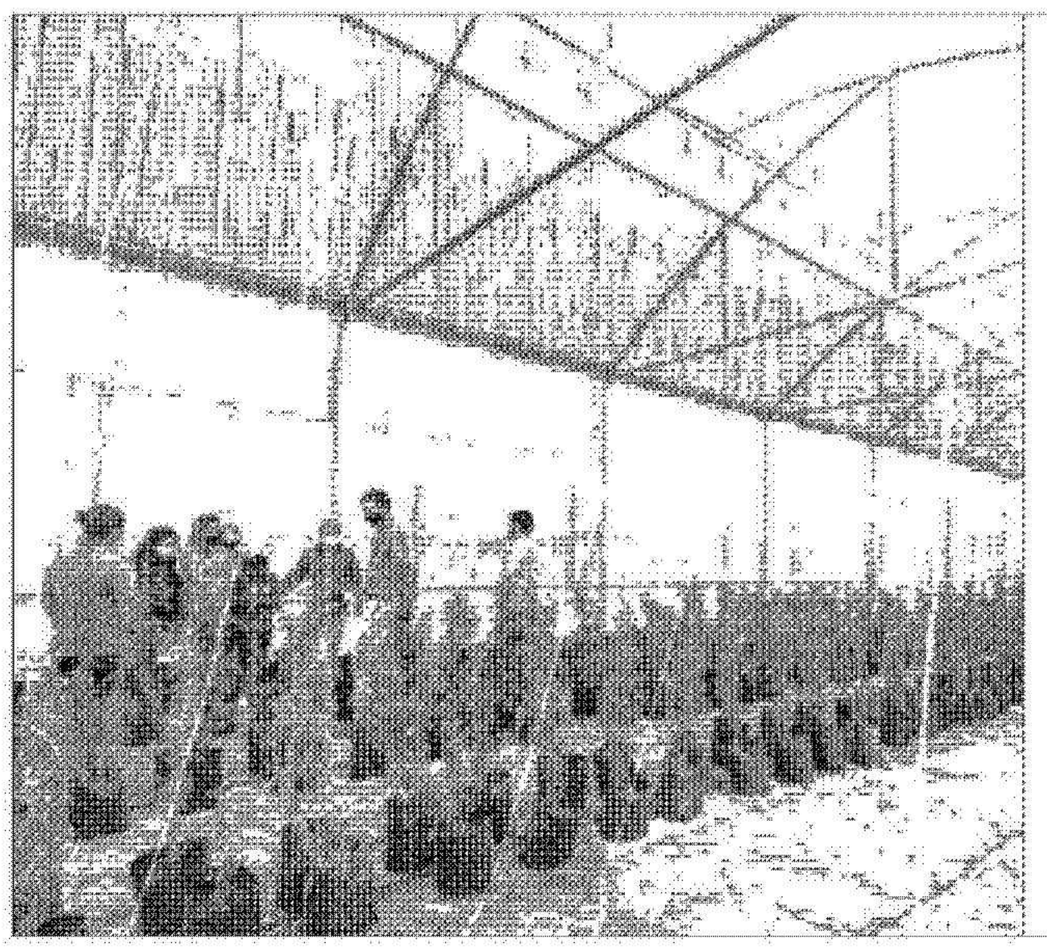
900 MW OF NEW PROJECTS AWARDED ACROSS OUR GEOGRAPHIES AND TECHNOLOGIES

In 2021, we continued to demonstrate the quality of our projects and the competitive strength of our offers. In France, we were the biggest winners in two government solar energy tenders. We also signed corporate PPAs with companies looking to secure their supply of renewable energy, such as Equinix in Finland.

FIRST FARM-DOWN TRANSACTIONS

In 2021 we concluded our first series of farm-down. This generated new financial resources which help sustain our strong growth. These transactions prove our ability to create value as a developer while retaining our long-term involvement in projects and upholding our commitment to the local areas. The option to recover project ownership in the future will give us the opportunity to repower, which is an integral part of our strategy.

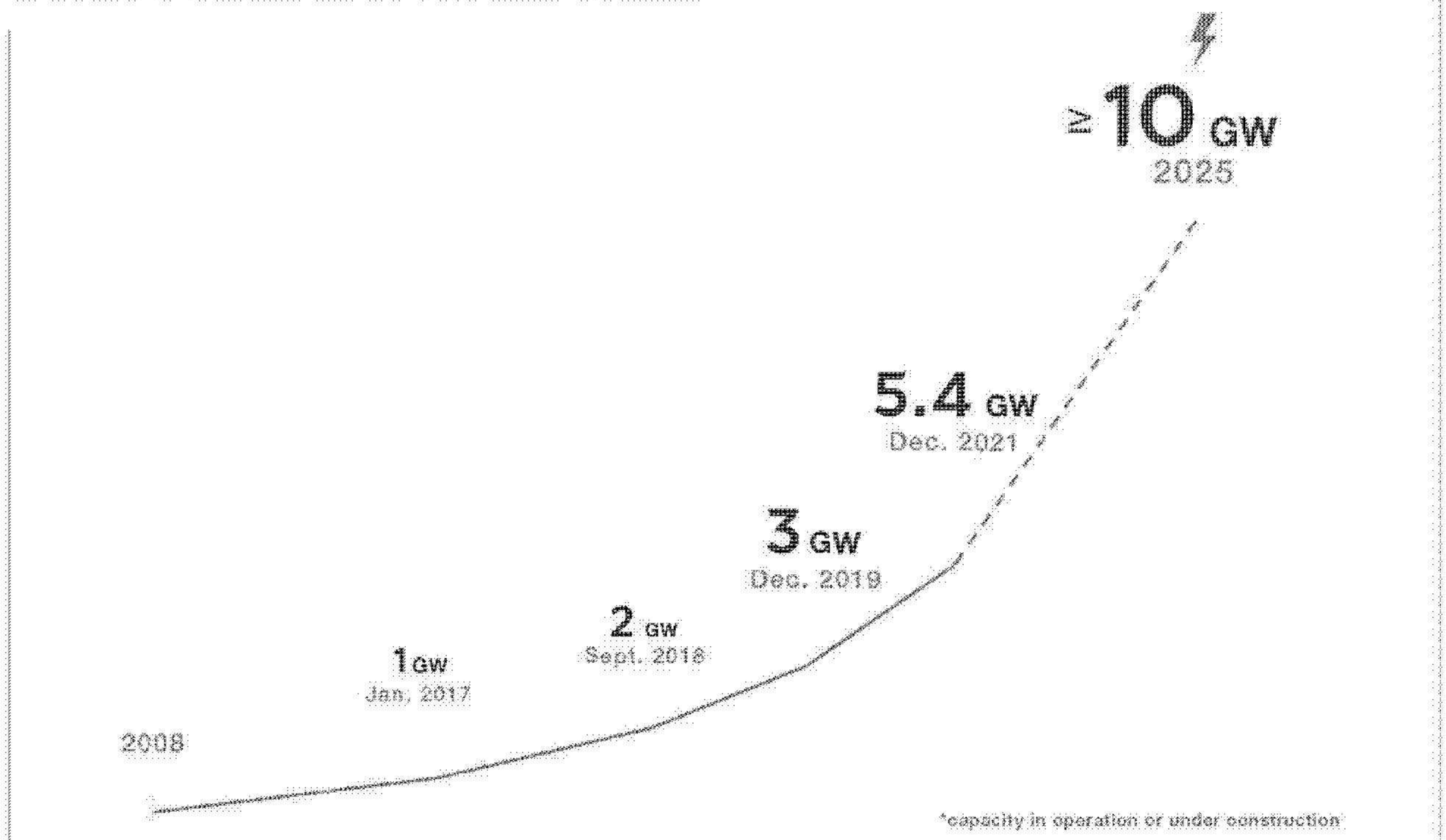




A THREE-WAY APPROACH TO CSR

As a producer of exclusively renewable energy, sustainable development is in our DNA. Day-in, day-out, we contribute to the overall effort to address the climate crisis. Our Sustainability Framework formalises our approach and our commitment to widespread sustainable development.

CAPACITY TARGETED BY THE END OF 2025*



OUTLOOK[1] AND TRENDS

For 2022, Neoen expects an EBITDA of between €360 million and €375 million, or the equivalent of growth of between 20% and 25%, with an EBITDA margin of between 85% and 90%. This EBITDA forecast takes into account net capital gains from asset disposals from the secured portfolio that the Group expects as part of the farm-down business, which will continue not to exceed 20% of full-year EBITDA.

Neoen is confirming its target of generating double-digit annual growth in EBITDA between 2022 and 2025.

Lastly, the Group is reiterating its target of having over 5 GW in operation during 2023 and its aim of reaching at least 10 GW in capacity in operation or under construction[2] by year-end 2025.

These objectives include the best estimate to date of the likely completion dates of its projects.

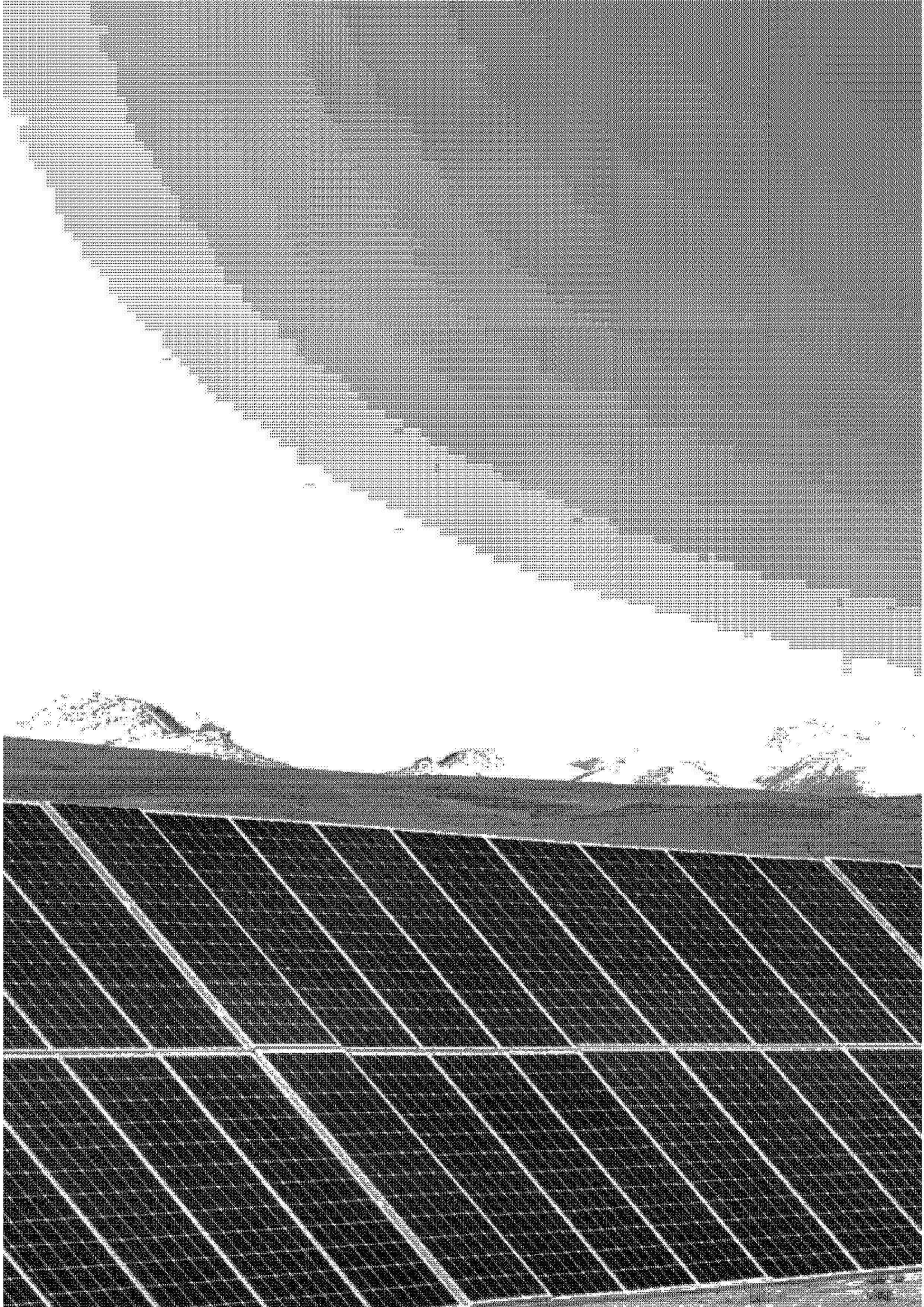
FINANCIAL AGENDA

15.02.2022	Full-year 2021 revenue and operational highlights
14.03.2022	Full-year 2021 results
03.05.2022	First-quarter 2022 revenue and operational highlights
25.05.2022	Annual general meeting
28.07.2022	First-half 2022 results
03.11.2022	Nine-month 2022 revenue and operational highlights

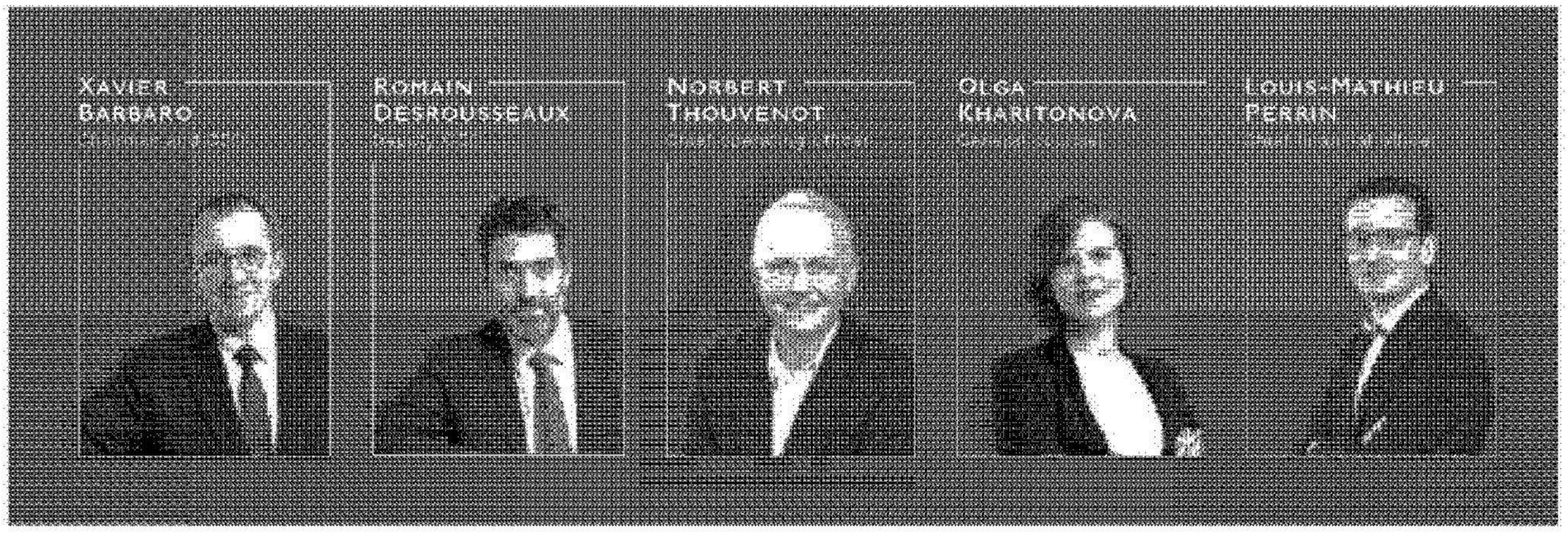
[1] This outlook has been prepared (i) in accordance with the accounting methods applied to the historical financial information (see notes 2 and 4 in section 4.1 of this document) and (ii) on the basis of Neoen's scope of consolidation for the 2021 financial year. The definition of EBITDA is the same as the one used for the 2021 financial year (see paragraph 2.1.1 of this document).

[2] Consolidated capacity on a post-farm-down basis.





MANAGEMENT



BOARD OF DIRECTORS



XAVIER BARBARO
Chairman and CEO

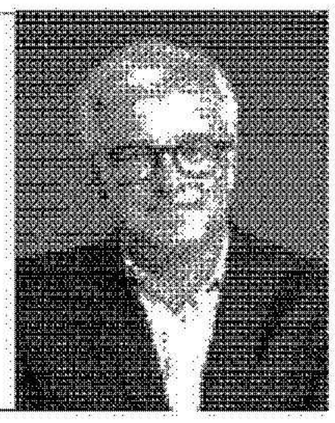


HELEN LEE BOUYGUES
Lead independent director

FSP[1]
Represented by
Christophe Gégout
Board member



SIXTO
Represented by
Bertrand Dumazy
Board member



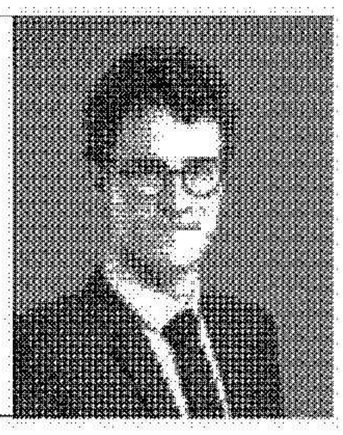


BPIFRANCE INVESTISSEMENT
Represented by
Vanessa Giraud
Board member



STÉPHANIE LEVAN
Board member

SIMON VEYRAT
Board member



JACQUES VEYRAT
Observer



At December, 31 2021*

42 %
Independent directors

42 %
Female directors

45 years
Average age

100 %
Average attendance rate

*2021 excluding the total number of directors excluding the base%%.

(1) Fonds Stratégique de Participations

1

PRESENTATION

1.1	OVERALL PRESENTATION	22	1.3	NEOEN'S BUSINESS	32
1.1.1	History and Group evolution	22	1.3.1	Business activities and key figures	32
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1.2	DESCRIPTION OF THE RENEWABLE ENERGY MARKET	25	1.3.3	Geographic footprint	38
			1.3.4	Customers, suppliers and Group's contracts	50
1.2.1	A rapidly growing global renewable energy market	25	1.4	INTELLECTUAL PROPERTY	54
			1.4.1	Research and development	54
1.2.2	The growing impact of storage solutions	27	1.4.2	Intellectual property rights	54
1.2.3	Market structures	27	1.4.3	Licenses	54
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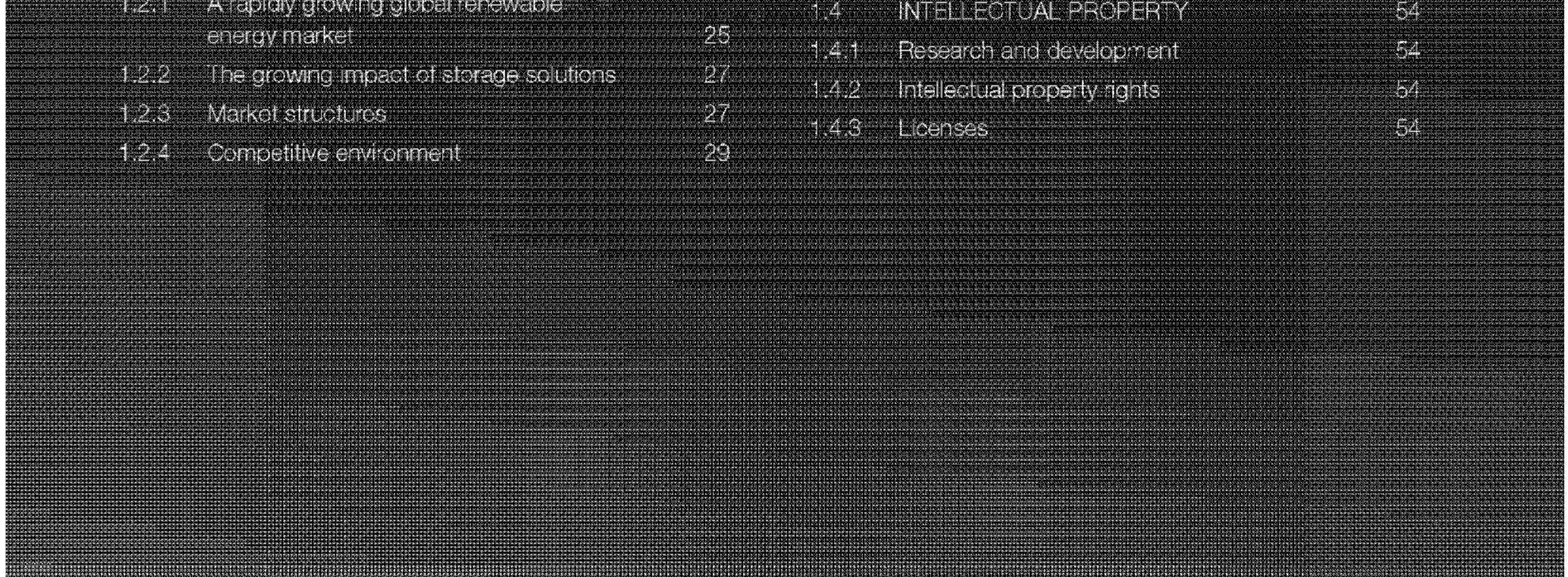
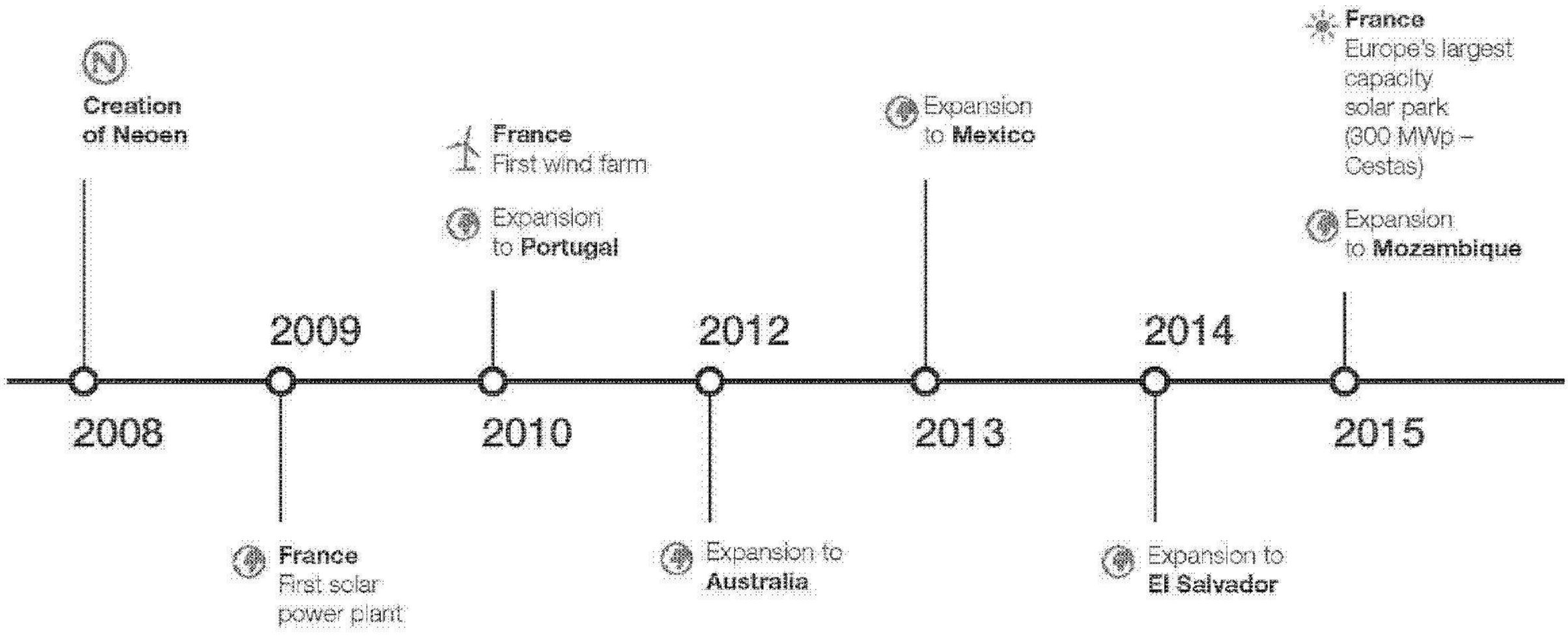


1.1 OVERALL PRESENTATION

1.1.1 HISTORY AND GROUP EVOLUTION



2016

El Salvador
Largest solar farm in Central America (101 MWp)

Australia
Hornsdale Wind Farm, 316 MW

Expansion to **Jamaica**

Neoen tops the **1 GW** in operation or under construction worldwide

Australia
Hornsdale Power Reserve, 100 MW / 129 MWh the world's largest battery power station

Expansion to **Argentina**

Expansion to **Zambia**

2018

France
Azur Stockage, 6 MW / 6 MWh, the largest battery directly connected to the grid (in Metropolitan France)

Ireland
Acquisition of 8 wind farms

Australia
Extension of Hornsdale Power Reserve Total capacity of 150 MW / 193.5 MWh

Expansion to **Finland signature** of a PPA with **Google**

Neoen tops the **1 GW** in **Australia**

With a current capacity of almost **2 GW** already in operation or under construction, Neoen has doubled its size in over 18 months

Neoen raises €700 million and successfully gets **listed on Euronext Paris regulated market**

2020

Finland
Yllikkälä Power Reserve One, 30 MW / 30 MWh, Nordics' largest battery storage unit

Neoen joins the **SBF120 index, the MSCI France Small Cap Index and the S&P Global Clean Energy Index**

Start of construction of Western Downs Green Power Hub (460 MWp), largest solar farm in **Australia**

Mexico
El Llano solar power plant 375 MWp

El Salvador
Capella solar power plant 140 MWp

Commissioning of the **Victorian Big Battery** (300 MW) in Australia

Commissioning of the **Bulgana Power Green hub**, consisting of a 204 MW wind farm and a 20 MW / 34 MWh battery in Australia

France
Neoen wins 204 MWp of solar projects

Argentina
Commissioning of the Altiplano 200 solar power plant (208 MWp)

Neoen successfully completes its €600 million **capital increase**

Neoen tops the 5.4 GW in operation or under construction worldwide and is present in **16 countries**

2021

1.1.2 STRATEGY

Our vision

Replacing fossil fuels with renewable energy is the economic, ecological and social revolution of this century.

Only specialised, independent, locally based and financially strong energy producers will provide the most sustainable and efficient solutions to accomplish this revolution.

Our mission

Wherever we are present, designing and implementing locally the means to produce the most competitive renewable electricity sustainably and on a large scale.

Our strategy

Consolidating our existing geographical positioning

Neoen is a geographically widespread player operating in 16 countries and three geographical regions (the Americas, Europe & Africa, and Australia) through its local teams.

In the future, the Group plans to grow mainly in the countries in which it is already established, where it aims to develop a balanced portfolio between solar, wind and storage projects. By strengthening its operations in existing countries and regions, Neoen will be able to take advantage of the resources already present and its experience curve to increase the number of its projects, their average size and their competitiveness.

Neoen also wants to develop in selected new countries, mainly in the OECD zone, which will continue to account for at least 80% of its capacity currently in operation. This geographical expansion will be carried out in countries where solar and wind power are intrinsically competitive energies or where there is a need for energy storage. These countries must also offer significant development potential enabling the Group to build a leading position. Neoen will seek contracts denominated in strong currencies and will favour non-recourse financing from local and international lenders.

Positioning Neoen as an integrated company in solar, wind and storage

Neoen is an integrated company with a complete technological mix (solar, wind and storage). Its presence across all three segments, which goes hand-in-hand with geographical diversification, reduces the Group's exposure to weather hazards and stabilises its production. Its approach to storage integration is part of a broader strategy to include elements improving the overall attractiveness of projects from the project design and structuring phase onwards. Storage can then be used to smooth solar and wind power intermittency while providing services to the grid.

Selling our energy through different channels

In addition to electricity sales agreements with public counterparties, particularly government ones, and electricity distributors, which continue to offer solid revenue prospects for Neoen, the Group plans to diversify its customer base with private off-takers in the form of power purchase agreements (PPAs), preferably in the medium- and long-term. There is a very strong demand from these private counterparties, for which the Group is ideally positioned thanks to its storage business, dedicated Energy Management team and sophisticated PPA offerings.

In addition, while continuing to focus on securing stable, long-term revenues through off-take contracts, Neoen strategically targets additional market revenues by taking advantage of favourable market prices in countries where spot markets are developed, amounting to up to 20% of its installed non-storage capacity.

Mainly organic growth

The Group's growth is overwhelmingly organic, enabling it to create value throughout project development, from the industrial and financial structuring of projects to their commissioning and beyond.

However, as in the past, the group could opportunistically carry out targeted and value-creating external growth operations, particularly devalued assets or assets offering repowering potential.

Being the long-term shareholder in the assets we have developed

Neoen's model is above all to retain control of the assets it has developed and being the majority and often sole shareholder. This develop-to-own strategy enables the Group to guarantee the quality and performance of its assets, thereby giving it a significant competitive advantage in tenders. The strategy also enables it to capture the long-term value of the power plants throughout their lifetime and benefit from their repowering potential.

Implementing additional farm-down activity

In 2021, Neoen announced its intention to proceed regularly but selectively with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects won each year. These farm-down transactions strengthen the Group's financial capacity and therefore contribute to financing the construction of new assets. Neoen plans, as far as possible, to maintain a minority stake in the projects in question, to ensure their administrative and operational management and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

Building a long-term procurement strategy

Neoen is careful not to rely on a single supplier or subcontractor for its solar panels, wind turbines and other system components.

The Group works with suppliers that are all tiers one and meet the most demanding health, safety, environment and quality standards. Regardless of the country where the project is located, Neoen works solely with first-tier EPC contractors that can only be selected after a rigorous pre-selection process.

Obtaining financing mainly at the asset level

Neoen mainly finances its assets through debt, the bulk of which consists of non-recourse, long-term debt — fixed-rate where possible — and in the same reliable currencies as project revenues, in order to preserve the stability of the capital structure and, in the future, to minimise related risks.

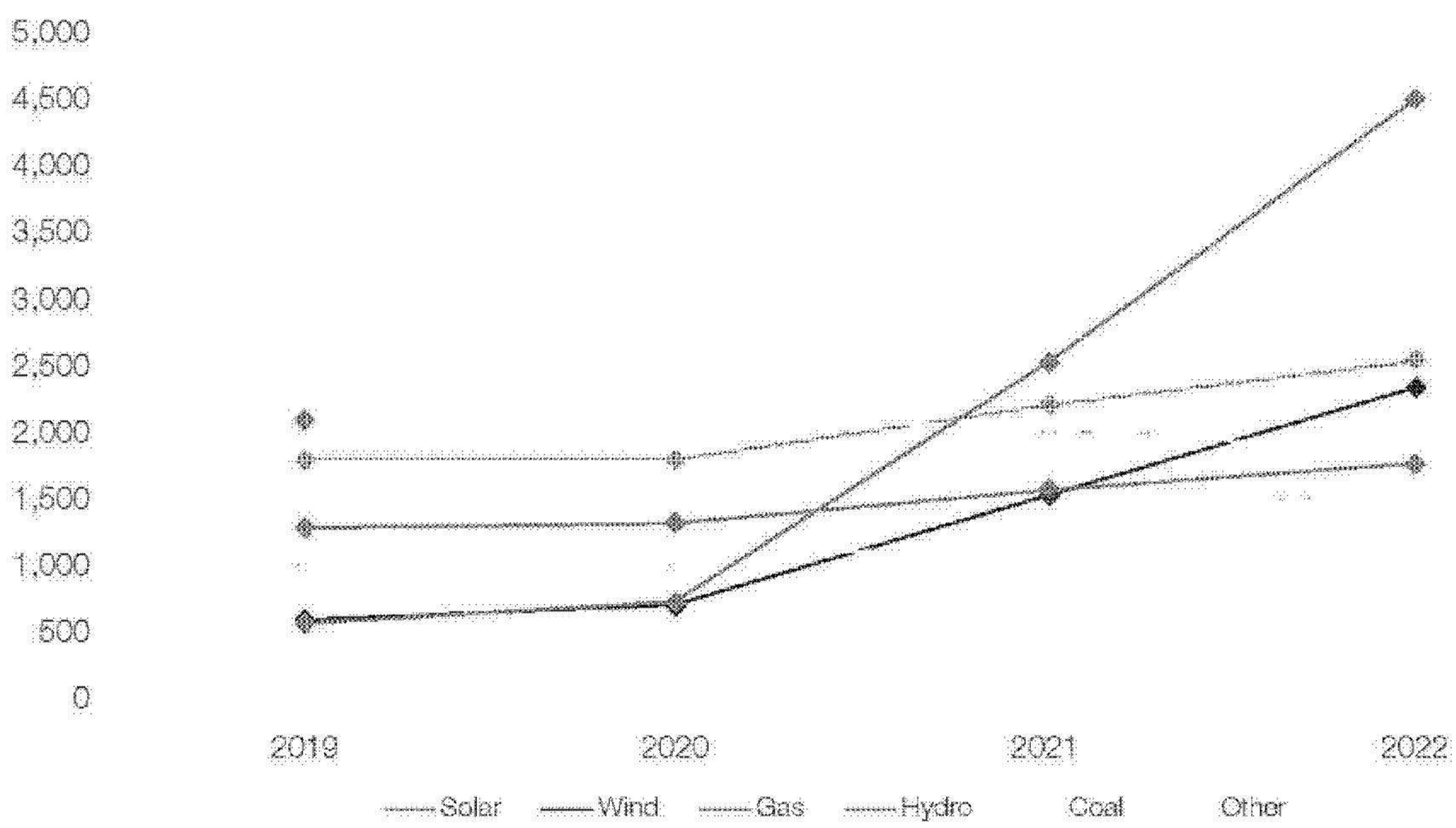
1.2 DESCRIPTION OF THE RENEWABLE ENERGY MARKET

1.2.1 A RAPIDLY GROWING GLOBAL RENEWABLE ENERGY MARKET

Growth in renewable energies is driven by underlying increase in energy needs from all sources coupled with an increasing desire to provide production facilities and populations with green energy at competitive prices.

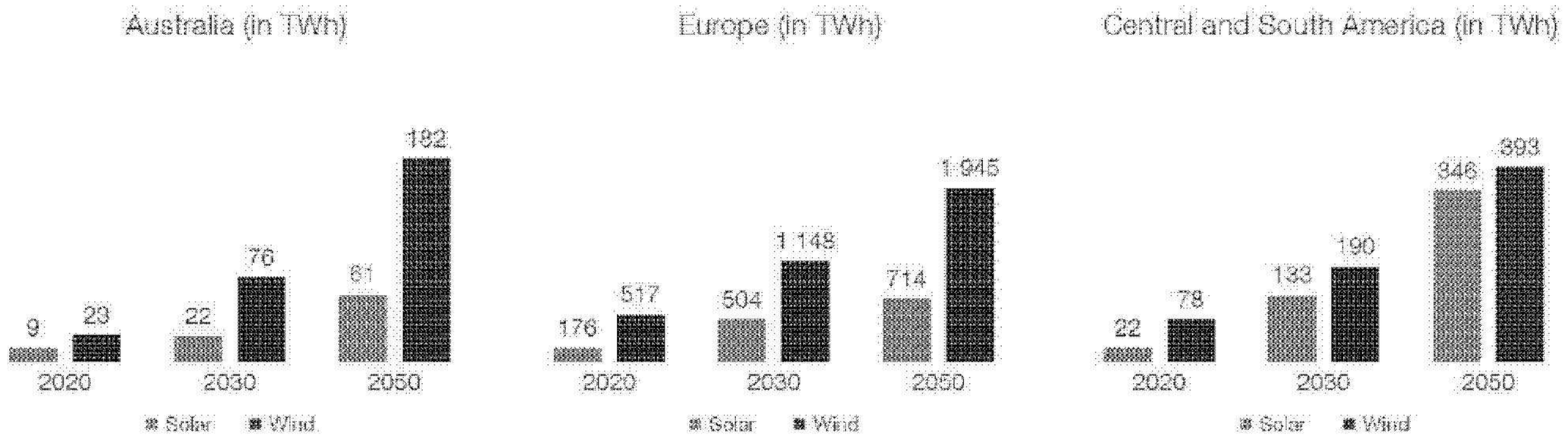
In its latest World Energy Outlook (2021), the International Energy Agency (IEA) estimates that energy generation capacity from all sources is likely to increase from 7.5 TW in 2019 to 14.7 TW in 2040, i.e., nearly double. Among these energy sources, solar should increase fastest with an average annual growth rate of 10% over the period, followed by wind at nearly 7%. Within this generation capacity, the share of solar and wind power is expected to increase from about 16% in 2019 to 47% in 2040.

Projected global operational capacity (in GW)



Source: International Energy Agency (2021), World Energy Outlook 2021, IEA, Paris

Forecast of changes in renewable production by geographic area



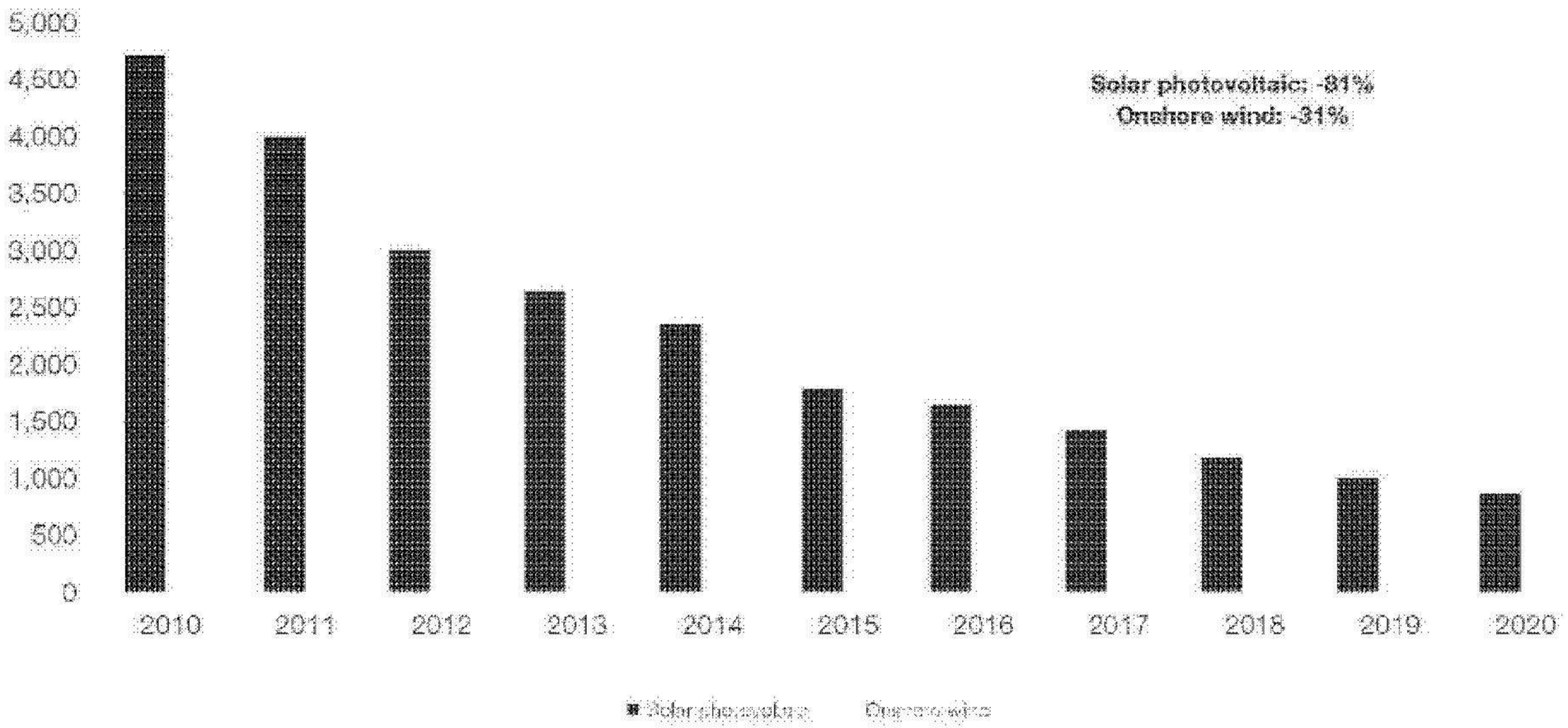
(1): CAGR : Compound Annual Growth Rate
Source: World Energy Outlook 2021, IEA & Baringa study

The IEA "World Energy Outlook 2021" and the Baringa study also estimate that Australia, Europe and Central and South America will see significant growth in their wind and solar production by 2050. As regards wind energy, Australia is likely to post the strongest growth, at an annualised average rate of +7.1%, followed by Central and South America with an estimated growth of +5.5% per year and by Europe with an estimated growth of +4.5% per year. As regards solar, energy production capacity in Central and South America is expected to increase by +9.6% per year. Australia and Europe are expected to see their solar energy production grow by +6.4% and +4.8% per year, respectively, until 2050.

The expected increase in solar and wind in the energy mix is the result of several positive dynamics, including:

- the commitment of States to fight global warming, as demonstrated by international agreements such as the Paris Agreement. Energy is one of the areas in which most can be done to reduce CO2 emissions today, since low-carbon solutions such as renewable energies exist and are effective;
- the competitiveness of solar and wind power, which are currently the cheapest energy production solutions in many parts of the world. Over and above the political will, replacing ageing thermal power generation facilities by renewable technologies is often an economic no-brainer. The growing competitiveness of renewable energies is reflected in the fact that their costs have decreased considerably due to technological and operational factors.

Decrease in average facility costs since 2010 (in USD/kW)



Source: IRENA (2021), Renewable Power Generation Costs in 2020, International Renewable Energy Agency

- government support now goes beyond subsidies for electricity production and is part of the long-term approach consisting of an energy transition. Some countries see this as an opportunity to boost their economies, ensure sustainable and cheap electricity production and create jobs to offset the loss of those traditionally found in declining carbon-intensive industries. "Hydrogen plans" or support for electric cars in Europe are some of the most recent examples. These new areas of electricity use should also increase medium-term demand and stimulate renewable energies because of their competitiveness;
- the desire to green the energy mix is also evident in the private sector, for civic, economic or marketing reasons. We are seeing an increasing number of corporate purchase agreements, which stand out from the rest in initiatives such as the "RE100"[1] and highlight their renewable energy acquisition strategy, enabling them to be recognised as "green" companies committed to clean energy policies. Their use of renewables also enables these companies to reduce their costs and mitigate the risk of price volatility affecting their electricity requirements. Neoen expects that a substantial market for corporate off-take agreements for renewables will develop in the coming years, as the grid parity extends and these energy consumers become increasingly sophisticated. In fact, the market for power purchase agreements with private off-takers (corporate PPAs) represented a volume of 31.1 GW in 2021, involving more than 137 companies. This represents an increase of 24% compared to 2020, and nearly 55% compared to 2019 (Source: *BNEF's 1H 2022 Corporate Energy Market Outlook*).

1.2.2 THE GROWING IMPACT OF STORAGE SOLUTIONS

Traditionally, the major disadvantage associated with solar and wind has been their intermittency. A grid with a large proportion of renewable energy sources was exposed to potential problems of stability and maintaining the balance between supply and demand. To cope with the unpredictable hazards of renewable energy production, grid operators preferred to restrict the number of connected intermittent power plants.

Storage technologies now provide a greater source of market penetration by renewable energies. They have the double advantage of being able to respond to imbalances between supply and demand more quickly than a thermal power plant, and using the energy produced by solar and wind plants after having stored the energy produced in excess of demand on the grid, which would have normally been "lost" (curtailment).

Storage capacity is therefore an important factor in the development of renewable energies, which in turn will contribute to the very strong growth in storage capacity in the coming years.

Forecast of global evolution of storage capacities

In 2020, 17 GW / 34 GWh of batteries were connected to the electricity grid. Global battery storage capacity is expected to increase 20-fold between 2020 and 2030, with 358 GW / 1,028 GWh of batteries installed worldwide by 2030 according to the latest BloombergNEF research report (BNEF, 2021).

The United States and China are expected to account for more than half of new global storage facilities by 2030. The other main markets are India, Australia, Germany, the United Kingdom and Japan. According to the BNEF study, 55% of energy storage built by 2030 will be used for energy transfer, such as storing solar or wind energy for later use. Policies to support renewable energy, government climate commitments and the growing need for flexible resources are common drivers of this growth.

The falling cost of batteries, especially lithium-ion batteries, and the increasing penetration of renewable energies make energy storage a flexible and essential resource for many electric power systems.

Depending on whether they are directly connected to the grid or linked to a renewable energy project, storage solutions will be configured according to different business models and generate different types of revenue. Neoen estimates that there are now four revenue models for storage solutions (spare capacity, frequency regulation services, load shifting and arbitrage). For further details, refer to paragraph 1.3.2.3 "energy storage".

1.2.3 MARKET STRUCTURES

1.2.3.1 TERMS OF ELECTRICITY SALE

Renewable energy producers may sell the electricity generated by their plants under different types of long-term contracts with one or more purchasers which may be public or private electricity distribution companies (utilities), public authorities or private off-takers. These contracts are described in more detail in paragraphs 1.3.4.1 «customers» and 1.3.4.2 «power purchase agreement» of this document.

This categorisation can be summarised as follows:

- PPAs entered through tenders, for a period of 10, 15, 20 or 25 years, and for a specific electricity capacity at a given price.
- over-the-counter contracts with sophisticated purchasers, such as energy companies or other private companies with specific energy needs. These contracts are usually for a specified power, at contractually defined prices, which is delivered directly or indirectly to the counterparty. They have a shorter duration than contracts with public or para-public purchasers or private electricity distribution companies, usually from 10 to 15 years for wind and solar, and 7 to 15 years for batteries.

[1] RE100 is an international initiative led by two NGOs, The Climate Group and the Carbon Disclosure Project (CDP). Launched in 2014 during Climate Week in New York, it aims to bring together international companies that pledge to purchase 100% renewable electricity.

The vast majority of contracts are take-or-pay contracts and do not present any volume risk since the commitment is for a price per MWh, regardless of the volume discharged into the grid.

Off-take agreements are not indexed to electricity, oil or gas prices, but may be fully or partially indexed to inflation. They may also contain protection against exchange rate fluctuations in emerging countries: for example, in the form of a direct payment in a strong currency, or in the form of a payment in local currency, but with an adjustment clause depending on the evolution of the exchange rate with a strong reference currency.

Generators can complement revenues from the above contracts by selling electricity on the spot market (paragraph 1.3.4.1 (iv) « Spot market sales » of this document). These sales can also be made through short-term contracts and can be used strategically to exploit the capacity that is not intended to be sold through long-term contracts such as PPAs.

These sales may take place in the following ways:

- between the commissioning of the power plant and the entry into force of the PPA;
- at the term of PPAs, whether corporate or public, for all or part of the production volumes;
- for the production volumes that exceed the maximum amount contracted or won through tenders.

These situations are becoming more and more common. They are facilitated by the arrival of aggregators or route-to-market off-takers which make it easier for independent renewable producers to access and sell on the open market. In addition, these sales are increasingly taken into account by lenders when making an analysis of the financial profile of a project.

In addition to revenue generated by electricity sales, operators of solar or wind power plants and storage facilities may receive additional revenue from:

- capacity premiums, in the case of capacity markets (generally proportional to capacity available);
- the sale of green certificates proportional to production, in accordance with the applicable regulations, for example the Large-scale Generation Certificate in Australia or Guarantees of Origin (GOO) in Europe;
- a leasing fee for certain storage plants: this is generally a contractual fee paid to enable a grid operator or a State to benefit from the services provided by the battery;
- frequency regulation remuneration: this involves paying stabilisation services sold to the system operators;
- an income related to the postponement of production: the electricity produced is stored during off-peak hours and resold during peak periods during periods of high prices.

It should be noted that the last three remuneration categories mentioned above can also be carried out by independent storage facilities (directly connected to the grid).

1.2.3.2 TENDENCIES HAVING AN IMPACT ON MARKET STRUCTURE

Evolution towards a combination of several business models for the same asset. Assets include increasingly complex remuneration methods. There may be PPAs with different purchasers, on different terms and for different durations. Part of the electricity may therefore be sold to private players. In addition, spot-market sales, although they are opportunistic, may generate additional gains compared with the contractual feed-in tariffs fixed in tenders. This is particularly the case in the Group's key countries, namely Mexico, Australia and Finland, as renewable energies are at grid parity there and so the prices of long-term purchase agreements are generally lower than on the spot market. They can also improve the financial profile of the project in the period between a plant's commissioning and the entry into force of a take-off agreement. In addition, the integration with storage facilities provides revenue for capacity reserves and frequency regulation and enhances the opportunities to make sales on the spot markets through deferral of production.

Development of storage activity. Technological progress and falling production costs for electricity storage equipment have enabled the development of storage facilities in response to the imbalances linked to the intermittency of renewable energies. In addition, grid operators are expected to rely increasingly on batteries to provide production balancing and regulation services.

Development of multi-technology projects. In addition to batteries installed independently of any other asset, more and more wind or solar projects are coupled with a storage solution, making it possible to counter the negative impacts linked to the intermittency of renewable energies. In this context, a player like Neoen, which has several technologies, is naturally at an advantage in comparison to a producer that is specialised in one of these energy sources.

Improvement of project competitiveness. Renewable energies are increasingly competitive, with the number of countries with grid parity constantly increasing. This competitiveness is the result of lower capex and financing costs, combined with two other positive dynamics on project competitiveness: first, there is a tendency to move towards larger-scale projects, generating scale effects, second, the residential solar penetration in many countries, with consumption as close as possible to production.

1.2.4 COMPETITIVE ENVIRONMENT

The renewable energy market is still very open and fragmented, with players of all sizes in many countries. Growing barriers to entry and the desire of incumbent operators in the electricity sector - but also more broadly in the energy sector - to rapidly change their energy mix are likely to contribute to a concentration trend. In addition, investors are increasingly interested in holding portfolios of renewable assets.

National incumbent utilities, which were already regional or global leaders in electricity and have long since emerged from their domestic market, have developed know-how in renewable energies and have dedicated subsidiaries abroad (EDP Renewables, EDF Renewables, Enel, Engie). In addition to these are international players specialised in the field of renewables, such as Neoen or Scatec, Voltalia and FRV, and small players operating locally, whose proportion is tending to decrease. In addition, a new category of pure solar players is taking off, such as Solaria or Solarpack. Also, leading energy companies such as Engie, Shell and Total have strengthened their positions in the renewable energy market through recent acquisitions of independent solar and wind power developers and producers. Other competitors have also sought to increase their market share through mergers and combinations of companies that have given rise to larger players with significant financial resources.

Neoen is the leading independent producer of renewable energy in France, the leading independent producer of exclusively renewable energy in Australia and the leading independent producer of photovoltaic energy in the other countries in which it operates.

The award of projects remains competitive. However, while the authorities in charge of tenders are pushing actors to adopt more competitive prices, they are also increasingly taking into account the experience and the history of the operator, especially with regard to the record of having carried out important projects on time and without cost overrun. The ability to pre-qualify projects (obtaining land, environmental studies, technical studies, obtaining building permits), that is, to submit an offer with as little uncertainty as possible regarding its technical and legal fulfilment is also key, which is a plus for Neoen. Lastly, access to financing on acceptable terms and financial soundness testify to the ability to cope with the hazards of construction and operation, and represent, with the elements above, growing barriers to entry in the sector.

Main players in national markets

Country	Markets	Players	Capacity of assets in operation (in MW)
Argentina	Wind and solar power 2021	Genneia S.A.	866
		Central Puerto	374
		Petroquimica Comodoro Rivadavia	325
		JEMSE	300
		Neoen	208
		Pampa Energy	206
Australia	Wind and solar power 2021	PowAR	1,298
		Neoen	979
		CWP Renewables	645
		Palisade	626
		Infigen / IBERDROLA	580
Finland	Wind power 2021	Exilion Tuuli Ky	390
		Taaleri Pääomarahastot Oy	293
		Gigawatti Oy	260
		EPV Tuulivoima Oy	228
France	Wind and solar power 2021	Engie	3,943
		EDF Renouvelables	2,045
		Total Quadran	1,104
		Boralex	1,075
		Neoen	898
Mexico	Wind and solar power 2021	Enel	2,923
		Acciona Energía	1,285
		Iberdrola	1,163
		IEnova (Sempra)	933
		Zuma Energía	811
Portugal	Wind and solar power 2021	EDP Renewables	1,167
		Finerge	960
		Iberwind	726
		Trustenergy	489
		Generg	467
El Salvador	Wind and solar power, and storage activities 2021	**Neoen**	244
		BOSFORO (AES partnership)	140
		AES	8
		Real Infrastructure	74
		Ventus	50
		Grupo Borja	24

(1) The capacity of facilities in operation is expressed in net capacity.
Source: Annual reports and press releases from the companies concerned.

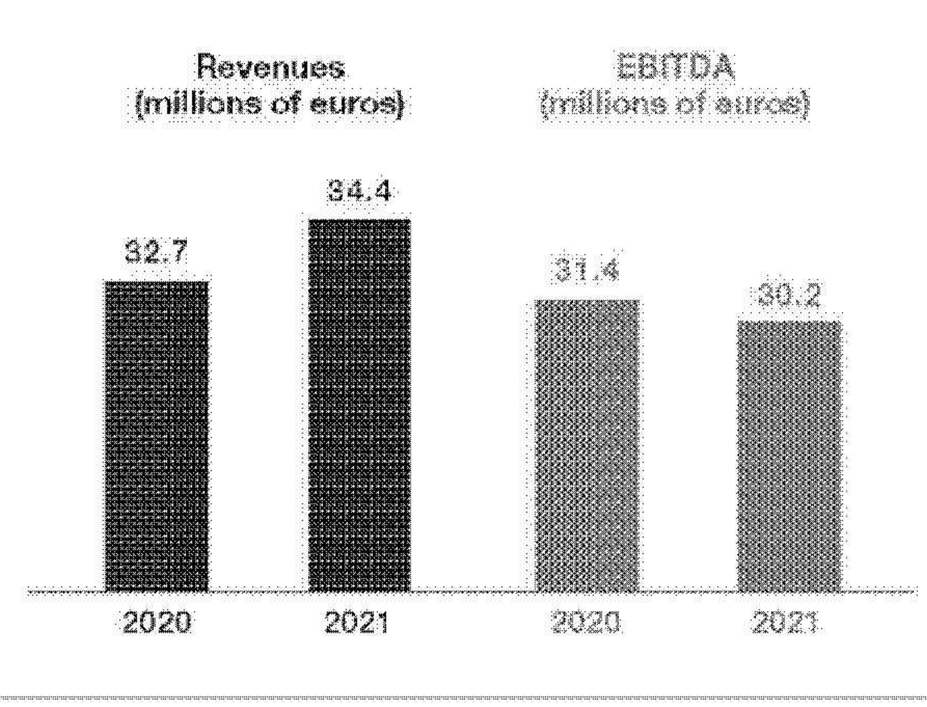


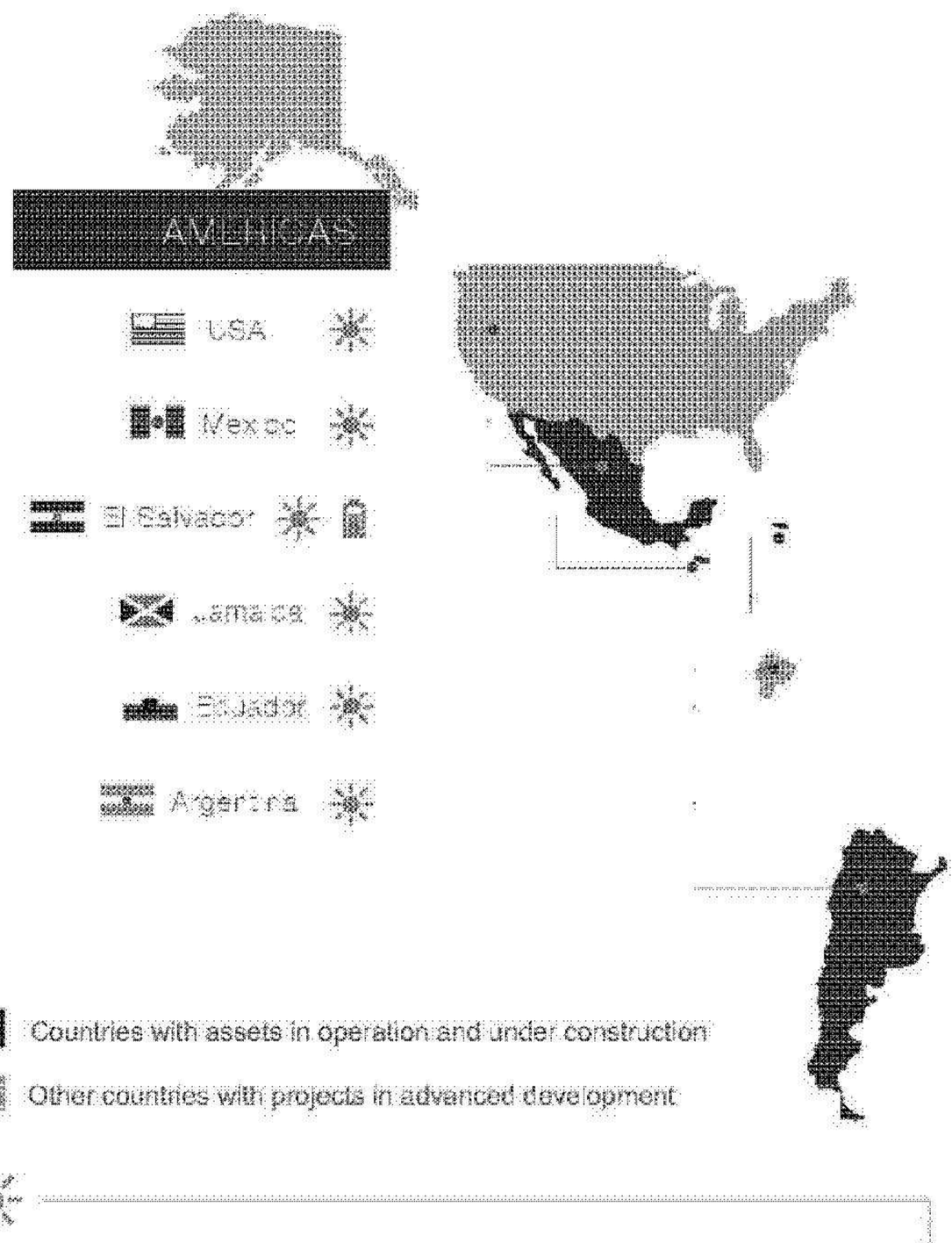
1.3 NEOEN'S BUSINESS

1.3.1 BUSINESS ACTIVITIES AND KEY FIGURES

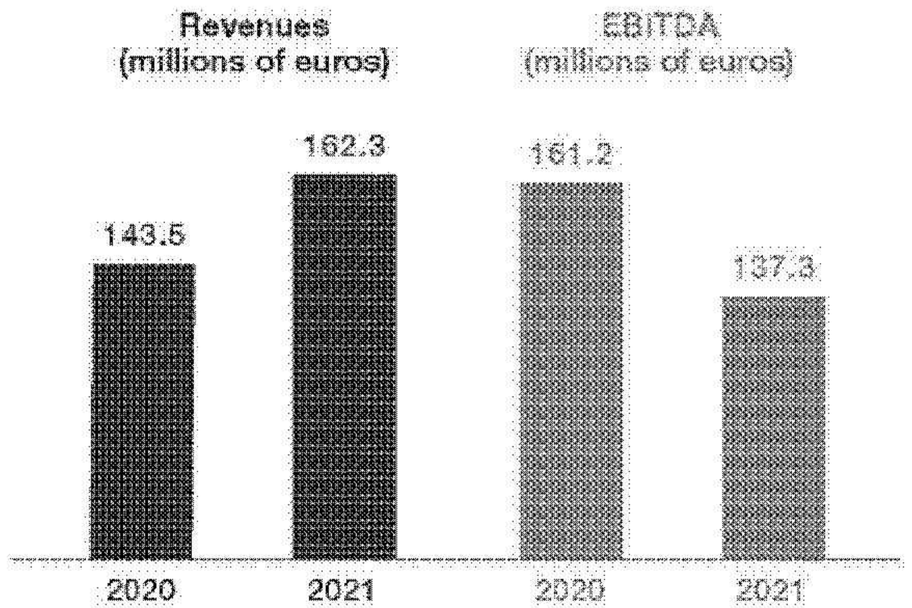
The Group's activity is centered on the production of solar and wind energy, and on the development of energy storage solutions. In 2021, Neoen has also announced its intention to proceed on a regular but selective basis with the total or majority sale of projects in its secured portfolio (farm-down)[1], up to a limit of 20% of the volume of projects won each year. As of December 31, 2021, the Group had 299 employees and was active in 16 countries spanning 4 continents. The main geographical zones in which the Group operates are as follows: Australia, Europe-Africa, and the Americas.

This operating segment solely, as reported in our financial statements, comprises independent storage facilities directly connected to the electricity grid, as opposed to behind the meter storage solutions whose action is coupled upstream with the production of energy by solar or wind power plants. As of December 31, 2021, the Group owned 12 storage facilities in operation or under construction, with a cumulative capacity of 642 MW for 941 MWh of storage capacity, of which 7 are directly connected to the network.

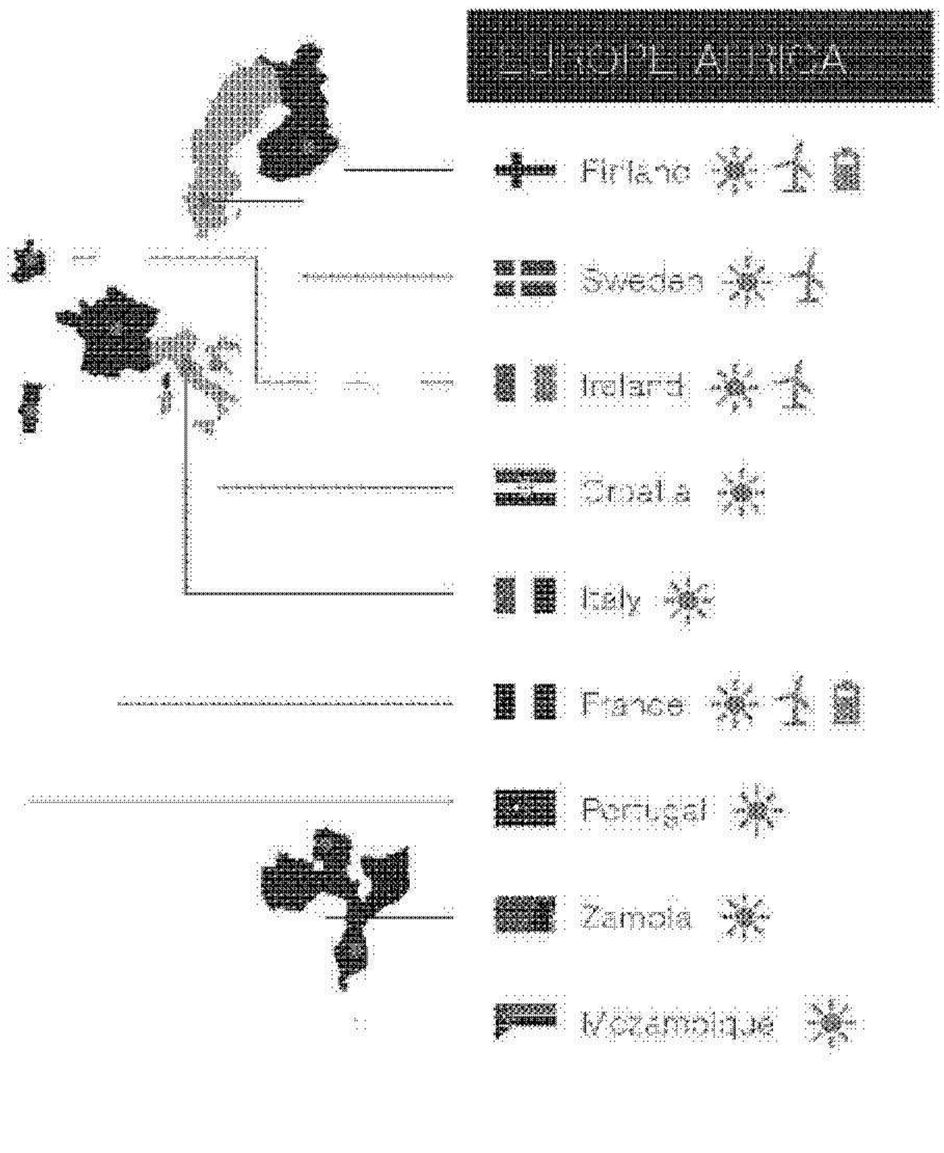




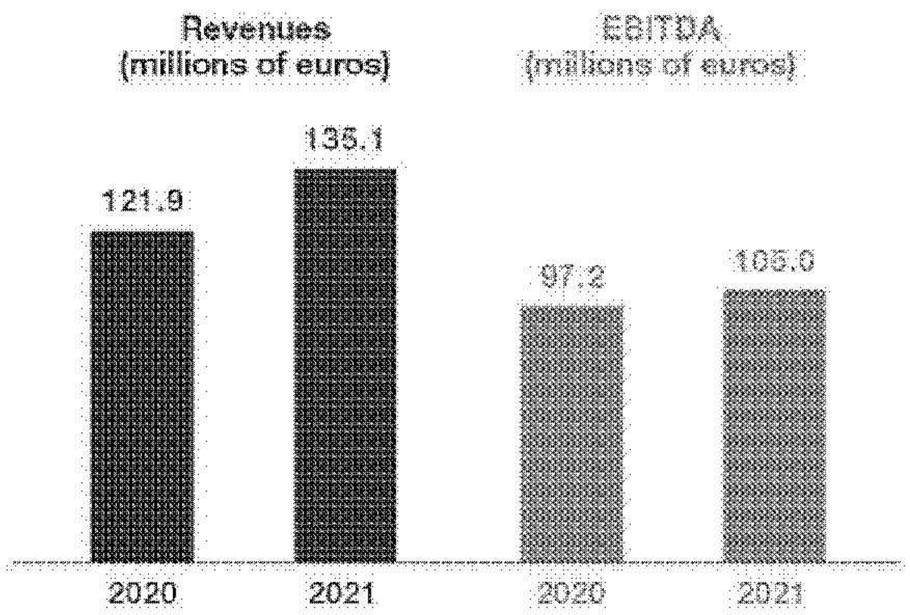
The Group develops and operates solar power facilities in numerous countries, including the Cestas plant which is France's most powerful solar power plant. As of December 31, 2021, the Group had 72 solar parks in operation or under construction with cumulative capacity of 2,713 MW.



(1) For more information, please refer to paragraphs 2.1.1 and 2.3.1.8 of this document.



The Group develops and operates wind farms currently located in Australia, Ireland, Finland and France. As of December 31, 2021, the Group owned 50 wind farms in operation or under construction with cumulative capacity of 2,079 MW.



1.3.2 OPERATING SEGMENTS

Key financial and operational information

The table below sets forth key financial and operating data for the Group's solar, wind and storage segments by geography as of December 31, 2021:

Activity	Region	Number of assets in operation as of 31.12.2021	Peak capacity of assets in operation (in MW)	Average availability of assets in operation in 2021	Production of assets in operation in 2021 (in GWh)	Number of assets under construction as of 31.12.2021	Peak capacity of assets under construction (in MW)
Solar	Europe-Africa	43	663	99.6%	533	15	256
	Australia	6	458	97.4%	703	1	460
	Americas	7	875	90.8%	1,412	-	-
Wind	Europe-Africa	35	448	96.6%	927	7	542
	Australia	4	521	98.2%	1,334	4	569
	Americas	-	-	N/A	N/A	-	-
Storage	Europe-Africa	2	36	N/A	N/A	2	16
	Australia	4	476	N/A	N/A	1	100
	Americas	1	3	N/A	N/A	2	11
TOTAL		102	3,480	95.7%	4,908	32	1,954

1.3.2.1 PLANNING AND DEVELOPMENT OF SOLAR AND WIND PROJECTS

(i) Identifying opportunities

From the very beginning of the project development process, a prospecting team is set up in the target market and takes charge of the search for sites, through collaborators or partners. Once it identifies a site with significant potential, the prospecting team obtains initial preliminary studies, such as interconnection studies, from reputable third parties and performs initial groundwork in view of obtaining permits and licenses.

As the team makes progress and receives feedback from its studies and initial inquiries, it reports back to management. Management can then from the early stages of development evaluate whether a given opportunity possesses an appropriate risk and reward profile to warrant further investment.

The ability to obtain detailed early information on project sites from its own teams or local partners from the earliest stages provides Neoen with the advantage of reducing ramp-up issues and helping to overcome execution and project quality challenges that might otherwise occur, particularly when the time between tender announcements and bid deadlines is limited. Moreover, the Group is able to conduct this preliminary work at a relatively low initial cost with lean and efficient teams, thereby minimising its financial exposure to the risk of the project being abandoned.

Expenditure relating to these initial investments includes costs relating to travel, human resources, preliminary technical and interconnection studies, environmental impact studies and building and operating permits. The Group covers these development expenses and they are capitalised once a project enters the Group's development portfolio. They may be written down or scrapped if a project is postponed or abandoned.

Once the opportunity to secure a take-off agreement or to sell its electricity on the markets arises, the Group shifts from laying the foundations for its projects into more resource-intensive project-execution mode, in particular through the financial and industrial structuring of the project.

(ii) Bidding for projects

The tender opportunities that Neoen targets are structured in frameworks that vary by both type of energy and country or state. The Group generally targets tender procedures following which it is offered the opportunity to enter into off-take agreements with solid counterparties. These off-take agreements provide the Group with a relatively stable source of long-term revenue and transform market risk into a limited counterparty risk. In addition, these elements make it easier to obtain financing on favourable terms, which enables the Group to improve its offers' competitiveness.

Tenders in which the Group participates may be launched by both public entities and private off-takers. Public entities include governments, who either organise or back a given tender, and government-controlled entities such as state or regional power companies. Off-take agreements entered into in this context are generally long-term, over 10, 15, 20 or 25 years. They are generally granted on the basis of price considerations with little or no leverage in negotiations. For private off-takers and distributors (utilities), these PPAs may be shorter in term, ranging from 10 to 15 years, while providing greater leverage when negotiating terms and conditions.

The Group is increasingly participating in tenders from private off-takers, and it considers these to be a promising opportunity going forward. For further details with respect to the types of PPAs to which the Group is a party, please refer to paragraph 1.3.4.2 "power purchase agreements" of this document.

(iii) Developing projects

The specific features of project development depend significantly on the type of energy to be produced by the project and the country or region in which the project is to be developed.

In general, Neoen fully structures its projects (building on and completing its early development work) as soon as it has been awarded a tender. This structuring process involves several aspects, including but not limited to the following:

- obtaining permits and authorisations at the local and state level (though in certain jurisdictions, such as France under the currently applicable regime, the relevant building permit or construction authorisation must be obtained before a bid is made);
- carrying out connection studies to understand the conditions for connection to the grid, as well as the associated costs;
- sourcing engineering, procurement and construction (EPC) services and operation and maintenance (O&M) services with high-quality EPC and O&M contractors and negotiating full-fledged contracts;
- sourcing project financing, predominantly long term and non-recourse, and organising collateral and guarantee packages; and
- hedging, where necessary, interest rate exposure on its financing and any foreign exchange rate exposure (e.g., in certain very rare cases, between the currencies in which the Group pays its construction expenses and the currency of the Group's project financing) that may exist for the period beginning when the Group enters into its project financing and ending at financial closing.

The time required for such a project structuring (in particular between initial contact with the relevant lender and financial closing) depends on the market in which the project is being built. In a mature market such as Australia or Europe, less time is required than in less mature markets such as certain Latin American countries, notably when financing has been guaranteed or arranged by development banks. The Group always seeks to reduce a project's time to market as much as possible and, in this respect, believes that its advance work on development aspects is helpful at a later date. Furthermore, thanks to its solid network of partners and its ability to draw on its successful experience in previous procedures, Neoen is able to speed up project structuring. In addition, for countries with mature spot pricing markets or in the context of PPAs, where the Group may structure its bids in order to benefit from more attractive spot pricing before a given PPA's term commences, a shorter time to market for a project enables increased early generation revenues for this project. The Group is therefore able to create significant value from its accelerated structuring processes.

The specifics of project management are handled by the relevant Neoen development team under the development project manager, who reports regularly to senior management. This project manager oversees the structuring of the project and coordinates various teams such as the procurement team, technical, legal and financing specialists. He/she also works closely with lawyers, engineers, tax specialists, financial advisers and others.

From an operational standpoint, project development teams hand off projects to construction teams, who in turn hand off projects to operations teams. On the administrative side, the financing team hands over debt management to a financial controlling team at the appropriate time, as a general rule after the first debt drawdown.

(iv) Procurement and construction

In non-OECD countries, construction itself generally begins after financial closing has been completed. In OECD countries, construction may begin prior to financial closing but only after the relevant permits are secured and a tender has been awarded. Project construction is handled by a construction project manager who takes over from the development project manager.

The construction project manager's responsibilities include all construction and technical aspects of the project from the moment that the NTP ("notice to proceed") is delivered to the EPC contractor, until the hand-off of the asset to the asset manager, as well as the management of relationships with project stakeholders.

In the context of its assignments and as required, the construction project manager is supported by the Group's legal, finance and development teams.

(v) Farm-Down of projects

In 2021, Neoen announced its intention to proceed regularly but selectively with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects won each year. These farm-down transactions strengthen the Group's financial capacity and therefore contribute to financing the construction of new assets. Neoen plans, as far as possible, to maintain a minority stake in the projects in question, to ensure their administrative and operational management and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

In 2021, Neoen sold 100% of its shares in four solar power plants in operation in France: Grabels in Hérault, Lagarde in Vaucluse, Lugos in Gironde and Miremont in Haute-Garonne.

At the end of the year, the Group also sold 95% of its shares in the French wind farms Le Berger and Les Beaux Monts[1], currently under construction.

[1] Given Neoen's continued ownership (5%) in the Le Berger and Les Beaux Monts wind farms and its option to buy the project companies after 31 years of operation, these assets will continue to be included in the Group's secured portfolio (gross MW).

(vi) Operating assets

In line with its mainly "develop-to-own" strategy, the Group pays strong attention to the long-term performance and state of its assets. Neoen outsources the maintenance of each asset under protective, long-term, full-scope O&M contracts, and negotiates contractual guarantees from the O&M provider with respect to availability and compensatory payments in the event availability falls below specified minimums, as well as other performance guarantees. As a general rule, the Group's O&M contracts have a minimum duration of 10 years and include options for expansion under pre-approved conditions that can be activated by the Group. Under these contracts, the solar O&M suppliers are generally the same as those involved in building (solar); in wind, the turbine manufacturers maintain their turbines.

Classification of projects

Neoen tracks project development according to a defined set of categories, as projects move through their lifecycle from initial planning to commercial operation date (COD). The Group defines each of these categories across geographies and for solar, wind and storage facilities as follows:

Projects in "early stage" phase	Projects (i) located on land with respect to which the owner has confirmed his or her intention to agree a contract with the Group for the applicable land rights, (ii) in proximity to an electric grid to which the project may be connected and (iii) for which technical studies have been initiated but not yet finalized.
Projects in "advanced development" phase	Projects for which the following elements must be achieved: • real-estate: signature of a contract validating the use of the land; • access to the electricity grid: preliminary grid connection; • technical: completed pre-design engineering.
Projects in "tender-ready" phase	Projects where either: • a building permit has been obtained and all the conditions precedent to the signing of an electricity sales contract have been fulfilled in a country which: – has a renewable energy development program through recurrent tenders, or – has a liquid market for electricity sales contracts with private companies; • feed-in tariffs are available and a building permit application has been submitted. Based on such criteria, once a project reaches the tender-ready stage, it will not be reclassified to a less advanced stage as long as: • the market dynamics of renewable energies in the country in question remain unchanged; and • the requirements for obtaining an electricity sales contract remain the same. Projects in "advanced development" phase and projects in "tender-ready" phase constitute the "advanced pipeline". Projects in "advanced development" that win a tender through a competitive auction process are classified as "awarded" projects without being first classified as tender-ready.
Projects in "awarded" phase	A: The primary authorisation request for the project has resulted in a positive outcome and is no longer subject to an appeal, and there is a guaranteed off-take once the project is built; or B: the project was won through a competitive auction process or a long-term PPA was signed. At this stage, certain additional licenses may be required as long as the Group judges them to be secondary to the applicable primary authorisation. Depending on what could be achieved during the initial development phase, land procurement and additional studies may also be underway. Discussion and contracting with an EPC, as well as project financing negotiations, are usually advanced during this stage.
Projects in "under construction" phase	For these projects the notice to proceed ("NTP") has been given to the relevant EPC contractor. The asset remains in this category until it enters operation in accordance with the requirements specified below.
Projects in "in operation" phase	All the equipment in a solar or wind power plant or a storage facility is installed, commissioned and connected, and the facility is authorised to operate at full power. Performance tests and/or the production of the documentation provided for in the EPC contract may still be in progress up to the provisional acceptance date. Projects in "awarded" phase, projects "under construction" and projects "in operation" form the "secured portfolio".

Finally, it's possible to move directly from the "tender-ready" stage to the "under construction" stage for projects whose electricity is to be sold on the spot market.

1.3.2.2 ENERGY STORAGE

Energy storage occupies an important place within the Group to support the growth of its solar and wind activities. This is both a complement to existing solar and wind power installations to facilitate their integration into electricity grids, as well as a means of providing services in their own right as an independent source of revenue.

Neoen believes that in the future, energy storage will develop to become an essential part of power grids, complementing renewable energy production plants. Some grids, such as South Australia, require candidates to commit to setting up an energy storage facility. The Group believes this type of tenders will become more common.

As of the date of this document, the Group operates four independent energy storage facilities (directly connected to the grid): Hornsdale Power Reserve and the "Victorian Big Battery", commissioned in December 2021 and is one of the largest batteries in the world, in Australia, Azur Stockage in France and Yllikkälä Power Reserve, which is the firsthigh-capacity independent battery to be connected to the Finnish grid. These are supplemented by a storage solution connected to the DeGrussa off-grid solar plant in Australia, and the one connected to the Bulgana wind power plant in Australia, as well as the one in Capella, El Salvador.

In addition, Neoen has also launched the construction of two batteries with a total capacity of 11 MW / 8 MWh, which will be installed in its solar parks of Capella (140 MWp) and Providencia (101 MWp) in El Salvador. Neoen has also launched the construction of the Capital Battery in Canberra with a capacity of 100 MW / 200 MWh, located near the Queanbeyan substation in the Australian Act Battery (ACT) in Australia. In France, two storage batteries with a total capacity of 16 MW / 16 MWh are also under construction.

(i) Frequency regulation

Electric power grids transmit power from generators to eventual end users through alternating current that oscillates at a specified frequency (for example, 50 Hz in Europe). The differences between electricity production and consumption cause this frequency (in Hz) of the power grid to vary:

- downwards (below 50 Hz) when consumption is greater than production;
- upwards (above 50 Hz) when production is greater than consumption.

Sudden and uncontrolled frequency variations may disrupt the proper operation of the grid and cause power grid blackouts, power cuts or damage to power grid equipment.

All power grids around the world need some form of continuous frequency regulation to prevent uncontrolled variations and ensure their stability. This therefore applies to all countries in which the Group operates.

The batteries directly connected to the power grid and equipped with appropriate software are capable of responding to frequency fluctuations in either direction. They can absorb excess electricity when the frequency is too high or discharge electricity when the frequency is too low. This service, which is categorised in Australia under the name of frequency control ancillary services (FCAS), comes in two forms:

- primary reserve ("Regulation FCAS"). The electricity grid operator continuously specifies (for example, every four seconds) to FCAS providers the increases or decreases in their electricity generation that are required in order to achieve or maintain the appropriate frequency;
- security reserve ("Contingency FCAS"). In the event of a sudden major swing in frequency, the FCAS provider automatically responds to the change in frequency by discharging electricity into the grid or absorbing it to address the imbalance. The Contingency FCAS service is a special form of primary reserve in which the battery directly regulates its production based on the grid frequency it detects and not when instructed by an external signal. The Australian grid operator now plans to set up a primary reserve market like those found in other countries, particularly in Europe.

As batteries respond very rapidly (their production can be adjusted in milliseconds), they are particularly efficient at automatically performing this frequency control service and are often more competitive than thermal power plants, which were historically the main providers of this service.

For example, Hornsdale Power Reserve in Australia provides this service on the state of South Australian grid in return for a fee proportional to the capacity it makes available. The Azur Stockage power plant in France and Yllikkälä Power Reserve in Finland provide a similar service.

(ii) Inertia

Inertia is a stabilisation service that prevents the sudden movements that can occur on a power grid. The security of electrical grids demands a minimum, inertia level at all times. This inertia is historically provided by rotating machinery of thermal, hydro or nuclear electricity generators and cannot be provided by renewable power plants.

As these generators are replaced by renewable power plants, grid operators must find new sources of inertia. The rapid response offered by batteries means that they can provide the equivalent of synthetic inertia to grids.

Following its extension of the battery capacity of Hornsdale Power Reserve (HPR) in 2020, the Group is testing the provision of an inertia service for the first time in Australia. Since February 2021, this service has been tested under real-life conditions on two HPR inverters. The data collected will help confirm the quality of the service and the feasibility of rolling it out to the entire capacity.

(iii) Capacity reserve

Another service that batteries can provide is a capacity reserve, which consists of being able to occasionally supply power (in MW) to the power grid at the most critical times of the year. This mechanism is usually organised by the grid operator, which ensures that it has sufficient power in reserve in case there is a major contingency on the power grid, such as the unplanned shutdown of a power plant or consumption peaks, and will only call on this capacity when needed.

The remuneration method for this capacity depends on each grid operator, but it generally takes the form of an annual or monthly fee proportional to the MW reserved in this way by the grid operator. Capacity tenders vary from country to country. For example, in France, tenders are launched on a multi-year basis.

(iv) Load shifting or arbitrage

Energy storage also enables a load shifting function to be implemented, in order to distribute electricity production by solar and wind installations more evenly and to have a better match between periods of high renewable generation and periods of high electricity consumption.

In particular, the peak daily electricity consumption is generally in the evening, after nightfall, when solar plants are not producing. In this case, electricity must be supplied by means of advanced generation, which is costly to mobilise.

Batteries can replace this peak generation by automatically storing excess electricity during the day, for example when solar generation is abundant and then offloading when demand is greatest. As a result, the batteries are charged at off-peak times (when there abundant power on the market) and discharged at peak times (when there is insufficient power on the market); this arbitrage business represents an additional source of revenue for the batteries.

This operation can be repeated regularly, as soon as prices reach sufficient volatility. In the case of the Hornsdale Power Reserve project, the installation positions itself in real time, depending on market conditions, to the most profitable sources of revenue between arbitrage and frequency regulation.

This arbitrage activity is set to develop significantly in the coming years as renewable energies develop. For these reasons, the Group believes load shifting offers significant growth potential for the energy storage sector.

(v) Approach to energy storage project development

There are significant synergies between energy storage projects and the Group's solar and wind power activities, mainly consisting of joint development activities by grid operators and public authorities.

Though Neoen has developed its energy storage solutions more recently than its initial core competencies of solar and wind power, the Group is devoting significant resources to the further development of energy storage. Neoen has developed a core of expertise consisting of a central team of technical specialists and developers that support energy storage project managers. This team has established links with suppliers and integrators, but with no exclusivity, maintaining the Group's operational and industrial independance. In addition, the Group and its partners purchase batteries from leading suppliers, thereby providing a long-term guarantee regarding aspects including the facility's minimum storage capacity. In addition, the Group is developing energy management expertise to optimise the operation of its storage assets in the multiple markets where they operate.

As the storage market evolves, Neoen expects that its successful business model for the development and operation of solar and wind plants can be deployed for energy storage tenders. The Group is therefore developing a portfolio of storage projects in several of its geographic locations.

1.3.3 GEOGRAPHIC FOOTPRINT

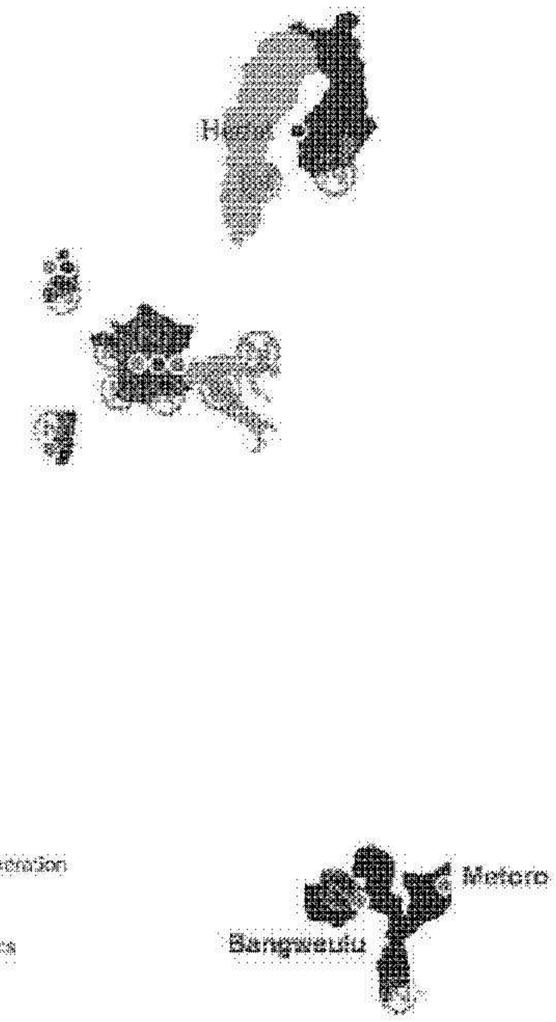
As of the date of this document, the Group has a presence in 16 countries worldwide: Argentina, Australia, Croatia, Ecuador, El Salvador, Finland, France, Ireland, Italy, Jamaica, Mozambique, Mexico, Portugal, Sweden, the United States and Zambia. The Group has diversified its geographic presence over time, while maintaining a general balance of at least 80% of its operating capacity in OECD countries or equivalent. The Group's goal is to continue expanding selectively and respecting this balanced exposure.

At December 31, 2021, as the projects initiated in Croatia, Ecuador, Italy, Sweden and the United States are still in the development phase, the Group does not yet sell electricity in these markets.

The 11 national markets in which the Group has assets in operation or under construction as of the date of this document are presented below by geographic region.

It should be noted that the information below presenting Neoen's different markets are likely to vary, both downwards and upwards, following the impact of COVID-19, particularly concerning the trajectories of countries and their renewable energy policies.

1.3.3.1 EUROPE–AFRICA



Solar
In operation : 663 MWp
Under construction : 256 MWp

Wind
In operation : 448 MW
Under construction : 542 MW

Storage
In operation : 39 MW / 39 MWh
Under construction : 16 MW / 16MWh

14 Offices
Paris • Bordeaux • Nantes • Dublin
Aix-en-Provence • Helsinki • Maputo
Lisbon • Lusaka • Stockholm • Zagreb
Lyon • Toulouse • Brescia

Total Capacity[1]
Total capacity in operation : 1,147 MW
Total capacity under construction : 814 MW

(1) As of December 31st, 2021

Countries with assets in operation and under construction

Other countries with projects in advanced development

A. MAIN NATIONAL MARKETS

1. France

Neoen was created in France in 2008, and is now the leading independent French producer of exclusively renewable energies. In 2021, in the latest solar government tenders (CRE 4.9 and CRE 4.10), Neoen was the first winner with respectively 73.8 MWp and 130.3 MWp of projects won, thereby strengthening its positioning in France.

At December 31, 2021, the Group's portfolio in France consisted of:

- 32 wind projects for 451 MW in operation or under construction;
- 49 solar projects for 742 MWp in operation or construction;
- 1 storage project for 6 MW / 6 MWh in operation, and 2 storage projects under construction for 16 MW / 16 MWh;
- 6 offices located in Aix-en-Provence, Bordeaux, Lyon, Nantes, Paris and Toulouse, and a total of 153 employees.

Regulatory context

France has adopted a series of legal instruments to encourage the development of renewable energies in its energy mix. Support mechanisms were introduced as early as 2003, with the launch of the first feed-in tariffs.

In 2015, the Energy Transition Law for Green Growth introduced a compensation mechanism in support of tenders, called the "compensation supplement" mechanism, replacing the feed-in tariff system applicable until then. The electricity is sold either directly to EDF OA, which manages PPAs within the regulatory framework of the purchase obligation, or to aggregators. In this situation, the Group enters into a PPA providing for a contract for differences (CFD) mechanism whereby the Group sells the electricity on the market through the aggregator and receives (or pays, as the case may be) a compensation supplement from or to EDF OA to cover the difference between the market price (on the spot market) and the reference price provided for in the purchase agreement.

On April 21, 2020, the Multi-annual Energy Plan was adopted. This plan defines France's energy guidelines for the period 2019-2028. It has several main objectives, including the following:

- reducing greenhouse gas emissions in 2028 by 40% relative to 1990;
- reducing final energy consumption in 2028 by 16.5% relative to 2012 and, in particular, fossil energy consumption by 35%;
- increasing the proportion of renewables to 33% of total energy consumption by 2028 and double renewable electricity production capacity in 2028 relative to 2017;
- reducing the proportion of nuclear energy in the French energy mix to 50% by 2035;

The following objectives have been fixed for renewables in order to increase installed capacity from 48.6 GW at end-2017 to 73.5 GW in 2023 and to between 101 and 113 GW in 2028:

Installed capacity as of 31.12 *(in GW)*	2023	2028 Low option	2028 High option
Hydro (including tidal energy)	25.7	26.4	26.7
Onshore wind	24.1	33.2	34.7
Solar	20.1	35.1	44.0
Offshore wind	2.4	5.2	6.2
Solid biomass	0.8	0.8	0.8
Methanisation	0.3	0.3	0.4
Geothermal energy	0.024	0.024	0.024
TOTAL	**73.5**	**101**	**113**

Source: Summary of the Multi-annual Energy Plan (Ministry of the Energy Transition)

To help achieve these objectives, the indicative schedule for launching tenders for renewable electrical power generation until 2025 is as follows:

- for onshore wind: two tenders per year amounting to 925 MW per period, from 2022;
- for ground-array solar: two tenders per year amounting to 1,850 per period;
- for solar on buildings of more than 500 kW: three tenders per year amounting to 1,100 MW per period;
- for "neutral" tenders: 1 tender per year amounting to 500 MW per period;
- for hydro under a permit: 1 tender per year amounting to 35 MW.

In October 2021, RTE France, France's electricity transmission system operator, presented the "Future Energy 2050" study. A study commissioned by the French government in 2019, it defines six scenarios intended to achieve carbon neutrality within thirty years. All the scenarios call for a major acceleration of renewable energy (from 50% to 100% of the energy mix), with the need to restructure the power grid and flexibility measures designed to offset variations in renewable production.

The work is unprecedented on a European scale, both in terms of its time horizon (30 years) and the consultation period (2 years to meet with more than 120 bodies: scientific institutes, manufacturers, unions, etc.).

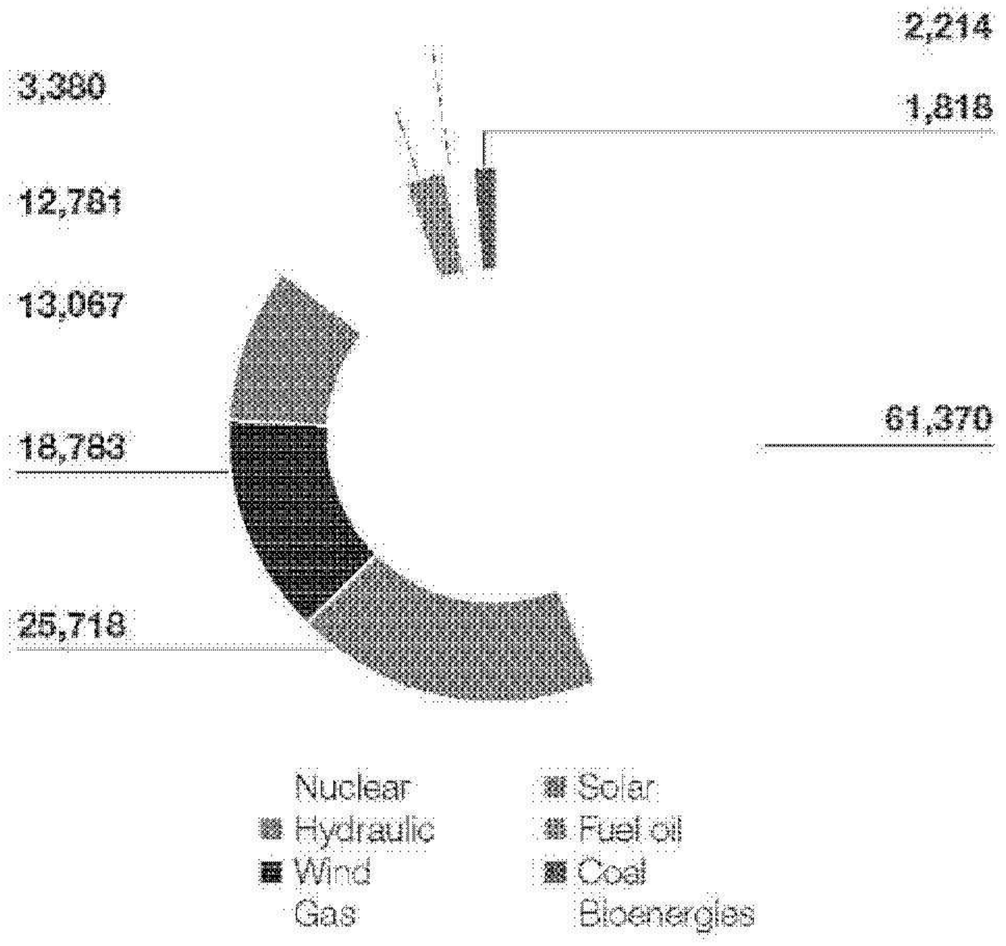
In 2019, the French government announced a review of the feed-in tariffs for solar power plant contracts benefiting from a support scheme before 2011. The decrees and orders were published on October 27, 2021 with effect from December 1, 2021. (see paragraph 2.3.1.7 "Review of feed-in tariffs for solar power" and paragraph 3.1.4 "Legal and regulatory risks" of this document).

Electricity generation capacity

At the end of 2021, France's operating capacity was 139.1 GW, particularly including nuclear (61.4 GW), hydro (25.7 GW), wind (18.8 GW), solar (13.1 GW) natural gas (12.8 GW), and biomass (2.2 GW).

The demand for electricity in France in 2021 was 468 TWh.

Installed capacity by technology (in MW)



Source: RTE - Open Data Réseaux Énergies.

2. Portugal

Neoen was established in Portugal in 2010 and is mainly involved in solar projects. At December 31, 2021, the Group's portfolio in Portugal consisted of:

- 3 solar projects for 24 MWp in operation;
- 2 solar projects for 105 MWp under development;
- 1 solar project for 180 MWp under development, in which Neoen is a 49% minority shareholder;
- 1 office located in Lisbon and a total of 9 employees.

Regulatory context

In December 2019, the ministry of the environment presented its goal of developing renewable capacity by 2030 (*Plano Nacional Integrado de Energia e Clima - PNEC 2030*). At the end of this programme, Portugal's ambition is to be carbon neutral by 2050.

The Portuguese government maintains the goal of achieving 9 GW of solar capacity by 2030 (Plano Nacional Integrado de Energia e Clima – PNEC 2030), as part of the ambition to be carbon neutral by 2050.

To this end, the Portuguese government launched a first call for tenders for a capacity of 1.35 GW in June 2019 and awarded in September 2019. Necen has won a solar project with a total capacity of 65 MWp in this tender.

In 2020, it launched a call for tender for 700 MW of renewable capacity with the option for storage in May 2020, awarded in August 2020. The final awarded capacity amounted to 660 MW in fully merchant scheme (with a capacity payment to the electrical system), with only 10 MW being awarded under the CfD scheme. From the 2020 tender also resulted a minimum of 97 MW in new storage capacity associated with solar. A second call for tender was not launched in 2020 given the COVID-19 crisis. The ministry of environment has already announced its willingness to keep on promoting new renewable capacities via public tenders and confirmed the inclusion of floating solar in the next calls for tenders scheduled.

In parallel, the Portuguese government launched a wide hydrogen development strategy with the objective of achieving 2 GW in electrolysers by 2030, to further sustain the objectives of decarbonisation and economic recovery in the post-COVID.

During 2021, there was a long-awaited revision of the legislation of the sector, with the new proposal for a Decree-Law of the National Electric System, which transposed the European Market and Renewable Directives. It is thus ensured that the country monitors the development of the tools necessary to meet the targets to which it has set itself as a Member State. With the publication of this piece of legislation, promulgated only on January 3 2022 by the President of the Republic, it is expected the necessary stimulus to boost the repowering of wind power plants and an important step towards the optimization of the permitting process, which has been one of the main barriers to the development of the sector, among other measures indispensable to the achievement of the 2030 targets.

Also, in 2021 started the pioneer auction of floating photovoltaic solar energy in reservoirs. The bidding, schedule to take place in April 2022, will allocate the exploration of 262 MW of solar energy in seven dams in the country, resulting in the largest floating solar project in the world with 100 MW to be installed in the Alqueva reservoir.

The phase-out of coal production was confirmed in 2021 and the last coal plant closed (Pego) at the end of November 2021.

Regulated tariffs are being phased out and the electricity and natural gas sectors are fully liberalised to promote retail competition and build a competitive domestic energy market.

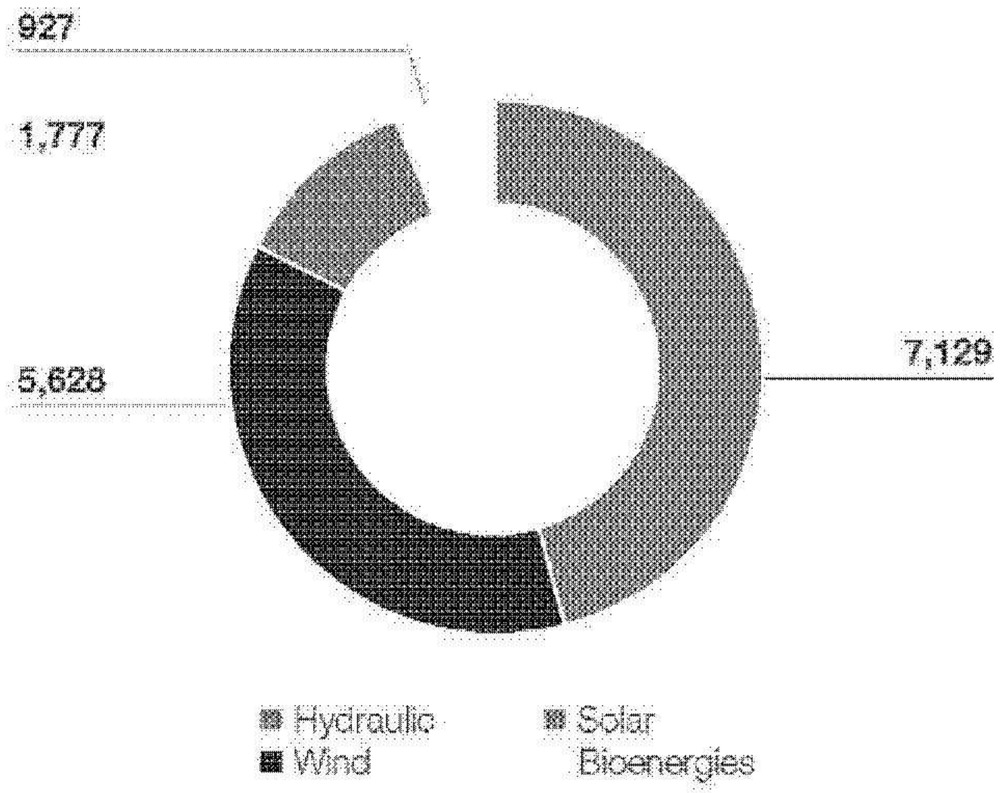
The Portuguese TSO recently published figures for 2021, renewable production supplied 59% of electricity consumption in Portugal. Wind energy represented 26%, followed by hydroelectric with 23%, biomass with 7% and photovoltaic with 3.5%. Photovoltaics, although continuing to be the least significant, recorded a sharp growth of 37% compared to the same period last year. Non-renewable production supplied 31% of consumption, split between natural gas with 29% and coal representing less than 2%. The import balance supplied the remaining approximately 10%.

Electricity generation capacity

At the end of 2021, electricity production was 53.5 TWh and broke down as follows:

- generation with renewable sources (including hydropower capacities): 32.8 TWh;
- production with fossil sources (and imports): 20.7 TWh.

Installed capacity by technology (in MW)



Source: DGEG - Estatísticas rápidas Dez 2021 (2021 Data).

3. Finland

Neoen was established in Finland in May 2018 following the acquisition of the Hedet and Björkliden wind projects.

As of December 31, 2021, the Group's assets in operation or under construction in Finland consisted of:

- 1 wind project for 81 MW in operation;
- 1 storage project for 30 MW / 30 MWh in operation;
- 1 wind project for 404 MW in construction;
- 1 office located in Helsinki and a total of 12 employees.

Regulatory context

The Finnish electricity market has been open to competition since the enforcement of the Finnish Electricity Market Act in 1995.

Finland has set ambitious objectives for the penetration of renewable energies in its energy mix:

- More than 50% of overall energy consumption from renewable energies by 2030;
- 7.8 TWh of electricity generation from wind energy in 2020. Estimates of wind power generation by 2030 vary, but there is a potential of 30 TWh;
- Carbon neutrality in Finland in 2035.

Since 2011, Finland has created a feed-in tariff plan to support the development of renewable energies:

- premium tariff: the producers of renewable electricity and wind, biomass and biogas technologies receive a variable bonus equal to the difference between the spot price and a maximum tariff of €83.5/MWh. This bonus is paid to the project developers for a period of 12 years.

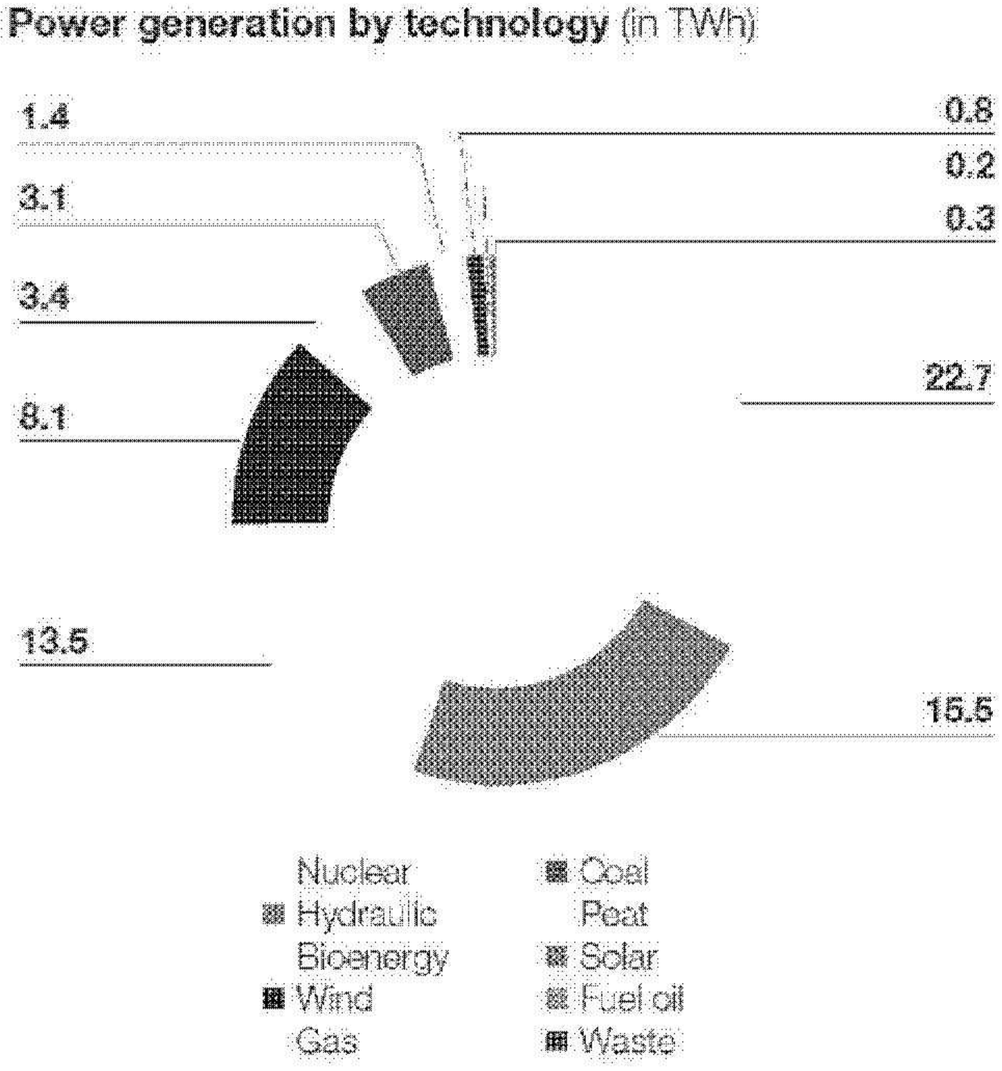
Since the maximum capacity of the feed-in tariff was reached in 2016, a new support programme was drawn up. In May 2018, the Finnish parliament approved the setting up of a tender system for a total capacity of 1.4 TWh for wind, solar, biomass and biogas technologies. Under these tenders, 7 projects were awarded a capacity of 1.36 TWh.

The Finnish government announced the ban on the production of coal-based energy in 2029. It is also preparing incentive measures to support companies dismantling their coal-based generation facilities by 2025.

Electricity generation capacity

At the end of 2021, Finland's electricity consumption was 86 TWh (81 TWh at the end of 2020) while its production was 69 TWh (66 TWh at the end of 2020). Finland is a net importer of electricity. Finland is currently diversifying its import sources (mainly Sweden and Russia).

Power generation by technology (in TWh)



Source : Finnish Energy – Energy Year 2021 (Data 2021).

In 2021 renewables accounted 54% of the total power generation (51% in 2020) and CO2 neutral generation was 87% (85% in 2020). Installed wind power capacity in 2021 was 3,257 MW (2,585 MW in 2020).

The total projected nuclear capacity by 2030 is 4.4 GW including the commissioning of Olkiluoto 3 in 2022. There are also plans to build a fifth nuclear power plant in Finland. The approval process is underway and according to preliminary plans, the new unit called Hanhikivi 1 could be commissioned in the 2030s. Coal-fired power generation capacity is planned to be decommissioned by 2030 to meet Finland's commitment to the Paris Agreement.

B. OTHER NATIONAL MARKETS

(i) Ireland

In 2020, 39% of the electricity production in the Irish Republic comes from renewables. 86% of these renewables are wind-generated, which means that Ireland has the second highest level of wind power generation in Europe (after Denmark) and the highest level of onshore wind generation.

However, the Republic of Ireland's CO2 emissions remain 13% above the EU average given its dependence on coal and peat; overall, its energy needs remain 86% dependent on fossil fuels.

In this context, the Republic of Ireland's objective is to reduce its emissions by 30% between 2021 and 2030 even though its energy needs are likely to grow as a result of an expanding economy and the development of new data centers.

This objective and the means to achieve it are described in the Republic of Ireland's Climate Action Plan, which was published in June 2019. According to this plan, the share of renewables in the country's total electricity generation should increase from 37% in 2020 to 80% in 2030 thanks to the addition of up to 4 GW of onshore wind power, at least 5 GW of offshore wind power and between 1.5 and 2.5 GW of solar power.

The Renewable Electricity Support Scheme (RESS) is the main policy driver for this increase in renewable projects, offering long-term guaranteed prices for wind and solar projects through annual auctions. The first RESS (RESS 1) procedure published its results on September 10, 2020. Out of a total of 2,550 GWh proposed (108 projects), 2,230 GWh were successful (82 projects) and will be eligible for an electricity purchase tariff guaranteed by the Irish government for more than 15 years via a CFD (Contract for Difference) mechanism. This corresponds to a capacity of 796 MW from solar projects and 479 MW from wind projects. The average tariff in the "solar" category is €73/MWh, while the average tariff in the "all projects" category, including wind and solar projects, is €74/MWh. The Irish government plans to conduct regular tenders by 2025, the qualification phase for RESS 2 has already been announced for January 2022.

The national carbon tax plan is another tangible element contributing to eliminating fossil fuel production: the tax is expected to be raised gradually over the next few years, from €20/tonne to €80/tonne by 2030.

While the maximum penetration rate of intermittent renewables in the Republic of Ireland is expected to reach at least 90% by 2030, transport manager Eirgrid has developed a multi-annual programme called DS3 (for Delivering a Secure and Sustainable Electricity System) aimed at increasing the share of intermittent generation for the benefit of the network while maintaining the overall quality of the electricity supply nationally, partly through a strategy to support the massive deployment of storage batteries. A tender conducted in 2019 enabled three battery storage projects (amounting to 110 MW) to win 6-year contracts with guaranteed tariffs for providing services to the grid.

(ii) Mozambique

To expand people's access to electricity, the Mozambican President launched the programme *Energia para Todos* in 2018. This programme aims to extend access to the network to 58% of its population in 2023, 85% in 2028 and 100% by 2030. To this end, the government intends to install 5,780 MW of electricity generation capacity by 2033, with an investment of USD 34 billion, including USD 18 billion in energy project financing.

As regards on-grid renewable energies more specifically, two tender programmes are planned to contribute to help meet the Mozambican timetable.

First, the French Development Agency is financing the deployment of a structured tendering mechanism for the development of three solar power plants and one wind energy production farm ("PROLER"). This programme, which was promoted by the MIREME (Ministry of Mining Resources and Energy) and implemented by the public electricity company EDM (Electricidad de Moçambique) and the ARENE (energy regulatory authority) with the support of international and national consultants, aims to develop the following:

- a solar plant with a total capacity of 40 MWp for which the expression of interest ("EoI") phase was launched in October 2020;
- three additional renewable power generation plants, each with a capacity of 30 to 50 MW, by 2021/2022.

Second, preliminary works started in 2015 as preparation for the launch of the GET FiT Mozambique programme are planning the development of plants to generate electricity from renewable sources with a total capacity ranging between 130 MW and 180 MW. Although there are no deadlines to date, this process will be broken down into three phases:

- phase 1: development of solar facilities with storage of 60 MWp;
- phase 2: development of small hydropower facilities of 40 MW to 60 MW;
- phase 3: development of solar facilities with storage of 30 MWp to 60 MWp.

At the same time as these tenders, *Electricidad de Moçambique promotes* the development of renewable sources of energy by awarding contracts signed by mutual agreement with renewable project developers. To date, two over-the-counter projects, amounting to a total capacity of 81 MWp including 41 MWp awarded to Neoen, have reached the financial closure phase. Three other over-the-counter agreements for solar power plant projects, amounting to a total capacity of 80 MWp, were signed in September 2020.

Many off-grid renewable energy development programmes (small solar power plants and mini-grids, for example) are also supported in Mozambique by various development finance institutions (DFIs) to enable access to electricity from remote areas of the electricity grids.

A draft revision of the electricity law (Lei de Electricidad, Lei n°21/97, of 1 de Outubro) is under consideration and was the subject of public consultations in 2018. This revision aims in particular to promote greater private sector participation in power generation and transmission, redefine the roles of different public entities (EDM, ARENE regulator, FUNAE), redefine the processes for awarding licences and concessions and improve institutional coordination. National elections in 2019 delayed its validation process by the government. The work schedule is not yet known. In the long term, Mozambique aims to be a net exporter of electricity.

By end 2021, the status of the two of the over-the-counter projects were as follow; the Mocuba 40MWp solar PV plant is in its commercial operations phase and the 41 MWp Metoro PV project, awarded to Neoen, is under construction with commercial operations set to commence within H1 2022.

Furthermore, pertaining to the PROLER program, the status is as follow;

- RfP launched for the Dondo 30 MW solar PV plant;
- Feasibility studies for Lichinga and Mange Power Plants commenced; and
- RfP launched for the Jangamo Wind Project.

Progress on other renewable energy projects as follow:

- 20 MWp Cuamba solar PV project, which includes a 2 MW storage system, reached financial close with construction set to commence in 2022;
- EoI launched for the Chicamba Floating Solar plant; and
- Feasibility studies progressing on the following projects: Nicoadala 30 MW solar PV, Chimuara 30 MW solar PV, Zitundo 30 MW solar PV, Mecufi 30 MW solar PV, Cuamba 30 MW solar PV 30, Namaacha 60 MW Wind Project, Manhiça 60 MW Wind Project; and the Tete 30 MW Wind Project.

EDM also continue to be in the progress finalizing the Site Assessment Study, and the Grid Assessment Study (2022-2042), in partnership with the International Renewable Energy Agency (IRENA), for the upgrades to the national transmission system.

(iii) Zambia

The electricity industry in Zambia is overseen by the Ministry of Energy (MOE). The MOE is responsible for the development and management of the National Energy Policy and implementation of various strategies.

The Ministry of Energy (MOE) is charged with the responsibility of development and management of energy resources in a sustainable manner for the benefit of the people of Zambia. The Ministry of Energy plays a policy setting and facilitation role in the Zambian energy sector[3] and comprises of the Department of Energy, Planning and Informatics, Petroleum, Human Resources and Administration, Finance and the Office for Promoting Private Power Investment. Other government institutions in the electricity sector that fall under the Ministry of Energy are Energy Regulation Board and the Rural Electrification Authority.

[3] Gazette Notice No. 6526 of 2016 delegates responsibility for the energy sector to the Ministry of Energy.

The Rural Electrification Authority (REA) was established in 2003 to provide infrastructure for access to electricity in the rural areas and increase the rate of access in these areas. The goal is to increase the electrification rate to 51% by 2030 versus 3% in 2017..

The installed on-grid generation capacity in Zambia is around 2,976.3MW. This comprises 82.76% hydro, 10.35% coal, 3.80% heavy fuel oil, 3.06% diesel and 0.04% solar PV[1].

The Zambian government is in favour of installing new renewable energy capacity, as evidenced by the instructions given in 2016 by President Lungu to develop at least 600 MWp of solar capacity.

To date, the penetration of renewable energies, excluding hydraulic technology, is therefore supported by the GET FiT Zambia programme launched in 2015 as well as by the World Bank's IFC Scaling Solar programme:

- IFC Scaling Solar is a competitive bidding process that includes pre-arranged financing as well as insurance and risk products. In this context, in 2016, Neoen won a capacity of 54 MWp (Bangweulu Power Plant) out of the 100 MW proposed during the first part of the programme.
- In May 2017, the Industrial Development Corporation, with the support of the IFC decided to launch a second tender for a capacity of 200 to 300 MWp in solar projects. Twelve participants, including the Group, were pre-qualified for the tender in June 2017 but the results of this tender and its schedule are not currently known.
- the 2015 GET FiT Zambia programme aimed to support the deployment of 200 MW of renewable energies by 2020, through a series of projects with a maximum unit size of 20 MW. The first stage of this programme was launched in early 2018: on April 5, 2019, six solar projects won this first tender for a total capacity of 120 MWp. These projects have not yet commenced while the program is still on hold. The new government is looking at ways to unlock the program, while the Cost-of-Service Study will help with that process.

Moreover, in February 2020, the Zambian government approved new laws governing the country's energy sector. This new regulatory framework strengthens the role of the regulator and also promotes private sector development by opening up the energy market. Zesco, the public company in charge of power generation, transmission and distribution, must now give access to the grid to private producers who will have the opportunity to enter into direct agreements with large national consumers.

The new laws also allow for the emergence of new players such as Africa Greenco, a power aggregator, which will be able to link power producers and consumers through the current Southern African electricity market via the South African Power Pool (SAPP).

Update on the electricity sector

The government has continued to work to make progress on the energy sector reform initiatives identified in the Economic Recovery Programme (ERP), including:

- The appointment of a consultant to advise the energy regulating commission on regulations for the open access regime, with financial support from the German government through KFW under the GET FIT Technical Assistance Facility (AT Facility).
- The start of the development of an integrated resource plan (IRP) for Zambia, funded by the British government. The Ministry of Energy held a public launch of the study on March 24, 2021, which included an address by the British High Commissioner to Zambia. The IRP is a 15-month project to develop and implement a 30-year plan for the energy sector, which will serve as a platform for addressing Zambia's energy challenges.
- In July 2021, former President Edgar Lungu commissioned the first 150 MW unit of the Kafue Gorge Lower (KGL) hydropower plant. KGL has five 150 MW units, built at a total cost of USD 2.3 billion.
- Also, still in the energy sector, Africa Green Co announced that it had selected the 25 MW Ilute solar PV power plant as a pilot project, following a two-stage tender process. The winning bidder's tariff is not yet known and will be determined only after agreement with ZESCO on transport costs.
- ZESCO's turnaround strategy launched in the third quarter of 2021 continues to run its course.
- The long-awaited cost of service study, which was to be released in December 2021, has yet to be unveiled. The release date is not yet known, but it is scheduled for the first quarter of 2022.

[1] Energy Regulation Board, 2019 Energy Sector Report.

1.3.3.2 AUSTRALIA



Solar
In operation : 458 MWp
Under construction : 460 MWp



Wind
In operation : 521 MW
Under construction : 569 MW

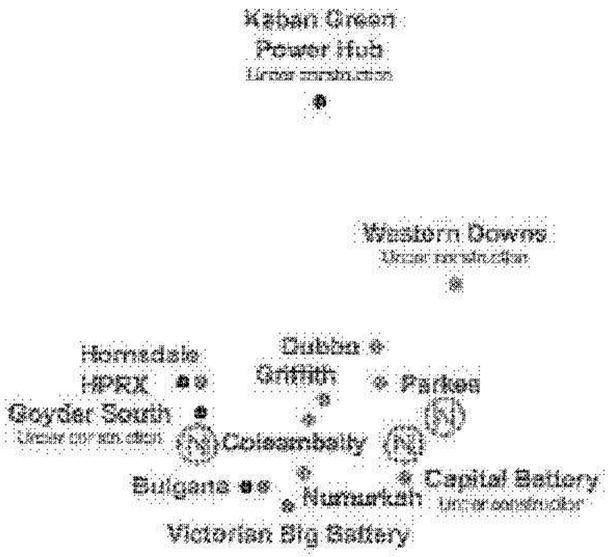


Storage
In operation : 476 MW / 679 MWh
Under construction : 100 MW / 200 MWh



3 Offices
Adelaide • Canberra
Sydney

Total Capacity[1]
Total capacity in operation : 1,455 MW
Total capacity under construction : 1,129 MW



(1) As of December 31st, 2021

4. Australia

Neoen was established in Australia in 2012 and is now the country's leading independent producer of renewable energy. It has three activities: solar, wind and storage. At December 31, 2021, the Group's portfolio in Australia consisted of:

- 4 wind projects for 1,090 MW in operation or under construction;
- 7 solar projects for 918 MWp in operation or under construction;
- 5 storage projects for 576 MW / 879 MWh in operation or under construction;
- 2 offices located in Sydney and Canberra, and a total of 60 employees.

The Hornsdale Power Reserve and Victorian Big Battery storage facilities are run from an operational control centre located in Canberra which allows the Group to act as a market operator in the Australian electricity market via the sale of network services and arbitrage operations.

Regulatory context

Under the Paris Agreement, Australia undertook to reduce its CO_2 emissions by 26 to 28% by 2030 compared to their 2005 level. The Australian Government also undertook to ensure that by 2030, 49% of its electricity will be generated from renewable sources, and 78% by 2050 (including hydropower).

To do so, the Renewable Energy Target (RET) programme, approved by parliament, calls for the generation of an additional 33 TWh of green electricity. The RET programme has set up a system of financial incentives, in particular for large renewable plants for which it grants green certificates (large-scale generation certificates, "LGCs") depending on the quantity of electricity generated, and this until 2030. More recently, during COP26, Australia committed to achieving net zero emissions by 2050.

At the same time, the aging of the coal-fired power plants (some of which have been in operation for nearly 50 years) will lead to their gradual dismantling. Coal-fired power plants with a capacity of nearly 7 GW are due to be dismantled by 2030, followed by nearly 20 GW more after 2033. Nearly all of the coal-fired power plants are scheduled for dismantling by 2050.

Finally, beyond the national objectives, the Australian states have the possibility to pursue their own targets and structure their own programme for the reduction of carbon emissions and/or the development of renewable energies on their territories. Thus, the State of Canberra achieved its energy mix target of 100% renewables in 2020, the State of Victoria has fixed itself a target of 40% renewables by 2025, the State of Queensland aims to achieve 50% renewables in 2030, the State of South Australia is aiming to achieve 100% renewables by 2030 and lastly, the State of New South Wales has fixed itself a target of 46% renewables for 2030 and a 50% reduction in its emissions.

In order to achieve these objectives, the states initiated the launch of their own tenders, including in 2021:

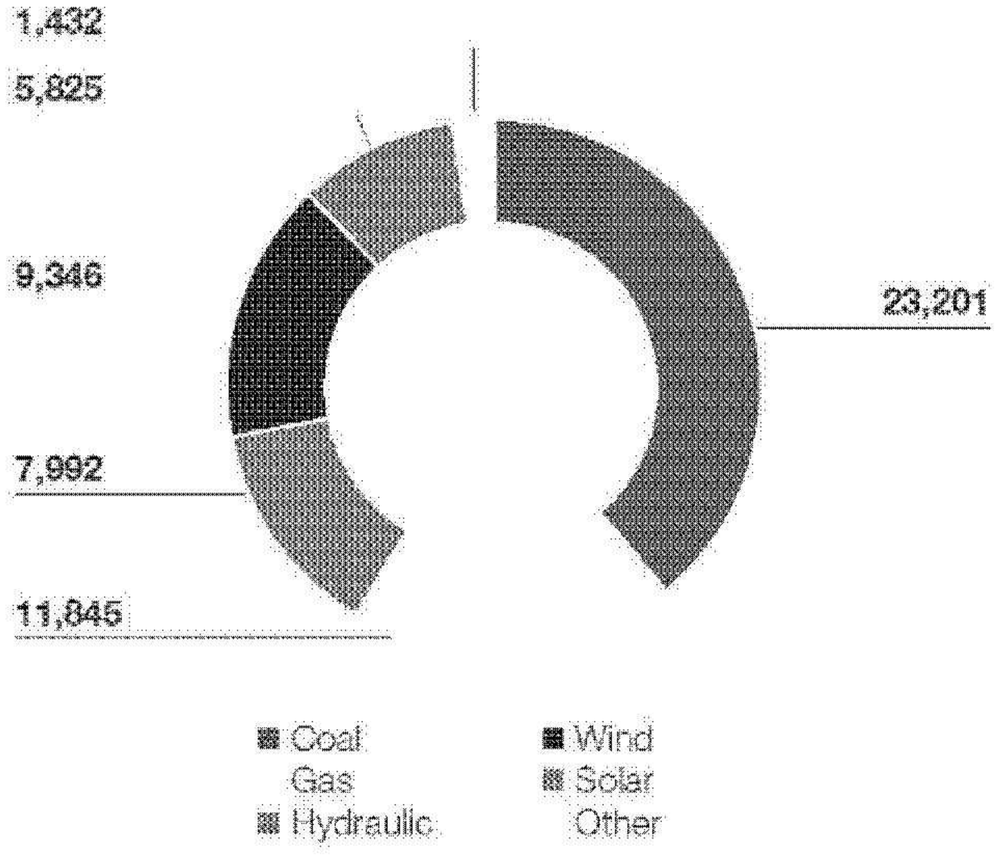
- State of Queensland: the conclusion of several tenders by CleanCo, a state-owned company tasked with managing and coordinating the expansion of the renewable energy supply and by Stanwell and CS Energy and the launch of a $2 billion fund (QREF) dedicated to energy transition-related investments;
- State of New South Wales: the launch of a roadmap providing for 10 GW of renewables by 2030;
- State of Victoria: announcement of a 600 MW tender (VRET2) by the State of Victoria for 2021-22;
- State of Canberra: announcement of a tender for 250 MW of batteries for 2021-22.

Some major Australian and multinational groups, such as BHP (mining group), Telstra (telecommunications), Coles (mass retailing), Microsoft and Amazon, have also launched tenders to cover their power consumption through bilateral agreements to purchase energy from renewable energy generators.

Electricity generation capacity

In February 2022, the installed electric capacity on the NEM was approx. 59.6 GW, including coal (23.2 GW), natural gas (11.8 GW), hydraulic (8.0 GW), wind (9.3 GW), solar (5.8 GWp) and other (1.4 GW).

Installed capacity by technology (in MW)



Source: AEMO (February 2022 data).

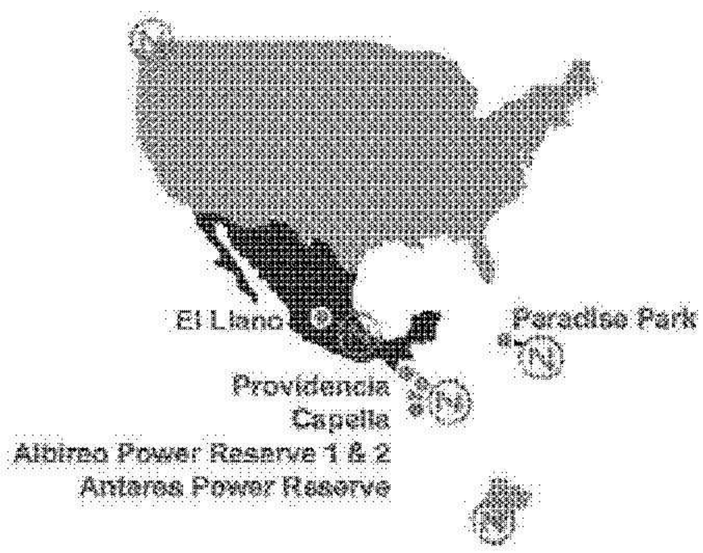
By 2030, the wind and solar power plants are expected to represent 16.9 GW and 8.5 GWp of installed capacity respectively, an increase of 10.7 GW and 5.4 GWp over the period, or an average annual growth rate of 5.8% and 5.7%, respectively (Source: Baringa 2020).

1.3.3.3 AMERICAS

Solar
In operation : 875 MWp

Storage
In operation : 3 MW / 2 MWh
Under construction : 11 MW / 8 MWh

6 Offices
Buenos Aires • Kingston
Quito • Mexico city
San Salvador • Seattle



Total Capacity(1)
Total capacity in operation : 878 MW
Total capacity under construction : 11 MW

Countries with assets in operation and under construction
Other countries with projects in advanced development

(1) As of December 31st, 2021

A. MAIN NATIONAL MARKETS

5. El Salvador

Neoen was established in El Salvador in 2014 to develop solar installations and storage solutions. At December 31, 2021, the Group's portfolio in El Salvador consisted of:

- 4 solar projects for 241 MWp in operation;
- 1 storage project for 3 MW / 2 MWh in operation;
- 2 storage projects for 11 MW / 8 MWh in construction;
- 1 office located in San Salvador and a total of 9 employees.

Regulatory context

The country's electricity market is fully liberalised and had 25 generating companies as of November 2021. The only public producers are the *Comisión Hidroeléctrica del Río Lempa (CEL)*, LaGeo, and its subsidiaries, which manage all the hydropower, all geothermal and some thermal capacity connected to El Salvador's grid, and account for 34% of the country's operating capacity.

El Salvador has set itself the target of reaching 100% installed renewable generation capacity but has not yet drawn up any detailed plan to achieve this.

President Nayib Bukele the following intentions in his national plan:

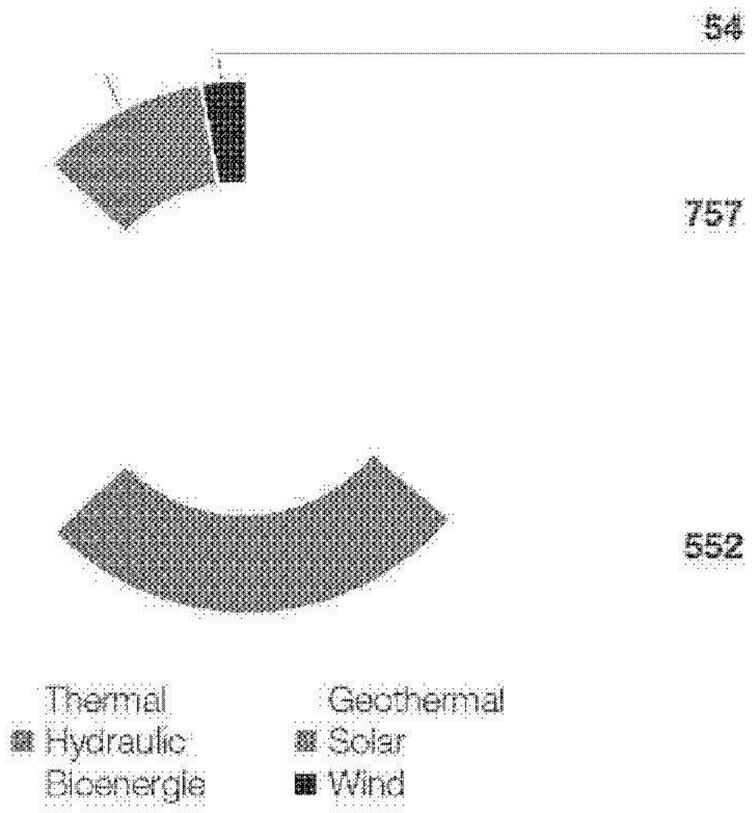
- reaffirmation of the national target of a 100% renewable energy mix (without a precise timeline);
- promotion of geothermal, photovoltaic (or solar) and hydro energy.

The National Energy Council (CNE) announced that it will soon publish a refreshed National Energy Policy for the 2020-2050 horizon. The plan will consider updates to the 2010-2024 plan and will deepen its support of renewable energy. This plan is expected to continue the modernization of the regulation in order to facilitate more renewable Energy and storage, and will build on top of the existing law enacted in 2007 to provide fiscal incentives for renewable energy projects and in 2013 to regulate long-term energy contracts supported with renewable energy.

Electricity generation capacity

As of December 31, 2021, the total installed capacity in El Salvador was 2,080 MW (compared to 2,070 MW as at December 31, 2020) , broken down into 757 MW of thermal capacity, 552 MW of hydro capacity, 299 MW of biomass capacity, 206 MW of geothermal capacity, 214 MWp of solar energy and 54 MW of the first wind plant in the country.

Installed capacity by technology (in MW)



Source: Informe anual 2021 – Consejo Nacional de Energía.

According to the CNE, electricity demand is expected to increase at an average of 2.2% per year, reaching 7,698 GWh (+23%) in 2030.

6. Argentina

Neoen was established in Argentina in 2017. At December 31, 2021, the Group's portfolio in Argentina consisted of:

- 1 solar project for 208 MWp under operation;
- 1 office located in Buenos Aires and a total of 10 employees.

Regulatory context

The government's climate change strategy for 2030 is based on the following points:

- Improving energy efficiency: reducing gas and electricity consumption by 8.5% by 2030
- Promoting low greenhouse gas emitting energy sources: reducing the carbon intensity of Argentina's electricity mix by 50% and encouraging distributed generation (small solar power plants connected to the distribution network) to reach 1 GW by 2030
- Encouraging the transition from certain oil derivatives to gas
- Developing national technical skills
- Strengthening the resilience of the electrical transmission and distribution system
- Developing hydrogen as a new large-scale energy carrier

In May 2016, the government launched a «RenovAr» tendering programme dedicated to the development of renewable energy facilities. A total capacity of 2,424 MW and 2,043 MW was awarded in the first two rounds of RenovAr, respectively.

In the third round of the so-called «MiniRen» programme - so named because of the reduced capacities it offers - nearly 260 MW of additional capacity was awarded in August 2019.

Lastly, the Argentine parliament voted resolution 281/2017 regulating the market of renewable energies (called «MATER» market) in 2017. This law compels large electricity consumers to purchase, via bilateral contracts with developers or with CAMMESA, a percentage of renewable electricity equivalent to national targets for renewable penetration.

Alberto Fernandez, who was elected president of Argentina in the 2019 elections, has not made any dramatic changes to the country's energy policy guidelines or revised its regulatory framework.

In August 2020, Argentina's Energy Secretariat came under the aegis of the Ministry of Economy, demonstrating the government's desire to make the energy sector a source of foreign currency.

Lastly, Alberto Fernandez has publicly declared his support for renewable energy development in the country, although his government has not drawn up any new specific plans.

No major measures to boost the renewable energy market have been taken in 2021, due to the difficult macroeconomic and health conditions. Many projects awarded in previous tenders remain blocked without being able to be built. Others, including those of Neoen, went into operation in 2021, increasing the proportion of renewable energy in the Argentine electricity mix.

As no public tenders are planned in the short term, renewable energy growth will be driven by agreements between private players, through the MATER market.

In a document published in October 2021, the Argentine government presented its 2030 energy transition roadmap without providing for new public tenders. Two possible scenarios were put forward on the increasing integration of renewable energy:

- REN 20: achieving 20% of renewable energy in the electricity mix by 2030. Providing 8,700 MW of additional capacity until 2030, including 3,375 MW of renewable energy
- REN 30: achieving 30% of renewable energy in the electricity mix by 2030. Providing 11,875 MW of additional capacity until 2030, including 6,650 MW of renewable energy

To achieve this goal, the government relies primarily on:

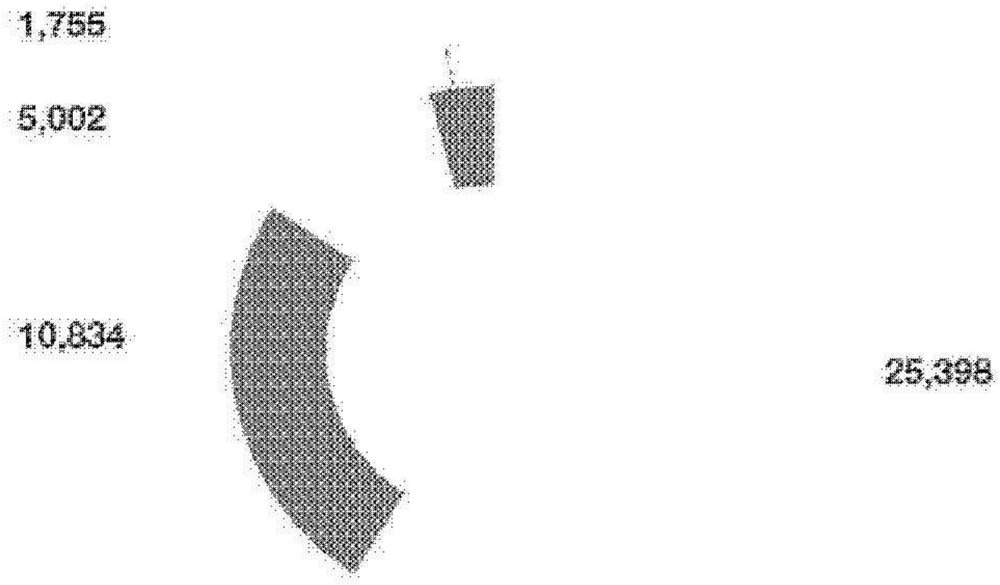
- the commissioning of renewable energy power generation capacity, awarded in previous RenovAr and MATER tenders (1,650 MW) but not yet built;
- the development and commissioning of new renewable power generation capacity through private initiatives under the MATER mechanism (3,375 to 6,650 MW);
- the development and commissioning of new renewable power generation capacity in distributed generation, connected to the distribution network (1,000 MW);
- the commissioning of new hydroelectric generation capacity (2,220 MW);
- massive investments (USD 5,575m) for the construction of new transmission capacity (power lines).

Electricity generation capacity

At the end of 2021, total installed electrical capacity (43 GW compared to 42 GW at the end of 2020) was composed of thermal (59% compared to 60.5% at the end of 2020), hydro (25% compared to 25% at the end of 2020), nuclear (4% as at the end of 2020) and non-hydro renewable sources (11.6%).

In its energy roadmap for 2025, the Argentine government aims to increase total installed capacity by 14 GW compared to 2017 (36 GW). This increase should be broken down as follows: +10 GW non-hydro renewable energies, +2.5 GW thermal capacity, +1.5 GW hydro capacity and +0.6 GW nuclear capacity.

Installed capacity by technology (in MW)



Source: CAMMESA (2021 data).

7. Mexico

Neoen was established in Mexico in 2013. At December 31, 2021, the Group's portfolio in Mexico consisted of:

- 1 solar project for 375 MWp in operation;
- 1 office located in Mexico City and a total of 14 employees.

Regulatory context

In Mexico, electricity demand grew by nearly 3% (CAGR) in the last decade to 2019, in line with the country's economic development and population growth. As a result of COVID-19, economic growth and demand growth declined in 2020. Although the economic recovery is taking many years, electricity demand has proven to be resilient as it has already bounced back and even increased from its 2019 levels.

The Mexican electricity market is characterised by heavy reliance on CCGT (Combined Cycle Gas Turbine) power plants, which run on natural gas - mainly imported from the United States - as well as conventional power plants (coal and other fossil fuels) and hydropower plants. At the same time, renewable energies have increased sharply over the last five years.

In 2013, the energy sector reform resulted in the following:

- the liberalisation of electricity production and retail activities;
- the creation of an independent system operator (ISO), Mexico's National Energy Control Centre (CENACE);
- the segmentation of the *Comisión Federal de Electricidad (CFE)* into several independent entities;
- the structuring of a cost-based electricity marketplace divided into periods (daily market and real-time market);
- the setting-up of sub-markets for selling electricity-related products such as capacity, clean energy certificates (CEL) and ancillary services.

This reform also resulted in the fixing of new objectives for renewable energy development. These should represent 30% of the Mexican energy mix in 2021 and 35% in 2024. Moreover, 50% of the country's electricity production should be generated from renewable sources by 2050. In order to support these ambitions, the 2013 reform also did the following:

- set up a regulation allowing producers to enter into long-term bilateral agreements with qualified suppliers;
- created clean energy certificates (CEL), the objective of which is to increase the demand for electricity generated using clean technologies;
- organised a series of public tenders leading to the signing of fixed-price and long-term PPAs.

Following the 2013 reform, installed capacity in the interconnected system increased by 26 GW, from 64 GW to 90 GW between 2016 and 2021. Private renewable capacity (wind and solar) increased by 12 GW during this period to represent a 16% share (compared to 4% in 2016).

Since 2018, President Andrés Manuel López Obrador (AMLO) has called for strengthening the national oil and electricity companies, mainly CFE. The government has publicly stated that it wants to make it a priority to:

- avoid any increase in regulated energy tariffs beyond inflation, and
- and maintain CFE's share of electricity generation above 54% of total electricity generation

To achieve these goals, the Mexican government has taken various measures, as shown in the list below. Legislation passed by the AMLO administration has been suspended by the courts in response to injunctions from the private sector. The new laws have been ruled unconstitutional

- January 2019: cancellation of the fourth public tender relating to renewable energies — effective;
- January 2019: cancellation of transmission line auctions — effective;
- October 2019: revision of the rules for awarding clean energy certificates to include the former "clean" plants (hydro and nuclear) owned by CFE — suspended in court;
- April 2020: CENACE resolution on grid security in the COVID-19 crisis, involving the suspension of pre-operational testing of all Mexican wind and solar power plants — suspended in court;
- May 2020: implementation of a reliability policy by the Mexican Ministry of Energy (*Secretaría de Energía de México – SENER)* — suspended in court;
- July 2020: SENER publication of the 2020–2024 Energy Sector Plan — suspended in court;
- February 2021: adoption of a new law reforming the law on the energy industry, which gives the state-owned company CFE the priority to distribute electricity produced by private power plants - suspended in court.

In September 2021, the President proposed a radical constitutional reform to reverse the 2013 constitutional reform. The government's proposal includes, inter alia:

- The elimination of the independent regulator (CRE) and the independent grid operator (CENACE).
- The cancellation of all privately held power generation permits and contracts with immediate effect.
- The elimination of renewable energy certificates resulting from the cap-and-trade system introduced following the 2013 reform.
- Limiting private sector participation to 46% of total electricity production.

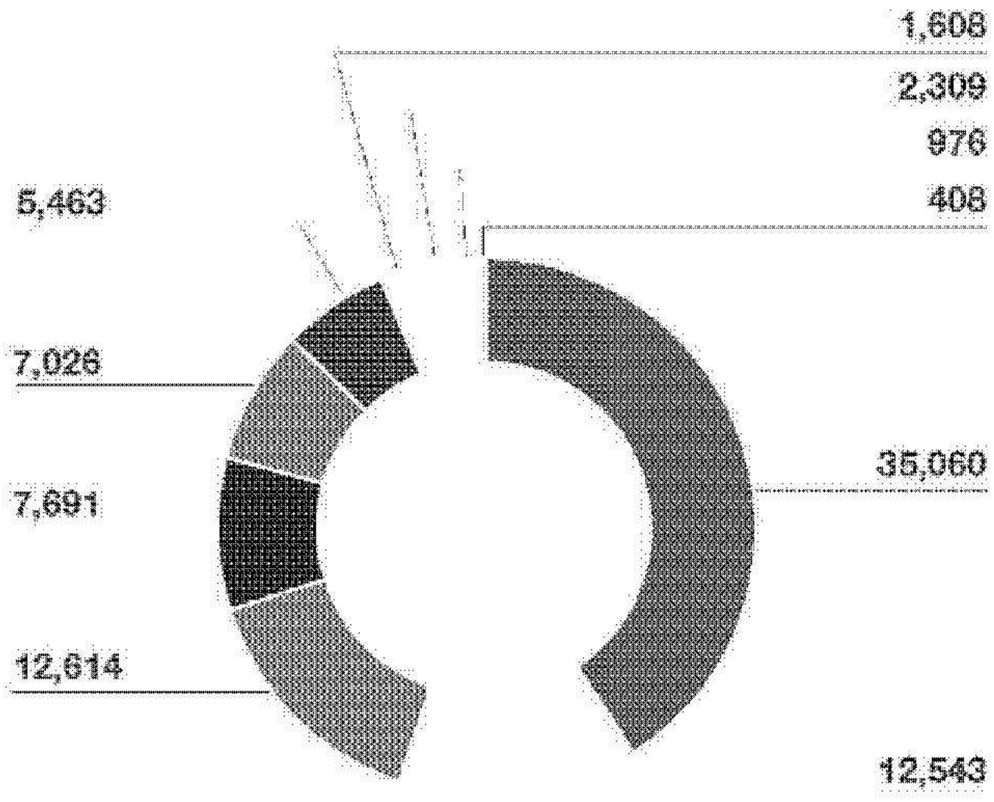
To pass the reform, the government must obtain the votes of 2/3 of Parliament. The administration of President Andrés Manuel López Obrador (AMLO) and its allies lack less than a third of the members of Parliament. The prospects for the proposed constitutional reform are still unclear. The Lower House is currently holding a month-long "open parliament" on constitutional reform, in an attempt to reach an agreement with the opposition, in the absence of a consensus so far to obtain the 2/3 qualified majority in Congress.

Electricity generation capacity

In Mexico, electricity is still largely generated with fossil energy (notably natural gas imported from the United Sates).

At the end of April 2021, Mexico's total generation capacity was 90 GW for an estimated demand of 328 TWh in 2021 (PRODESEN 2021).

Installed capacity by technology (in MW)



Source: Prodesen 2021 (2021 data).

B. OTHER NATIONAL MARKETS

(i) Jamaica

The 2015 Electricity Act supported Jamaican energy policy by reforming the regulations to privatise and modernise the national electricity market. Under this law, the Generation Procurement Entity (GPE) was established to be responsible for replacing old existing generation capacity with new capacity. The GPE, housed within the Ministry of Energy, operates in partnership with the regulator Office of Utilities Regulation (OUR), which previously carried this mandate, and the Jamaican Public Service (JPS), a private company providing the public power generation, transmission and distribution service. In October 2018, Prime Minister Andrew Holness raised the historic target of 20% renewable capacity by 2020, and set a target for Jamaica's energy mix to include 30% renewable electricity by 2030 and 50% renewable energy from all sectors (including transport) by 2030.

To reach these objectives, two successive tenders were held in 2012 and 2015 for a total capacity of 152 MW.

The government developed a corpus of incentive policies in favour of renewable energy. As such, developers of renewable energy projects can benefit from tax exemptions on certain imports of renewable energy generation equipment as well on VAT.

In September 2019, the Jamaica Energy Counsel was re-established with the aim of addressing the subjects of "energy policy, energy efficiency and conservation, public communication, electricity, energy resource development (including all sources of energy, particularly renewable energy)".

In February 2020, the government presented the new Integrated Resource Plan (IRP), with ambitious new targets for 2037 in terms of generation expansion and penetration of renewables in the electricity mix:

- Installing 1.6 GW of new capacity, including 1.26 GW of renewable capacity (solar and wind);
- Achieving 50% of power generation from renewable sources;
- Investing USD 7.3bn in the electricity sector by 2037, including USD 2.3bn to replace polluting and aging power plants.

The IRP's ambition is to gradually reduce the cost of energy, reduce the sector's environmental impact and improve the quality of service by replacing polluting and inefficient generators with new renewable power generation capacity.

In the shorter term, the objective is to double the share of renewable energy by 2025, from 12% in 2020 to 25% in 2025, which is a milestone with respect to the target set for 2037. To this end, the government in the coming months wants to promote, through tenders organised by JPS, the installation of 320 MW of solar or wind power, 120 MW of gas power plants, and 75 MW of hydro and biomass.

Lastly, some barriers to the increasing penetration of renewable energy in the energy mix are currently being addressed. The commissioning of a storage capacity of around 25 MW (lithium-ion battery and flywheel) in the second half of 2019, for example, has mitigated the problems of network instability noted by the Jamaican Public Service.

1.3.4 CUSTOMERS, SUPPLIERS AND GROUP'S CONTRACTS

1.3.4.1 CUSTOMERS

The electricity generated by Neoen is sold to a variety of entities. The vast majority of Neoen's direct customers are public actors (whether governments or government-controlled entities) and utilities (public or private). In addition to these customers, the Group sells a portion of its electricity to specialised energy companies, to private off-takers and on the spot market. As part of the development of its energy storage business, the Group also sells a number of ancillary services to grid operators and governments.

The following table shows a breakdown of the Group's contracted capacity in MW, based on its direct customers as of December 31, 2021:

Off-taker type	**Capacity** (in MW)	**Capacity** (in%)
Utilities	3,101	52%
Governments and state actors	1,418	24%
Corporate off-takers	375	6%
Market	1,122	19%
TOTAL	**6,016**	**100%**

As of December 31, 2021, more than 89% of the Group's secured capacity (in MW) covered by existing agreements was allocated to off-takers with an Investment Grade rating at that date.

The following table shows the Group's main clients, broken down by capacity in operation as of December 31, 2021:

Off-taker	**Country**	**Capacity** (in MW)	**Capacity** (in%)
EDF OA	France	871	25%
State of Victoria	Australia	469	13%
Australian Capital Territory (ACT)	Australia	317	9%
Comisión Federal de Electricidad (CFE)	Mexico	239	7%
Other (including markets)	-	1,584	46%
TOTAL		**3,480**	**100%**

As of December 31, 2021, the Group's four main purchasers, which together represented 54% of the total capacity in operation, had investment grade ratings at that date.

(i) Governments and state actors

At December 31, 2021, about 80% of the Group's secured capacity (in MW) was being sold via agreements resulting from public tenders (and open window or regulated prices).

As numerous countries worldwide have increasingly sought to decarbonize their energy production and consumption, governments have been instrumental in taking the lead on stimulating investment in renewable energy. Governments and state actors tend to possess a more sophisticated understanding of the logistics and requirements of renewable energy sources and the authority to make decisions on the development of large-scale infrastructure. Historically and still today, public entities have resources and solvency guarantees that cannot be enjoyed by corporate off-takers, which the Group seeks for its counterparties.

In this way, although renewable energies are no longer subsidised in many markets because of price competitiveness, governments and State-owned entities remain key players and preferred customers in the field of renewable energies, notably because of their capacity to make long-term commitments.

(ii) Utilities

Depending on the market, utility customers may be state-owned or private.

In France, electricity is sold either directly to EDF OA which manages the power purchase agreements in the regulatory context of its purchase obligations, or to aggregators. In this situation, the Group signs a power purchase agreement including a "contract for difference" mechanism via which the Group sells electricity in the market via the aggregator and receives (or pays, as applicable) a supplement from (or to) EDF OA covering the difference between the market price (spot market) and the benchmark price stipulated in the power purchase agreement.

In Australia, the Group sells its electricity directly in the market and signs a contract for difference with State-owned counterparties or with private electricity distribution companies in the sector, such as Simply Energy or Energy Australia.

(iii) Corporate off-takers

As the cost of renewable energy falls and corporates become more cognizant of its benefits, Neoen believes that an increasingly large market for private renewable energy off-take will develop. The use of renewable energy enables these companies to reduce their costs and reduce price risk for their electricity needs, in addition to improving their brand image. Although the proportion of corporate off-takers is limited compared to state counterparties, the Group believes that this proportion is likely to increase as the market develops. As such, the Group considers itself to be well placed to enter into relationships with these new customers due to its good positioning in the markets in which it operates as an independent producer of renewable energy, its develop-to-own model, which ensures that potential corporate off-takers have the same contact throughout the life of their electricity purchase contract and their significant experience with major corporate off-takers such as Google in Finland. In December 2020, the Group also signed a contract in Finland to sell 126 MW of wind energy with a consortium formed by Heineken, Philips, Signify and Nobbian. This is the first pan-European contract signed by Neoen where electricity and guarantees of origin will be produced by the future wind farm of Mutkalampi but only the electricity guarantees will be physically delivered to the customers.

(iv) Spot market sales

In some liberalised markets (Australia, Finland, Mexico, El Salvador), the Group supplements its PPA revenue, which forms the bulk of its overall revenue, with sales of energy in (i) spot markets, in particular in markets where electricity from its renewable assets is below grid parity and can be sold at a significant profit or (ii) under short-term PPAs that may be entered into in advance of the start date of long-term PPAs, and which generally provide for fixed prices that exceed those for long-term PPAs. The Group sells electricity via spot market sales and short-term contracts for the following reasons:

Pre-COD revenues. Neoen generates revenue from certain of its plants' initial electricity production before the entirety of a given plant is fully operational. This is in particular the case for the Group's wind farms, where the wind turbines are progressively connected to the grid and where one or more wind turbines can start to generate electricity before the commercial operation date (COD) for the wind farm as a whole. During this period, the Group may sell on the spot market power generated by the wind turbines already commissioned, pending connection of the other installations. However, the relatively short construction lead times for the Group's plants tend to limit the amount of this revenue.

In addition, for strategic and scheduling reasons, the Group sometimes starts its off-take agreements after the theoretical commissioning date. This allows it to both make allowances for delays in construction deadlines, while taking advantage of the relative predictability of spot market prices for a given period before the off-take agreements takes effect, when the market price exceeds the price of the off-take agreement.

Supplementing PPA revenues. The Group builds its power plants with optimal capacity adapted to the land, which sometimes exceeds the contractual capacity sold by over-the-counter contracts. The Group therefore supplements its contractual revenues by selling additional capacity on the market.

Furthermore, in certain markets, the Group derives additional revenue from the sale of green certificates (LGCs in Australia, CELs in Mexico), which can be combined with or separated from the sale of electricity. For example, a counterparty may wish to buy only the green certificates, in which case the energy will be sold on the market, or conversely, it may wish to buy only the electricity, in which case the certificates can be sold separately.

Deploying excess battery capacity. In certain markets whose structure allows it, the Group provides services related to storage facilities, independent sources of revenue, described in paragraph 1.3.2.3 "energy storage" of this document.

1.3.4.2 POWER PURCHASE AGREEMENTS

Neoen sells the electricity produced by its assets either (i) under PPAs with primarily public off-takers and utilities, with a limited number of private-party PPAs, (ii) on the spot market at market prices or under short-term contracts or (iii) term contracts or bilateral spot sale agreements with respect to green certificates. The principal features of these arrangements are summarized below.

Fixed price agreements

The bulk of the Group's electricity sales involve a fixed price per MWh. These contracts, mainly secured following calls for tender or through public tenders, offer a feed-in tariff over periods ranging from 15 years (historical French wind power) to 20 or even 25 years. This tariff may be the result of the tender or a price set in advance by regulation, with possible indexation to inflation. It is independent of the electricity market price. The tariff paid may or may not include the associated green certificates.

In this context, each power plant delivers the power generated directly or indirectly to the counterparty, which manages the interfaces with the electricity market, and the Group is limited to optimising production.

This is the simplest solution. It applies in particular to older contracts or in countries where the electricity market is less developed.

Contracts for difference

The sector of renewable energy has become increasingly mature, an increasing number of the public tenders currently being targeted by the Group involve the signature of contracts for difference (contract for difference). The Group's first project under a CFD-based PPA entered into operation at the end of 2016.

In the CFD regime, Neoen enters into a long-term PPA (between 10 and 20 years) with a set price (the "reference tariff") with a large, stable counterparty, such as EDF in France. Unlike FIT-based contracts, Neoen sells the electricity it produces under CFD-based contracts on the market instead of selling it directly to the PPA counterparty. The counterparty within the contract for difference pays the Group the difference between the reference tariff and the market price. If the market price is higher than the contracted tariff, the Group pays the counterparty. In this context, renewable energies exchange part of the market value of electricity for a long-term price guarantee in order to be able to raise debt.

In the event that the M_0 exceeds the reference tariff, the Group is obligated to pay the PPA counterparty the difference in price.

This contractual structure thus creates two distinct components of remuneration for the Group:

- revenue from electricity sales on the market (through an aggregator) at market prices; and
- revenue from the PPA counterparty under the CFD regime for the difference between the reference tariff and the market price.

There are many variations on these contracts, in particular concerning the reference market price (which may even be a theoretical market price rather than the actual price of the power generated) or the management of the various costs related to the sale of power on the market (aggregator costs).

These power purchase agreements concern all or a percentage of the power plant's output. The Group does not therefore take any risks with regard to the generation profile (as only the power generated is sold). However, it may have minimum volume commitments, but the vast majority of these are lower than the commitments made by maintenance providers.

"Virtual" PPA

As an extension of contracts for difference, we are seeing contracts appear on the market where the buyer is not seeking to obtain electricity but wishes to hedge its exposure to the volatility of electricity market prices and benefit from the guarantees of origin associated with the production of renewable energy. There is therefore a separation between the physical flow of electricity and the financial flow.

Neoen has signed a purchase agreement of this type with the consortium formed by Heineken, Philips, Signify and Nobbian (formerly Nouryon). This 10-year pan-European agreement covers a capacity of 126 MW. The electricity and the guarantees of origin will be produced by the future Mutkalampi wind farm in Finland but the customers' electricity consumption will occur in other European countries. Only the guarantees of origin associated with the production of electricity will be physically delivered to the customer, who will also be the payer/receiver of the difference between the market price of the electricity and the contractual price.

Very recently, the Group has been asked to enter into PPAs covering constant nominal volumes of electricity, and therefore independent of the power plant's actual production, which is intermittent by nature. In this context, the Group is exposed to the difference between its nominal volumes and the actual production of its plants. No agreement of this type has been formally signed so far.

1.3.4.3 SIGNIFICANT CONTRACTS AND SUPPLIERS

The most important contracts signed by the Group consist of the contracts for difference, the power purchase agreements described above, the design, procurement and installation agreements (EPC agreements) and the operations and maintenance agreements (O&M agreements) and project financing agreements signed with multiple lenders described in paragraph 2.5.2 "project financing".

The Group has numerous such contracts and is not dependent on any particular one. As indicated in paragraph 2.5.2 "project financing", the Group finances its facilities via non-recourse financing only. In addition, as discussed in paragraph 1.3.2.2 (vi) "operating assets", while it is not uncommon for the Group to engage in repeat business with certain EPCs, it nevertheless remains flexible from an industrial point of view and is able to select its O&M contractors and service providers on a project-by-project basis rather than signing master agreements. It therefore has limited dependence on any particular partner for EPC or O&M services. The Group has however indirectly signed significant contracts via its co-contractors on a case-by-case basis depending on the project.

1.3.4.4 MATERIAL CONTRACTS

As of the date of this Registration Document, no contract (aside from the contracts entered into in the ordinary course of business) containing provisions imposing a significant obligation on any of the Group's companies or commitments for the Group as a whole, has been entered into by the Company or any other Group entity, with the exception of the contracts described in section 1.3 "Neoen's business", in paragraph 1.3.4.2 "power purchase agreements", in section 2.5 "financing and investments" and in section 8.4 "statutory auditors' special report on regulated agreements" of this document.

1.4 INTELLECTUAL PROPERTY

1.4.1 RESEARCH AND DEVELOPMENT

The Group's research and development (R&D) activity involves the implementation of large-scale pilot projects for technologies not previously engaged in by the Group, as well as the development of new projects (IT developments and additional equipment) and partnerships with companies active in the field of solar power innovation, storage or power forecasting. For each partnership, the applicable agreement provides for a joint approach to one or more projects, but the Group's commitments remain circumscribed. The Group does not therefore finance specific searching out of R&D with the exception of the development costs for its solar, wind or storage projects. Finally, the Group takes account of technological innovation in its project developments in particular when such innovation is a criterion for selection in the framework of government or other tenders.

For example:

- In France and Australia, the Group has launched weather forecasting projects for better renewable energy plant integration into the electricity grid;
- with support from the State of South Australia, a feasibility survey has been launched on the potential for producing hydrogen and injecting it into the network;
- following its extension of the battery capacity of Hornsdale Power Reserve (HPR) in 2020, the Group is testing the provision of an inertia service for the first time in Australia. Since February 2021, this service has been tested under real-life conditions on two HPR inverters. The data collected will help confirm the quality of the service and the feasibility of rolling it out to the entire capacity.

Further, and albeit it is not directly an R&D activity, the Group has created its own competence center, comprising six persons in 2021, notably devoted to the identification and analysis of new technologies capable of reducing the cost of energy produced and improving the yield of existing projects or the competitiveness of energy storage, and equally providing their expertise with regard to the Group's projects under development.

1.4.2 INTELLECTUAL PROPERTY RIGHTS

The Group's intellectual property rights mainly comprise the rights to distinctive signs such as brands and domain names, notably the verbal and semi-figurative brands "Neoen", "Neoen Renouvelle l'Énergie", "Neoen Renewing Energy" or "Neoen Développement" and the domain names including the "Neoen" denomination such as www.neoen.com, www.neoen.eu and www.neoen.fr.

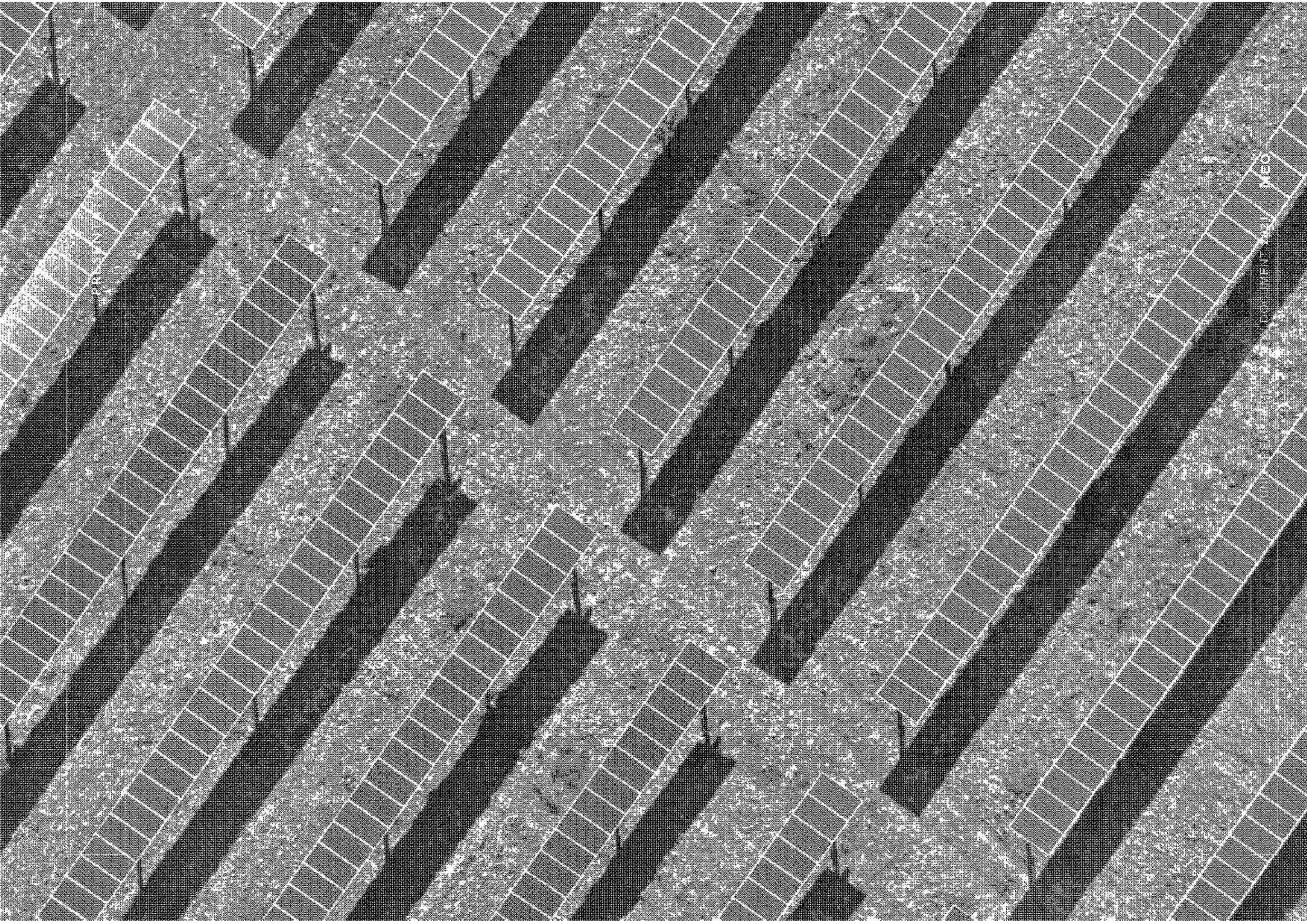
Such intellectual property rights held by the Group have been registered, or are in the process of registration, in the main countries where the Group carries out its business in order to give them adequate protection. The verbal "Neoen" trademark has thus been registered in the European Union, Switzerland, the USA and Australia.

The verbal "Boundless energy" trademark has been registered in France, Australia, Ireland, Portugal and Mexico.

Finally, semi-figurative brands "Neoen" and "Neoen renouvelle l'énergie" were renewed for the European Union on December 7, 2020 for 10 years.

1.4.3 LICENSES

Group companies hold licenses for the information systems they use in the normal course of business; they do not hold any other significant intellectual property licenses.



2

COMMENTS ON THE FINANCIAL YEAR

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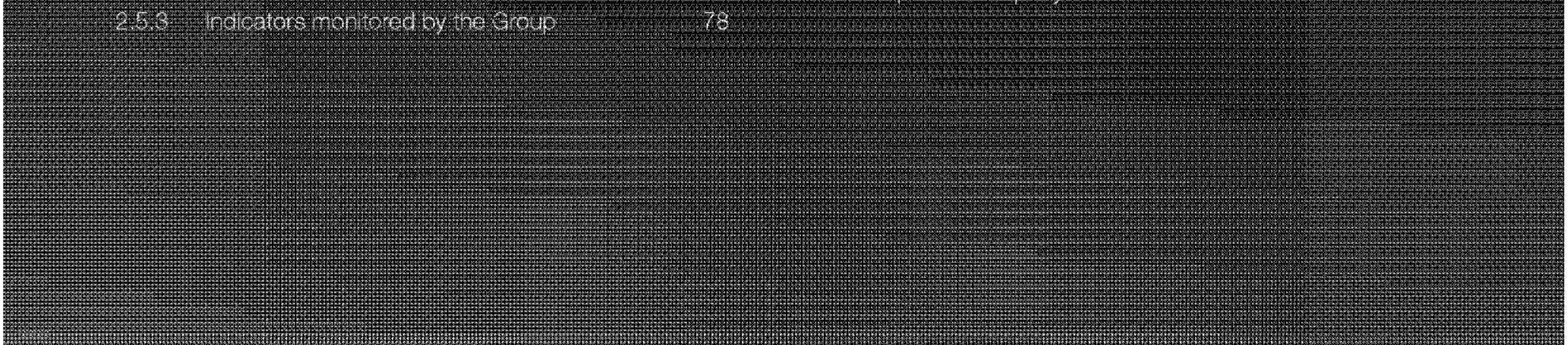


2.1 ALTERNATIVE PERFORMANCE INDICATORS AND OPERATING DATA

2.1.1 NON-GAAP INDICATORS

The Group presents, in addition to the IFRS measures, several supplementary indicators including EBITDA, net debt and gearing ratio. These are not indicators provided for under IFRS and they do not carry standard definitions. Consequently, the definitions used by the Group may not correspond to the definitions of these same terms by other companies. The measures must not be used to the exclusion of, or as a substitution for, the IFRS measures. In particular, net debt must not be considered a substitute for the analysis of Neoen's gross financial debt or cash and cash equivalents as presented in accordance with IFRS. The tables below present these indicators for the periods stated, together with their calculations.

EBITDA reconciliation

(In millions of euros)	FY 2021 (A)	FY 2020 published (B)	FY 2020 restated [a] (C)	Change (A) – (B)	Change (in %) (A) – (B)	Change (A) – (C)	Change (in %) (A) – (C)
Current operating income	**189.6**	**160.5**	**160.5**	**+ 29.1**	**+ 18%**	**+ 29.1**	**+ 18%**
Current operating depreciation, amortization and provisions	107.6	109.8	109.8	– 2.2	– 2%	– 2.2	– 2%
IFRS 2 expense	3.2	-	1.8	+ 3.2	N/A	+ 1.4	+ 78%
EBITDA [a]	**300.4**	**270.4**	**272.2**	**+ 30.0**	**+ 11%**	**+ 28.2**	**+ 10%**

(a) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. As announced at the Capital Markets Day on March 11, 2021, and as of January 1st, 2021:

- *it includes net proceeds from the disposal of assets in the secured portfolio resulting from the farm-down[1] activity;*
- *it is restated for the expense resulting from the application of IFRS 2 "share-based payment". This change in definition has an impact on the Development and Investments segment. In 2020, under this new definition, the Group's EBITDA would have been €272.2 million. The IFRS 2 expense amounts to €(3.2) million in 2021, compared with €(1.8) million in 2020.*

Net debt

(In millions of euros)	31.12.2021	31.12.2020	Change	Change (in %)
Financial debt [a]	**2,953.4**	**2,749.4**	**+ 204.0**	**+ 7%**
Non-controlling investors and others [b]	(31.0)	(29.2)	– 1.8	– 6%
Adjusted financial debt	**2,922.4**	**2,720.2**	**+ 202.1**	**+ 7%**
Total cash and cash equivalents [c]	(592.6)	(374.9)	– 217.7	– 58%
Guarantee deposits [d]	(67.2)	(76.6)	+ 9.4	+ 12%
Derivative instruments assets – hedging effect [e]	(30.4)	(2.2)	– 28.2	x14
Total net debt	**2,232.2**	**2,266.5**	**– 34.3**	**– 2%**

(a) Essentially comprising project financing, the debt component of the convertible bonds into new shares and/or exchangeable for existing shares issued in 2019 ("OCEANE") and the green convertible bonds into new shares and/or exchangeable for existing shares ("OCEANE Verte") issued in 2020, interest rate hedging instruments with a negative market value and lease liabilities included in the calculation of net debt under IFRS 16 «leases» (note that EBITDA therefore excludes lease charges). Financial debts are detailed in note 19.2 to the consolidated financial statements.

(b) Notably comprising non-controlling shareholder loans to project companies (or project holding companies).

(c) Changes in this item are described in paragraph 2.3.2.4 of this document.

(d) Mainly comprising guarantee deposits in the framework of project financing, in the form of DSRAs (debt service reserve accounts), or for the purposes of project construction. The decrease in the period is mainly due to the release of an escrow account associated with the construction of a power plant that is now in operation, as well as the reimbursement of guarantee deposits related to the financing of production assets. In addition, new DSRAs have been set up in connection with the new financings completed in 2021, in particular in Australia.

(e) Interest rate risk hedging derivatives with a positive market value. Hedging instruments with negative market values are included in total financial debt (see note 19.2 to the consolidated financial statements).

[1] At the Capital Markets Day on March 11, 2021, the Group announced its intention to regularly but selectively sell the entire stake or a majority stake in some projects in its secured portfolio (farm-down), with a view in particular to strengthening its financial capacity and therefore contributing to the financing of the construction of new assets. As the Group actively manages its project portfolio, these farm-down transactions, corresponding to the sale of the entire stake or a majority stake in some projects or assets in the Group's secured portfolio, are now part of its recurring activities and therefore constitute an operating segment within the meaning of IFRS 8 "Operating segments", which is monitored and presented separately in the consolidated financial statements (see section 4.1 - note 1 of consolidated financial statements).

Gearing ratio

The table below presents the gearing ratio at the dates indicated. This is the ratio between net debt and EBITDA (calculated over the last 12 months).

	31.12.2021	31.12.2020[a]
Gearing ratio	7.4x	8.4x

(a) The leverage ratio calculated on the basis of the newly defined EBITDA would have been 8.3x at December 31, 2020.

Evolution of the Group's net debt and gearing ratio



2.1.2 INFORMATION ON KEY OPERATING DATA

The Group's portfolio amounted to 13.9 GW at December 31, 2021, versus 12 GW at December 31, 2020. Its change is detailed in the table below and in paragraph 2.3.1.1 "continuing portfolio growth".

	31.12.2021	31.12.2020	Change
Total MW in operation[a]	**3,480**	**2,615**	**+ 865**
Europe-Africa	1,147	1,014	+ 133
Australia[b]	1,455	931	+ 524
Americas	878	670	+ 208
Total MW under construction[c]	**1,954**	**1,436**	**+ 518**
Europe-Africa[c]	814	254	+ 560
Australia[c]	1,129	974	+ 155
Americas	11	208	– 197
Total MW for projects awarded	**582**	**1,107**	**– 526**
Europe-Africa[e]	582	897	– 316
Australia[e]	-	210	– 210
Americas	-	-	-
Total MW for the secured portfolio	**6,016**	**5,158**	**+ 858**

Total MW for tender-ready and advanced development projects	31.12.2021	31.12.2020	Change
Europe-Africa[g]	4,163	2,539	+ 1,624
Australia	2,650	2,826	– 176
Americas	1,101	1,509	– 408
Total MW for the advanced pipeline	**7,914**	**6,874**	**+ 1,040**
Total portfolio	**13,930**	**12,033**	**+ 1,898**
Early stage projects	> 5 GW	> 4 GW	

(a) Gross capacity includes the participations in projects in which Neoen is a minority shareholder: Cestas (226 MWp), Seixal (8.5 MWp) as well as Les Beaux Monts (24.2 MW) and Le Berger (22.6 MW), assets[1] in which Neoen has sold, in 2021, 95% of its participation. In 2021, the gross capacity excludes 33 MW corresponding to the Lugos, Grabels, Lagarde and Miremont power plants, which have been sold in their entirety as part of the farm-down activity. For a definition of the different stages of development of the Group's projects, please refer to section 9.6 "glossary" of this document.

(b) The growth in capacity of projects in operation in the Australia region results from the entry into operation of the Bulgana wind farm for +224 MW and the Victorian Big Battery storage plant for +300 MW.

(c) The increase in capacity under construction in the Europe-Africa region is mainly due to the transfer into construction of 23 power plants representing a total of +726 MW, including Mutkalampi for +404 MW (Finland), 3 Irish solar power plants for +58 MWp, 10 French solar power plants for +131 MWp, 5 French wind farms for +117 MW and 2 French storage facilities for +16 MW. In addition, 166 MW entered into operation during the period: 12 French solar power plants for –106 MWp and 4 French wind farms for –60 MW.

(d) The growth in capacity under construction in Australia is the result of the transfer into construction of the Kaban wind farm for +157 MW, the Goyder wind farm for +412 MW, and the Capital Battery storage facility for +100 MW. In addition, –524 MW went into operation during the period.

(e) The decrease in the capacity of awarded projects in the Europe-Africa region is mainly due to the transfer into construction of assets representing a total of –521 MW (of which –145 MWp from solar power plants and –363 MW from wind farms) and the transfer to award of new projects for +204 MW (of which +160 MWp related to solar projects and +44 MW related to wind projects).

(f) The decline in the capacity of awarded projects in the Australia zone is explained by the transfer into construction of the Kaban and Goyder wind assets.

(g) The increase observed in the Europe-Africa region is mainly explained by +1,099 MW of new projects added to the portfolio over the period (of which +831 MW in France and +268 MW in Ireland and Finland) and +1,174 MW of projects that have evolved since the early stage including +482 MW from Irish and Finnish projects and +692 MW from French projects, offset by –409 MW of projects that have entered the secured portfolio (including –153 MW from the Mutkalampi project and –204 MW from projects won under the CRE 4.9 and 4.10 call for tenders in France), and by –240 MW of abandoned projects.

[1] Given Neoen's continued holding (5%) in the Le Berger and Les Beaux Monts wind farms and its option to purchase the project companies after 31 years of operation, these assets will remain in the Group's secured portfolio (gross MW).

	FY 2021	FY 2020	Change
Production (GWh)	**4,908**	**4,396**	**+ 12%**
Average availability of facilities in operation			
solar power[a] (%)	94.2%	98.5%	– 4.3 pt
wind power (%)	97.5%	98.3%	– 0.8 pt
Average Load factor[b] of facilities in operation			
solar power (%)	19.6%	18.3%	+ 1.3 pt
wind power (%)	30.5%	34.4%	– 3.9 pt
Residual duration of electricity supply contracts			
solar power (years, weighted by MWp)	14.3	14.4	– 0.1
wind power (years, weighted by MW)	12.7	12.9	– 0.2

(a) The decline in the average availability of photovoltaic installations in operation is mainly explained by the completion of audit and reconfiguration of inverters at the El Llano plant in Mexico during the first nine months of 2021. Excluding this power plant, the average availability rate of the Group's solar assets would have been 98.8% in 2021.

(b) The load factor is the equivalent time (as a percentage of the period observed) during which grid injection at maximum power would produce the same quantity of energy as that supplied by the facility.

2.2 OUTLOOK[3] AND TRENDS

For 2022, Neoen expects an EBITDA of between €360 million and €375 million, or the equivalent of growth of between 20% and 25%, with an EBITDA margin of between 85% and 90%. This EBITDA forecast takes into account net capital gains from asset disposals from the secured portfolio that the Group expects as part of the farm-down business, which will continue not to exceed 20% of full-year EBITDA.

Neoen is confirming its target of generating double-digit annual growth in EBITDA between 2022 and 2025.

Lastly, the Group is reiterating its target of having over 5 GW in operation during 2023 and its aim of reaching at least 10 GW in capacity in operation or under construction[4] by year-end 2025.

These objectives include the best estimate to date of the likely completion dates of its projects.

[3] This outlook has been prepared (i) in accordance with the accounting methods applied to the historical financial information (see notes 2 and 4 in section 4.1 of this document) and (ii) on the basis of Neoen's scope of consolidation for the 2021 financial year. The definition of EBITDA is the same as the one used for the 2021 financial year (see paragraph 2.1.1 of this document).

[4] Consolidated capacity on a post-farm-down basis.

2.3 ANALYSIS OF OPERATIONS AND RESULTS

2.3.1 KEY EVENTS OF THE PERIOD

2.3.1.1 CONTINUING PORTFOLIO GROWTH

Capacity in operation or under construction amounted to 5.4 GW at December 31, 2021 compared to 4.1 GW at December 31, 2020.

In 2021, Neoen commissioned 898 MW[5]: Bulgana Green Power Hub in Australia, consisting of a 204 MW wind farm and a battery with a capacity of 20 MW / 34 MWh, the Victorian Big Battery (300 MW / 450 MWh) also in Australia, the Altiplano 200 solar power plant in Argentina (208 MWp), as well as twelve solar power plants (106 MWp in total) and four wind farms (60 MW in total) in France.

Neoen also launched the construction of 1,416 MW in 2021, including the Mutkalampi wind farm in Finland (404 MW), the Goyder South Stage 1 (412 MW) and Kaban (157 MW) wind farms in Australia, the Capital Battery in Australia (100 MW / 200 MWh), three solar power plants in Ireland with a capacity of 58 MWp and 264 MW in France: five wind farms totalling 117 MW, ten solar power plants with a total capacity of 131 MWp and two storage batteries (16 MW).

The secured portfolio (assets in operation, under construction or awarded[6] represented 6.0 GW at December 31, 2021 compared with 5.2 GW at December 31, 2020.

In addition, Neoen had 890 MW[7] of new projects awarded in 2021:

- in France: a 9 MW wind farm, an 8 MW storage battery, plus 74 MWp and 130 MWp of solar projects won respectively in the context of the government's CRE 4.9 and CRE 4.10 tender;
- in Finland:
  - 153 MW of additional capacity on the Mutkalampi wind project in addition to the 251 MW of capacity already won in five corporate PPAs with Google and a consortium of four Dutch companies;
  - a PPA for at least 30 MW of green power signed with Equinix, a world leader in digital infrastructure;
- in Australia:
  - 312 MW of additional capacity on the Goyder South Stage 1 wind farm, in addition to the 100 MW already contracted with the Australian Capital Territory (ACT) government for a period of 14 years;
  - the Capital Battery (100 MW / 200 MWh), a new storage unit;
  - 47 MW of additional capacity at the Kaban wind project, whose PPA has been increased from 110 MW to 157 MW;
- in El Salvador: 11 MW corresponding to the batteries of Antares Power Reserve and Albireo Power Reserve.

The total portfolio amounted to 13.9 GW at December 31, 2021 versus 12.0 GW at December 31, 2020.

2.3.1.2 IMPACTS OF HEALTH CRISIS

The COVID-19 pandemic, which has been raging since the first quarter of 2020, has led governments around the world to adopt social and economic restrictive measures aimed at containing the spread of the virus. These measures triggered significant disruptions for companies, leading to a global economic slowdown.

Against this backdrop, the Group continued to protect the health of all its employees while actively pursuing the development of its portfolio with a total of 898 MW of capacity in operation added in 2021, the launch of the construction of more than 1,416 MW and the strengthening of its portfolio of secured projects.

The Group thereby managed to continue its development, despite occasional delays in the completion of its projects, and to maintain dynamic growth in its revenues while maintaining its cash and liquidity throughout the period. As a result, it did not use government support measures. As the Group's assets operate mainly under long-term power purchase agreements with mainly first-rate counterparties, they were only slightly affected by the fluctuations that impacted the financial and electricity markets during the year.

In addition, the crisis has not revealed any new significant risk factors, thanks to the resilience of the Group's business model, which has enabled it to continue to operate its assets normally, to commission assets under construction despite delays in certain regions, and to win new projects. The Group has not identified any liquidity risk inherent to the health crisis.

However, changes in the economic and financial environment resulting from the COVID-19 health crisis have led the Group to strengthen risk monitoring procedures, particularly in the valuation of financial instruments and the recoverable amount of its assets.

2.3.1.3 CAPITAL INCREASE

On April 7, 2021, Neoen S.A. announced the success of its capital increase with maintenance of preferential subscription rights. This resulted in the issue on 9 April of 21,393,678 new shares, representing a total gross amount of approximately €599.0 million, including €42.8 million of share capital and €556.2 million of issue premium. The proceeds of the capital increase will enable Neoen S.A. to finance the first investment cycle of its development plan aimed at reaching 10 GW of capacity in operation or under construction by the end of 2025.

[5] Neoen has also sold 33 MWp in its farm-down activity.

[6] For a definition of the different stages of development of the Group's projects, please refer to section 9.6 "Glossary" of this document.

[7] New awarded projects including net capacity adjustments (+ 11 MW).

This transaction had an impact of €593.3 million net of issuance costs and taxes on the Group's shareholders' equity. (see details of the transaction in note 17 to the financial statements).

2.3.1.4 FREE SHARE PLAN

On March 10, 2021, the Board of Directors decided to grant 272,302 free Neoen S.A. shares to certain group employees and corporate officers. The granting of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan rules and relating in particular to the achievement of financial and development objectives, are met.

The Group recorded this transaction in accordance with IFRS 2 "share-based payment". It has resulted in an impact of €(1.3) million in personnel expenses in 2021.

2.3.1.5 CAPITAL INCREASE RESERVED FOR EMPLOYEES

On May 12, 2021, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. This plan offered each beneficiary to buy maximum 93 new shares at the preferential subscription price of €28.25 per share (benefiting from a 30% discount compared to the average closing price of the share over the last twenty trading days preceding the date on which the Chairman and Chief Executive Officer, upon sub-delegation by the Board of Directors, set the price on April 16, 2021) and a matching contribution on the basis of one share offered for one share subscribed.

The Group has accounted for this transaction in accordance with IFRS 2 "share-based payment". This resulted in an impact of € (0.6) million in shareholders' equity and € (0.3) million in personnel expenses in 2021.

2.3.1.6 HWF 1 / AER (AUSTRALIAN ENERGY REGULATOR) DISPUTE

In the second half of 2021, the proceedings brought by the Australian Energy Regulator ("AER") against Hornsdale wind farm 1 Pty Ltd ("HWF 1") relating to a power outage that occurred in the State of South Australia on September 28, 2016 have been terminated.

On July 1st, 2021 the Federal Court of Australia issued a judgment in the following key terms:

- declaring that HWF 1 contravened the National Electricity Rules ("NER") between June 2nd, 2016 and October 10th, 2016 by operating the generating units of the Hornsdale wind farm and allowing those generating units to supply electricity to the power system when the settings for the repeat low voltage ride-through protection system applied to them had not been approved in writing by the Australian Energy Market Operator; and
- (ii) ordering HWF1 to engage an independent compliance expert to review and report on HWF 1's compliance program under the NER, and to pay a civil penalty of AUD 550,000 and a contribution of AUD 175,000 towards the AER's legal costs.

The judgment of the Court was consistent with the terms of an in principle settlement reached between the AER and HWF1 in December 2020.

HWF 1 believes that it has a solid basis for recovery (including its own legal costs incurred in connection with its defence) from the contractor selected for the development and construction of the wind farm as provided for in the associated EPC contract.

The resolution of the subject proceedings does not however extinguish the risk of a possible class action civil lawsuit against HWF 1 by parties who may seek compensation for alleged losses attributed to the black-out. No provision was recognised in this respect in the Group's financial statements for the 2021 financial year.

2.3.1.7 DOWNWARD REVISION OF FEED-IN TARIFFS FOR SOLAR ELECTRICITY

Under the provisions of the 2021 Finance Law, the French authorities have issued a draft decree and tariff order, submitted to the Conseil Supérieur de l'Energie on July 16, 2021, providing for a reduction in feed-in tariffs for solar electricity relating to certain contracts entered into between 2006 and 2010. The decree and its order were published in the Official Journal (JO) on October 27, 2021.

Of the four solar power plants that could be affected by this tariff revision, only the Torreilles and Kertanguy solar power plants were affected with decreases of 44% and 28%, respectively. The application of the new feed-in tariffs, as of December 1, 2021, has the consequence of modifying the economic equilibrium of the power plants in question and therefore constitutes an impairment trigger.

The Group has therefore carried out a valuation exercise for these power plants based on the target shareholder IRR levels as communicated during its Capital Markets Day on March 11, 2021, which, despite the tariff reductions implemented, did not reveal any impairment.

2.3.1.8 FARM-DOWN TRANSACTIONS

As part of the implementation of its strategy, as announced at its Capital Markets Day on March 11, 2021, the Group in 2021 sold the entire stake or a majority of its stake in some entities holding projects or assets in its secured portfolio (farm-down).

The Neoen Group notably sold 100% of its stakes in four solar power plants in operation in France: the sale of the Grabels power plants in Hérault and Lagarde power plants in Vaucluse was finalised in early November 2021, while the sale of the Lugos (Gironde) and Miremont (Haute-Garonne) power plants was finalised in December 2021.

At the end of the year, the Group also sold 95% of its shares in the French wind farms Le Berger and Les Beaux Monts[6], currently under construction. The Group, which retains a 5% stake in these assets, is overseeing their construction and maintenance and will manage relations with the local communities. The Group also has the option to buy back the project companies after 31 years of operation, with the buyer having a symmetrical exit option at that time.

These sales of four solar assets and two wind assets, with a total capacity of nearly 80 MW, were made for an enterprise value of nearly €89 million.

In 2021, the farm-down transactions as a whole generated net income of €50.0 million, which was recognised in other current operating income and expenses (see section 4.1 - notes 2.2 and 5.4 of the consolidated financial statements).

These farm-down transactions strengthen the Group's financial capacity and therefore contribute to financing the construction of new assets.

In 2021, the contribution of net proceeds associated with these farm-down transactions represented 16.6% of EBITDA, in line with the commitments made by Neoen at its Capital Markets Day on March 11, 2021. Lastly, Neoen also points out that as part of its 2025 plan, its farm-down policy will be implemented within the limit of a volume of projects sold that does not exceed 20% of the gross annual growth of its secured portfolio.

2.3.1.9 ARBITRATION PROCEEDINGS FOR THE ALTIPLANO 200 POWER PLANT

In Argentina, the Group's EPC contractors on the Altiplano 200 power plant, which began producing electricity in autumn 2021, filed a request for arbitration at the end of December 2021, which was notified to Neoen in early 2022. This concerns both i) the challenge to Neoen's right to apply, in accordance with the contractual provisions, delay compensation from 2020 aimed at offsetting the loss of income associated with a delay in the start-up of production of the solar power plant in relation to the contractual schedule (Liquidated Damages), which they dispute, as well as ii) the additional construction costs that they have allegedly incurred, which they consider that the Group is liable for, which the Group disputes. (The legal and arbitration proceedings are detailed in section 2.6 of this document).

In view of the terms of the turnkey construction contract with these EPC contractors, the schedule and conditions for the completion of the EPC project, the financial impacts of the delays incurred in relation to the contractual schedule, and its assessment of its potential exposure in the context of this arbitration carried out with the assistance of its external legal advisers, no significant provision for risk or impairment of receivables has been made by the group in the financial statements of 2021.

2.3.1.10 SITUATION OF THE SOLAR PLANTS IN AUSTRALIA

During 2021, the Group noted a discrepancy from the initial business plan in the operational and financial performance of its Australian solar assets, against a backdrop of downward revisions by major market players to long-term forecasts of electricity prices captured.

In accordance with IAS 36 "Impairment of assets", the Group has therefore carried out an impairment test on the carrying amount of its assets in order to identify any impairment losses.

The cash flows used for the test are mainly based on the following key assumptions: i) production forecasts in line with the latest internal estimates and the current performance of the assets, ii) revenue projections based on the latest expert curves for market prices as well as the economic conditions of the PPAs signed to date, iii) operating costs in line with the operating and maintenance contracts in force; iv) discounting at a weighted average cost of capital incorporating the current financing conditions and a cost of equity of 6%.

These impairment tests on solar assets resulted in the recognition of an impairment loss of AUD (16.4) million or €(10.4) million on the Numurkah power plant. A change of +1% in the cost of equity used would result in additional impairment of AUD (7.2) million, i.e. €(4.6) million.

2.3.1.11 NON-COMPLIANCE WITH COVENANTS FOR CERTAIN PROJECT FINANCING

As of December 31, 2021, two of the Group's assets, one in Australia and the other in France, were not meeting their minimum debt service coverage ratio, mainly due to operational problems. As a result, the Group has accelerated the related non-recourse project financing borrowings in its accounts, which are now presented in current financial debt, for amounts of respectively AUD 145.1 million (i.e. €92.9 million) and €24.5 million. At the same time, the Group has entered into negotiations with lending institutions to resolve these cases of default, which are still ongoing at the date of publication of this document.

The other companies financed by project and mezzanine debt, on the other hand, complied with their covenants on minimum debt service coverage ratios (DSCR) or minimum shareholders' equity.

In addition, the start of the commercial operation (COD - Commercial Operation Date) of the Mexican plant in El Llano was announced in November 2020, with a delay of several months, mainly due to delays in the finalisation of construction operations and in the pre-operational tests conducted by the Centro Nacional de Control de Energia (CENACE). The start of the PPA has been in effect since early July 2021, as the electricity produced up to this date was sold on the wholesale electricity markets. On the other hand, Provisional Acceptance (PA) had still not been declared at the end of 2021, resulting in certain documentary non-compliances, as defined by the financing

[6] Given the Neoen Group's continued holding (5%) in the Le Berger and Les Beaux Monts wind farms and its option to buy the project companies after 31 years of operation, these assets will remain in the Group's secured portfolio (gross MW).

contracts for this plant, being maintained. The Group is actively working to resolve this issue with the EPC contractor. In the meantime, the financial debt relating to this plant is presented in current liabilities (for USD 139.4 million, or €123.0 million) in the Group's financial statements at December 31, 2021.

Lastly, delays in the construction of the Metoro power plant, associated in particular with the local security context, led to a delay in the commissioning of the power plant in relation to the contractual schedule, constituting a case of cross-default under the project financing. The financial debt relating to this plant is presented in current liabilities (USD 30.0 million, or €26.5 million) in the Group's financial statements at December 31, 2021. Construction of the project, which is still supported by the lenders, is currently underway with a view to starting production by the end of the first half of 2022.

A total of €266.9 million of debt has been accelerated in the 2021 consolidated financial statements.

2.3.2 COMMENTS ON OPERATIONS

The consolidated statement of income for 2021 and 2020 is presented and analyzed at two levels in respect of revenues, EBITDA and current operating income: a Group overview followed by segment analysis in terms of geography (Europe-Africa, Australia and the Americas) and of operating segments (wind power, solar power, storage and farm-down plus development, investments and operating eliminations).

Operating income, net financial expense and other components of consolidated net income are the subject of global analysis.

Given the nature of its business and its geographical outreach, the Group's results are affected by foreign currency fluctuation. For an analysis of the Group's exposure to foreign currency risk, see paragraph 3.1.3 "risks linked to the Group's financial position" of this document.

The reference to changes in revenues or EBITDA at "constant exchange rates" (cer) means that the impact of changes in foreign exchange rates has been adjusted by recalculating the various components of the applicable aggregate on the basis of the foreign exchange rates prevailing during the previous year.

The Group's consolidated financial statements for the year ended December 31, 2021 have been audited by the Company's statutory auditors and are presented in their entirety in chapter 4 of this document.

2.3.2.1 KEY FIGURES

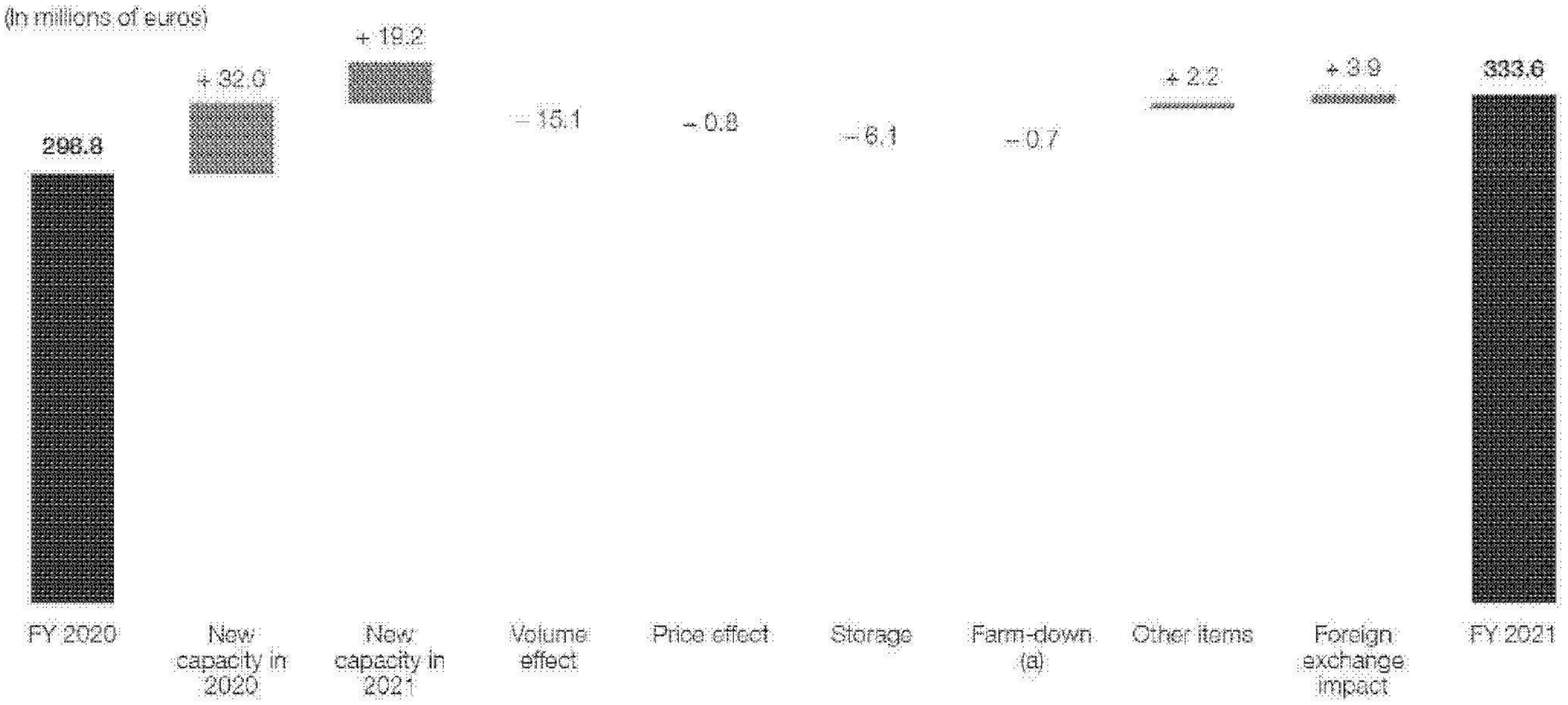
(In millions of euros)	FY 2021	FY 2021 (cer)	FY 2020	Change	Change (cer) (in %)	Change	Change (in %)
Revenue	**333.6**	**329.6**	**296.8**	**+ 30.8**	**+ 10%**	**+ 34.7**	**+ 12%**
Of which: Energy sales under contract	249.3	247.1	235.1	+ 12.0	+ 5%	+ 14.2	+ 6%
Of which: Energy sales in the market	74.7	73.2	58.7	+ 14.5	+ 25%	+ 16.0	+ 27%
Of which: Other revenues	9.6	9.3	5.0	+ 4.3	+ 85%	+ 4.6	+ 91%
EBITDA(a)	**300.4**	**297.2**	**270.4**	+ 26.9	+ 10%	+ 30.0	+ 11%
EBITDA margin	90%	90%	90%				
Current operating income	**189.6**	**187.8**	**160.5**	**+ 27.3**	**+ 17%**	**+ 29.1**	**+ 18%**
Operating income	**171.2**	**170.1**	**142.4**	**+ 27.6**	**+ 19%**	**+ 28.8**	**+ 20%**
Net financial result	**(117.7)**	**(117.9)**	**(117.7)**	**– 0.3**	**– 0%**	**– 0.0**	**– 0%**
Net income from continuing operations	40.2	39.1	3.3	+ 35.8	x12	+ 36.9	x12
Consolidated net income	**40.2**	**39.1**	**3.3**	**+ 35.8**	**x12**	**+ 36.9**	**x12**
Of which: Group share of net income	41.0	39.9	3.9	+ 36.1	x10	+ 37.1	x11

(a) For more details on the definition and calculation of this aggregate, please refer to paragraph 2.1.1 "Reconciliation of EBITDA".

Evolution of revenue and EBITDA

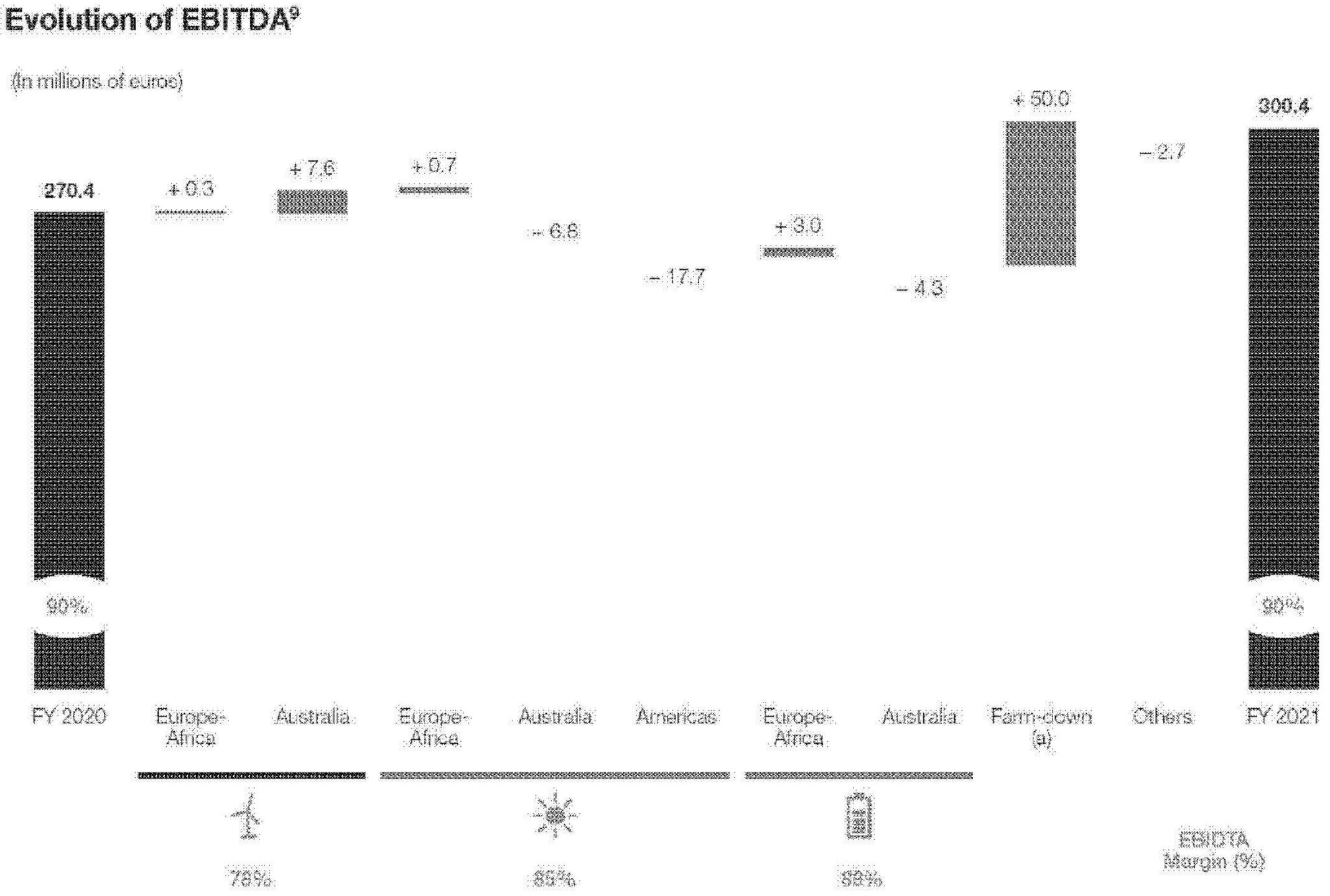
The Group's consolidated revenue and EBITDA have evolved as follows between 2020 and 2021:

Evolution of revenue



(a) Corresponds to the change in revenues between 2020 and 2021 for entities subject to farm-down transactions in 2021.

Evolution of EBITDA[9]



(a) Corresponds to net income from farm-down transactions.

[9] For more details on the definition and calculation of this aggregate, please refer to paragraph 2.1.1 "Reconciliation of EBITDA".

2.3.2.2 SEGMENT RESULTS

Segment results for 2020 and 2021 are thus presented for each of the Group's operating segments: wind power, solar power, storage, farm-down[a] development and investments and eliminations.

(in millions of euros)	Revenue				EBITDA[b]				Current operating income			
	FY 2021	FY 2020	Change	Change (in %)	FY 2021	FY 2020	Change	Change (in %)	FY 2021	FY 2020	Change	Change (in %)
Europe-Africa												
Wind power	68.1	64.8	+ 3.3	+ 5%	51.1	50.8	+ 0.3	+ 1%	21.6	23.7	- 2.1	- 9%
Solar power	60.8	56.3	+ 4.5	+ 8%	49.8	48.6	+ 0.7	+ 1%	30.2	28.3	+ 1.9	+ 7%
Storage	6.3	1.3	+ 5.1	x5	3.8	0.8	+ 3.0	x5	2.5	0.5	+ 2.0	N/A
Farm-down[a]	-			N/A	50.0		+ 50.0	N/A	50.0		+ 50.0	N/A
Total	**135.2**	**122.4**	**+ 12.7**	**+ 10%**	**154.2**	**100.3**	**+ 53.9**	**+ 54%**	**104.3**	**52.5**	**+ 51.8**	**+ 99%**
As a %	41%[e]	41%[e]			114%[f]	82%[f]			77%[g]	43%[g]		
Australia												
Wind power	67.1	57.0	+ 10.1	+ 18%	53.9	46.3	+ 7.6	+ 16%	36.1	27.6	+ 8.6	+ 31%
Solar power	37.6	41.0	- 3.5	- 8%	30.7	37.5	- 6.8	- 18%	13.7	16.1	- 2.4	- 15%
Storage	28.1	31.5	- 3.4	- 11%	26.4	30.0	- 4.3	- 14%	13.8	23.3	- 9.5	- 41%
Total	**132.8**	**129.5**	**+ 3.2**	**+ 3%**	**111.0**	**114.5**	**- 3.5**	**- 3%**	**63.7**	**67.0**	**- 3.3**	**- 5%**
As a %	40%[e]	43%[e]			84%[f]	88%[f]			48%[g]	52%[g]		
Americas												
Solar power	63.9	46.2	+ 17.7	+ 38%	57.3	75.0	- 17.7	- 24%	38.1	54.7	- 16.6	- 30%
Total	**63.9**	**46.2**	**+ 17.7**	**+ 38%**	**57.3**	**75.0**	**- 17.7**	**- 24%**	**38.1**	**54.7**	**- 16.6**	**- 30%**
As a %	19%[e]	16%[e]			90%[f]	162%[f]			60%[g]	118%[g]		
Development, Investments and Eliminations												
Development and investments[d]	77.2	70.1	+ 7.1	+ 10%	2.1	(0.6)	+ 2.7	N/A	(7.6)	(3.6)	- 4.0	x2
Eliminations[d]	(75.5)	(69.4)	- 6.1	- 9%	(24.2)	(18.8)	- 5.4	- 29%	(8.9)	(10.1)	+ 1.2	+ 12%
Total	**1.7**	**0.7**	**+ 1.1**	**x2**	**(22.1)**	**(19.4)**	**- 2.7**	**-14%**	**(16.4)**	**(13.6)**	**- 2.8**	**- 21%**
TOTAL	**333.6**	**299.3**	**+ 34.7**	**+ 12%**	**300.4**	**270.4**	**+ 30.0**	**+ 11%**	**189.6**	**160.5**	**+ 29.1**	**+ 18%**
Of which: wind power	**135.1**	121.9	+ 13.2	+ 11%	**105.0**	97.2	+ 7.9	+ 8%	**57.7**	51.2	+ 6.5	+ 13%
Of which: solar power	**162.3**	143.5	+ 18.7	+ 13%	**137.3**	161.2	- 23.9	- 15%	**82.1**	99.1	- 17.1	- 17%
Of which: storage	**34.4**	32.7	+ 1.7	+ 5%	**30.2**	31.4	- 1.2	- 4%	**16.3**	23.8	- 7.5	- 32%
Of which: farm-down[a]	-			N/A	**50.0**		+ 50.0	N/A	**50.0**		+ 50.0	N/A

(a) For more details on the definition of the farm-down segment, please refer to paragraph 2.1.1 of this document "Reconciliation of EBITDA".

(b) For more details on the definition and calculation of this aggregate, please refer to paragraph 2.1.1 of this document "Reconciliation of EBITDA".

(c) Revenue for this segment essentially comprises sales of services to other Group entities (eliminated on consolidation with the exception of amounts billed to entities not fully consolidated), but also includes sales of services to third parties.

(d) The eliminations mainly relate to services billed by Neoen S.A. to its project companies for the development, supervision and administration of power facilities, as well as development costs capitalized in accordance with IAS 38 "intangible assets".

(e) The percentages are the contribution of each geographical zone to the Group's revenues (excluding Development and investments and eliminations).

(f) The percentages reflect EBITDA margin by geographical zone.

(g) The percentages reflect current operating margin by geographical zone.

Revenue

The Group's consolidated revenues amounted to €333.6 million in 2021 (€329.6 million at constant exchange rates), a rise of **+€34.7 million** or 12% compared to 2020 (and 10% at constant exchange rates). This growth is mainly due to the full-year contribution of the assets commissioned in 2020, mainly in France, Mexico, Finland and Australia, and to the prorata temporis contribution of the new plants commissioned in 2021 in Australia, Argentina and France. This growth is limited by (i) a weaker performance of solar and wind power plants commissioned before January 1st, 2020, mainly due to lower wind resources in 2021 than in 2020, and (ii) a decline in the contribution from the Australian Hornsdale Power Reserve battery, which benefited from specific non-recurring conditions in the first quarter of 2020.

The solar power segment remained the largest contributor to the Group's consolidated revenues (49% in 2021 compared to 48% in 2020).

Revenues for this segment were €162.3 million in 2021, a rise of **+€18.7 million** or +13% compared with 2020.

- **Americas (+€17.7 million)**

This growth was mainly due to a higher full-year contribution from the El Llano power plant in Mexico (**+€10.1 million**). The latter was in operation throughout 2021, whereas in 2020 it only started production during February and was shut down for three weeks in May.

Moreover, due to the delay in the implementation of the administrative mechanisms required to start the long-term power sales contract, and an agreement reached in this context with the *Centro Nacional de Control de Energia* (CENACE), during the second quarter of 2021, its PPA, which was initially scheduled to take effect at the end of June 2020, became effective from July 1, 2021. As a result, the electricity generated since July 1, 2020 and until the start of the PPA was sold on the market, representing, in respect of 2020, a +€3.1 million contribution to 2021 revenues.

The Americas region also benefited from the contribution of the Altiplano 200 power plant in Argentina, that was commissioned in October 2021 (**+€7.4 million**).

- **Europe-Africa (+€4.5 million)**

This increase was mainly due to the contribution of the power plants commissioned in 2020 and 2021, in France, for **+€1.7 million and +€4.3 million**, respectively.

This increase was partially offset by the decline in revenues from plants commissioned before January 1st 2020, explained by lower wind resources in 2021 compared to 2020 and the sale of plants as part of the farm-down transactions in November and December 2021.

- **Australia (– €3.5 million)**

The decline in Australia's contribution was mainly due to unfavourable sunshine conditions over the period as well as lower market prices in 2021 compared with 2020, which affected the Numurkah power plant in particular. These effects were partially offset by the proceeds from the sale of green certificates in 2021.

The wind power segment accounted for 41% of the Group's revenues in 2021 (unchanged from 2020).

Revenues for this segment were €135.1 million, a rise of +€13.2 million or +11% compared with 2020.

- **Australia (+€10.1 million)**

The growth in revenues in Australia was essentially driven by the contribution of the Bulgana power plant, which gradually injected electricity into the grid over the first nine months of the year before producing at full capacity from October 2021 (**+€11.3 million**).

- **Europe-Africa (+€3.1 million)**

The increase in revenues in the Europe-Africa region was mainly due to:

- the full-year contribution of assets commissioned in 2020 in France and Finland for **+€3.7 million** and in 2021 in France for **+€4.7 million**;
- the contribution of power plants acquired in France in October 2020 (**+€1.3 million**), and;
- favourable market prices in Ireland for power plants selling on the market, thereby offsetting lower production (**+€1.3 million**).

However, it was penalised by the decline in revenues from plants commissioned before January 1st, 2020 (**–€7.9 million**), due to poor wind conditions in the second half of 2021, and an unfavourable comparison effect, as wind resources were, on the contrary, excellent in the first quarter of 2020.

The storage segment represented 10% of the Group's revenues in 2021 (compared with 11% in 2020).

The revenues from this segment contributed €34.4 million to the Group's revenues in 2021, up +€1.7 million or +5% compared to 2020.

- **Europe-Africa (+€5.1 million)**

This growth is mainly due to the contribution of the Ylikkälä Power Reserve battery in Finland, commissioned in December 2020 (**+€4.0 million**) and that of the French Azur storage facility, which benefited from better market conditions in 2021 compared with 2020 (**+€1.1 million**).

- **Australia (– €3.4 million)**

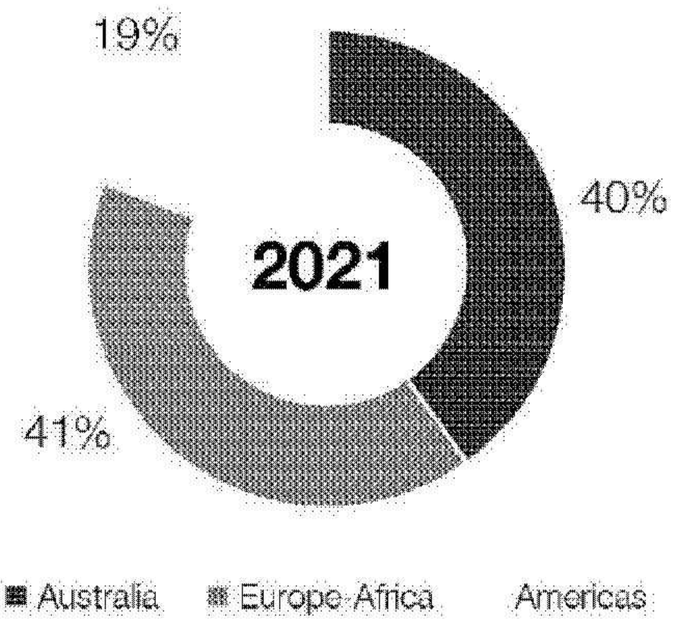
The decline in revenues was mainly due to the Hornsdale Power Reserve plant (**–€5.9 million**). The shutdown of an interconnection line between the states of South Australia and Victoria following a tornado in late January 2020 created specific conditions generating a high non-recurring income in 2020. This unfavourable comparison effect was partially offset by the full-year contribution of the Hornsdale Power Reserve (HPR) extension.

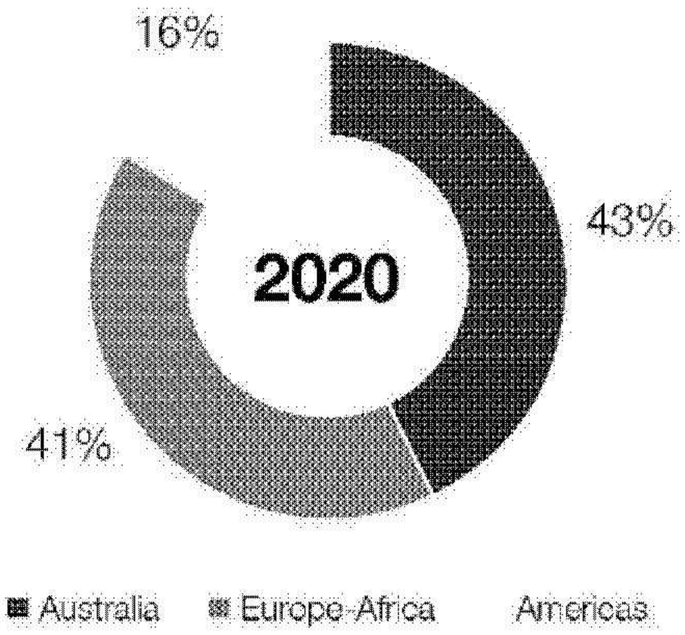
Revenues in the region also benefited from the commissioning of the Victorian Big Battery in December 2021 (**+€2.6 million**).

The development and investments and eliminations segments represented revenues of €1.7 million in 2021 compared with €0.7 million in 2020, an increase of +€1.1 million.

In 2021, the share of energy sales on the market remained at a high level of 22% of consolidated revenues (16% excluding the contribution of the storage sector), compared with 20% in 2020 (11% excluding the contribution of the storage sector). This is mainly due to the start of the PPA for the El Llano plant in Mexico on July 1st, 2021 instead of the end of June 2020 initially scheduled (the electricity generated during this period was valued at the market price), as well as to the revenues generated by the Bulgana plant in Australia until the start of its PPA in early December 2021.

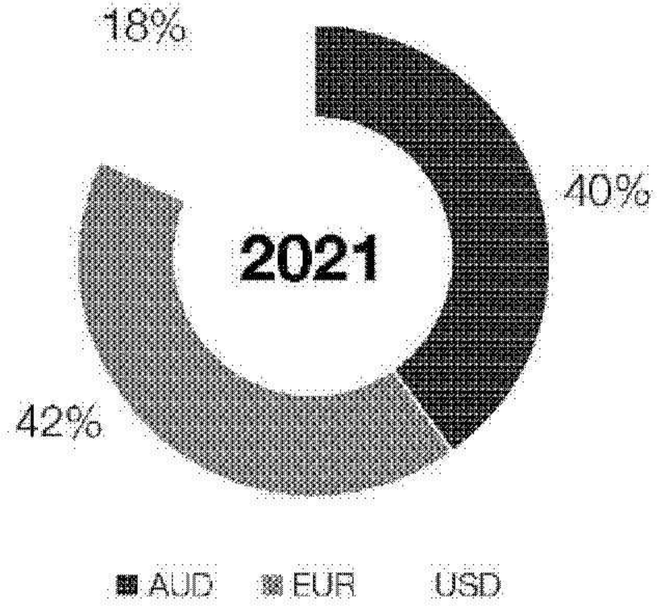
Revenue breakdown by geographic area[10]

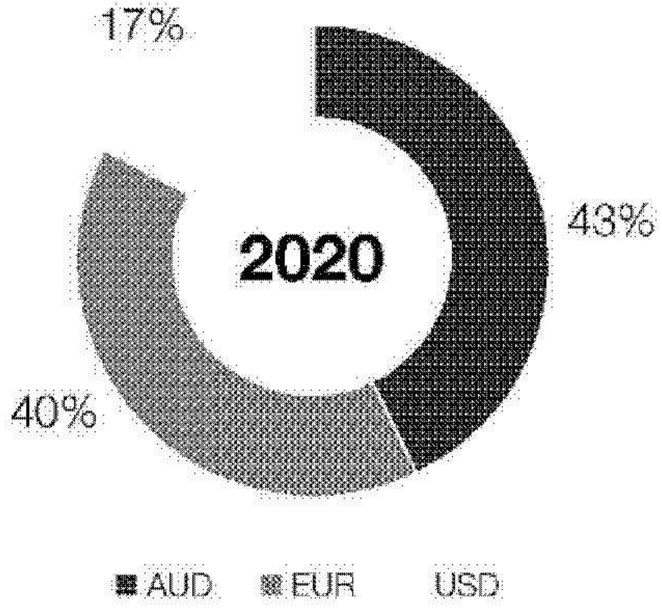




Europe-Africa was the largest contributor to the Group's revenues in 2021 and its relative share remained unchanged from 2020 at 41%. On the other hand, Australia's relative share declined (40% of the Group's revenues in 2021 compared with 43% in 2020), due in particular to the exceptional contribution of the storage segment in this region in the first quarter of 2020. The relative contribution of the Americas region increased (19% of the Group's revenues in 2021 compared with 16% in 2020), due to the capacity commissioned in 2020 and 2021.

Revenue breakdown by currency





[10] Excluding Development and investments and eliminations.

EBITDA

In 2021, the Group's consolidated EBITDA was €300.4 million (€297.2 million at constant exchange rates), an increase of **+€30.0 million**, i.e. +11% compared to 2020 "published" (+€28.2 million, or +10%, compared to 2020 "restated", taking into account the change in the definition of EBITDA implemented from 2021, and excluding the IFRS 2 expense "share-based payment").

This increase was mainly driven by (i) the contribution of the farm-down activity initiated in 2021, which generated net income of **+€50.0 million** and (ii) the growth in the Group's revenues of **+€34.7 million** compared to 2021 (please refer to the revenue analysis).

However, it was mainly affected by (i) a decrease in 2021 compared to 2020 in contractual indemnities to compensate for lost revenues related to delays in the commissioning of certain projects (named Liquidated Damages or LD's) for **– €45.2 million** and by (ii) an increase in operating expenses, mainly associated with plants commissioned in 2020 and 2021 (**– €7.2 million**).

The Group's EBITDA margin was 90% in 2021, unchanged from 2020.

The solar power segment contributed €137.3 million to the Group's EBITDA, down by **– €23.9 million** or – 15% compared to 2020. This decline was mainly due to:

- lower LDs in 2021 compared to 2020, for **– €40.7 million**, mainly in the Americas region (Argentina for – €23.0 million and Mexico for – €12.8 million);
- which were only partially offset by the increase in revenues of **+€18.7 million** (please refer to the revenue analysis).

The EBITDA margin for this segment was 85% in 2021 compared to 112% in 2020.

The wind power segment contributed €105.0 million to the Group's EBITDA, a rise of **+€7.9 million** or +8% compared to 2020.

This increase was mainly driven by:

- the **+€13.2 million** in revenue growth (see analysis above);
- the favourable effect on the EBITDA of the HWF plants related to lower grid regulation service costs (FCAS) in 2021 compared with 2020, a year marked by exceptional grid conditions (**+€2.7 million**).

These effects were partly offset by lower LDs for – **€4.0 million**, mainly in Australia and Finland, and an increase in operating expenses associated with plants commissioned in 2020 and 2021 for – **€3.4 million**.

The EBITDA margin for this segment was 78% in 2021 compared to 80% in 2020.

The storage segment generated EBITDA of €30.2 million in 2021, down – **€1.2 million** or – 4% compared to 2020.

This change was mainly due to:

- the **+€1.7 million** revenue growth (see revenue analysis above);
- an increase in operating expenses of – **€3.2 million**, mainly linked to the commissioning of the Ylliikkälä Power Reserve plant in Finland in late 2020.

The EBITDA margin, which in 2020 benefited from the exceptional performance of the Hornsdale Power Reserve battery, was 86% in 2021 compared to 96% in 2020.

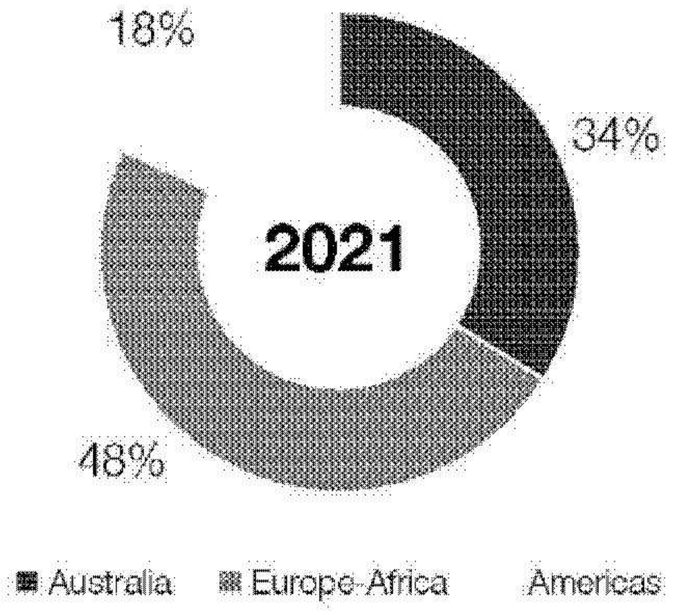
The farm-down segment generated EBITDA of +€50.0 million in 2021, mainly corresponding to capital gains on the sale of the Lugos (Gironde), Miremont (Haute-Garonne), Grabels (Hérault) and Lagarde (Vaucluse) solar power plants, as well as the Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects in France[1]. These transactions are detailed in paragraphs 2.3.1.8 of this document.

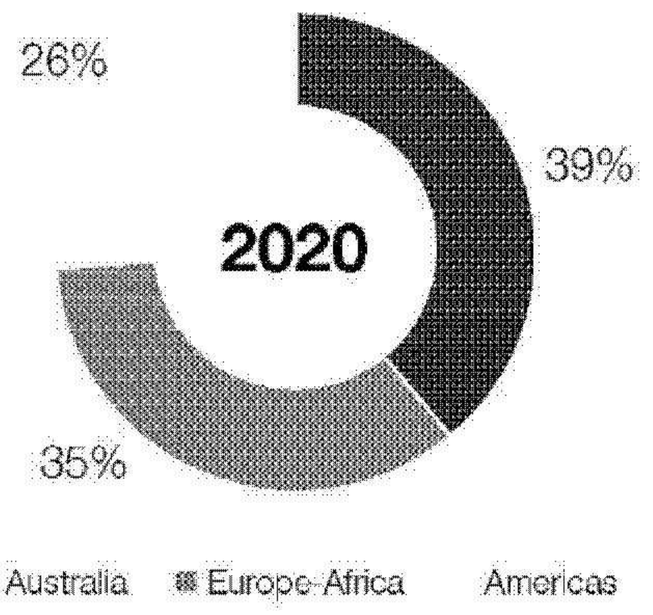
The development, investments and eliminations segments contributed €(22.1) million to the Group's EBITDA in 2021, compared to €(19.4) million in 2020. The – €2.7 million change between 2021 and 2020 was mainly explained by an increase in personnel costs, development costs and fees, resulting from the growth in the workforce and the continued development of the Group for – €3.9 million, which more than offset the effect of the reclassification of the IFRS 2 expense "share-based payment" for +€1.8 million.

As for revenues, Europe-Africa is the largest contributor to the Group's EBITDA in 2021, with a significant increase in its relative share (48% in 2021 compared with 35% in 2020), driven by the contribution of the farm-down activity in 2021. The share of the Australia region declined from 39% of the Group's EBITDA in 2020 to 34% in 2021. Lastly, the Americas region saw its share decrease to 18% in 2021, compared with 26% in 2020, when it benefited from significant contractual indemnities to compensate for lost revenues due to delays in the commissioning of certain projects (LD's).

[1] Given the Neoen Group's continued holding (5%) in the Le Berger and Les Beaux Monts wind farms and its option to purchase the project companies after 31 years of operation, these assets will remain in the Group's secured portfolio (gross MW).

EBITDA breakdown by geographic area[12]





Current operating income

The Group's current operating income was €189.6 million in 2021, a rise of +€29.1 million or +18%. This change was mainly due to:

- the **+€30.0 million** EBITDA growth (see EBITDA analysis above);
- the change in depreciation and amortization (**+€2.2 million**), mainly due to the cumulative impact of:
  - the extension of the depreciation period for solar and wind power assets (from 25 to 30 years[13], which led to a reduction in depreciation and amortization of **+€16.2 million** in 2021;
  - the growth in the number of assets in operation, resulting from the commissioning and acquisitions carried out in 2020 and 2021 (**–€15.1 million**);
- and the impact in 2021 of the IFRS 2 expense "share-based payment" of **–€3.2 million** (see EBITDA reconciliation in paragraph 2.1.1 above).

The solar power segment contributed €82.1 million to the Group's current operating income, a decline of **– €17.1 million** or -17% compared to 2020. This is mainly due to the **– €23.9 million** fall in EBITDA for this segment (see EBITDA analysis above), partially offset by the change in depreciation and amortization over the period for **+€6.8 million**, resulting from:

- the impact of commissioning in 2020 and 2021 for **– €5.4 million**;
- the end of the depreciation of an historical power plant for **+€2.5 million**;
- the extension of the depreciation period for fixed assets (from 25 to 30 years), which led to a **+€9.9 million** decrease in depreciation and amortization in 2021.

The wind power segment contributed €57.7 million to the Group's current operating income, a rise of **+€6.5 million** or +13% compared with 2020. This is mainly due to the **+€7.9 million** increase in EBITDA for this segment over the period (see EBITDA analysis above) and the extension of the depreciation period for fixed assets (from 25 to 30 years) which led to a reduction in depreciation and amortization of **+€6.0 million** in 2021. These effects are partially offset by the impact of the commissioning carried out in 2020 and 2021 for **–€6.1 million**.

The storage segment contributed €16.3 million to the Group's current operating income in 2021, down – €7.5 million compared to 2020, as a direct consequence of the decline in EBITDA for this segment of – €1.2 million (see EBITDA analysis above) and the increase in depreciation and amortization over the period, mainly linked to the commissioning of the Hornsdale Power Reserve battery extension in 2020 (– €5.7 million).

The farm-down segment contributed +€50.0 million to the Group's current operating income (see EBITDA analysis above).

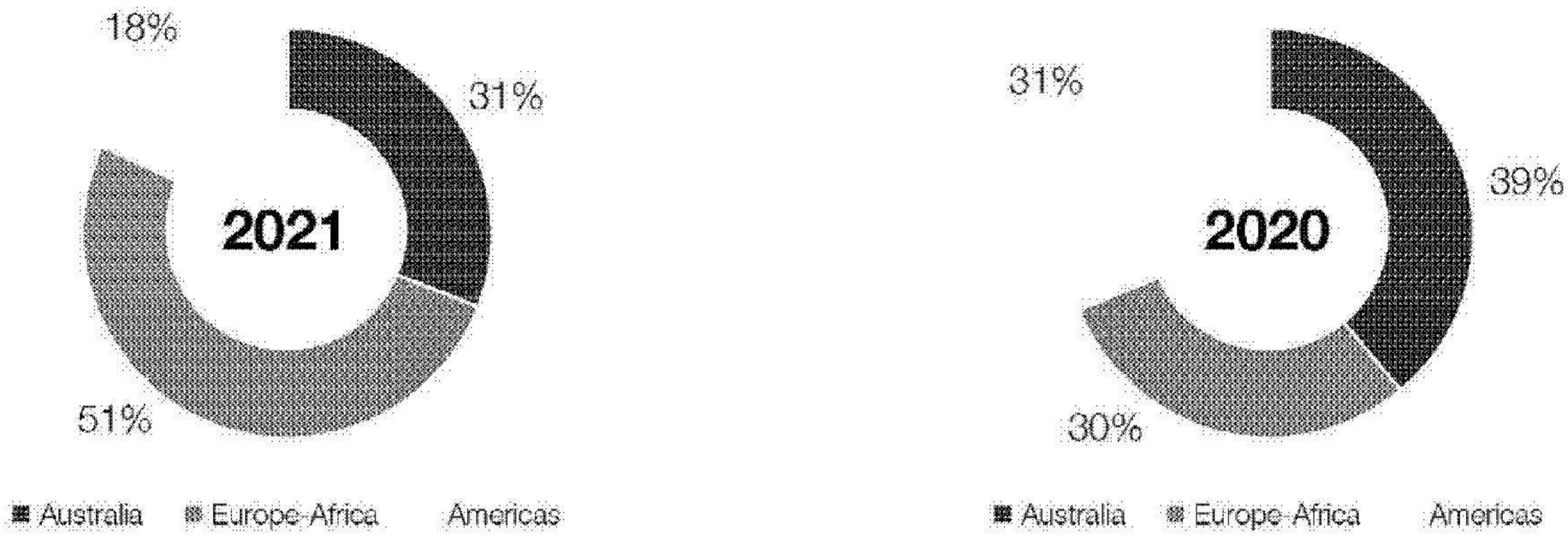
The development, investments and eliminations segments contributed €(16.4) million to the Group's current operating income compared to €(13.6) million in 2020, directly related to the change in this segment's EBITDA over the period (– €2.8 million).

As for EBITDA, Europe-Africa is the largest contributor to the Group's current operating income in 2021 and has seen its relative share increase significantly (51% in 2021 compared with 30% in 2020), driven by the contribution of the farm-down activity in 2021. The share of Australia region decreased from 39% of the Group's current operating income in 2020 to 31% in 2021, as a result of the decline in EBITDA (see EBITDA analysis above). Lastly, the share of the Americas region declined to 18% in 2021 from 31% in 2020, due to the decline in EBITDA (see EBITDA analysis above).

[12] Excluding Development and investments and eliminations.

[13] This change in accounting estimate is detailed in section 4.1 – note 12.3 of the consolidated financial statements.

Breakdown of current operating income by geographic area[14]



2.3.2.3 ANALYSIS OF THE OTHER CONSOLIDATED INCOME STATEMENT ITEMS

From current operating income to operating income

(In millions of euros)	FY 2021	FY 2020	Change	Change (in %)
Current operating income	**189.6**	**160.5**	**+ 29.1**	**+ 18%**
Other non-current operating income and expenses	(8.0)	(4.0)	– 4.0	– 99%
Impairment of non-current assets	(10.4)	(14.1)	+ 3.7	+ 26%
Operating income	**171.2**	**142.4**	**+ 28.8**	**+ 20%**
Impact of foreign exchange rate fluctuation	(1.1)	2.4	– 3.5	NA
Operating income at constant foreign exchange rate	**170.1**	**144.8**	**+ 25.2**	**+ 17%**

[14] Excluding Development and investments and eliminations.

Current operating income

Current operating income is analysed in paragraph 2.3.2.2 of this document.

Non-current operating income

Non-current operating income amounted to €(18.4) million, down – €0.3 million, and break down as follows:

(in millions of euros)	FY 2021	FY 2020	Change	Change (in %)
Prior period development costs[a]	(8.1)	(4.1)	– 4.0	– 99%
Gains and losses on disposal of assets	0.1	0.1	– 0.1	– 44%
Other income and expenses	(0.0)	(0.1)	+ 0.1	+ 90%
Other non-current operating income and expenses	**(8.0)**	**(4.0)**	**– 4.0**	**– 99%**
Impairment of capitalised development costs	(5.7)	(3.1)	– 2.6	– 84%
Other impairment of assets[b]	(10.5)	(13.4)	+ 2.9	+ 22%
Reversal of impairment of capitalised development costs[c]	5.8	2.4	+ 3.4	x2
Non-current operating income	**(18.4)**	**(18.1)**	**– 0.3**	**– 2%**

(a) Capitalised development costs for which the Group, following external events beyond its control, considers that the criteria for capitalisation provided for in IAS 38 "Intangible Assets" are no longer met, are recognised in other non-current operating expenses for the period (see section 4.1 - notes 9 and 10 to the consolidated financial statements). These are mainly related to the abandonment of projects in Australia, France, the United States and Ireland in 2021. In particular, the Group has had to cancel the further development of the Gilgandra project in Australia due to permitting and interconnection issues. In 2020, they mainly corresponded to the termination of projects in Ecuador, France, Colombia, Mexico and the United States.

(b) In 2021, this item corresponds mainly to the impairment loss recognised on the Numurkah power plant in Australia (see note 10 to the consolidated financial statements and paragraph 2.3.1.10). In 2020, it corresponded mainly to the impairment loss recognised on the Altiplano 200 power plant.

(c) Reversals of impairment of capitalised development costs related to abandoned projects.

Operating income

Given the aforementioned developments, the Group's operating income increased by +€28.8 million or +20% from €142.4 million in 2020 to €171.2 million in 2021 (€170.1 million at constant exchange rates).

Net financial result

(In millions of euros)	FY 2021	FY 2020	Change	Change (in %)
Cost of debt	**(106.5)**	**(101.8)**	**– 4.7**	**– 5%**
Total other financial income and expenses	**(11.2)**	**(15.9)**	**+ 4.7**	**+ 30%**
Shareholder loan interest income and expenses	(0.8)	(0.8)	– 0.0	– 3%
Foreign exchange gains and losses	(4.3)	(9.4)	+ 5.2	+ 55%
Other financial income and expenses	(6.1)	(5.7)	– 0.5	– 8%
Net financial result	**(117.7)**	**(117.7)**	**– 0.0**	**– 0%**

The change in financial income was mainly due to:

- **–€4.7 million** of increased cost of debt, resulting mainly from:
  - **–€6.0 million** increase in interest charges on borrowings and derivatives related to commissioning in 2020 and 2021;
  - **–€4.2 million** for the full-year effect of the green convertible bonds ("OCEANE Verte") issued in June 2020 and the syndicated credit facility signed in March 2020;
  - partially offset by the **+€5.8 million** decrease in loan interest, mainly due to the gradual repayment of senior and junior financing for power plants in operation.

In 2021, the cost of debt breaks down as to €(77.2) million of interest on borrowings for the financing of production assets (€(76.4) million in 2020), €(23.9) million of interest charges on derivatives (€(20.1) million in 2020) and €(5.4) million of interest on rights of use (€(5.2) million in 2020).

- **+€5.2 million** of foreign exchange impact on the financial result, mainly from the Altiplano 200 plant in Argentina. In 2020, the Group recorded a foreign exchange loss of €(8.5) million resulting mainly from the effect of the depreciation of the Argentine peso against the US dollar on peso-denominated VAT credits and awaiting reimbursement. In 2021, due to the repayment of a substantial portion of these VAT credits during the year, foreign exchange losses were reduced to €(3.8) million, an improvement of +€4.7 million.
- **–€0.5 million** of additional other financial income and expenses.
  - In 2021, the financial expenses of **€(6.1) million** result in particular from early repayments that led to the recognition of:
    - **€(1.2) million** in swap breakage costs, and;
    - **€(0.4) million** of upfront fees still to be amortised.
  - In addition to this, they are attributable to:
    - non-utilisation fees for the syndicated credit facility amounted to **€(1.5) million,** and;
    - other individually non-material items amounted to **€(2.1) million**, mainly comprising recurring bank commissions and charges.
  - In 2020, the financial expense of **€(5.7) million** corresponded mainly to the impact of the refinancing of the Australian wind assets Hornsdale 1, 2 and 3, which generated an expense of €(4.9) million, corresponding to indemnities and early repayment costs incurred for the extinguishment of the historical debt.

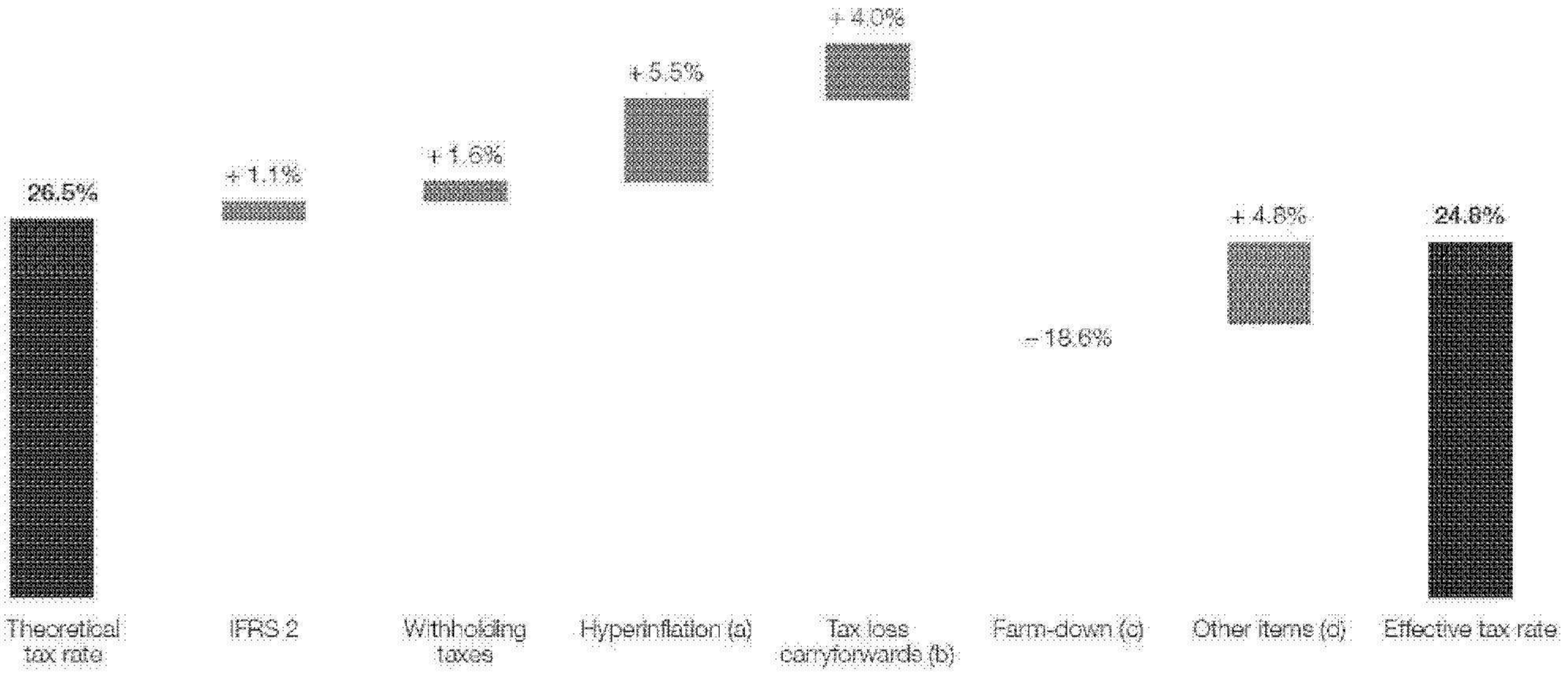
Income tax

Consolidated income tax includes: (i) current and deferred tax for continuing operations; (ii) France's value-added levy (CVAE) and (iii) withholding tax for which no tax credit is recognized. Other fiscal charges are excluded, such as local taxes recognized at the level of current operating income.

Numerous factors can affect the Group's effective tax rate from one period to the next, by reason in particular of the evolution of tax rates in the various jurisdictions in which the Group operates, of the extent of non-deductible expenses and of the impact of thin capitalization mechanisms.

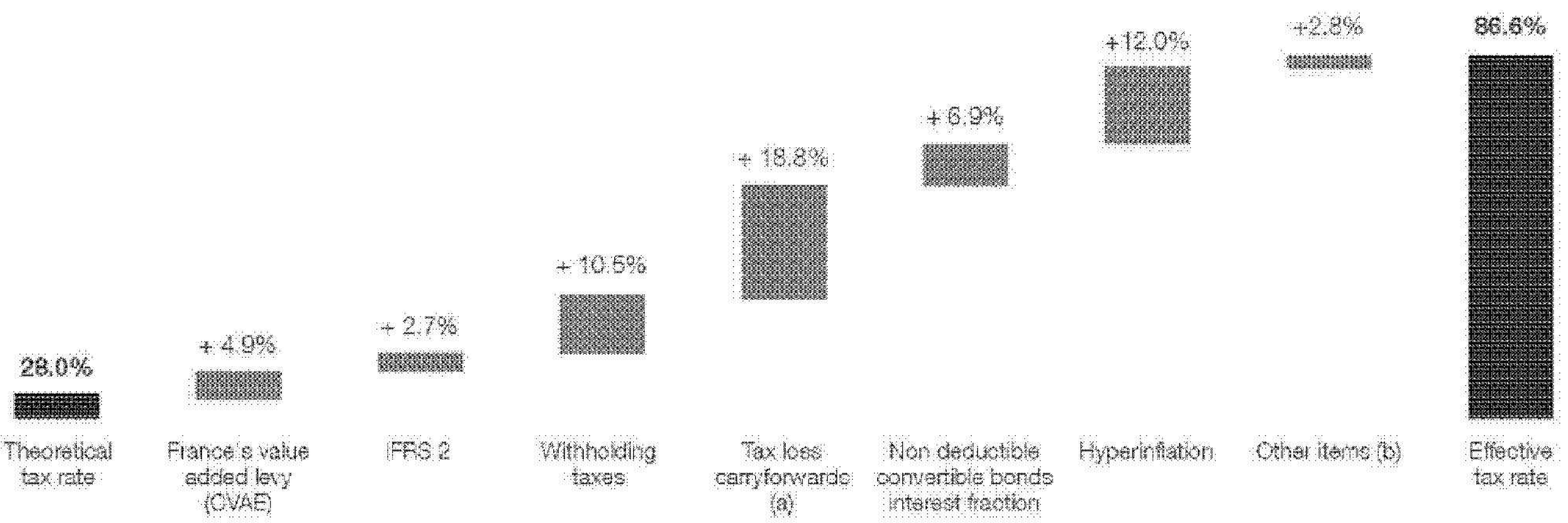
The tax expense amounted to €(13.3) million in 2021 (of which: €(14.6) million in current tax and €1.4 million in deferred tax), compared with €(21.4) million in 2020 (of which: €(14.5) million of current tax and € (6.9) million of deferred tax) The effective tax rate thus falls significantly between 2020 (86.6%) and 2021 (24.8%) (see also section 4.1 - note 11.2 "Income tax").

In 2021, the difference of 1.7 percentage points between the theoretical tax rate of 26.5% and the effective tax rate of 24.8% may be broken down as follows:



(a) Impact of the hyperinflationary tax rules in force in Argentina.
(b) Given the earnings outlook for certain regions and time limitations in the use of tax losses, no deferred tax assets were recognised for certain tax losses.
(c) Impact of farm-down transactions carried out in France, which are mainly subject to the long-term capital gains regime.
(d) Permanent differences are not individually material.

In 2020, the difference of 58.6 percentage points between the theoretical tax rate of 28% and the effective tax rate of 86.6% may be broken down as follows:



(a) Given the earnings outlook for certain regions and time limitations in the use of tax losses, no deferred tax assets were recognised for certain tax losses.
(b) Permanent differences are not individually material.

Net income from continuing operations

Given the factors presented above, net income from the Group's continuing operations increased by +€36.9 million, from €3.3 million in 2020 to €40.2 million in 2021.

Group share of net income

Group share of net income thus increased by +€37.1 million, from €3.9 million in 2020 to €41.0 million in 2021.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests amounted to €(0.8) million in 2021 compared to €(0.5) million a year earlier. It represents the share of other shareholders in the income generated by companies in which Neoen is not the only shareholder, mainly in Australia and Jamaica.

2.3.2.4 SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In millions of euros)	31.12.2021	31.12.2020	Change	Change (in %)
Non-current assets	**4,147.0**	**3,212.0**	**+ 935.0**	**+ 29%**
Of which: property, plant and equipment	3,677.6	2,838.7	+ 838.8	+ 30%
Current assets	**798.2**	**565.1**	**+ 233.1**	**+ 41%**
Of which: cash and cash equivalents	592.6	374.9	+ 217.7	+ 58%
Total assets	**4,945.1**	**3,777.1**	**+ 1,168.0**	**+ 31%**
Equity[a]	**1,373.9**	**641.6**	**+ 732.3**	**x2**
Financial liabilities[b]	**2,953.4**	**2,749.4**	**+ 204.0**	**+ 7%**
Of which: senior project financing	2,199.6	1,948.7	+ 250.8	+ 13%
Of which: bond financing for projects	117.5	154.4	– 36.8	– 24%
Of which: corporate financing	338.8	339.4	– 0.6	– 0%
Total equity and liabilities	**4,945.1**	**3,777.1**	**+ 1,168.0**	**+ 31%**

(a) Movements on the Group's equity in 2020 and 2021 are detailed in the consolidated statement of changes in equity and the associated financial statement note (see paragraph 4.1.4 of this document and section 4.1 – note 17 "shareholders' equity and details of dilutive instruments").

(b) Consolidated financial liabilities are specifically analysed in paragraph 2.5.4 of this document.

Property, plant and equipment increased by 30% in 2021 due to the increase in the volumes of plants in operation and under construction (see section 4.1 – note 12.3 "Property, plant and equipment" and paragraph 2.3.1.1 of this document). The Group's investment is detailed in paragraph 2.5.8.2 of this document.

The **+€217.7 million** increase in the Group's cash and cash equivalents in the period is mainly due to:

- Neoen S.A. (€290.4 million; up **+€219.2 million** from the previous year), due to:
  - capital increases in cash carried out in 2021 in the gross amount of €599.9 million, less issuance costs of €(7.8) million, i.e. **+€592.1 million** (see the consolidated financial statements – section 4.1 – note 2.2 of this document); and;
  - dividends received and repayment of shareholder loans for **+€50.0 million**;
- These effects are partially offset by:
  - investments made in the form of equity and shareholder loan contributions to new projects for – **€384.0 million**, particularly in Finland, Australia and France;
  - repayment of financing from Bpifrance for – **€10.5 million**; and
  - – **€7.5 million** in interest payments relating to the convertible bonds issued in 2019 and 2020;
- project companies and project holding companies (€312.1 million; down – **€1.6 million** from the previous year), as a result of:
  - for assets under construction, drawdowns on senior debt and equity contributions to finance investments in production assets; and
  - for assets in operation and financing holding companies, cash flows from operating activities intended to repay project financing and remunerate shareholders' contributions;

The Group's financial structure is solid, with 89% of its total debt at the end of December 2021 backed up by its electricity production facilities which are for the most part financed by long-term project debt denominated in strong currencies (the euro, US and Australian dollars). The Group's liabilities are detailed in paragraph 2.5.4 of this document.

2.4 DIVIDENDS

The dividend policy is detailed in section 7.3.8 "Dividends" of this document.

2.5 FINANCING AND INVESTMENTS

2.5.1 FINANCING AND CASH MANAGEMENT POLICY

The Group's cash requirements are mainly determined by its investment in the development and construction of wind power, solar power and electricity storage facilities, by repayment of the debt contracted by project companies or project holding companies and, to a lesser extent, by working capital requirements.

The Group meets its cash requirements for the construction of its facilities mainly through long term non-recourse or limited recourse project financing, with some exceptions, at the level of the project companies or holding companies that hold them and mezzanine loans at the level of intermediate holding companies. This debt is then repaid through cash flows generated by project companies with operating assets, the resources of which come mainly from the sale of energy under long-term contracts (PPA) and to a lesser extent in wholesale markets (for more details see paragraph 2.5.2 "project financing").

The Group structures its project debt in the currency of expected revenue flows.

Historically, the equity provided to project companies by the Group was mainly covered by share capital increases of the Company, by mezzanine loans and, to a lesser extent, by the surplus net cash flows generated by projects' operating activities.

On April 9, 2021, Neoen successfully completed a capital increase with preferential subscription rights for a total gross amount of €599.0 million. The proceeds of this capital increase are intended to finance the first investment cycle of the Group's development plan aimed at reaching 10 GW of capacity in operation or under construction by the end of 2025 (see paragraph 2.3.1 "Key events" and 2.2 "Outlook and trends" of this document).

In addition, in 2020, the Group issued its first ever green convertible bond in Europe for a nominal amount of around €170 million, maturing in 2025, under a Green Bond Framework (framework document) that governs its terms of use, thereby strengthening its commitment to sustainable finance. This transaction followed the first issue, in 2019, of convertible bonds with a nominal amount of around €200 million, maturing in 2024. The main purpose of these issues was to finance the Group's development with a view to achieving its capacity target by the end of 2021 (more than 5 GW of capacity under construction or in operation) while optimising its balance sheet.

In March 2020, the Group set up and amended on 30 July 2021, a syndicated credit facility for a nominal amount of €200 million, including a €125 million term loan, and a revolving credit facility for a nominal amount of €75 million, whose financial conditions are indexed to environmental, social and governance (ESG) indicators, and whose maturity was extended until 2026 during 2021. This syndicated credit facility remained undrawn at December 31, 2021.

These various corporate financing transactions have strengthened the Group's financial resources as part of the execution of its growth strategy. They have thus contributed to the continuation of its investment in the development of new projects and to the optimization of its balance sheet, in accordance with the objective communicated at the Capital Markets Day on March 11, 2021 of a leverage ratio of more than 70% of the capital invested on an all-in basis including all of the Group's debt, whether corporate or set up at the level of dedicated project companies, in the form of senior or mezzanine debt.

To finance its working capital requirements and development, the Group essentially uses the surplus cash flows generated by its operations, the €75 million revolving credit facility set up in March 2020, and whose maturity has been extended in 2021 until 2026, and the revenues associated with its developer activity (mainly in the form of development agreements).

The cash requirements for the development and construction of projects vary depending on each project's stage of completion.

2.5.2 PROJECT FINANCING

2.5.2.1 FINANCING PROCESS

Once a project's development is sufficiently advanced, the Group begins to consult potential lenders in order to obtain competitive financing terms and conditions and thereby prepare its applications for the anticipated tender procedures or power production contracting procedures. Once the power sale contract or mechanism has been concluded, including in particular the use of aggregation contracts, the Group organises the project's financing as part of a detailed and structured process, involving due diligence by the lenders and the negotiation of financing contracts.

For the purpose of these negotiations, the Group is supported by its Paris-based legal department and financing team for all contracts outside Australia, where the Group has a specific financing team and local in-house legal support.

2.5.2.2 STRUCTURING AND SCOPE OF FINANCING

The Group generally structures its projects' financing via a project company dedicated to a project or a group of projects. In a limited number of cases, a whole project may be held by several project companies.

The scope of financing thus encompasses both individual projects and groups of projects, in particular when the projects are small, in which case the Group may include several projects within a single financing vehicle in order to obtain more favorable terms than if the financing were arranged project by project, given the volume effect and the pooling of risks (cross-guarantees and diversification of resources).

The loans subscribed by the Group on behalf of each project company or, if several projects are financed by the same vehicle, on behalf of each financing vehicle, are very largely without recourse (or of only limited recourse during construction) with regard to assets of the Company or of other Group entities.

2.5.2.3 LEVERAGE AND GEARING

Projects are generally financed by senior debt, as previously described (as well as by mezzanine loans in certain instances), and by equity contributions by the Company (and sometimes by non-controlling investors).

Some projects for electricity storage facilities, for which the level of exposure to merchant risk is not consistent with the use of dedicated non-recourse financing, are exclusively financed by equity provided by the Company.

The applicable lenders depend on each applicable market:

- in developed markets, the Group has established solid relationships with a range of "partner banks" such as KfW Ipex, Société Générale, BPCE, BNP Paribas, Banque Postale, Clean Energy Finance Corporation, HSBC, NORD/LB or Bpifrance, but retains the option of selecting other lenders depending on the attractiveness of their financing proposals;
- in developing markets, the Group mainly deals with development banks, alongside its partner banks, such as Proparco, Inter-American Development Bank, International Finance Corporation (part of the World Bank) and Development Finance Corporation.

Loan terms and conditions, in particular the level of debt for a given project, depend on a range of factors such as the forecast cash flows, the project's location or counterparty and market risk.

Based on the aforementioned and other factors, the lenders determine the requisite minimum debt service coverage ratio, i.e. the maximum amount of the project's forecast cash flows they are prepared to finance. In certain cases, the lenders also determine a maximum gearing ratio in order to impose a minimum level of equity for a particular project.

2.5.3 INDICATORS MONITORED BY THE GROUP

The average remaining maturity of the financing for the Group's projects in operation as of December 31, 2021 and 2020 may be summarized as follows:

Weighted average remaining maturity of financing (in years)	**Solar power**	**Wind power**	**Total**
AUD	13.7	19.2	17.3
EUR	16.2	14.5	15.3
USD	14.5	N/A	14.5
TOTAL 30.12.2021	**14.2**	**16.9**	**15.8**
TOTAL 31.12.2020	**15.2**	**17.6**	**16.3**

The weighted average ratio of project debt to capital expenditure for the project's development and construction, for all the Group's projects in operation as of December 31, 2021 and 2020, may be summarized as follows:

Ratio of projects debt to investment expenditure	**Solar power**	**Wind power**	**Total**
AUD	64%	79%	73%
EUR	89%	75%	81%
USD	64%	N/A	64%
TOTAL 30.12.2021	**70%**	**77%**	**73%**
TOTAL 31.12.2020	**75%**	**81%**	**78%**

The change in the solar segment between December 31, 2020 and June 30, 2021 reflects the inclusion of the financing of the El Llano power plant, given the start of its PPA on July 1st, 2021.

The change between December 31, 2020 and December 31, 2021 in the wind power segment reflects the inclusion of the financing of the Bulgana power plant, commissioned in December 2021.

The Group's gearing ratio as a percentage of capital employed, on an all-in basis including the totality of its debt, whether corporate or associated with project financing, was 73% at December 31, 2021.

The weighted average interest rate associated with project financing for all the Group's projects in operation, on an all-in basis i.e. inclusive of the spread applied by the applicable bank and of the impact of any interest rate swaps or other interest rate derivatives, may be summarized as follows:

All-in weighted average interest rate for project financing	Solar power	Wind power	Total
AUD	4.7%	3.9%	4.2%
EUR	1.7%	1.7%	1.7%
USD	6.0%	N/A	6.0%
TOTAL 30.12.2021	**4.4%**	**2.9%**	**3.7%**
TOTAL 31.12.2020	**4.0%**	**2.6%**	**3.4%**

The increase in the wind segment between 2020 and 2021 primarily reflects the inclusion of the financing of the Bulgana power plant, which was commissioned in December 2021.

The increase in the solar segment between 2020 and 2021 mainly reflects a higher proportion of debt denominated in U.S. dollars with the inclusion of the financing of the El Llano power plant, given the start of its PPA on July 1, 2021, and the Altiplano 200 power plant, following its commissioning and the start of its PPA in October 2021.

By currency, at December 31, 2021 the weighted average interest rate for the Group's project, mezzanine and corporate debt was about 2.1% in euros, 4.0% in Australian dollars and 6.0% in US dollars. The weighted average interest rate is (i) calculated on the basis of all outstanding financing (signed, drawn down, under repayment or consolidated), (ii) weighted on the basis of total debt outstanding at December 31, 2021, (iii) calculated on an all-in basis i.e. inclusive of the spread applied by the applicable bank and of the impact of any interest rate swaps or other interest rate derivatives and (iv) calculated excluding the costs of debt structuring.

At December 31, 2020, the weighted average interest rate for the Group's project, mezzanine and corporate debt was about 2.1% in euros, 4.4% in Australian dollars and 6.4% in US dollars.

At December 31, 2021, the overall average interest rate for the Group was about 3.5%, compared with about 3.7% at December 31, 2020, due in particular to the continued relatively low interest rate environment, despite a gradual rise in long-term interest rates in the second half of 2021.

The Group's financial debt terms and conditions and financing structure are detailed in section 4.1 – note 19 on financing and financial instruments.

2.5.4 RECONCILIATION OF CONSOLIDATED LIABILITIES AND NET DEBT

In the framework of the analysis and management of its liabilities, the Group assesses both the overall level of its gross consolidated liabilities and its net debt which is not an IFRS indicator.

(In millions of euros)	31.12.2021	31.12.2020	Change	Change (In %)
Financial debt[a]	**2,953.4**	**2,749.4**	**+ 204.0**	**+ 7%**
Non-controlling investors and others[b]	(31.0)	(29.2)	– 1.8	– 6%
Adjusted financial debt	**2,922.4**	**2,720.2**	**+ 202.1**	**+ 7%**
Total cash and cash equivalents[c]	(592.6)	(374.9)	– 217.7	– 58%
Guarantee deposits[d]	(67.2)	(76.6)	+ 9.4	+ 12%
Derivative instruments assets – hedging effect[d]	(30.4)	(2.2)	– 28.2	x14
Total net debt	**2,232.2**	**2,266.5**	**– 34.3**	**– 2%**

(a) Essentially comprising project financing, the debt component of the convertible bonds issued in 2019 ("OCEANE") and the green convertible bonds ("OCEANE Verte") issued in 2020, interest rate hedging instruments with a negative market value and lease liabilities included in the calculation of net debt under IFRS 16 «leases» (note that EBITDA therefore excludes lease charges). Financial debts are detailed in note 19.2 to the consolidated financial statements for 2021.

(b) Notably comprising non-controlling shareholder loans to project companies (or project holding companies).

(c) The change to this item is detailed in paragraph 2.3.2.4 of this document.

(d) Mainly comprises guarantee deposits in the framework of project financing, in the form of DSRAs (debt service reserve accounts) or for the purpose of project

construction. The decrease during the period is mainly due to the release of an escrow account associated with the construction of a power plant that is now in operation, as well as the repayment of guarantee deposits related to the financing of generation assets. New DSRAs have also been set up in as part of the new financings carried out in 2021, in particular in Australia.

(e) Interest rate risk hedging derivatives with a positive market value. Financial instruments with a negative market value are included in total financial debt (see section 4.1 - note 19.2 to the 2021 consolidated financial statements).

Analysis of liabilities by type

(In millions of euros)	Non-current	Current	31.12.2021	Non-current	Current	31.12.2020	Change
Senior project financing	1,795.1	404.5 [1]	2,199.6	1,696.7	252.0	1,948.7	+ 250.9
Bond financing for projects	102.3	15.3	117.5	140.4	14.0	154.4	– 36.8
Corporate financing	337.5	1.3	338.8	325.4	14.0	339.4	– 0.6
Lease liabilities	212.1	7.7	219.7	160.8	7.1	167.9	+ 51.8
Non-controlling investors and others	30.8	0.3	31.0	29.2	-	29.2	+ 1.8
Derivative instruments – impact of hedging	23.3	23.3	46.7	90.2	19.6	109.8	– 63.2
Total financial liabilities	2,501.0	452.4	2,953.4	2,442.8	306.6	2,749.4	+ 204.0

Senior project financing (+€250.9 million)

During financial year 2021, new loans were taken up to finance the Group's projects in the amount of **+€413.0 million** :

- +€224.5 million in the Europe-Africa region (including Mutkalampi in Finland for +€67.0 million, several solar and wind power plants in France for +€76.1 million and +€48.5 million respectively, and Metoro in Mozambique for +€22.0 million);
- +€173.1 million in Australia (including Western Downs for +€87.3 million and the Victorian Big Battery for €56.4 million);
- +€15.4 million in the Americas region (including Altiplano 200 in Argentina for +€7.6 million).

In addition to this :

- **– €214.9 million** in loan repayments made in 2021;
- **+€53.7 million** impact of exchange rate fluctuations;
- **– €7.6 million** impact of changes in consolidation scope;
- **+€5.3 million** change in the amortized cost of borrowings and **+ €(1.3) million** in accrued interest and other changes.

Financial covenants are detailed in paragraph 2.5.5 of this document.

Bond financing for projects (– €36.8 million)

Bond financing mainly comprises junior debt on projects. The decrease in 2021 corresponds mainly to the repayment of – €34.9 million of debt borne by the Neoen Production 2 entity.

Corporate financing (– €0.6 million)

At December 31, 2021, corporate financing mainly corresponds to the convertible bonds ("OCEANE") issued in 2019 and the green convertibles bonds ("OCEANE Verte") issued in June 2020. The decrease in this item over the period mainly corresponds to the repayment of loans previously taken out with Bpifrance for **– €10.5 million**, partially offset by the amortization of the issue premiums relating to the convertible bonds ("OCEANE") and green convertible bonds ("OCEANE Verte") for **+€8.4 million**.

Lease liabilities (+€51.8 million)

The lease liability is initially measured at the present value of the lease payments that are not settled at the effective date of the contract, discounted at marginal borrowing rate of the lessee. It is then repaid and discounted at the rate of rent payments. The increase for the period is mainly attributable to the entry into force of new leases or revaluations for + €62.0 million, changes in the scope of consolidation for – €5.4 million and repayments for – €4.4 million.

Non-controlling investors and others (+ €1.8 million)

This item essentially consists of shareholder contributions from minority shareholders in the context of project financing.

Derivative instruments – impact of hedging (– €63.2 million)

The decrease in derivative financial liabilities is mainly due to a positive change in fair value, impacting this contributor to financial liabilities by – €64.9 million, as a result of the impact of the rise in forward interest rates over the period in most of the geographic regions in which the Group operates.

[1] Debts relating to four of the Group's assets have been reclassified as «current financial debts» because of non-compliance with financial covenants or documentary non-compliances within the meaning of the financing contracts for these power plants (see paragraph 2.3.1.11 of this document).

Evolution of the Group's liabilities

The evolution of the Group's liabilities in 2021 may be summarized as follows (the amounts are expressed in millions).



(a) Loans issued mainly comprise +€413.0 million in senior financing for the Group's new projects (see paragraph above "Analysis of liabilities by type - Senior project financing" of this document).

(b) They mainly comprise (i) the repayment of loans made over the period in respect of senior project financing for – €214.9 million, (ii) the payment of the contractual maturity as well as the partial early repayment of a mezzanine debt for – €34.9 million, (iii) the repayment of Epitrance (corporate) loans by Neoen S.A. – €10.5 million and (iv) the repayment of rental debts for – €4.4 million (see paragraph above "Analysis of liabilities by type - Senior project financing" of this document).

(c) They include a – €64.9 million of change in fair value (swaps) and + €6.9 million of change in amortized cost.

(d) This item mainly includes the amortization of issue premiums relating to the convertible bonds ("OCEANE") and green convertible bonds ("OCEANE Verte") for + €8.4 million.

2.5.5 EVENTUAL RESTRICTIONS ON THE USE OF CAPITAL

The Company's financing contracts are subject to compliance with a number of commitments described in paragraph 3.1.3 «risks linked to the financial covenants included in project financing agreements».

Bank financing

The non-recourse bank financing for project companies, and the mezzanine loans held by intermediate holding companies, include clauses restricting the payment to the entities' shareholders of cash in the form of equity distribution or repayment of shareholder's loans. The restrictions mainly take the form of the requirement for compliance with financial covenants including, at the level of the project companies, a DSCR (debt service coverage ratio) lock-up clause generally set slightly above the minimum ratio provided for by the financing agreement.

The non-recourse bank financing implemented at the level of the project companies may also provide for the constitution of a guarantee deposit in the form of a debt service reserve account (DSRA) amounting to the equivalent of one or more debt maturity. Payments of cash to shareholders are generally restricted so long as the requisite reserve account balance has not been entirely constituted or reconstituted in the event of use.

Financial covenants

At December 31, 2021, two Group entities, one in Australia and the other in France, were not in compliance with their minimum Debt Service Coverage Ratio (DSCR), mainly due to operational problems.

As a result, the Group has accelerated the related non-recourse project financing borrowings in its accounts, which are now presented in current financial debt, for amounts of respectively AUD 145.1 million (i.e. €92.9 million) and €24.5 million. At the same time, the Group has entered into negotiations with lending institutions to resolve these cases of default, which are still ongoing at the date of publication of this document.

The other companies financed by project and mezzanine debt, on the other hand, complied with their covenants on minimum debt service coverage ratios (DSCR) or minimum shareholders' equity.

For more information on the description of finance contracts and the associated risks, see paragraph 3.1.2 "risks relating to projects in the process of development and construction".

Corporate financing

The syndicated credit facility set up in March 2020 and amended on July 30, 2021, contains specific restrictions, authorizing the Company to pay dividends in accordance with two specific conditions. First, that this dividend will only be paid from January 1, 2022, and second, that it does not exceed a certain level expressed as a percentage of the Company's net income.

For more information on the dividend policy, see paragraph 7.3.8 "Dividends" of this document.

Situation in Argentina

The rules put in place by the Central Bank of the Republic of Argentina during the second half of 2019, aimed at restricting access to foreign currencies for Argentine companies and individuals in order to stem the devaluation of the Argentine peso (ARS) against the US dollar (USD), have the consequence, at the date of publication of the Group's financial statements 2021, of substantially restricting the possibility of buying dollars on the Argentine foreign exchange market for the purposes of :

- repayment of shareholder loans denominated in USD for the Altiplano 200 power plant (amounting to USD 107.3 million, including accrued interest for USD 22.5 million, at December 31, 2021);
- dividend payments.

However, these restrictions do not affect payments in respect of servicing USD denominated debt (repayment of principal or interest), to the foreign lenders on this project.

2.5.6 SOURCES OF FINANCING FOR FUTURE INVESTMENT

The Group plans to continue financing the majority of its cash requirements for the construction of its future facilities through long-term, non-recourse project financing at the level of the project companies or the holding companies that own them. These may be supplemented by other financing, outside the project companies, including corporate financing, in accordance with an objective, communicated at the Capital Markets Day on March 11, 2021, of a leverage ratio greater than 70% of invested capital on an all-in basis including all Group debt, whether corporate or put in place to finance its projects.

The Group, having reached its objective of more than 5 GW of capacity under construction and in operation by the end of 2021, is now targeting more than 10 GW of capacity under construction and in operation by the end of 2025.

In this context, in addition to the long-term non-recourse project financing that the Group plans to set up at the level of the project companies or the holding companies that hold them, the planned refinancing of its corporate financing at maturity, the net cash flows generated by its activity, after repayment of the principal and interest on its loans, and the net income generated by its farm-down activity, the Group will have to raise additional equity for an amount estimated by the Group at a maximum of €1.2 billion over the period of achieving this 10 GW target by the end of 2025, in order to finance its future capacity increases, of which €599.0 million were raised in connection with the capital increase carried out on April 9, 2021 (refer to section 2.3 of this document).

This need has been estimated by taking into account, in particular, the investment costs per MW installed expected over the period for solar, wind and electricity storage technologies, and the average leverage ratio observed in the financing of solar, wind and storage projects in the different geographical areas where the Group operates.

The Group emphasises that it is free to adjust this amount downward, by opportunistically reducing its percentage ownership in certain assets that it intends to retain over the long term, while remaining within the framework of its develop-to-own strategy.

As of December 31, 2021, the Group disposed of a gross cash and cash equivalents of €592.6 million and of €238.0 million unused corporate borrowing facilities.

2.5.7 CASH POSITION AND CASH FLOWS

(In millions of euros)	FY 2021	FY 2020	Change
Net cash flows from operating activities	276.0	222.3	+ 53.7
Net cash flows from investing activities	(709.2)	(502.4)	– 206.8
Net cash flows from financing activities	643.5	204.0	+ 439.5
Impact of foreign exchange rate fluctuation	7.3	(9.5)	+ 16.8
Change in cash and cash equivalent	**217.6**	**(85.6)**	**+ 303.2**

2.5.7.1 NET CASH FLOWS FROM OPERATING ACTIVITIES

(In millions of euros)	FY 2021	FY 2020	Change
Consolidated net income	40.2	3.3	+ 36.9
Eliminations[a]	202.0	248.5	– 46.5
Impact of changes in working capital[b]	44.3	(11.3)	+ 55.6
Tax paid (received)[c]	(10.6)	(16.1)	+ 7.6
Net cash flows from operating activities	**276.0**	**222.3**	**+ 53.7**

(a) This flow comprises non-cash movement, notably amortization and provisions, gains and losses on disposals, the cost of debt and the deferred and current tax charge or (credit). The lower eliminations in 2021 compared to 2020 are mainly due to the impact of gains and losses on disposals. In 2021, they are eliminated in the amount of €(42.0) million, corresponding mainly to net gains from the disposal derived from farm-down transactions for €(50.0) million and the write-off of capitalised development costs for €8.1 million. In 2020, they were eliminated in the amount of €4.1 million and corresponded exclusively to the write-off of capitalised development costs (see consolidated cash flow statement - section 4.1 - paragraph 4.1.5 of this document).

(b) In 2020, the impact of the change in working capital requirements was mainly due to contractual indemnities offsetting revenue losses due to delays in the commissioning of certain projects, awaiting settlement, and to an increase in VAT receivables awaiting reimbursement, notably related to projects under construction. In 2021, the impact of the change in working capital requirements results from the receipts recognized in respect of these contractual indemnities and historical VAT receivables (see consolidated cash flow statement - section 4.1 - paragraph 4.1.5 of this document).

(c) The +€7.6 million increase in tax paid between 2020 and 2021 is due mainly to (i) tax refunds received by the Group in Australia as part of a temporary mechanism implemented by the Australian authorities and (ii) a reduction in the tax paid on the scope of the Neoen S.A. tax consolidation. (see consolidated cash flow statement – section 4.1 in paragraph 4.1.5 of this document and note 11. "taxes").

The +€53.7 million increase in cash flows from operating activities is directly attributable to the improvement in the working capital requirement (+€55.6 million).

2.5.7.2 NET CASH FLOWS FROM INVESTING ACTIVITIES

(In millions of euros)	FY 2021	FY 2020	Change
Acquisitions of subsidiaries net of treasury acquired[a]	(32.2)	(11.0)	– 21.2
Sales of subsidiaries net of the cash transferred[b]	72.1	0.0	+ 72.1
Acquisition of intangible and tangible fixed assets[c]	(754.5)	(529.7)	– 224.7
Sale of intangible and tangible fixed assets	0.2	0.1	+ 0.2
Change in financial assets[d]	3.2	37.3	– 34.1
Dividends received	1.9	0.9	+ 1.0
Net cash flows from investing activities	**(709.2)**	**(502.4)**	**– 206.8**

(a) In 2021, this flow corresponds mainly to the acquisition of projects under development in Ireland, Finland, Sweden and France (see paragraph 2.3.1.1 "Continuing portfolio growth" of this document). In 2020, this flow corresponded mainly to the acquisition of two French wind farms (see the consolidated cash flow statement - section 4.1 – paragraph 4.1.5 of this document).

(b) In 2021, sales of subsidiaries net of cash transferred correspond mainly to the farm-down transactions concerning the Grabels (Hérault) and Lagarde (Vaucluse) solar power plants, the Lugos (Gironde) and Miremont (Haute-Garonne) solar power plants, and the Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects. (See paragraph 2.1.3.8 "Farm-down transactions" and the consolidated cash flow statement - section 4.1 - paragraph 4.1.5 of this document).

(c) These flows are detailed in the paragraph below and in paragraph 2.5.8.2 "Main investments made" of this document.

(d) The change over the period is mainly due to the net impact of the release and constitution of guarantee deposits related to the construction and financing of production assets. In 2021, acquisitions amount to €23.8 million and disposals to €27.0 million. In 2020, acquisitions amounted to €41.3 million and disposals to €78.6 million.

In 2021, the **– €206.8 million** increase in investment activities, is mainly due to an increase in acquisitions of property, plant and equipment and intangible assets **(– €224.7 million)**, which had experienced a temporary slowdown in 2020, as a direct result of the Group's project completion timetable, and to a lesser extent, of one-off delays inherent in particular to the COVID-19 epidemic, which slowed down the timing of the completion of certain assets under construction.

Added to this is the effect of the negative change in financial assets **(– €34.1 million)** and the increase in acquisitions of subsidiaries net of cash acquired over the period, in Ireland, Finland, Sweden and France **(– €21.2 million).**

This increase in investment flows is partly offset by the impact of the disposal of certain power plants as part of the farm-down transactions carried out over the period **(+€72.1 million).**

In 2021, investments in projects resulted in acquisitions of property, plant and equipment and intangible assets (net of changes in fixed asset supplier debts) amounted to €754.5 million, and are mainly related to the projects Bulgana (€52.3 million), Kaban (€62.5 million), Victorian Big Battery (€85.5 million) and Western Downs (€150.6 million) in Australia, Mutkalampi (€123.7 million) in Finland, Metoro (€17.3 million) in Mozambique, Altiplano 200 (€10.8 million) in Argentina, Itzotano (€12.1 million) in Mexico, as well as solar (€73.8 million) and wind (€91.0 million) projects in France, and development costs (€38.5 million).

In 2020, the €529.7 million in tangible and intangible assets acquisitions mainly concerned the Bulgana (€16.8 million), Victorian Big Battery (€25.1 million), Western Downs (€37.0 million), Hornsdale Power Reserve (€53.2 million) in Australia, Hedet (€11.2 million), Ylikkälä Power Reserve (€12.9 million) and Mutkalampi (€36.1 million) in Finland, Bangweulu (€10.2 million) in Zambia, Altiplano 200 (€60.9 million) in Argentina, Itzoteno (€20.0 million) and El Llano (€48.2 million) in Mexico, Capella (€23.3 million) in El Salvador, Paradise Park (€7.8 million) in Jamaica, as well as solar projects (€44.6 million) and wind farms (€73.3 million) in France and development costs (€40.0 million).

Investments made during the period are detailed in paragraph 2.5.8.2 of this document.

2.5.7.3 NET CASH FLOWS FROM FINANCING ACTIVITIES

(In millions of euros)	FY 2021	FY 2020	Change
Share capital increase by the parent company[a]	592.1	27.0	+ 565.1
Contribution of non-controlling interests to share capital increases (reductions)	(2.4)	0.0	– 2.4
Net sale (acquisition) of treasury shares	(12.1)	(4.1)	– 8.0
Issue of loans[b]	419.3	794.4	– 375.1
Dividends paid[b][c]	(0.2)	(10.9)	+ 10.7
Repayment of loans[b]	(272.0)	(527.9)	+ 255.9
Interests paid	(81.3)	(74.6)	– 6.7
Net cash flows from financing activities	**643.5**	**204.0**	**+ 439.5**

(a) In 2021, this flow mainly corresponds to the capital increase carried out on April 9, 2021 by the Group for €591.2 million after taking into account the issuance costs (see paragraph 2.3.1.3 of this document and section 4.1 - note 2.2 to the consolidated financial statements).
In 2020, green convertible bonds ("OCEANE Verte") were issued for an amount of about €170.0 million. As this is a composite instrument within the meaning of IFRS, €144.8 million (€142.8 million net of expenses) was recognized under the "debt" component and €25.2 million (€24.9 million net of expenses) was recognized under the "equity" component, before deduction of expenses.

(b) Details of loans issues and repayments in 2021 are provided in paragraph 2.5.4 of this document.
In 2020, the Group refinanced the Hornsdale 1, 2 and 3 power plants, which resulted in a repayment of – €350.2 million in debt (including – €295.0 million in bank loans, – €23.5 million in bond financing and – €31.7 million in the unwinding of historical swaps), with a corresponding issue of new debt in the amount of €361.1 million (net of expenses).

(c) They correspond to dividends paid to non-controlling shareholders and relate exclusively to Australia.

The increase in net cash flows from financing activities is mainly attributable to (i) the capital increase in 2021, (ii) the decrease in repayments of existing financing and (iii) the decline in new borrowings. These effects are detailed in the table above.

A significant proportion of the Group's project investments in 2021 were financed from equity, in accordance with the drawdown schedules set out in their financing documents or pending the implementation of their project financing.

2.5.8 CAPITAL INVESTMENT

2.5.8.1 INVESTMENT POLICY

The Group's investment expenditure is mainly on solar and wind farm projects and storage facilities, both under development and under construction, and consists of acquisitions of property, plant and equipment and intangible assets. Investing cash flows also include investment in financial assets, essentially in the form of DSRAs, and acquisitions of subsidiaries and of assets under development.

The Group's investment policy is determined by the Board of Directors which approves the annual capital expenditure budget as well as (i) any current or future equity or project investment by the Company or a subsidiary for a project not included in the budget (including any form of partnership or joint venture) with an individual amount in excess of €20 million and (ii) any investment or other expenditure by the Company or a subsidiary for a project included in the budget, or previously authorized by the Board of Directors, for an amount requiring an increase in excess of 15% of the budgeted equity or amount previously authorized by the Board of Directors for the project.

2.5.8.2 MAIN INVESTMENT MADE

The table below details the Group's consolidated investment for 2021 and 2020:

(In millions of euros)	FY 2021	FY 2020	Change	Change (in %)
Acquisitions of intangible and tangible fixed assets[a]	**754.5**	**529.7**	**224.7**	**+ 42%**
Of which: Intangible assets	38.5	40.0	(1.5)	– 4%
Of which: Property, plant and equipment	715.9	489.7	226.2	+ 46%
Financial investments[b]	**56.0**	**52.3**	**3.7**	**+ 7%**
Of which: Acquisitions of financial assets[c]	23.8	41.3	(17.5)	– 42%
Of which: Acquisitions of subsidiaries net of treasury acquired[d]	32.2	11.0	21.2	x3

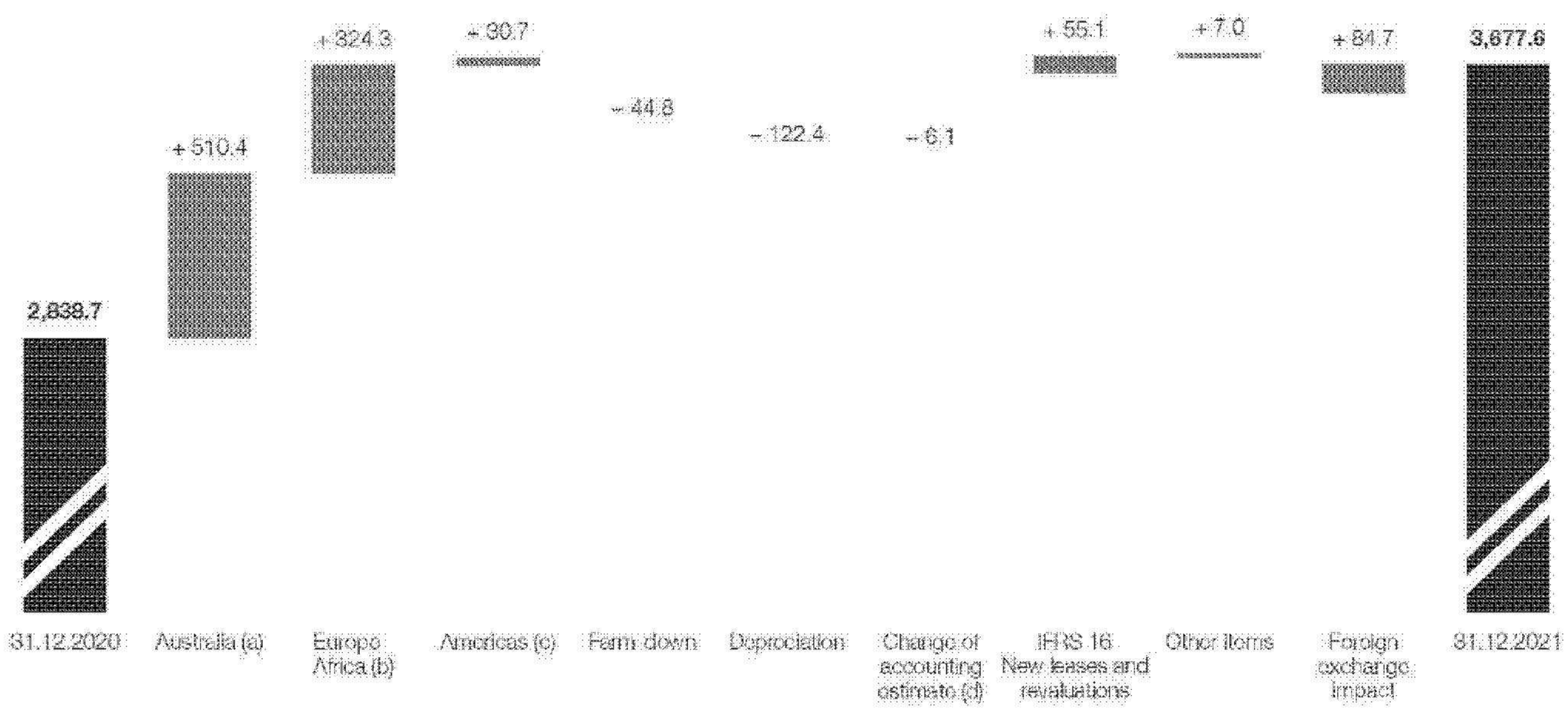
(a) The gross amounts of acquisitions presented above include any change in the applicable supplier payables thereby facilitating reconciliation of their amounts with the corresponding cash payments. The gross amounts of these changes, excluding payables to suppliers of fixed assets, for the years ended December 31, 2021 and December 31, 2020 amounted to €661.5 million and €561.6 million, respectively; for more details, please refer to paragraph 2.5.7.2.

(b) Financial investments are analysed in paragraph 2.5.7.2 of this document.

(c) The change in financial assets is mainly due to the repayment of guarantee deposits related to the construction and financing of production assets. In 2021, acquisitions amounted to €23.8 million and disposals to €27.0 million. In 2020, acquisitions amounted to €41.3 million and disposals to €78.6 million.

(d) Acquisitions of subsidiaries net of treasury acquired are detailed in paragraph 2.5.7.2 of this document.

The change between December 31, 2020 and December 31, 2021 in the Group's property, plant and equipment may be broken down as follows (amounts are expressed in millions of euros):



(a) Acquisitions during the period correspond to power plants under construction in Australia during 2021, including: the Victorian Big Battery (€169.9 million), Western Downs (€152.8 million), Bulgana (€57.2 million), Kaban (€55.3 million) and Goyder (€42.9 million).

(b) Acquisitions during the period correspond to power plants under construction in Europe – Africa during 2021, mainly including: Mutkalampi in Finland (€96.4 million), wind and solar power plants in France (respectively €102.6 million and €82.0 million), Metoro in Mozambique (€25.6 million).

(c) Acquisitions during the period correspond mainly to the Altiplano 200 power plant (€21.1 million) in Argentina and the Iztotano project (€7.7 million) in Mexico.

(d) See section 4.1 - note 12.3 to the consolidated financial statements.

2.5.8.3 MAIN INVESTMENT IN PROGRESS

The Group's main investments in progress equates with assets under construction as of December 31, 2021. Property, plant and equipment in progress amounted to €708.8 million for 2021 compared to €634.4 million for 2020 (please refer to section 4.1 - note 12 "Goodwill, intangible assets and property, plant and equipment" and to section 4.3 - note 12.2 "Intangible assets" and note 12.3 "Property, plant and equipment" of this document).

2.5.8.4 MAIN INVESTMENT ENVISAGED

The Group mainly pursues a strategy of develop-to-own under which it develops its projects with the intention of controlling and operating its production assets.

In 2021, Neoen has announced its intention to proceed regularly but selectively with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects won each year. These farm-down transactions enable the Group to strengthen its financial capacity and thus to contribute to the financing of the construction of new assets. Neoen plans, as far as possible, to maintain a minority stake in the projects in question, to ensure their administrative and operational management, and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

In this framework, its future envisaged investments will mainly consist in adding new projects to its portfolio and pursuing its existing projects until the facilities are commissioned or sold as part of its farm-down activity.

The latter concern projects that have entered the awarded[15] phase for a total volume of 582 MW at the date of this document (compared to 582 MW as of December 31, 2021) but whose construction launch has not yet taken place. The Group also continues to develop its advanced development and tender ready[15] projects with a volume of 10,084 MW at the date of this document (compared to 7,914 MW as of December 31, 2021).

2.5.8.5 ENVIRONMENTAL CONSTRAINTS LIABLE TO INFLUENCE THE GROUP'S USE OF ITS PROPERTY, PLANT AND EQUIPMENT

The environmental constraints liable to influence the group's use of its facilities which are fully owned and/or operated by the Group are described in chapter 5 "sustainable development and corporate social responsibility".

Dismantling provisions are dealt with in section 4.1 – note 18 of this document dealing with provisions.

2.6 LEGAL AND ARBITRATION PROCEEDINGS

The Group may be involved in legal, administrative or regulatory proceedings in the normal course of its business. Whenever there is a sufficient probability that such proceedings will result in costs for the Company or one of its subsidiaries and the amount can be reasonably estimated, the Group records a provision in its financial statements.

At the date of this document, the Group is not aware of any governmental, administrative, legal or arbitration proceedings other than those mentioned below that may have, or have had in the last twelve months, a material adverse effect on the financial position or results of the Company or the Group.

El Llano

The EPC contractor of the El Llano power plant in Mexico launched in September 2020 a dispute resolution mechanism by a group of experts (dispute adjudication board) claiming, inter alia, that the relevant project company bears additional construction costs that was largely contested by the Group. This dispute resolution was effectively settled in August 2021. Neoen's undertakings under this settlement agreement didn't have material adverse effect of the financial situation of the Group. The start of the PPA has been in effect since early July 2021. The regulatory commercial operation date (COD) for the El Llano power plant in Mexico was achieved in November 2021. However, the provisional acceptance (PA) under the turnkey EPC contract is still pending. As of the date of this document, the Group continues to work actively with the EPC contractor to issue the PA as soon as possible.

HPR/AER

Hornsdale Power Reserve Pty Ltd ("HPR") has resolved the claim brought against it by the Australian Energy Regulator (AER) in the Federal Court of Australia. In resolving the litigation, HPR admitted to certain contraventions under the National Electricity Rules (NER) between July 23, 2019 and November 14, 2019 and has agreed to pay a pecuniary penalty of AUD 900,000 and a contribution towards the AER's legal costs. HPR has recorded a provision in respect of this litigation in its consolidated financial statements as of December 31, 2021 in an amount corresponding to the amounts mentioned above although HPR expects to recover same from its operations and maintenance contractor as well as HPR's legal costs.

Altiplano 200

In Argentina, the Group's EPC contractors on the Altiplano project, which began to produce electricity in the fall of 2021, filed a request for arbitration at the end of December 2021, which was notified to the Group in early 2022. This claim concerns both (i) the dispute over the Group's right to apply, as from 2020, in accordance with the contractual stipulations, the delay indemnities intended to compensate for the loss of revenue associated with a delay in the start-up of production of the solar power plant in relation to the contractual schedule (Liquidated Damages), and (ii) the construction overruns that they have allegedly incurred, for which they consider that the Group would be liable, which the Group disputes.

[15] For a definition of the various stages of development of the Group's projects, please see the glossary in section 9.6 of this document.

In view of the terms of the turnkey construction contract with these EPC contractors, the timetable and conditions for the completion of the construction site, the financial impact resulting from delays incurred in relation to the contractual timetable, and its assessment of its potential exposure in the context of this arbitration, carried out with the assistance of its external legal advisors, no significant provision for risk or impairment of receivables has been made in the 2021 financial statements.

2.7 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There has been no change in the financial or trading situation of the Group since the publication of its annual accounts on March 14, 2022.

2.8 OTHER INFORMATION

2.8.1 SUBSEQUENT EVENTS

Please refer to section 4.1 - note 25 "subsequent events" of this document.

2.8.2 OTHER INFORMATION RELATING TO THE NEOEN S.A. PARENT COMPANY

2.8.2.1 ACTIVITIES

Neoen S.A., the Group's parent company, is specialized in the development, financing and operation of facilities for the production of electricity from renewable energy sources as well as storage solutions.

2.8.2.2 COMMENTS ON THE ACTIVITY OF NEOEN S.A.

Key figures

(In millions of euros)	FY 2021	FY 2020	Change	Change (in %)
Revenue	79.2	61.5	+ 17.7	+ 29%
Operating result	**3.8**	**(7.9)**	**+ 11.7**	**+ 148%**
Operating margin	+5%	– 13%		
Net financial result	38.1	22.6	+ 15.5	+ 69%
Current profit (loss) before tax	**41.9**	**14.6**	**+ 27.3**	**x3**
Non-current profit (loss)	1.0	13.6	– 12.6	– 93%
Profit-sharing / employee participation in the company's result	(1.0)	(0.8)	– 0.2	– 25%
Income tax	(6.1)	(0.8)	– 5.3	x8
Net income	**35.8**	**26.6**	**+ 9.2**	**+ 35%**
Equity	1,369.8	739.9	+ 629.9	+ 85%
Financial debt	391.2	401.0	– 9.8	– 2%
Cash and cash equivalents	279.6	60.4	+ 219.2	x5

Revenue

Revenues stood at €79.2 million in 2021, up +€17.7 million from 2020 (or + 29%). It consists mainly of development services up +€16.3 million due to the growth in the portfolio of power plants under construction and in operation. These generally take place from the start of the construction of the project or its financial closing.

Operating result

It amounted to €3.8 million in 2021 compared to €(7.9) million in 2021. This progression of +€11.7 million was mainly due to the increase in revenues (+€17.7 million) partly offset by the increase in development costs (– €6.5 million) both for French projects (– €1.6 million) and for international projects (– €3.9 million).

Payroll costs fell by – 8% and amounted to €(27.8) million compared to €(30.2) million in 2020, due to a less significant impact in 2021 of the free shares plans for certain employees (+€4.2 million including social security contributions). This saving was partly offset by the increase in personnel costs of – €1.1 million linked to the increase in the workforce of +13% over the period.

External expenses decreased by +€0.8 million due to a reduction in fees for +€1.5 million partially offset by the increase in travel and seminar expenses (– €0.3 million), rental expenses (– €0.2 million), and IT costs (– €0.2 million).

Net financial result

In 2021, the financial result amounted to €38.1 million, up +€15.5 million compared to 2020. This improvement was mainly due to an +€17.0 million increase in interest income on shareholders loans linked to the continued growth of investments in new projects.

This aggregate is detailed in section 4.3 - note 10.1 "net financial income (expenses)" of this document.

Non-current profit (loss)

It amounted to €1.0 million in 2021, down sharply compared to 2020 (€13.6 million).

This exceptional income recorded in 2020 resulted from a capital reduction at Neoen Services, which had generated a surplus corresponding to the difference between the value of the shares at Neoen S.A. level and the amount of Neoen Services' share capital.

This aggregate is detailed in section 4.3 - note 11 "non-current profit (loss)" of this document.

Income tax

In 2021, the Company recognised an income tax of €(6.1) million compared to €(0.8) million in 2020, mainly due to an increase in its taxable income but also to the recognition in the amount of €(2.1) million of non-payable taxes related to costs incurred and transferred to issue premium as part of the capital increase.

This aggregate is detailed in section 4.3 - note 12 "taxation" of this document.

Net income

Net profit therefore amounted to €35.8 million, up by +€9.2 million compared with 2020.

Financial position

The Company's equity amounted to €1,369.8 million at December 31, 2021, compared to €739.9 million at December 31, 2020. The increase of +€629.9 million is explained mainly through the capital increase carried out on April 9, 2021 for a gross amount of €599.0 million (see section 4.3 - note 2 "Activity and key events").

The – €9.8 million decrease in financial debt (€391.2 million at December 31, 2021 compared to €401.0 million at December 31, 2020) was mainly due to the repayment of the balance of loans contracted with Bpifrance for a total of – €10.5 million (see section 4.3 - note 2 "Activity and key events").

Available cash stood at €279.6 million compared to €60.4 million a year earlier, up by +€219.2 million, mainly due to the capital increase carried out on April 9, 2021 mentioned above, partially consumed by equity investments made as part of the development and construction of new power plants, again marking this financial year an acceleration of investments in new projects.

2.8.2.3 RESULTS OF THE LAST FIVE YEARS

Amounts	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
I. Financial position at the year-end (in millions of euros)					
a) Share capital[a]	214.1	171.1	170.2	169.9	108.0
b) Number of shares comprising the share capital[a]	107,056,685	85,550,712	85,088,748	84,957,498	107,964,140
Shares issued with a par value of €1	-	-	-	330,000	2,056,571
Shares issued with a par value of €2	21,505,973	461,964	131,250	30,560,428	-
c) Number of convertible bonds into shares[b]	11,081,909	10,308,754	6,629,101	-	-
II. Results from operations (in millions of euros)					
a) Revenue net of taxes	79.2	61.5	57.5	50.7	36.1
b) Profit before tax, depreciation, amortization, impairment and provisions	43.9	29.1	24.1	14.5	8.9
c) Taxes on income	(6.1)	(0.8)	(2.2)	(3.1)	0.1
d) Profit after tax, depreciation, amortization, impairment and provisions	35.8	26.6	21.1	9.4	8.5
e) Profit distributed[c]	-	-	-	-	-
III. Result per share from operations (in euros)					
a) Profit after tax but before depreciation, amortization, impairment and provisions	0.4	0.3	0.2	0.1	0.1
b) Profit after tax, depreciation, amortization, impairment and provisions	0.3	0.3	0.2	0.1	0.1
c) Dividend per share	-	-	-	-	-
IV. Personnel (in millions of euros)					
a) Number of employees	143.3	126.6	107.0	90.0	79.0
b) Gross payroll	11.3	10.3	9.5	7.9	6.4
c) Amounts paid for social security and other benefits[d]	18.5	20.0	7.5	4.2	4.1

(a) On October 1, 2018, the Company consolidated its shares on the basis of one new share for two old shares, with a consequential increase in shares' par value from €1 to €2.

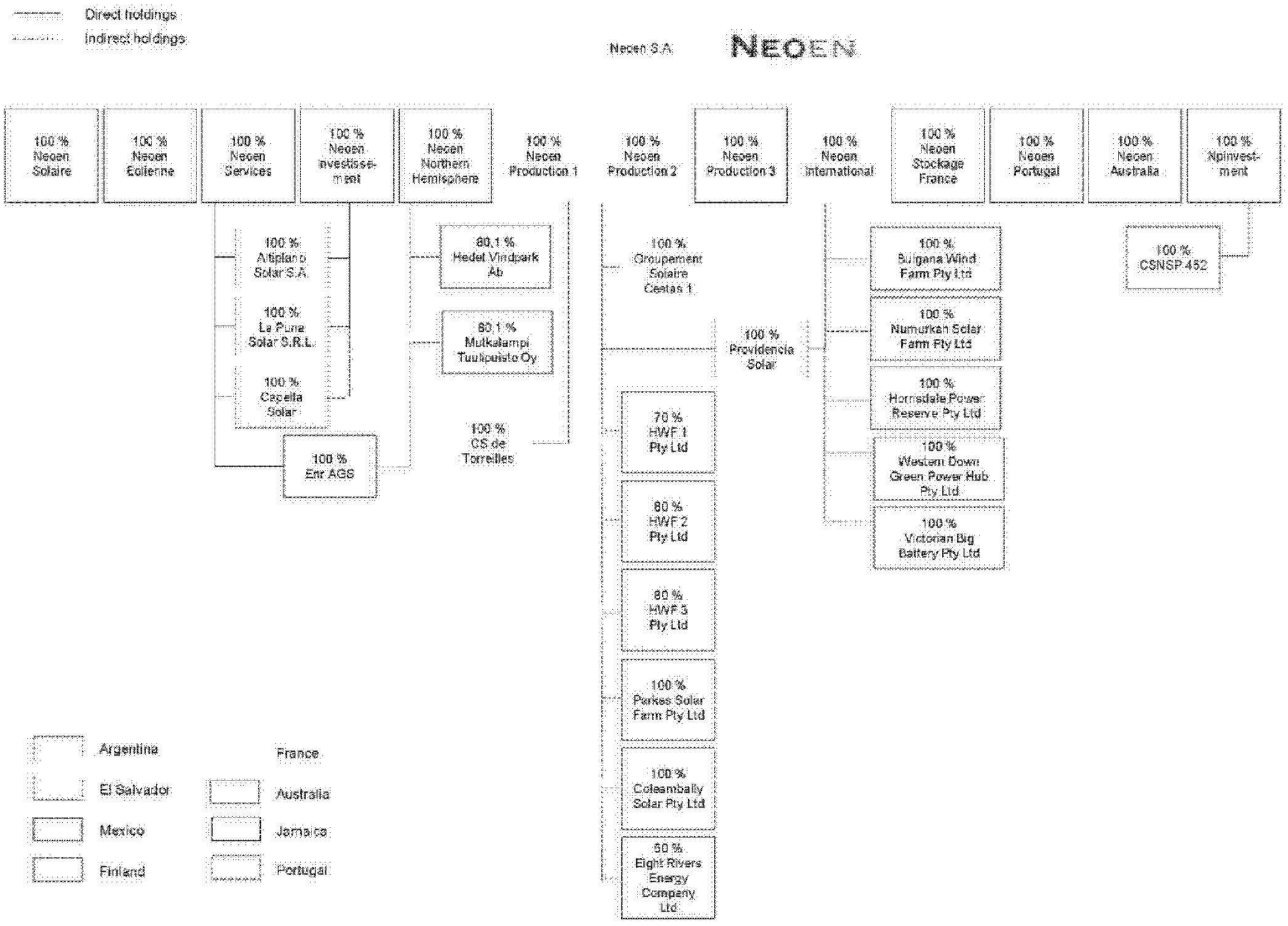
(b) In accordance with the terms and conditions of the convertible bonds ("OCEANE") issued by Neoen S.A. on October 7, 2019 (the "OCEANE 2019") and on June 2, 2020 ("OCEANE Verte"), by a decision dated April 7, 2021, the Chairman and Chief Executive Officer, acting on delegation of the Board of Directors, adjusted the rights of the beneficiaries of the OCEANE 2019 and the green convertible bonds ("OCEANE Verte") (application of a coefficient of 1.075).

(c) A proposal will be made at the 2022 annual general shareholder's meeting to pay a dividend of €0.10 per share for the first time, payable in shares or in cash.

(d) The decrease in social security contributions is mainly due to the expenses related to the free share plans, mainly inherent to a volume effect.

2.8.2.4 GROUP STRUCTURE

The following simplified organisational chart shows the legal organisation of the Group as of the date of this present document. The percentages indicated for each entity correspond to their share in the capital and voting rights.



Neoen S.A., the parent company

Neoen S.A., the parent company in the form of a *société anonyme* governed by French law, was initially constituted and registered in Paris on September 29, 2008 under company number 508 320 017 and in the form of a *société par actions simplifiée*. The Company was listed on the Euronext Paris regulated market on October 17, 2018. It is controlled by its shareholder of reference described in section 7.3 on "shareholding structure" of this document.

It also holds intermediate holding companies for each of its operating sectors (wind, solar and storage) and/or for certain geographical zones.

Thus, Neoen S.A. generally directly or indirectly owns 100% of the companies carrying the projects, with the exceptions presented below.

Significant subsidiaries

See section 4.1 – note 5 on the Group's scope of consolidation.

Recent acquisitions and sales of subsidiaries

Acquisitions

In the framework of its project development activity, the Group occasionally acquires companies holding solar or wind power projects that are generally at an intermediate stage of development rather than already developed by third parties. It may also have occasions to acquire companies holding assets in the process of exiting long-term (e.g. PPA) contracts and thereby offering significant potential for repowering.

France

On September 10, 2021, the Group acquired a majority stake in a portfolio of solar projects under development in the south of France: the Group acquired 60% of the shares of the holding company Hexagone Energie, which in turn holds 100% of the shares of seven project entities.

Finland

On January 22, 2021, the Group acquired 19.9% of the project company Mutkalampi Tuulipuisto Oy from Prokon Wind Energy Finland Oy, increasing the Group's stake in Mutkalampi Tuulipuisto Oy to 100%.

Sweden

On January 22, 2021, the Group acquired 100% of the project company Storen Vind AB and 100% of the project company Isbillen Vind AB from various Danish/Swedish sellers.

Ireland

On March 10, 2021, the Group acquired a portfolio of solar projects under development in Ireland: it acquired 100% of the shares of the holding company Solas Eireann JV Limited, which in turn owns 100% of the shares of fifteen project companies, each of which has a solar project under development.

On June 8, 2021, the Group, together with its partner BNRG, restructured its Irish solar project portfolio. The companies holding the three winning projects of the RESS1 tender, BNRGN Hilltown Limited, BNRGN Hortland Limited and BNRGN Millvale Limited, have been sold as part of an internal reorganisation, to a new holding company, BNRG Neoen Grian Holdings Limited, owned 50/50 by Neoen International and BNRG Sonas Limited. On October 14, 2021, Neoen and BNRG agreed to separate and split the assets of the initially co-owned portfolio. The Group acquired the 50% stake held by BNRG Sonas in the holding company BNRG Neoen Grian Holdings Limited (renamed Grian Holdings Limited). In addition, the Group also acquired BNRG Sonas' indirect stake in BNRGN Johnstown North Limited (renamed Johnstown North Solar Limited). On the other hand, Neoen sold its 50% stake in the holding company BNRG Neoen Holdings Limited, which holds the remaining portfolio of solar projects under development.

On November 29, 2021, the Group also acquired 100% of the shares in the project company OBM Solar.

Zambia

On December 21, 2021, the Group acquired First Solar's stake in Zambian Sunlight One, increasing the Group's stake to 100%.

Farm-down

The Group has decided to sell the entire stake or a majority stake in some projects or assets in its secured portfolio (farm-down) (see paragraph 2.3.1.8 "farm-down transactions" of this document).

In this context, the shares of the following entities were sold, in majority or in full, during the past financial year:

- Solar power plant 7 (Lagarde project - 100%)
- Alpha solar power plant (Grabels project - 100%)
- SASU PV Le Camp (Lugos - 100%)
- Orion 56 solar power plant (Miremont - 100%)
- Le Berger wind power plant (95%)
- Les Beaux Monts wind power plant (95%)

In addition, the Group has sold:

- 15% of the shares held in Groupement Solaire Cestas 2 (GSC2), owner of the Constantin 7, 8, 9 and 10 power plants, to the two co-shareholders Romande Energie France and Eos Solar France. The Group retains a 5% stake in GSC2;
- 15% of the shares held in Groupement Solaire Cestas 3 (GSC3), owner of the Constantin 11, 12 and 13 power plants, to the benefit of the co-shareholder Solar Infrastructures. The Group retains a 5% stake in GSC3.

Sales and liquidations

During the year ended December 31, 2021, the Group also disposed of certain stakes for financial or strategic reasons, as well as writing them off in order to simplify its legal and operational organisation:

- on April 14, 2021, the Group sold its 100% stake in Moulin de Beuvry, a company developing a photovoltaic solar power plant project in the commune of Labourse (62480);

- on December 3, 2021, the Group entered into a share transfer agreement under which it sold its entire stake in Blue Mahoe Energy Company to its co-shareholder Rekamniar.
- the Salvadorian company Pedregal Solar SA de CV has been liquidated and deregistered on December 17, 2021;
- the company Biomasse Energie de Laneuveville has been merged by its sole shareholder on December 31, 2021 and has been deregistered at the same time.

Investments and joint ventures

For a presentation of the Group's investments, see section 4.1 – note 5 "consolidation scope".

For a presentation of the Group's joint venture investments, see section 4.1 – note 5 "consolidation scope".

2.8.2.5 CUSTOMER AND SUPPLIER PAYMENT PERIODS

Article D441 I.-1° of the French code of commercial law: Supplier invoices received and due but not paid at the year-end

	0 day (indicative)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) Payment delay bands						
Number of applicable invoices	89	80	4	8	12	104
Total invoice amounts inclusive of VAT	6,214,393	1,817,540	68,569	18,875	214,874	2,119,860
Percentage of total purchases of the year inclusive of VAT	10.09%	2.95%	0.11%	0.03%	0.35%	3.44%
(B) Invoices excluded from (A) relating to disputed or unrecorded liabilities						
Number of invoices excluded		0				
Total amount of invoices excluded		0				
(C) Payment period of reference (contractual or as provided for by article L441-6 or article L443-1 of the French code of commercial law)						
Payment period retained for the calculation of payment delays	30 days from the invoice date					

Article D441 I.-2° of the French code of commercial law: Customer invoices issued and due but not paid at the year-end

	0 day (indicative)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) Payment delay bands						
Number of applicable invoices	7	2	1	0	4	7
Total invoice amounts inclusive of VAT	18,340,892	32,138	4,580,820	-	12,454,655	17,067,613
Percentage of total revenue of the year inclusive of VAT	20.04%	0.04%	5.00%	0.00%	13.61%	18.65%
(B) Invoices excluded from (A) relating to disputed or unrecorded liabilities						
Number of invoices excluded		0				
Total amount of invoices excluded		0				
(C) Payment period of reference (contractual or as provided for by article L441-6 or article L443-1 of the French code of commercial law)						
Payment period retained for the calculation of payment delays						

Receivables due in more than 91 days (amounting to €12.4 million) correspond to the invoicing by Neoen S.A. of the balance of the Group agreement for the development of the Mont de Malan wind power plant, now in operation.

2.8.2.6 PECUNIARY SANCTIONS

None.

2.8.2.7 EXPENDITURE ON LUXURIES

Lease charges for company cars not deductible for tax purposes amounted to €104,597.50 for 2021.

2.8.2.8 OVERHEAD EXPENSES DISALLOWED FOR TAX PURPOSES FOLLOWING INSPECTION

None.

3

RISK FACTORS AND MANAGEMENT

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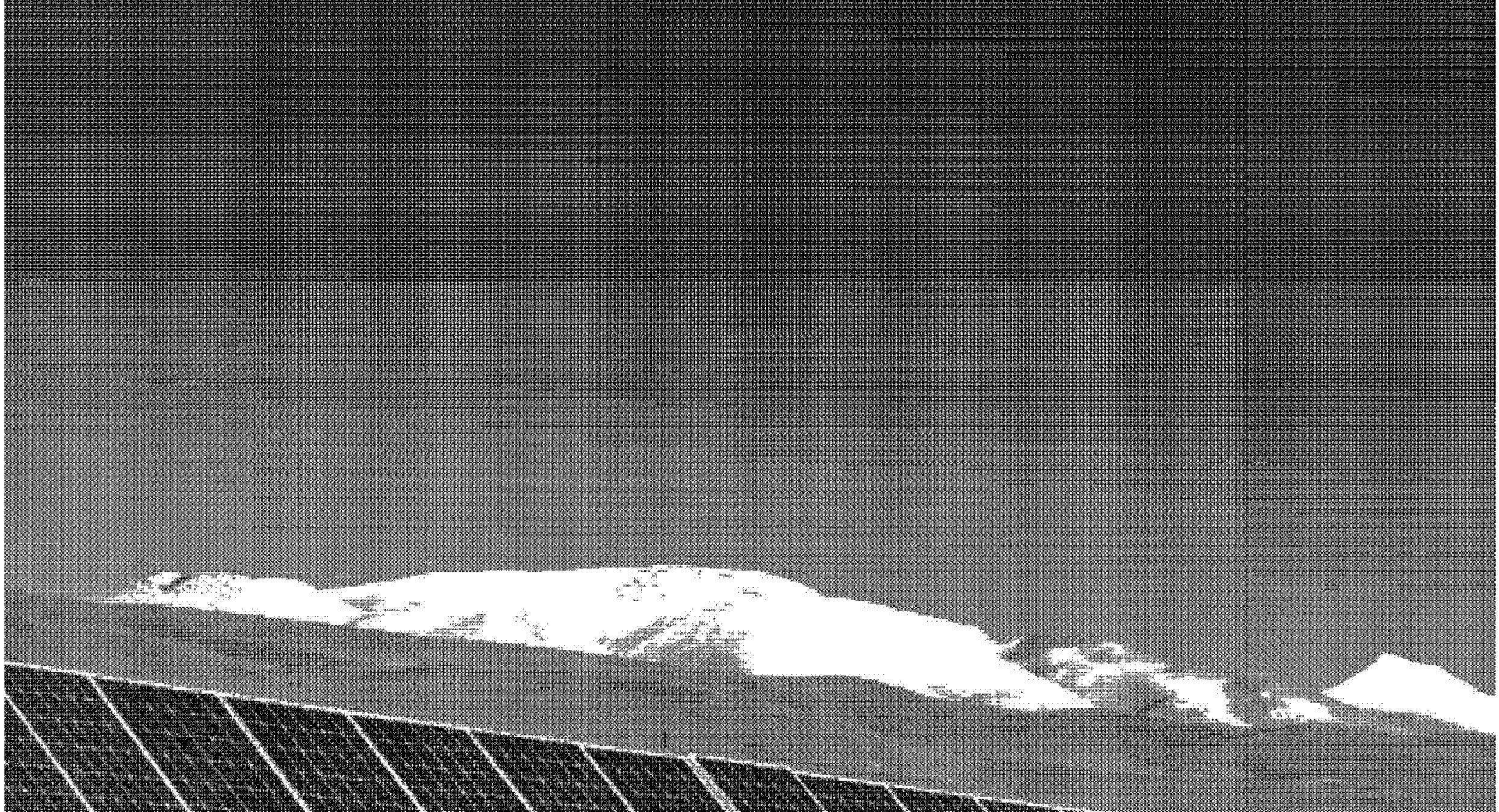


3.1 MAIN RISK FACTORS TO WHICH THE GROUP IS EXPOSED

The main risks to which the Group is exposed are mapped every three years. The main risk factors described in the following table were identified in the risk map updated in the second half of 2019.

During the second half of 2021, this map and, more generally, the risk environment were analysed by the Executive Committee, particularly in the specific context of the gradual recovery from the health crisis, and presented to the Audit Committee.

The Group experienced significant imbalances in supply chains and in the logistics of delivering equipment used in the construction of power plants during 2021. These imbalances are the direct consequence (delays in the delivery of photovoltaic panels), or indirect consequence (additional transport costs) of the global health crisis. As their impact on the development and financing of projects (additional costs and delays), as well as on their execution (delays) is likely to be significant, the Group has therefore decided, in agreement with the Audit Committee, to revise the qualification of the risk associated with fluctuations in the prices of components needed to produce renewable equipment from medium to high.

In addition, the Group saw a marked increase in the risk of occurrence of malicious cyber actions and information system security breaches in 2021. This trend was also confirmed in the first months of 2022. Many companies and organisations of various sizes have been affected, financially and operationally, by increasingly sophisticated attacks carried out by various actors, ranging from simple hackers to structured criminal organisations, or even states. The energy sector in particular has been increasingly targeted. The Group has been the target of a larger number of phishing and «Chairman fraud» attempts, which, although they have not had any direct consequences because they have been identified and blocked, have underlined the growing nature of the cyber threat, particularly in a context of increasing remote work associated with the COVID-19 pandemic. As a result, the Group has decided, with the agreement of the Audit Committee, to re-evaluate the IT infrastructure risk rating from medium to high.

It does not seem that the net level of other risks has increased or changed compared to the previous situation.

Consequently, the main risks mentioned in the following table are, as at the date of this document, those to which the Group believes it is exposed because of its business model and activities.

They are classified under a limited number of categories depending on their nature. Their level of importance is assessed according to their likelihood and the related negative impact in case of realisation. The risks are ranked in order of decreasing importance within each of these categories. The risks were assessed by taking into account the risk management measures implemented within the Group. The following presentation of risk factors incorporates consideration of the COVID-19 pandemic and its impacts.

These risks, as well as other unidentified risks or risks that the Group does not consider significant, may arise as a result of external factors outside the Group's control and could potentially affect its business activities, financial position or development prospects.

Lastly, it should be noted that the non-financial performance disclosure contains a description of the non-financial risks, some of which are included here if they are considered significant.

CATEGORY	RISK FACTOR	NET IMPACT[1]
Risks related to the Group's line of business	Risk linked to competition in the renewable energy sector	HIGH
	Risk linked to variations in the price of components necessary for the production of renewable equipment	HIGH
	Risk linked to connection to the distribution or transmission networks and to their use	MODERATE
	Wholesale electricity market price risk	MODERATE
Risks related to the Group's activity and strategy	Risk linked to the employment of third-party contractors	HIGH
	Risk linked to financing arrangements obtained from various sources and particularly external debt financing	HIGH
	Risk linked to the Group's expansion in emerging markets (Chapter 3)	HIGH
	Risk relating to projects in the process of development and construction	MODERATE
	Risk linked to the ability to obtain power purchase agreements	MODERATE
	Risk linked to the termination of an electricity sales contract or defaults or late payments by counterparties	MODERATE
	Risk linked to repairs and renovation of electricity production plants	LOW
Risks related to the Group's financial position	Risk linked to the Group's level of gearing and means of financing	HIGH
	Risk linked to the financial covenants included in project financing agreements	MODERATE
	Risk linked to the recoverability of deferred tax assets	MODERATE
	Risk linked to changes in tax rules	MODERATE
	Foreign exchange risk	MODERATE
Legal and regulatory risks	Risk linked to unfavorable changes in the regulatory environment or in public policies to promote the development of renewable energies	MODERATE
	Risk linked to the ability to obtain the necessary permits, licenses and authorizations for the conduct of the Group's business or the construction of its facilities	MODERATE
	Risk linked to the reduction or questioning of regulated prices and tariffs for the purchase of renewable electricity	MODERATE
Environmental, social and corporate governance risks	Risk linked to IT infrastructure	HIGH
	Risk linked to the approval of facilities by local communities or any challenge to permits, licenses and authorizations once granted to the Group (Chapter 3)	MODERATE
	Risk linked to the Group's ability to retain key executives and employees and to attract and retain new qualified employees (Chapter 3)	MODERATE
	Risk linked to climate change and to extreme weather events	MODERATE
	Risk linked to meteorological conditions, notably wind and sun resources	LOW

[1] The risks were assessed by taking into account the risk management measures implemented within the Group.

3.1.1 RISKS RELATED TO THE GROUP'S LINE OF BUSINESS

Risk linked to competition in the renewable energy sector

The solar and wind energy markets are highly competitive. This is mainly the result of the following:

- the increase in the number of players in the renewable energy field, given its strong growth prospects associated with international ambitions to reduce global greenhouse gas emissions;
- a long-term downward trend in the costs of photovoltaic panel, wind turbine and other system component as well as construction, maintenance, capital and other costs, which the post COVID-19 economic recovery has temporarily suspended;
- electricity prices, through mandatory purchase prices or competitive tenders; or
- rapid technological changes affecting the sector, causing some competitors to consider choosing longer asset lives than those chosen by the Group.

All these factors are liable to reduce the average selling price in electricity purchase contracts or make it more difficult for the Group to win tenders at prices guaranteeing the desired returns. This competition has historically helped to create a downward trend in the prices proposed in competitive tenders, hence the increasingly low prices seen in recent tenders, such as the state tender that took place in Portugal in August 2020. The recent increase in the costs of photovoltaic panels and wind turbines combined with the impact of the post-COVID-19 economic recovery on raw material prices, transport costs and supply chains has temporarily halted this downward trend. However, it has not yet led to a significant rebound in the prices offered in tender procedures or competitive bidding processes.

In each of the markets in which it operates, the Group faces both local and worldwide competitors, many of which have extensive experience (both domestically and internationally) in developing and operating electricity production plants and financial resources that are at least equivalent, if not superior, to those of the Group.

Among the Group's competitors are companies in which the Company's significant shareholders hold or could hold an equity interest, which could give rise to potential conflicts of interest. Depending on the rules applicable to calls for tender, particularly government tenders, where competitors are considered to be under common control with the Company, the Group could be faced with restrictions on its participation in such calls for tender. While the Group has not been confronted with such restrictions in any significant respect to date, this type of situation would be examined in the context of the conflict of interest management mechanisms put in place by the Company, notably through the appointment of a Lead Independent Director since April 2019, whose role includes the management of conflicts of interest brought to her attention by members of the Board.

In addition, the renewable energy sector has in recent years been marked by a trend towards consolidation, in particular with international energy groups joining the market. Leading energy companies such as Total, Iberdrola and RWE have strengthened their positions in the renewable energy market through acquisitions of independent solar and wind power developers and producers and are increasingly diversifying into renewable energy (with increasingly large budgets). Lastly, other competitors have sought to increase their market share through company mergers and alliances that have resulted in larger players with significant financial resources, exceeding those of the Group in many cases.

Risk management approach

By developing its projects internally whenever possible, the Group tends to optimize their development costs and can select the most suitable sites and technological options, enabling it to be more competitive than competitors which may be obliged to make acquisitions instead.

The group has also embarked on a continuous improvement initiative of its operation and maintenance processes, with the aim of improving its production costs and increasing its competitiveness in future developments.

In addition, the Group has set itself objectives for return on investment (internal rates of return (IRRs) calculated over a 30-year horizon of 7.5% (+/- 150 basis points) for Europe, 8.5% (+/- 150 basis points) for Australia, 6 to 10% for other OECD countries and greater than 10% (low double digit) for non-OECD countries. Compliance with these IRRs, validated by its Board of Directors, is constantly monitored at all project phases from development through to final construction. The Group thereby ensures that those objectives are systematically respected in the framework of projects under development or construction.

The Group's presence in several markets also enables it to follow attentively the measures of optimization implemented by the various players in the industry (more so than for purely local players). Lastly, its long-term strategy, which is based on the principle of majority ownership of its assets over their operating life, excluding projects and assets in the secured portfolio sold as part of its farm-down[2] activity, gives it an advantage in negotiating PPAs with private players.

Net risk impact: High.

Risk linked to variations in the price of components necessary for the production of renewable equipment

The prices of wind turbines, photovoltaic panels and other system components (BOS or BOP units) have increased significantly since the first quarter of 2021, and are likely to continue to fluctuate in the future due to many factors beyond the control of the Group, including the following:

- the direct or indirect impact of the evolution of the health crisis resulting from COVID-19;
- variations in the price of the raw materials needed to produce renewable power plant equipment (polysilicon, steel, lithium, cobalt, etc.);

[2] In 2021, during its Capital Markets Day, Neoen announced its intention to proceed on a regular but selective basis with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects secured each year. These farm-down operations strengthen the Group's financial capacity and thus contribute to financing the construction of new assets.

- the unavailability of certain components (due to worldwide demand currently exceeding available supply) which may lead to delays in the construction phase;
- the disruption of supply chains affecting the pace of production and delivery of renewable equipment;
- supply chain imbalances affecting the international freight market;
- the growing concentration seen in certain segments of the value chain, restricting the choice of potential contractors, especially in the manufacture of polysilicon, which represents a significant part of the manufacturing cost of photovoltaic panels;
- anti-dumping measures aimed at Chinese panel manufacturers, and the adoption of any other intergovernmental commercial measure targeting key materials used in the plants.

These measures could continue to increase the Group's supply costs (in particular the cost of photovoltaic panels and international transport costs), which could reduce the value of its projects, render certain projects non-viable or require the Group to postpone their completion schedule, each of these circumstances potentially having a material adverse effect on the Group's business, results or financial position.

Effects of COVID-19:

The procurement difficulties, delivery delays and risk of supply chain disruption inherent in the economic recovery from the COVID-19 epidemic are affecting the price and terms of procurement of components required for the production of renewable equipment and are likely to disrupt the development and construction of some projects.

Risk management approach

EPC (Engineering Procurement Construction) contractors are systematically subject to competitive tendering extending to at least three top rank contractors. The cost trends for materials such as polysilicon, steel, copper, cobalt, aluminum and silver are monitored month-by-month.

Depending on the importance of each project, the procurement team secures the price, power class and capacity of solar modules through framework contracts so as to avoid price volatility (with particular regard to fluctuating demand in China and to the USA's anti-dumping barrier) and is also constantly expanding and renewing its strategic supplier base to avoid situations of abuse of a dominant position far as possible. The integrated contract model (EPC Full Wrap) that the Group favours also leaves a large part of the impact of potential changes in component costs to the EPC counterparty.

In addition, the Group only confirms orders to its suppliers (Notice to Proceed), which irrevocably binds the Group, once it has sufficient visibility as to its ability to carry out its projects under satisfactory profitability conditions with regard to its return on investment targets. It also systematically includes contingencies in its investment budgets for each project to be able to absorb all, or at least part, of the impact of changes in the prices of the components and equipment it is likely to face.

Net risk impact: High.

Risk linked to connection to the distribution or transmission networks and to their use

In order to sell the electricity produced by the plants it operates, the Group must have these plants connected to the public electricity distribution or transmission networks. Consequently, the possibility of building an electricity production plant in a specific place greatly depends on the options for connecting it to the distribution and/or transmission networks. As the sites available for installing power plants are sometimes some distance away from the distribution and/or transmission networks, the Group cannot guarantee that it will obtain adequate network connections, within the planned deadlines and budget, for installing its future power plants, particularly in non-mature or emerging markets where the grid operator does not always have sufficient experience of connecting renewable energy production plants, which may lead to a significant delay in bringing projects into production (as in Mexico, for example) and a loss of revenue that is difficult to recover from the EPC contractors or the need to implement additional equipment, at the request of the grid operator.

Moreover, insufficient network capacity caused by its congestion, by over-production by connected facilities or by excessive fluctuations in electricity market prices could cause material damage to the Group's projects and lead to a reduction in project size, delays in the implementation of projects, the cancellation of projects, an increase in costs due to network improvements and the potential calls on the guarantees put in place for the Group with the network manager in the context of connection to a given project.

Technical limitations could also cause the network manager to ask the Group to cap its electricity generation so that the quantity of power it supplies to the network is less than the production capacity of the power plants ("grid curtailment"). In the state of South Australia and in the state of Victoria, the network's limited capacity has led the operator to regularly restrict the injection of wind energy into the network there, depending on the number of gas-fired power plants operating at the same time. This partially curtails output, resulting in lost revenue. Another phenomenon found in Australia is the marginal loss factors (MLF) coefficient. The revenue of power producers is affected by the MLF, according to the estimated network losses. The construction of many new renewable energy plants in recent years has increased these losses and so reduced this coefficient. These effects reduce the profitability of the assets.

Finally, in certain markets (notably Australia) the Group (like other producers) has to make a contribution to the compensation paid to energy producers for services rendered for the stabilization of the electricity network (the so-called FCASs or "frequency control ancillary services").

Details of the value of these FCAS contributions as well as of the compensation received by the Group for its FCAS services for the financial years ended December 31, 2020 and 2021 are set out in the table below:

(In Australian dollars)	31.12.2021	31.12.2020
FCAS revenue	27,245,844	47,227,696
FCAS contributions	(3,139,123)	(8,023,767)
BALANCE	**24,106,721**	**39,203,928**

The value of these FCAS contributions is unpredictable, may be material and could be greater than the hypotheses adopted in the financial models and not be offset by the compensation received by the Group in its capacity as a supplier of these FCAS services via its storage facilities. If applicable, this would potentially have a material adverse effect on the internal rates of return of the projects in question.

Risk management approach

For each of its projects in Australia, the Group draws up financial models that take into account forecast grid curtailment and MLF values. These values are based on scenarios prepared by independent experts and deemed realistic at the financial closing date. It is currently working on improving its operational production forecasting capability communicated to grid operators.

Given the recent network changes in Australia, whenever the Group is choosing a site it pays particular attention to the network's robustness and any additional investments needed to carry out its projects, in order to limit the risks during the operation phase.

In Australia, the Group has also developed the ability of certain assets (wind farms in particular) to participate in the regulation market by becoming a frequency control ancillary services (FCAS) provider.

In every country in which it operates, if the networks are weak, the Group seeks a very high-voltage connection.

Lastly, the introduction of energy storage measures by the Group has also provided a partial response to the risks generated by curtailment.

Net risk impact: Medium.

Wholesale electricity market price risk

The Group is exposed to price risks on the wholesale electricity market (spot market), including the prices of green certificates or any other similar instruments specific to a given market (for example, large-scale generation certificates or LGCs in Australia or CELs, *Certificados de Energías Limpias*, in Mexico) in which it sells part of the electricity generated by its facilities.

A fall in market prices of more than 20% was observed in Australia in 2020 at plants for which part of their production was exposed to price volatility in the wholesale markets. Due to its temporary nature, this price decrease did not have a significant effect on a consolidated level. Conversely, there was a very significant rise in market prices in Europe during the second half of 2021, which benefitted power plants for which the production had not been fully sold under long-term PPAs.

In general, a prolonged decline in market prices could have a significant impact, either in terms of reduced revenues, competitiveness or profitability prospects for certain projects, or the Group's ability to finance its projects through dedicated project financing, based in particular on the long-term outlook for electricity prices.

In 2021, market revenues amounted to € 74.7 million, or 22% of the Group's total revenues. Excluding revenues associated with dedicated storage facilities, market revenues represented 16% of total Group revenues in 2021. The Group's current policy consists of keeping market prices exposure below the 20% threshold of plant capacity, excluding dedicated storage facilities directly connected to the networks.

Wholesale electricity prices have slumped at the peak of the COVID-19 epidemic before rebounding dynamically, particularly in Europe, in the second half of 2021, driven by natural gas and CO2 emission allowance prices. Also, they typically exhibit high volatility and are very specific to a given market and dependent on many factors, such as:

- the level of demand;
- the price of fuel;
- the time, availability and cost of production of the available capacity needed to meet demand, and;
- the structure of the wholesale markets (the order in which production capacity is distributed, and factors affecting the volume of electricity that can be distributed by the available infrastructure at given points and times).

Electricity prices on the wholesale market partly depend on the relative cost, the efficiency and the investments required for the development and operation of conventional energy sources (such as oil, coal, natural gas or nuclear energy) as well as of renewables such as those operated by the Group. As a consequence, a decrease in the costs of other sources of electricity, such as fossil fuels, may lead to a decrease in the wholesale market price. Similarly, new electricity generation capacity may also lead to a decrease in the wholesale market price or even cause prices to be negative at certain times.

More significant regulatory changes in the electricity market could also have an impact on electricity prices (please refer to paragraph 3.1.4 of this document).

Given the intermittency of solar and wind resources (and in the absence of energy storage facilities near its sites), it is difficult for the Group to capitalize on the periods of strongest demand in the wholesale markets when those periods occur when sunshine and wind are not sufficient to cope with demand. Incidentally, prices fall and may at times even become negative in markets with a high solar generation capacity during periods where electricity supply increases due to prolonged sunshine as was observed, temporarily but increasingly frequently, in some Australian states in the second half of 2021. This correlation between low prices and the profile of renewable generation tends to increase when the penetration of renewables increases.

A plant revenue is less predictable when it sells all or part of its electricity on the wholesale market than if it sold it through a contract for the sale of electricity covering the entire production of the installation. The greater volatility of income from a plant exposed to market prices also reduces the percentage of the

financing of a project by debt and is likely to affect its ability to comply with its financial covenants in terms of ensuring the servicing of its debt through available cash.

In return, market prices are, on average, and with the exception of special situations such as those observed at peak of the COVID-19 epidemic, significantly higher than the long-term contractual prices. They are based on a concept of value (supply-demand balance) rather than cost, which is normally the case in sales contracts. They therefore help to generate higher, but more volatile, revenues.

Lastly, the Group generates income from the sale of renewable energy certificates or green certificates (LGCs in Australia and CELs in Mexico), which it obtains by producing electricity in its wind and photovoltaic power plants in Australia and Mexico. It then sells its certificates either as part of bundled packages together with the power sold under an electricity sales contract, or in over-the-counter sales on the market via brokers or directly to distributors, or else under certificate sales contracts. In the latter cases, the Group is exposed to the risk of the certificate sale prices decreasing or being highly volatile. In 2021, revenues from the sale of green certificates amounted to €61.2 million, mainly in the context of energy sales contracts, or 18% of the Group's total revenues.

A slump in the market price of electricity or certificates could have a negative impact on the financial appeal of new projects and the profitability of the Group's facilities. The impact on the Group's operating results and financial position may be significant depending on the extent of the market exposure of its portfolio.

Risk management approach

Market price risk is managed at several project stages on the following bases:

- forecasting and preventive measures: Neoen relies for its medium and long-term pricing scenarios on external market analyses produced by specialist companies developing sophisticated models for forecasting market change. The models enable the definition of a central scenario as well as of alternative scenarios capable of testing project revenues' resistance and their ability to comply with their financial covenants in the event of more unexpected circumstances. In certain cases, the Group develops certain alternative scenarios directly as a means of testing its models;
- market risk hedging: in markets where power plants are in the production phase and exposed to price risk in wholesale markets (such as in Australia), the Group has teams dedicated to minutely analysing the market risks over shorter periods (ranging from a few months to a few years). These teams develop futures market risk hedging strategies validated by a committee comprising the management teams. Their first practical applications apply to LGC certificates in Australia, and the Group intends to extend its market risk hedging policy to CELs in Mexico;
- operating management of production assets: if there is a risk of negative prices, teams are devoted to monitoring production on a continuous basis. For example, Australia possesses an operating control center functioning in 24/7 mode. Its operators continuously confront spot prices and production; if required, they can modify the level of production or even cease production completely in the event of negative prices;
- asset complementarity: market risk can also be managed through other assets such as battery storage plants. Battery storage plants enable the Group to reap the benefit of market volatility with low exposure to structural price increases or decreases. Battery storage plants provide effective revenue protection against intra-day price distortions, including negative prices. The Group has acquired extensive experience in battery storage operation, in particular thanks to:
  - Hornsdale Power Reserve, the world's first large-scale electricity storage plant which was extended to 50 MW in 2020, in the state of South Australia;
  - Ylilikkalä Power Reserve in Finland, and;
  - The Victorian Big Battery, which entered into operation in early December 2021, and is one of the world's most powerful batteries with a capacity of 300 MW / 450 MWh, located near Geelong in the State of Victoria.

Net risk impact: Medium.

3.1.2 RISKS RELATED TO THE GROUP'S ACTIVITY AND STRATEGY

Risk linked to the employment of third party contractors

The Group uses various service providers to construct its projects and provide operational and maintenance (O&M) services as well as for certain aspects of project development, such as technical and environmental studies. If the Group's service providers (or their subcontractors) do not fulfil their obligations, provide services that do not meet the Group's quality standards, encounter financial difficulties or do not comply with the laws and regulations in force, including HSE guidelines, its reputation could suffer as well as it being exposed to the risk of criminal sanctions or significant third party liability. The Group's ability to obtain indemnities from its subcontractors may be limited by their financial solvency or contractual limitations of liability, and the guarantees provided by such subcontractors or their affiliates may not fully cover its losses.

In particular, commissioning delays can have a substantial impact on the Group's income for the current year, if their financial consequences exceed the amount of the guarantees given by the EPC contractors in respect of the performance of their obligations as set out in the related contracts, and notably covering the risk of failure to meet deadlines. Beyond a certain date contracts for the sale of electricity may also be cancelled owing to their strict deadlines for commissioning plants.

Furthermore, the Group's contractors, particularly in the context of the performance of EPC contracts, may be required to seek coverage for additional construction costs that could increase the initially planned investment and thus affect the profitability assumptions projected. In the event of a disagreement regarding liability, as per the contractual provisions, for the assumption of these additional construction costs, the Group may be required to engage in amicable resolution procedures, resolution by a group of experts (dispute adjudication board), arbitration, or legal proceedings, which may result in rulings that require the Group's subsidiaries to assume additional construction costs that exceed

the budget contractually provided for, and thus potentially affect the amount of capex investments and the return on investment of the project concerned.

Thus, in Argentina, the Group's EPC contractors on the Altiplano 200 power plant, which began producing electricity in the autumn of 2021, filed a request for arbitration at the end of December 2021, which was notified to Neoen at the beginning of 2022. This claim relates to (i) the dispute over Neoen's right to the application from 2020, in accordance with the contractual stipulations, of the liquidated damages intended to compensate for the loss of revenue associated with a delay in the start of production of the solar power plant in relation to the contractual timetable, which they dispute, as well as (ii) the additional construction costs that they have allegedly incurred, for which they consider the Group to be liable, which the Group disputes. Legal and arbitration proceedings are detailed in section 2.6 of this document. Lastly, the Group may see its ability to transfer certain execution risks to its industrial contractors reduced relative to its wishes or its historical practice. Although it does not depend on a single supplier/provider for essential products and services, in some cases and depending on the geographical location, there may be few potential suppliers/providers that would be acceptable to lenders, or even very few in the case of wind power, meaning that the withdrawal of a major player may affect the availability, price or guarantees of the products or services concerned.

The growth of the renewable energy industry, intense competition and the Group's strict contractual requirements may limit the availability of a sufficient number of EPC contractors to ensure effective submissions to requests for tender at prices and terms complying with the Group's expectations.

Effects of COVID-19:

The procurement difficulties, delivery delays and risk of supply chain disruption inherent in the economic recovery from the COVID-19 epidemic are affecting the price and terms of procurement of components required for the production of renewable equipment and are likely to disrupt the development and construction of some projects.

Risk management approach

The Group enters into contracts with Tier 1 suppliers, whenever possible turnkey contracts, with allotment contracts currently accounting for a small proportion of its portfolio of construction contracts. These contracts are negotiated by highly experienced and dedicated teams of professionals from the Group's procurement and legal departments, assisted by technical experts and lawyers as and when necessary. The Heath, Safety and Environmental (HSE) obligations of contractors are systematically subject to specific clauses that comply with industry best practices in the contracts entered into by the Group.

Contractual performance is monitored by a highly experienced and dedicated construction team assisted by leading consultants and technical experts in the construction phase, and by a highly experienced and dedicated operating team in the O&M phase. In the event of a disagreement regarding the performance of its contracts, the Group may be required to seek the services of leading law firms specialised in such matters.

The Group does not generally enter into framework contracts and EPC suppliers are specifically selected for each project. EPC suppliers provide the Group with performance guarantees, subject to negotiated limits, with regard in particular to delay in completion, which are issued by financial institutions to which the Group pays particular attention..

Net risk impact: High

Risk linked to financing arrangements obtained from various sources and particularly external debt financing

The Group's development and construction of photovoltaic plants and wind farms, supplemented in some cases by energy storage facilities, are capital-intensive and require significant financing, mainly through the use of equity and external debt. This external financing generally covers 50% to 90% of project costs for projects in OECD countries or between 50% and 70% for projects outside the OECD, and can fall to 40% for projects highly exposed to market prices.

As at 31 December 2021, the Group's outstanding bank debt amounted to €2,199.6 million in project financing, plus €117.5 million in project bond financing (mainly mezzanine debt) for energy production plants and €370.0 million in two convertible bonds into new shares and/or exchangeable for existing shares ("OCEANE") issued by the Company in October 2019 for €200 million and in June 2020 for €170 million, the latter being a green bond.

The Group's ability to obtain financing for its projects can vary from country to country and no guarantee can be given as to whether the banks and financial players that financed the Group's projects in the past will continue to do so for new projects or markets, as the Group expands into new markets, or under similar conditions, particularly in terms of leverage, maturity or cost of credit, to those seen for previous projects in markets where the Group already operates. A significant rise in interest rates from their current levels is also likely to affect the competitiveness of the Group's projects currently in the development or secured, but not yet built phase, and therefore make it difficult to finance them on terms that will enable them to be carried out in accordance with the return on investment objectives set by the Group.

In some cases, the Group may not be able to close its financing after obtaining initial financing commitments, if it cannot obtain the necessary permits or administrative authorizations or there are extreme weather conditions or political problems, for example. In some countries, the Group is often required to provide financial guarantees or deposits in order to participate in competitive tenders.

Risk management approach

In these cases, the Group primarily focuses on developing projects in OECD countries and spreading its geographical exposure. In order to limit its risk exposure, the Group currently has a policy of aiming to spread its installed capacity, locating 80% of it inside OECD countries and 20% outside the OECD.

Moreover, before any significant investment in a project, the Group systematically begins by assessing its "bankability" by consulting credit institutions or development banks.

The Group also tries to diversify its banking counterparties by ensuring that, in the various regions in which it operates, it forms a pool of regular lending banks capable of meeting the needs associated with the development of its projects there.

Net risk impact: High

Risk linked to the Group's expansion in emerging markets

The main markets in which the Group currently operates are France and Australia. In 2021, it generated nearly 70.6% of its revenue from solar and wind farms and electricity storage facilities.

To a lesser extent, the Group also operates solar and wind farms in selected markets in Europe, a battery storage plant in Finland and solar farms in Latin America (a market in which the Group generated 19.2% of its revenue in 2021 but which amounts to 12.9% of the MW in its portfolio of secured projects as at 31 December 2021) and Africa.

Current and planned operations in emerging countries, particularly in Latin America and Africa, expose the Group to the following specific risks:

- the developmental disparities in these markets can result in increasing health and safety risks for personnel, particularly during the construction phase, and also increase the risk of failure or insufficiency of the network operators' infrastructure. In particular, the safety of personnel or even subcontractors may be affected in fragile geopolitical situations (including the risk of terrorism as is currently the case in Mozambique);
- the development and construction of renewable energy plants and their deadline to the connection to the electricity network could cause problems if some network managers and other key counterparties have limited or no experience relating to the technical requirements (please refer to paragraph 3.1.1 of this document);
- the political instability of certain countries could expose the Group to the risk of losses (if the assets and property are expropriated, nationalized or confiscated), restrictions on foreign investment and repatriation of invested capital, or adverse regulatory changes that were not anticipated when the investments were made;
- the imposition of foreign exchange controls or a lack of acceptable foreign currency could result in restrictions on the exchange of local currency into foreign currency and the transfer of funds abroad, as is currently the case in Argentina, which could limit upstream dividend payments or repayments of shareholder loans to the Company;
- the economic difficulties following the COVID-19 epidemic and the increase in public debt to finance support measures in response may limit the ability of the Group's public counterparties to meet their payment maturities within the contractual deadlines or even result in some of these countries defaulting on their sovereign debt or having to restructure it, potentially constituting cross-default events for some of the project financing put in place by the Group;
- the elimination of certain measures taken to encourage foreign investment, including tax benefits, could adversely affect the Group's results or else the cost or even the availability of its project financing in some countries;
- weaknesses in the legal systems and legislation of certain countries may create uncertainty for the Group's investments and activities there;
- the perceived risk of corruption may be higher in some of these countries than in others. Although the Group has adopted a code of conduct designed to address these risks, its controls and procedures may not be capable of preventing breaches of anti-corruption legislation and regulations and its ethics charter or its anti-corruption code of conduct.

The Group's inability to cope with the risks in connection with operations and investment in developing markets could have a significant negative effect on its activity, reputation, financial position and results.

Risk management approach

The Group's intention is to increase its international presence. The expansion of its business activity to new countries each year, sometimes in geopolitically fragile regions, creates new potential exposure. The Group has a policy of taking out special insurance policies to protect its assets against the risks of material damage and the associated loss of income, including those caused by terrorism.

This expansion nevertheless creates a risk dispersion effect, which remains latent in sensitive geographical areas even when the Group's business becomes more mature locally.

In addition, the Group's HSE policy is constantly being strengthened and includes elements dedicated to the health and safety of its employees.

Lastly, whenever the Group chooses its future investments, it minutely monitors the economic, political and regulatory situation of the countries in which it is likely to invest. It is also careful to diversify its investments in order to limit its risk exposure in emerging countries and its sources of external financing, mainly relying on international development finance institutions (DFIs). The Group currently has a policy of aiming to spread its installed capacity, locating 80% of it inside OECD countries and 20% outside the OECD.

Net risk impact: High

Risk linked to projects in the process of development and construction

The Group devotes considerable time to developing the projects it has in its pipeline, especially in prospecting and identifying sites, obtaining land licenses, arranging third-party environmental studies, undertaking technical assessments and involving local stakeholders. The Group allocates financial resources to these activities, which increase as projects progress through their development stages.

On December 31, 2021, the Group's pipeline of projects under development was made up of 188 projects at various stages of development (tender ready and advanced development projects, excluding early stage[2] projects), please refer to paragraph 2.1.2 of this document.

[2] For a definition of the various stages of development of the Group's projects, see the glossary in the section 9.6 of this document.

The obstacles faced by the Group during the project development phases particularly in securing the necessary permits and authorisations, or in extending or renewing their validity may create delays or additional costs which could make the projects less competitive than initially planned. In certain cases, this could result in the project being postponed or abandoned and in the loss or impairment of the development expenses incurred (see note 12 of the consolidated financial statements of the year ended December 31, 2021 for more information on the accounting of these development costs, including their amount recorded on the balance sheet at that date). As a result, the Group may be unable to secure the requisite contracts for the sale of electricity planned for those projects, obtain financing on terms enabling adequate profitability or achieve the anticipated investment returns.

In the same way, the Group's difficulty to complete the construction of a facility or meet deadlines is likely to result in, for example, breaches of contract, early termination of electricity sales contracts, facility depreciation, a reduction of the period of eligibility for negotiated tariffs or delays and/or cost overruns due to potential requests by contracting parties which may not be fully covered or adequately provided for by guarantees, indemnification clauses or EPC insurance.

On December 31, 2021, the Group's projects under construction represented 1,954 MW[4].

Effects of COVID-19:

The completion of some construction or development projects and Group operations has occasionally been disrupted, due either to delays in obtaining certain permits or in the routing of certain components provided for in the construction contracts or to the health measures implemented by certain countries in which the Group operates, the intrinsic effects of the COVID-19 epidemic.

The Group constantly monitors the possible effects of the health crisis upon the construction deadlines and commissioning date of its ongoing projects, which are stated in section 4.1 - note 12 and in section 4.3 – note 14.

Risk management approach

The Group's development teams essentially concentrate their efforts on familiar regions and projects with real prospects for achievement. Investment in new countries and initial prospection is closely monitored and controlled.

For the construction of its facilities, the Group enters into essentially turnkey contracts, with first-tier EPC contractors, which provide for penalties and/or compensation, up to a contractually defined limit, for related revenue losses, in the event of non-compliance with contractual deadlines and the performance of which is closely monitored and supervised by the Group's own construction teams.

During the COVID-19 crisis, the Group put in place ad hoc operational measures (Business Continuity Plans) on all its sites in order to limit as much as possible the impact on the health and safety of personnel and the delay in project execution.

Net risk impact: Medium

Risk linked to the ability to obtain power purchase agreements

The value and viability of its renewable energy projects depend on its ability to sell the electricity generated by these projects under contracts signed with creditworthy counterparties at sufficiently high prices, including in public tenders.

As at 31 December 2021, 79.5% of the Group's capacity in operation and under construction (in terms of MW) benefited from electricity sale contracts resulting from tendering (or open-ended) procedures. The residual capacity was intended to be sold on the market.

Such public tenders are usually governed by specific regulatory frameworks and/or government initiatives. Tenders are mainly won on the basis of the price in the offer.

If the Group is unable to secure power purchase agreements for a given project under a public tender or under sufficiently favorable terms, it will generally be unable to finance that project or will only be able to do so on unfavorable financing terms.

Lastly, the Group cannot guarantee that it will be able to renew or negotiate new power purchase agreements after the expiry of the initial agreements or that it will be able to negotiate sales prices under future contracts or on the wholesale markets on terms equivalent to those obtained initially.

The Group may incur additional interim costs in order to maintain projects that may never be built. If those projects are not carried out, all the associated prior development costs that are capitalized in the balance sheet will be written off and a corresponding expense will be recognized in the Group's income statement.

Risk management approach

The Group may retain such projects in its pipeline and attempt to obtain power purchase agreements afterwards, through future tenders, but cannot guarantee that such tenders will take place or that it will be successful in winning them.

As announced at the Capital Markets Day in March 2021 and in line with its strategy, the Group may also consider selling these projects to third parties, as part of the implementation of its farm-down[5] operations, within an annual limit of a volume of projects concerned not exceeding 20% of the gross annual growth of its secured portfolio, its priority continuing to be a develop-to-own strategy.

The Group may also design and develop some of its projects with a view to selling their electricity production on the future or spot markets, in accordance with the objectives set for exposure to electricity market risks. It now aims to ensure that the

[4] At 31 December 2021, the projects in operation represented 3,480 MW (see paragraph 2.1.2 of this document).

[5] In 2021, during its Capital Markets Day, Neoen announced its intention to proceed on a regular but selective basis with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects secured each year. These farm-down operations strengthen the Group's financial capacity and thus contribute to financing the construction of new assets.

share of its operational installed capacity, whose revenues are exposed to market price changes, does not exceed 20% of its total operational capacity, excluding dedicated storage facilities directly connected to the networks.

In 2021, excluding storage facilities, 17.3% of its capacities in operation and under construction was exposed to market pricing whilst the Group's merchant revenues amounted to 16% of total consolidated revenues excluding storage facilities.

Net risk impact: Medium

Risk linked to the termination of an electricity sales contract or defaults or late payments by counterparties

The Group sells most of the electricity generated by its assets under long-term power sale agreements (up to 25 years) with state counterparties (states or state-owned companies), utilities and a limited number of corporate buyers.

Even when the Group obtains such state guarantees, the guarantor may not have an investment grade credit rating or may lose it. At 31 December 2021, 89% of the Group's secured capacity (in MW) under contract was allocated to buyers with an investment grade rating at that date.

Similarly, the Group may not be able to fully limit its exposure to regional economic crises, and the resulting credit risk, despite locating its facilities in different geographical areas and therefore risk diversification. These risks may increase when the global economy or regional economies experience periods of volatility or recession.

Also, as long as the Group's purchasers are state entities or state-owned entities, its facilities are exposed to an increased risk of expropriation or legislative or political risks, including the privatization of counterparties, which may affect the proper performance of the applicable contracts.

For an analysis on the Group's exposure to counterparty risk, please refer to paragraph 3.2.2.4 of this document.

The financial performance of its facilities depends both on the quality of credit and on the Group's counterparties regularly fulfilling their contractual obligations under electricity sales contracts. The Group's business, financial position and results may be materially adversely affected if its counterparties fail to meet their obligations under their electricity purchase contracts and/or fail to meet payment deadlines.

Risk management approach

Power purchase agreements entered into by the Group may be terminated by the counterparties in limited circumstances including events that render any payment made under such contracts illegal, force majeure events (including acts of state) and certain tax events. This termination option for counterparties is generally subject to the payment of compensation on termination.

It seeks to reduce its counterparty risk in electricity sales contracts, partly by entering into contracts with states, state-owned power distribution companies or other highly creditworthy customers and by obtaining guarantees covering the obligations of the customers concerned. However, whenever one of the Group's current or future counterparties does not have, or ceases to have, an investment grade credit rating and the Group cannot obtain state guarantees, the Group is or will be exposed to a higher counterparty risk. In non-OECD countries, the Group also tends to finance its projects through development banks, which are likely to support it in its relationship with its counterparties whenever there is a known counterparty risk, or prior to its realization.

Finally, when setting and negotiating the selling prices proposed for electricity produced, whether in the context of public tenders or of bilateral negotiation with counterparties, the Group systematically takes account of counterparty risk for the purpose of determining its desired rates of investment return.

Net risk impact: Medium

Risk linked to repairs and renovation of electricity production plants

The operation of Group facilities involves risks of all or part of the equipment or some of its components or procedures breaking down or failing as well as the risk of them failing to reach the expected levels of production or efficiency. These failures and performance problems can be caused by a number of factors such as human error, lack of maintenance and general wear and tear over time. Unexpected interruptions to production units, or other problems related to the Group's production facilities, may also occur and are a risk inherent in its business.

Unexpected interruptions to the Group's electricity production units generally increase the O&M costs. It may not be possible to recover these increased costs under the electricity sales contracts, thereby reducing the Group's revenue due to the sale of less electricity or forcing the Group to incur significant expenses due to the increased cost of operating the facility. In extreme cases, such increased O&M costs could even constitute a case of default under an electricity sales contract, resulting in its termination and potentially causing early repayment of the corresponding project financing. In addition, essential equipment and components may not always be immediately available when needed, potentially resulting in significant downtime and delaying the resumption of facility operation, involving a loss of earnings that may not be fully offset by the penal clauses included in the O&M contracts. Some custom-designed equipment and parts require considerable production and delivery times and costs: if these items do not operate as planned or are damaged, their replacement may require significant Group expenditure and cause significant downtime for the facility in question.

Risk management approach

The maintenance and refurbishment of electricity production facilities are performed by leading third party service-providers selected by the Group, generally on the basis of turnkey O&M contracts incorporating availability and performance requirements sanctioned by penalties.

Net risk impact: Low

3.1.3 RISKS LINKED TO THE GROUP'S FINANCIAL POSITION

Risk linked to the Group's level of gearing and means of financing

As part of the financing of its projects, the Group uses significant leverage to limit its capital contribution. At 31 December 2021, the Group's leverage ratio, defined as the ratio between its net debt and its EBITDA (calculated over the previous 12 months) was 7.4 (please refer to paragraph 2.1.1 of this document). The Group's medium-term objectives, including its net debt/EBITDA ratio target between 8 and 10 by 2025, require a gearing ratio now higher than 70%[6] of the capital invested, taking into account all financing, whether corporate or set up for dedicated project companies, in the form of senior or mezzanine debt. The Group's project financing therefore involves significant use of debt by the project company, which includes the risks described below and in paragraph 3.2.2.4 of this document. Furthermore, the Group may not be able to maintain the level of leverage required to achieve its growth objectives for various reasons (including a possible interest rate hike or a higher capital requirement by lenders, notably if a greater proportion of electricity generated by a power plant is sold at market prices or a fall in wholesale electricity prices on the market), which would involve greater demands on its shareholders in order to meet the Group's equity needs.

On December 31, 2021, the Group's consolidated financial debt amounted to €2,953.4 million, of which €2,199.6 million of project financing debts contracted by project companies or intermediate holding companies, €117.5 million of bonds and €338.8 million of corporate financing contracted by the Company. The remaining €297.4 million comprise (following application of IFRS 16) lease liabilities (€219.7 million), shareholder loans granted to project companies or project company holding companies by minority shareholders (€31.0 million) and hedging instruments (€46.7 million). For a description of the Group's indebtedness, please refer to paragraph 2.5.4 "reconciliation of consolidated liabilities and net debt" of this document.

If a project company, or its holding company, were to default on its financing agreements (for example, because of an unforeseen event or a deterioration of its financial position) or fail to meet certain minimum debt service coverage ratios, such failure could make the project debt immediately payable. In the absence of a waiver or restructuring agreement, the lenders may be entitled to seize the assets or securities pledged as collateral (in particular the Group's interest in the subsidiary that owns the project).

As of December 31, 2021, two Group assets, one in Australia and the other in France, were not meeting their minimum debt service coverage ratio (DSCR), mainly due to operational problems.

As a result, the Group has accelerated the related non-recourse project finance debts in its accounts, which are now presented in current financial debt, for amounts of AUD 145.1 million (i.e. €92.9 million) and €24.5 million respectively.

At the same time, the Group has entered into negotiations with its lending institutions to resolve these cases of defaults, which are still ongoing at the date of publication of this document.

In the case of the Company, failure to meet its payment obligations under its corporate financing or to comply with the financial ratios provided for in the syndicated loan implemented in March 2020 and amended on July 30, 2021, would render all of these corporate debts immediately due.

Moreover, the failure of a project company or a holding company to repay its indebtedness could affect its ability to pay dividends to the Group, pay fees or interest, reimburse intragroup loans and make any other distribution of its liquidities, as the defaulting entity is generally prohibited from distributing cash. This would probably result in a loss of confidence by the Group's customers, lenders or contractors, which would adversely affect the Group's access to other sources of financing for its projects.

Finally, in the event of insolvency, liquidation or reorganization of any project company, its creditors (including suppliers, adjudicated creditors and tax authorities) would be entitled to full payment of their claims from the project's revenues before the Group could be authorized to receive any distribution from the project. Where there is indebtedness for a given project, the lenders may request forfeiture of the term of their debt and seize any collateral; the Group could then lose its interest in the project company.

Risk management approach

The debt of each project company in the Group contracted for the amount of the project is non-recourse or limited-recourse for the Company and the other entities outside the scope of the specific financing, excluding isolated and temporary exceptions such as, for example, a guarantee granted by the Company during the period prior to the commissioning of the Altiplano 200 power plant in Argentina, in October 2021.

Consequently, the debt can be repaid solely from the revenues generated by the relevant project company or its direct holding company (if projects are combined), and the repayment of such borrowings (and interest thereon) is generally secured by the project company's equity shares, the facility's physical assets and the contracts, insurance policies and cash flows of the project company or its direct holding company, as the case may be.

Mezzanine debt, whose repayment is funded by the dividend flows and repayment of shareholders' loans of the applicable project companies, is equally not subject to any recourse or with limited recourse against the Company and other entities beyond the scope of the specific financing.

With regard to the Group's corporate financing, including the syndicated credit facility put in place in March 2020 and amended in the summer of 2021, which is subject to compliance with specific covenants and remained undrawn as at 31 December 2021, the principal and interest payments are made by dividend and shareholder loans repayment flows from the various projects, once any principal and interest associated with interim mezzanine debt has been repaid and paid. These

[6] At its Capital Markets Day on March 11, 2021, the Group adjusted its financial leverage target as a percentage of invested capital on an all-in basis including all Group debt, whether corporate or set up at the level of dedicated project companies, in the form of senior or mezzanine debt, from a level of around 80-85% to a level now above 70%. This target takes into account the level of coverage of project costs by external financing (see paragraph 3.1.2 "risk linked to financing arrangements obtained from various sources and particularly from external debt financing" of this document) and the Group's ambitions in terms of installed capacity in operation and under construction by 2025, set at 10 GW.

flows undergo special monitoring and regular forecasts intended to continuously manage the terms and conditions for covering the principal and interest of this financing.

Net risk impact: High

Risk linked to the financial covenants included in project financing agreements

Due to its project financing strategy the Group has to manage multiple financing contracts signed by numerous project companies in different countries. Although the Group endeavors to negotiate its financing on a uniform basis for all its projects, the terms of certain financing agreements may vary or provide for specific provisions or commitments that may prove difficult to meet or to manage on an ongoing basis.

Each financing contract contains financial and non-financial covenants for which the project company is responsible. The financing contracts generally also contain a minimum debt service coverage ratio (minimum DSCR), which is generally 1.05x to 1.10x, depending on the contract. The standard financing contract also imposes terms and conditions governing the distribution of funds to shareholders or the repayment of current account advances, including compliance with a lock-up DSCR, which is generally fixed at a higher value than the minimum DSCR (generally from 1.10x to 1.15x, depending on the contract, or even higher for projects located in countries that are not members of the OECD or which are highly exposed to market prices), and the maintenance of a debt service reserve account. Some financing contracts set a maximum gearing ratio to ensure a minimum percentage of equity in the project in question. Lastly, certain contracts also include cross-default clauses with respect to critical counterparties to the project company and, in some cases, with respect to the Company's financial position.

Failure by the Group to comply with these covenants, which has occurred a limited number of times in the past, could lead in the future to default in respect of project financing, and could have adverse consequences such as the blocking of project distribution, increased costs or even early repayment of the project debt, and in the latter case, this could have a material adverse impact on the Group's ability to obtain financing in the future or affect the cost of its future financing. Furthermore, should the Company encounter significant financial difficulties, this could activate the cross-default clauses included in certain financing contracts and so result in the project companies simultaneous defaulting on several projects.

The convertible bond issued by the Company in 2019 for a nominal amount of approximately €200 million and the green convertible bond issued by it in 2020 for a nominal amount of approximately €170 million are not subject to special financial covenants. However, they require compliance with a number of commitments (including a negative pledge clause and a change of control clause) and cases of default consistent with market practice for this type of financing.

The syndicated credit facility set up by the Company in March 2020 and amended on July 30,2021, for a nominal amount of €200 million, including a term loan of €125 million, and a revolving credit facility for a nominal amount of €75 million, whose maturity was extended in 2021 to 2026 and, which remained undrawn as at December 31, 2021, is subject to two specific financial covenants. These covenants provide for a minimum level of debt service coverage ratio and a maximum level of loan-to-value, measured as the ratio between the sum of its net financial debt and its financial guarantees issued on the one hand and its financial assets on the other. This syndicated credit facility is also subject to compliance with a number of undertakings (and in particular negative pledge and change of control) and to cases of default in accordance with market practice for this type of financing.

Risk management approach

The Group closely monitors compliance with the covenants defined in all its financing contracts. Should it anticipate any non-compliance with these covenants over a given period, it would begin discussions with the counterparties with the aim of obtaining a waiver.

As of December 31, 2021, two Group entities, one in Australia and the other in France, were not meeting their minimum debt service coverage ratio (DSCR), mainly due to operational problems. As a result, the Group has accelerated the related non-recourse project finance debts in its accounts, which are now presented in current financial debt, for amounts of AUD 145.1 million (i.e. €92.9 million) and €24.5 million respectively. At the same time, the Group has entered into negotiations with its lending institutions to resolve these cases of defaults, which are still ongoing at the date of publication of this document.

The other companies financed by project and mezzanine debt, on the other hand, complied with their minimum debt service coverage ratio (DSCR) and minimum equity covenants[7]. Please refer to paragraph 2.3.1.9 of this document.

Net risk impact: Medium

Risk linked to the recoverability of deferred tax assets

The Group may record deferred tax assets on its balance sheet as the difference between the tax recorded in accordance with IFRSs and the actual tax incurred by Group entities. This difference includes the deferred impact of any reduction in tax on losses carried forward. On December 31, 2021, deferred tax assets net of liabilities stood at –€27.4 million including the deferred tax assets equating with Group tax losses carried forward, and tax credits, for €128.2 million (see section 4.1 – note 11.3 "deferred taxes").

The actual realization of these assets in future years depends on a range of factors including (i) the ability to generate taxable profits and the degree of adequacy between the level of realization of profits and the level of losses, (ii) the general limit applicable to French tax losses, according to which the percentage of any loss carried forward for tax purposes which can be used to offset the portion of taxable earnings in excess of €1 million for each subsequent financial year is capped at 50%, (iii) the limits imposed on the use of tax losses imposed by foreign laws and regulations, (iv) the consequences of any current or future tax inspections or litigation and (v) any potential changes to the applicable laws and regulations.

[7] Debts relating to four of the Group's assets have been reclassified as "current financial debts" because of non-compliance with financial covenants or documentary non-compliances within the meaning of the financing contracts for these power plants (see paragraph 2.3.1.11 of this document).

The impact of those risks could increase the tax burden imposed on the Group and thereby have an adverse effect on its effective tax rate, financial position and results. In 2021, given the profit outlook for certain regions and the time limitations on the use of tax losses, no deferred tax assets were recognised in respect of certain tax losses for an impact of 4% on the Group's effective tax rate, as detailed in paragraph 2.3.2.3 «Income tax» of this document.

Risk management approach

The recognition of deferred tax assets within the Group's consolidated financial statements is conditioned by a preliminary assessment of their recoverability subsequently reviewed at each period end on the basis of the relevant project business plans prepared for project financing purposes and in turn regularly updated whenever material operating, financial or fiscal modifications occur of a nature to affect the original business plans.

Net risk impact: Medium

Risk linked to changes in tax rules

Given the geographical diversity of its presence, the Group is exposed to potential modification of the tax rules applying in all the countries in which it operates, notably at the initiative of the OECD, the EU or national governments. In particular, such modifications might affect the VAT rules applicable to construction works, the withholding tax mechanisms applicable to distributed income, the criteria for tax deductibility of borrowing costs for project financing, the criteria for carryforward of tax losses, the bases of depreciation of production assets or corporate tax rates.

The Group may equally be the subject of tax inspections in the countries in which it operates, in the context of which it is always possible that the Group's tax treatments (in the absence of specific rulings) may be contested albeit the Group deemed them correct and reasonable in the context of its business.

The impact of changes in tax rules may equally have an unfavorable impact on the Group's financial position and results.

Risk management approach

The Group's tax policy is founded in strict compliance with applicable laws and regulations. Its transfer pricing policy is duly documented and reflects a strict principle of rebilling of costs incurred plus a limited margin. The Group adopts an attitude of transparency with regard to tax authorities.

Finally, its increasing geographical and product diversification may be expected to attenuate the potential impact of tax exposures.

Net risk impact: Medium

Foreign exchange risks

The foreign exchange risk to which the Group is exposed firstly includes the "conversion" risk, i.e., the risk associated with converting any financial statements of Group subsidiaries that are prepared in currencies other than the euro, which is the consolidation currency. To date, this risk has mainly involved the Group's Australian subsidiaries, which prepare their accounts in Australian dollars, as well as the solar power plant in El Salvador, whose accounts are prepared in US dollars, the solar power plant in Mexico, whose functional currency is the US dollar, and the solar power plants in Argentina. The operating currency of these plants is the US dollar but they are exposed to the foreign exchange risk relating to the Argentine peso, mainly when recovering the VAT credits associated with the construction phase, as well as the current exchange control measures applied by the Argentine government, which reduce the Group's ability to convert pesos into US dollars.

With regard to transaction risk, i.e. the risk of non-alignment between the currencies in which the Group's revenues and costs are respectively generated and incurred, the Group minimizes its exposure by aligning project borrowing, investment expenditure and revenue with one single strong and stable currency (as of the date of this document, the US dollar, the euro and the Australian dollar exclusively). The Group is nevertheless faced with this risk with regard to development costs incurred in certain countries. Moreover, the prices of certain power purchase agreements are stated in US dollars but the payment currency may be a local currency, as is the case in Argentina, Mexico and Jamaica, which the Group must then convert without delay into US dollars to guarantee the servicing of debt and distribute any excess cash to shareholders. In this context, the Group is exposed to a convertibility risk.

The Group also incurs transaction risk on any equity and shareholder loans that it may allocate to project companies (which constitute an equity contribution in the context of project financing) which are financed in euros while the investment expenses incurred by the project companies (for projects located outside the Eurozone) will be stated in local currency (mainly US and Australian dollars but also to a limited extent the Mexican peso, Argentine peso, Mozambican metical, Zambian kwacha etc.).

Risk management approach

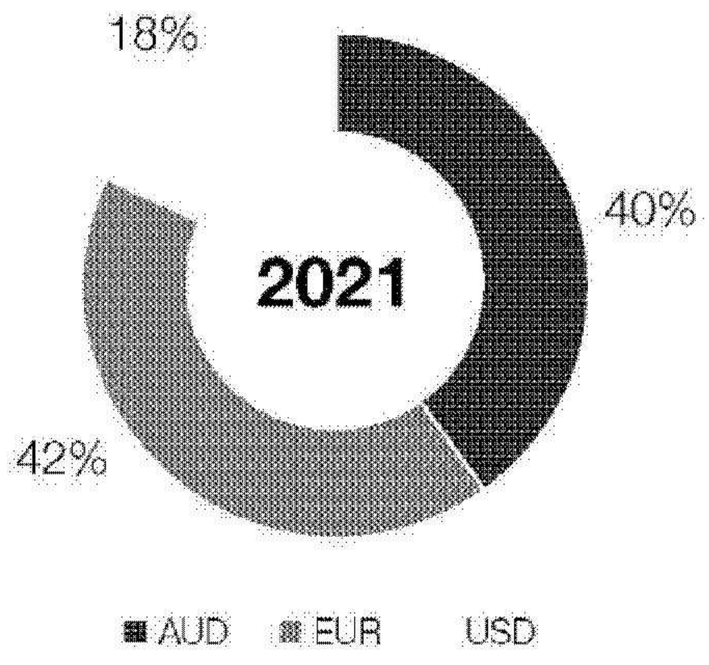
In order to hedge the risk of a fall in the value of the euro against the US and Australian dollars, and to the extent that the project's probability of achievement is sufficiently established, the Group may enter into forward currency contracts under which it purchases Australian or US dollars with payment generally stipulated shortly before the date of the necessary contribution of equity or quasi-equity to the project. Such hedging instruments are generally subscribed when the Group has clear visibility as to the investment expenditure and debt/equity ratio applicable to the project, for example immediately after the signing of an EPC contract.

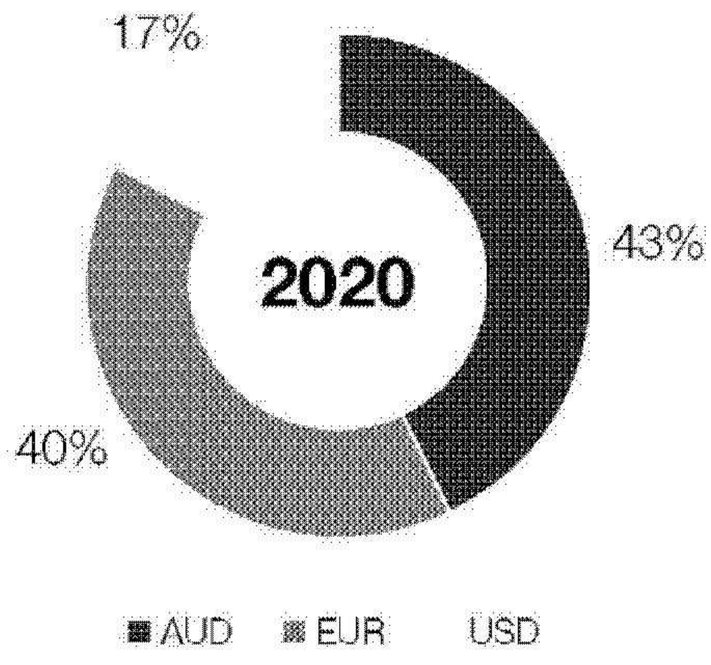
Finally, under certain exceptional circumstances a project under construction may be exposed to payments in currencies other than its operating currency, notably when the EPC contract is denominated in several different currencies. The Group must then ensure that the project company purchases forex hedging at the time of the financial closing in order to ensure that the resources provided for the project will suffice for its proper completion.

The following table provides details of the Group's debt by currency type on December 31, 2020 and 2021 (excluding lease liability and minority investments):

(In millions of euros)	31.12.2021	31.12.2020
Debt denominated in euros	1,213.1	1,179.9
Debt denominated in Australian dollars	948.3	868.6
Debt denominated in US dollars	541.2	496.8
Debt denominated in other currencies (converted into euros)	-	7.0
TOTAL DEBT	**2,702.6**	**2,552.3**

The revenue breakdown by currency between 2020 and 2021 is as follows:





Net risk impact: Medium

3.1.4 LEGAL AND REGULATORY RISKS

Risk linked to unfavorable changes in the regulatory environment or in public policies to promote the development of renewable energies

The Group's activities are currently favored by public policies supporting renewable energy. Depending on the country, these measures may notably take the form of commitments and planning for the production of renewable energy, direct or indirect subsidies paid to operators, obligations to purchase at feed-in tariffs or the payment of bonuses through the open-window market or in the context of requests for tender. Such policies and mechanisms generally reinforce the commercial and financial viability of renewable energy facilities and often make it easier for the Group to obtain financing.

The Group's ability to benefit from these policies and their favorable nature depend on the political and strategic policies with regard to environmental challenges adopted in any given country or region, which may be impacted by a wide range of factors. Any challenge to or adverse change in such incentive-based public policies and any uncertainties in relation to their interpretation or implementation, or any reduction in the number of requests for tender or in the volumes allocated thereby, may have a material adverse effect on the Group's business, results or financial position.

For example, in April 2020 Centro Nacional de Control de Energía ("CENACE") in Mexico issued the "Resolution to ensure the Efficiency, Quality, Reliability and Security of the National Electric System" (la "Résolution du CENACE") with the purpose of, allegedly, ensuring the continuous operation of the national electric grid during the COVID-19 pandemic. CENACE argued that, due to COVID-19, the demand for electricity decreased to a point where the operation of renewable power plants put in danger the reliability of the whole electric grid. Through this resolution, CENACE sought to limit and suspend for an indefinite period the generation of electricity by renewable power plants in the start-up or test phase in favour of conventional thermal power plants held by the State.

In addition, in May 2020, the Ministry of Energy of Mexico (SENER by its Spanish acronym) issued the "National Electric System Reliability Policy" (Reliability Policy) with the intention of changing energy regulations and imposing restrictions on the entry of new renewable power plants to the Mexican electricity market whilst, at the same time, favoring state-owned conventional power plants.

Furthermore, the organizing of public tenders, which are still an important market for the Group's electricity production, despite the gradual increase in PPAs signed with private players, largely depends on states or regions being willing to promote the production of renewable energies in their territories, or even planning tools such as the multi-annual programming of energy production in France. For example, in Mexico, following the 2018 federal elections, the Centro Nacional de Control de Energía (CENACE) announced the postponement and then

abandonment of its competitive tenders initially planned for the end of 2018, for which the Group was one of the short-listed candidates. These decisions are likely to delay the Group's ability to conclude electricity sales contracts and find markets for the electricity it produces in the country.

On March 23, 2021, the Mexican Congress also passed a bill to amend the Electricity Industry Act[8] (the "Amended LIE"). This amendment affects independent power producers as it grants exclusive prerogatives to the Federal Electricity Commission (Comisión Federal de Electricidad, or "CFE"), Mexico's state-owned electric utility, and modifies the rules of priority of injection to the benefit of the CFE. The amended LIE further affects power producers as it restricts open access to transmission and distribution grids and relieves CFE's regulated distribution subsidiary from its obligation to purchase power through regulated public tenders. Accordingly, CFE is able to purchase power from its subsidiaries and pass on the cost through the tariffs offered to regulated consumers. The amended LIE is contrary to several Mexican constitutional principles. Experts too consider that the amendment LIE breaches international environmental, commercial and investment protection treaties, as well as domestic legislations and regulations applicable to the power industry.

More generally, the Group is doing business within a restrictive regulatory environment extending to matters of urban planning, environmental protection (landscaping and noise requirements, biodiversity), the protection of local populations (such as Aboriginal populations in Australia), hygiene, health and safety at work, the maintenance and control of operational facilities, dismantling of facilities at end of life (including site rehabilitation, removal of materials and, depending on the country, recycling of the various components). If the Group does not comply or make its facilities compliant with the applicable provisions, it may have its authorizations (licenses, permits etc.) withdrawn or be fined by the regulatory authorities or grid managers, which may have a major negative impact on its business, results or financial position.

Lastly, in this context, the Group could be exposed to risks linked to various legal or administrative proceedings or proceedings launched by regulatory authorities.

Risk management approach

In the case of regulatory requirements, the Group necessarily remains dependent on the evolution of the policies adopted by the various countries within which it operates.

It may nevertheless be noted that:

- international conferences such as the COP have shown that many countries are beginning to become aware of the problem posed by global warming, in particular as the result of the pressure exercised by populations on their governments (marches for the climate etc.), and the necessary role of renewable energies in this respect;
- the Group is supported by the banks, notably development banks, financing its production facilities;
- continuous improvements in the competitiveness of wind, solar and storage assets enables them to achieve grid parity in most countries in which the Group operates.

In addition, the Group strives to defend its interests before the courts. For example, following the adoption of the CENACE's Resolution in May 2020, ENR AGS, SA de CV, a Neoen wholly-owned Mexican entity, filed before a Mexican court a constitutional injunction against it and succeeded in securing a court order suspending its effects until a final court decision on the merits is issue. This result allowed ENR AGS, SA de CV to restart and complete the necessary preoperative tests to begin operations of its project in the State of Aguascalientes. ENR AGS, SA de CV also filed before a Mexican court a constitutional injunction against the Reliability Policy of May 2020 and succeeded in securing a court order suspending its effects until a final court decision on the merits is issued. As a result of legal proceedings of ENR AGS, SA de CV and the temporary suspension of said resolution and policy, CENACE and SENER respectively each withdrew its resolution and policy, and the courts dismissed the proceedings on the merits.

In addition, with respect to the Amended LIE, on March 12 and April 20, 2021, ENR AGS, S.A. de C.V. («ENR AGS») and ENR NL, S.A. de C.V. («ENR NL»), subsidiaries of the Company, each filed appeals in Mexican courts challenging the constitutionality of the amended LIE (amparos). On March 22 and April 29, 2021, the local courts seized issued judicial orders to ENR AGS and ENR NL suspending the effects of the Amended LIE until the court's final decision on the merits (the « Suspension Orders »). The local authorities have appealed the Suspension Orders. The hearing of these appeals before the two collegiate courts is still pending.

In order to cope with the potentially rapid and hazardous evolution of the applicable rules, the Group also engages in careful due diligence, prior to the financial closing of its projects, in order to be familiar with such rules and their potential evolution, and has the support of dedicated asset managers, who perform detailed monitoring of projects and project constraints, and of legal teams charged with analysing regulatory trends.

Finally, the Group attaches great importance to local leadership as a means of better understanding and anticipating potential changes in local regulation.

Net risk impact: Medium

Risk linked to the ability to obtain the necessary permits, licenses and authorizations for the conduct of the Group's business or the construction of its facilities

In the context of its activities, the Group is subject to significant constraints relating to the issuance of the permits, licenses and authorizations required by the regulation in force and delivered by local or national authorities. Depending on the country, such permits, licenses and authorizations may take the form of planning permission (such as building permits), mandatory environmental surveys and impact surveys, generating, operating and network connection authorizations and other specific authorizations related to the presence of protected sites close to facilities.

Depending on the country, national and local authorities may have greater or lesser discretionary powers with regard to the

[8] The Electricity Industry Act is a law that provides a framework for regulating the electricity industry.

granting of such permits, licenses and authorizations and may exercise their discretionary powers in an arbitrary or unpredictable manner. Moreover, the number of competent authorities may make the process for obtaining such authorizations and permits lengthy, complex and costly.

As a result, the Group cannot guarantee that it will be able to obtain the permits, licenses and authorizations necessary for the construction of a given facility at a reasonable cost or in accordance with the anticipated timetable. Finally, for projects at the development stage, the Group may have committed resources without obtaining the permits and authorizations required and may therefore have to withdraw from or abandon a project, which may have a material adverse effect on its business or operating results.

In Mexico, the Group began construction in 2020 of the high-voltage facilities for the 380 MWp Puebla solar project, in accordance with the initial validity schedules of the generation permit and the studies and interconnection contract of which it was the beneficiary. Delays inherent in the Covid 19 health crisis forced the Group to request (i) an extension of the generation permit from the Energy Regulatory Commission (CRE); (ii) an update of the interconnection studies from the network operator (CENACE) in light of the new possible connection dates and; (iii) an amendment of the interconnection contract dates from the transmission operator (CFE).

The request sent to the CRE was thus accepted in February 2021 and the expiry date of the generation permit was extended to December 2022. On the other hand, CENACE is currently officially closed for health reasons and the requests to update the interconnection studies are still awaiting official confirmation. As a result, the interconnection contract, for which these studies are an appendix, has not yet been amended.

The Group is in constant communication with CENACE to extend the validity of the studies and thus to ensure the consistency of all the interconnection permits required for the completion of the high voltage works launched, as well as for the adjacent solar park, which the Group is still planning to build in the near future.

Risk management approach

The Group has specialist country development teams responsible for obtaining the requisite permits and licenses. The multiplication of projects in any given country facilitates comprehension of the applicable processes in particular for countries with strong regional characteristics. This is particularly true of France where the Group has a precise understanding of the various regional approaches to the development of renewable energies.

The Group is supported by specialist local subcontractors who perform the requisite analyses (technical and impact surveys etc.) for permit applications, as well as by lawyers in order to ensure completeness.

The Group's positioning as a local leader or initiator of large-scale projects provides it the benefit of attention from central authorities, thereby limiting the impact of discretionary decisions in developing countries.

Net risk impact: Medium.

Risk linked to the reduction or questioning of regulated prices and tariffs for the purchase of renewable electricity

The value and viability of the wind and solar power and storage facilities developed and operated by the Group depend on its capacity to sell the electricity thereby generated at suitable price levels either pursuant to power purchase agreements or in the wholesale market.

In the past, those of the Group's projects located in France enjoyed an open-window purchase obligation which required EDF or local distribution companies to purchase the electricity generated by the Group at the feed-in tariffs set by ministerial order. Since the introduction of France's Energy Transition Law for environmentally-friendly growth dated August 17, 2015 a majority of the Group's facilities located in France now benefit from a feed-in premium mechanism based on the option to sell the electricity generated by certain facilities directly in the wholesale market (in particular to suppliers and traders) while also receiving a premium paid by EDF.

Such feed-in tariffs or feed-in premium mechanisms, on an open-window basis or further to competitive tenders, are also found in other countries in which the Group is present. For example in Zambia, the Scaling Solar Program in which the Group has taken part in the past is aimed at coordinating the development and installation of solar power plants with a target capacity of 600 MW. In Argentina, the Group is a participant in the RenovAr program which includes provision for requests for tender further to which the successful bidders, including the Group, are awarded power purchase agreements offering them a US dollar-based indexed fixed price for a term of 20 years with *Compañía Administradora del Mercado Mayorista Eléctrico ("CAMMESA")*.

For each of these countries, any adverse changes in the premiums or prices offered on an open-window basis or further to requests for tender may have a material impact on the profitability of the Group's projects and the revenue generated, particularly if the feed-in premiums or prices are not sufficiently high to cover project costs (notably the cost of repaying the applicable debt) and guarantee appropriate returns.

In France, as part of the provisions of the 2021 Finance Law, the authorities on October 26, 2021 issued decree No. 2021-1385 and the order on the revision of certain support contracts for the production of electricity from photovoltaic sources, which were previously submitted to the Higher Energy Council (CSE) on 16 July 2021 and then to the Council of State, and which imposed a reduction in the feed-in tariffs for electricity from solar energy relating to certain contracts entered into between 2006 and 2010. Said decree and order were published in the Official Journal (JO) on October 27, 2021.

The Group is a shareholder in four solar power plants affected by this tariff revision for a total capacity of 18 MWp. The application of the new feed-in tariffs, as of December 1, 2021, has resulted in a change in the economic balance of the power plants in question, without giving rise to the recognition of an impairment in the Group's financial statements with regard to the results of a valuation exercise for these power plants based on the target shareholder IRR levels as announced during the Capital Markets Day on March 11, 2021.

Moreover, if the Group is not able to reduce its costs, notably on the others system components (BOS and/or BOP components), quickly enough to offset the reduction in feed-in premiums or regulated prices in France or other countries, projects based on such revenue conditions may no longer be viable.

Lastly, the economic difficulties due to the COVID-19 epidemic may prevent some of the Group's public counterparties from meeting their payment deadlines relating to the applicable feed-in tariffs or additional remuneration, potentially constituting cross-default events relating to the financing of projects and significantly affecting the profitability of the projects concerned.

Risk management approach

The Group has chosen to concentrate its investment in countries where its renewable electricity production facilities largely reaches grid parity, thereby rendering less likely any reduction or other questioning of the pricing arrangements for the purchase of renewable electricity since they are already competitive in comparison with the conventional sources of electricity production.

In the event of any such questioning of feed-in prices or other regulated tariffs, the Group's continuous insistence on seeking competitiveness for its facilities in comparison with other energy production sources would be expected to enable it to sell its electricity production on the spot or forward electricity markets.

Finally, the Group's strong geographical diversity renders it less exposed to any challenge to regulated prices and tariffs within any particular country or region.

Net risk impact: Medium

3.1.5 ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE RISKS

Risk linked to IT infrastructure

The Group's activity is based on the effective and uninterrupted operation of its information system which includes complex and sophisticated IT systems, including the critical infrastructure component, telecommunications systems, control, accounting and reporting and data processing, acquisition and monitoring systems. The Group may suffer computer breakdowns and disruptions of these systems and networks which are used in all its activities including in its highly automated plants and for the distribution and supply of electricity. These can be caused by system upgrade issues, natural disasters, cyber-attacks, the number, complexity and sophistication of which have increased substantially during 2021, accidents, power cuts, telecommunications failures, terrorist attacks or war, computer viruses, physical or electronic intrusions or similar events or disruptions.

Disruptions to the Group's IT systems due in particular to cyber-attacks, such as ransomware, could seriously hinder administrative and commercial operations including causing a loss of sensitive data and compromising operating capacity, which could also lead to loss of service for customers and require substantial expenditure to correct security breaches or system damage. Furthermore, in addition to having a negative effect on the Group's activity, failure in operational monitoring (focused on availability, plant activity and efficiency, accounting and reporting, health and safety and compliance with environmental laws and regulations) may lead to loss of revenue, non-compliance with contractual, regulatory or tax obligations or extra requirements regarding permits and give rise to fines and penalties.

Risk management approach

In order to secure its IT infrastructure, and in particular to preserve the integrity of its most critical information systems and sensitive data, in a context of strong growth, the Group has entered into several contracts with qualified external service providers to ensure the integrity, performance, continuity of service and protection of these systems. These contracts contain special performance obligations, which are subject to regular, detailed monitoring.

The Group has also created an internal IT function, with the recruitment of a Chief Information Officer in January 2020. As part of a medium-term plan currently being implemented, the CIO has undertaken to strengthen the Group's investment in staff and equipment around cyber security, the monitoring and security of the tools used to measure the performance of the production assets, and IT development involving some of the Group's key functions (including operations, financing and human resources). In 2021, the Group launched an overhaul of its IT infrastructure, based on the use of hybrid multicloud solutions to ensure greater resilience to the most critical attacks, such as ransomware[1].

As the main channel for cyber-attacks is now the human vector, in 2021 the Group stepped up its efforts to raise employee awareness of cyber risk by implementing a dedicated training program and conducting phishing test campaigns. These awareness-raising efforts will be continued in 2022 through the use of sophisticated platforms, allowing for individualised educational pathways.

This awareness-raising will be accompanied by the implementation of systems and processes for incident detection and response. For detection purposes, the Group will use proven solutions (Security Operating Center / Security Information and Event Management) that enable permanent, proactive and automated monitoring of possible cyber-attacks against information system components. To ensure that the incident response is appropriate and timely, the Group will use the services of qualified companies with cyber-security expertise.

Net risk impact: High

Risk linked to the approval of facilities by local communities or any challenge to permits, licenses and authorizations once granted to the Group

The wind power and, to a lesser extent, solar power projects developed and operated by the Group may be subject to low acceptance and, and in some cases, opposition from local

[1] Ransomware is a malicious software that blocks access to the computer or files by encrypting them and demands the victim to pay a ransom to get access again. It is a common attack technique of cybercrime.

populations and associations specializing in the fight against wind power installations, particularly in France.

In particular the permits, authorizations and licenses necessary for the construction of a facility may, once granted, become the subject of an appeal filed by local residents and associations who generally cite damage to the landscape, noise pollution, damage to biodiversity or, more generally, harm to the local environment.

Appeals of this kind are very frequent for those of the Group's wind farm projects located in France and may occasionally arise for projects located in the other countries where the Group is present.

When the permits and authorizations obtained by the Group are challenged or cancelled, the periods needed to develop projects are longer and in some extreme cases, may force the Group to abandon projects under development.

On December 31, 2021 none of the Group's 123 solar power projects were the subject of an appeal and 24.5% of its 50 wind power projects (i.e. 12 projects) in awarded, tender-ready and advanced development[10] phases in France had become the subject of an appeal (projects in the early stage phase are not generally sufficiently advanced to be challenged by an appeal). Outside France, two Group projects, one in Finland and the other in Sweden, were under appeal. During 2021, no Group project has been abandoned as a result of appeals. Two wind power projects, one awarded and the other in operation, have been released from appeal.

More generally, no guarantees can be given by the Group that a wind farm or, to a lesser extent, a solar power plant currently under development or operation will be given a positive feedback or be accepted by its neighboring communities. Although various regulations aimed at restricting the exact locations of wind farms or solar power plants already exist, opposition from the local community may make it more difficult to obtain building permits and this may lead to more restrictive new regulations being adopted. A lesser degree of acceptancy by local communities regarding the location of power plants, an increase in the number of appeals or an adverse trend in their outcome could lead the Group to abandon certain projects and, therefore, have an adverse effect on the Group's prospects and financial performance.

Risk management approach

In general, the Group gives priority to information and consultation with local communities. The Group also seeks to avoid, reduce and compensate for the impacts of a project through detailed environmental analysis. These analysis and consultations, combined with the implementation of compensatory measures, make it possible to limit the impact of a project or local opposition, particularly by complying with the IFC's Performance Standards for projects financed by development banks.

That is why, in 2021, the Group has established a framework for sustainable development, summarized in its Sustainability Framework[11], to which it is committed:

- to have environmental impact studies carried out by specialist environmentalists for 100% of its advanced development[10] projects and to compensate, where appropriate, for unavoidable environmental impacts, in accordance with local requirements;
- to consult the community and share information, even when not required by law;
- to develop a Community Engagement Plan[12] for 100% of its new projects with a capacity exceeding 50 MW;
- to maximize its impact on the local economy by interacting with local businesses and professional networks, favoring local suppliers and workers whenever possible, and developing a Local Participation Plan[13] for projects with a capacity exceeding 100 MW;
- to implement local initiatives and sustainable development projects for each project with a capacity exceeding 50 MW.
- to strengthen our ties with local communities by creating a work of art that highlights renewable energy and local culture for each project with a capacity exceeding 50 MW.

For wind power projects, early concertation with local communities makes it easier for facilities to be accepted. Neoen's teams engage in discussion and provide information prior to any submission of requests for authorization as a means of involving local residents in a project's development and taking local issues on board. The means employed are adapted according to the context (presence of other wind turbines nearby, degree of local influence of the associations opposing wind turbines): involvement of local elected representatives, organization of meetings or information sessions for local residents, canvassing, distribution of information sheets, visits to existing facilities, setting up a website dedicated to the project etc.

For the purposes of deployment of such approaches, the Group's project managers interacting directly with local stakeholders are complemented by community relations specialists (in Australia), or by specialized consultants for certain regions (Latin America, Africa or Europe), as a means of ensuring positive relationships over the long term.

Outside Europe, the Group conducts environmental and social impact assessments (ESIA) during the development phase. The social component of these assessments is used not only to establish the Community Engagement Plan, but also to draw up action plans with the communities involved during the construction and operation phases of the project.

[10] For a definition of the various stages of development of the Group's projects, see the glossary in the section 9.6 of this document.

[11] The Sustainability Framework, presented at the Capital Markets Day in March 2021, is the framework that Neoen has given itself to formalize its commitments to sustainable development. Neoen wants to develop responsible and sustainable practices in its modus operandi, its interactions with the communities and the control of its environmental footprint. The Sustainability Framework is available on the Neoen website (https://neoen.com/fr/rse/ / https://neoen.com/en/csr/).

[12] The Community Engagement Plan is a complete internal tool, guiding and marking out all the consultations and interactions that will take place during the life of a project, from the early stages of the feasibility study to its dismantling.

[13] The Local Participation Plan It identifies and lists all potential economic benefits of a project in terms of local and regional development.

Finally, for some projects, in order not to delay the construction and operation of a power plant, the Group may consider the benefits of taking out insurance providing protection against the financial consequences suffered in the event of successful appeal (against the permits obtained by the Group).

Net risk impact: Medium

Risk linked to the Group's ability to retain key executives and employees and to attract and retain new qualified employees

The success of the Group and its ability to pursue its growth objectives depend on qualified executives and employees, particularly certain of the Group's executives and employees with specific expertise in project development, structuring, financing, engineering, construction, operation and maintenance. In view of their expertise in industry in general, their knowledge of the Group's operating processes and their relations with the Group's local partners, the loss of the services of one or more of these persons might have significant negative impact on the growth, project development, financial position and income of the Group.

As the Group extends its activities, its portfolio and its geographical presence, its operational success and its ability to achieve its business plan largely depend on its ability to attract and retain additional qualified personnel with specific technical or market segment expertise, including in the many international sites where it is established.

For example, the presence of the Group's personnel and engineering capacity in the field are crucial to the development of new projects and the operation of existing assets. The success of projects depends on the recruitment and retention of personnel worldwide with sufficient expertise to enable the Group to meet its analysis and report production requirements with accuracy and on a timely basis. There is substantial competition in the renewable energy industry to attract qualified personnel with the necessary expertise and the Group cannot guarantee that it will be in a position to recruit sufficient personnel to support its business plan and growth. The inability to recruit and retain qualified personnel could have a significant negative effect on the Group's activities.

In addition, executives and other employees with technical or sectoral expertise may sometimes leave the Group. As the Group's visibility and reputation grow, its employees also become more sought after. If the Group is unable to quickly appoint qualified and effective successors or cannot effectively manage temporary gaps in expertise or other disruptions created by such departures, this could have a significant adverse impact on its business and growth strategy.

Risk management approach

The Group attaches great value to its human capital, which is one of its fundamental strengths, and seeks to encourage the emergence of talent notably by confronting employees with new positions and experiences within the Group's various subsidiaries.

Each year, the Group reviews its workforce and identifies key functions and profiles for which special retention policies and succession plans are put in place.

For that reason, the Group strongly supports functional and international mobility on the part of its employees.

The Group has also historically offered its key employees the benefit of stock option plans and free share allocation plans (please refer to chapters 4, 6 and 7 of this document).

Lastly, an incentive plan was set up in France in 2019 and an employee shareholding scheme for the Group's French employees in March 2020, April 2021 and March 2022. These offered each beneficiary the opportunity to acquire new shares at a preferential price (please refer to chapters 4, 6 and 7 of this document).

Net risk impact: Medium

Risk linked to climate change and to extreme weather events

The risks linked to climate change or extreme weather events could have a material impact on the Group's facilities and activities. To the extent that climate change triggers fluctuations in temperature, wind resources and meteorological conditions, generates an increase in average cloud cover or increases the intensity or frequency of extreme weather events, it is possible that it could have an adverse effect on the Group's facilities and business. Moreover, extreme weather events may cause damage to the Group's facilities, increase the incidence of downtime, increase operating and maintenance costs or interfere with the development and construction of large-scale projects. For example, in certain markets in which it is present, the Group has already had to deal with extreme weather events such as earthquakes in El Salvador.

Risk management approach

The Group's approach to managing climate change and extreme weather events has three components:

- the construction of assets in line with robust (seismic, wind, flooding etc.) standards;
- real-time monitoring of the climate conditions applicable to the Group's installations designed to provide a detailed and immediate understanding of the current implications of climate change for its assets and to identify and anticipate any actions required in the event of excessive variations;
- insurance cover for these assets, in which weather issues play a fundamental role. The transfer of risks to the insurance market is defined based on clear criteria regarding the financial strength of the partner insurers and their ability to cover the major weather events and natural disasters that could affect the Group's assets. Given the current tightening of the global insurance market, the Group may be obliged to conduct technical studies to define the level of guarantees appropriate to the risks of each asset. The insurance includes cover for physical assets (property damage), the expected income from assets (operating losses), as well as additional O&M costs incurred during the repair of a disaster. This revised cover, as described in section 3.2, "Insurance and risk management", protects the Group and its assets as much as possible against uncertainty due to extreme weather events.

Net risk impact: Medium

Risk linked to meteorological conditions, notably wind and sun resources

The Group invests and plans to continue investing in electricity generating projects dependent on wind and sun. On December 31, 2021, the Group's solar facilities and wind farms in operation represented 1,997 MW and 969 MW respectively, i.e. approximately 57% and 28% of its total operating capacity.

Generating levels for the Group's solar and wind power plants depend closely on the degree of irradiation for solar power facilities and the kinetic energy of the wind to which wind turbines are exposed, both of which are resources beyond the Group's control and which may vary significantly depending on the period. Predicting general meteorological conditions, such as seasonal variations in resources, is complex given particularly that exceptional poor weather conditions may lead to temporary fluctuations in generating levels and in the levels of income generated by power plants.

Insufficient levels of irradiation or wind may trigger a reduction in the amount of electricity generated. Conversely, excessive heat may lead to a reduction in the amount of electricity generated by solar power plants and wind in excess of a certain speed may cause damage to wind farms and force the Group to shut down turbines.

Risk management approach

As at the date of this document, although the Group conducts most of its business in France (26% of the MW in operation as at 31 December 2021) and Australia (42% of the MW in operation as at 31 December 2021) and in the Americas (25% of the MW in operation as at 31 December 2021), its strategy of geographic and technological diversification of its project portfolio should limit the consolidated size of this risk in the future.

The Group makes forecasts relating to the amount of electricity generated using statistical surveys based on the past meteorological record for sites. The Group's internal rate of return and the financial covenants negotiated in the context of project financing are generally based on the assumption that these forecasts will be statistically accurate over the long term.

The estimates regarding the level of irradiation and wind resources per site created on the basis of the Group's own experience and studies carried out by independent engineers may however not reflect the actual level of solar and wind resources of a given site for a given period. The Group may therefore carry out further studies if there are persistent discrepancies between its initial estimates and the actual level of resources affecting certain assets, and revise its forecasts accordingly for that specific asset, but also for future projects with similar characteristics.

As a responsible manager, the Group monitors attentively the development of insurance or other financial cover for the availability or unavailability of renewable natural resources and more particularly, of wind and sun resources. Although it has not yet considered appropriate to subscribe such cover, given its high cost and currently uncertain effectiveness, it continues to follow the trends in such products the purpose of which is to protect assets' economic performance in the event of scarcity or excess of renewable natural resources.

Net risk impact: Low

3.2 INSURANCE AND RISK MANAGEMENT

Risk management is an integral part of the Group's operating activities. As a developer and operator of solar, wind and storage facilities, the Group adapts its range of risk control measures either internally or via the transfer of such risk by means of insurance.

3.2.1 INSURANCE

In the context of its business, the Group has implemented insurances:

- at the Company level, essentially to cover the risk of third party liability which exists Group-wide, as well as to cover the risks associated with business travel by the Group's employees and corporate officers;
- at the level of project companies, covering insurable risks relating to the development, construction and operation of their solar, wind and storage facilities.

Insurance policies are defined and managed in-house by specific department, under the responsibility of the General Counsel, who works closely with various teams (operation, development and legal teams) worldwide and with the Group's insurance brokers. Given the hardening global insurance market, the Group is making every effort to obtain suitable insurance cover for each risk (i) by creating partnerships with major market players, and (ii) by conducting technical studies to accurately determine the risks of a project, including in the event of a natural disaster or terrorist attack.

3.2.1.1 THE GROUP'S THIRD PARTY LIABILITY AND BUSINESS TRAVEL INSURANCE

The insurance policies taken out by the Company to cover all Group entities and their employees and corporate officers are essentially third party liability policies as well as an "individual accidents" policy. As at the date of this document, the Group has taken out the following main insurance policies with the levels of cover (and limits of indemnity) that it considers appropriate and usual for businesses operating in the same market:

- international public liability insurance taken out with HDI, the purpose of which is to protect the Group, its representatives and employees located in France and in the other countries in which the Group operates against the financial consequences of any liability that they may incur as a result of bodily injury and material and consequential damage resulting from faults, errors of fact or law, oversights, omissions or inaccuracies committed by them or their employees and caused to third parties, including the Group's customers, in the performance

of their professional activities. This insurance also includes a "criminal defence" component that covers the payment of the fees of the agents (lawyers, solicitors, bailiffs and experts) and the costs necessary to defend the Group if it is prosecuted for a serious claim. The total amount of all these guarantees is capped per claim and per insurance year, with sub-limits per type of damages. This insurance consists of a "master" policy and "local" policies in the countries in which the Group operates in accordance with local regulations. The "master" policy is intended to supplement the "local" policies;

- a third party liability insurance program for executives and corporate officers, provided by AIG (as lead insurer) and Liberty, intended mainly to provide cover for directors, executives and corporate officers of Group entities worldwide against the financial consequences of any claims filed against them on the basis of any professional fault committed in the performance of their duties. The program also covers defense costs incurred by insured persons in proceedings in the civil, criminal and administrative courts;

- a business travel or "individual accident" insurance policy, provided by AIG, covering all employees, corporate officers, executives and directors of the Company, or any other person tasked with an assignment by the Company, including expatriates and seconded employees, against any losses arising in the context of their business travel by air or land etc. The total value of the guarantees is capped per claim with sub-limits imposed by type of loss. The policy is complemented by insurance provided by Covéa Fleet which provides cover for the personal vehicles of employees on assignment in the event of material and non-material damage and without limitation in the event of bodily harm occurring in France.

The insurance policies taken out by the Group contain caps, exclusions and deductibles which could, in the event of a major claim or of a lawsuit filed against the Group, have adverse consequences. Moreover, the probability that the Group may be obliged to pay indemnities, and/or expenses that are insufficiently or not covered by its insurance policies, cannot be excluded in certain cases.

3.2.1.2 INSURANCE SPECIFIC TO PROJECT COMPANIES

In the performance of its activities relating to the development and operation of wind, solar and storage projects, the Group is protected via insurance policies against any losses and incidents that may arise and impact a facility.

The Group's overall policy of insurance is based on the following principles:

- each Group project must be covered by:
  - a "construction all risks" policy covering both the Company and the project company against the risks of accidental damage to assets and associated loss of revenue as well as third party liability (including accidental pollution risks) that may occur during the construction of the facility-The use of a "construction all risks" or "construction and erection all risks" policy provides insurance proceeds without seeking liability, to avoid delay during construction. Depending on the project's risks, this policy may also include a transport and terrorism section;
  - once a facility has been commissioned, operating insurance providing cover for third party liability (including for accidental environmental damage), accidental damage to assets and associated loss of revenue caused by or to the facility (for example fire, theft and acts of vandalism, natural disasters etc.) In certain cases, this policy may equally include cover for potential losses resulting from terrorism;
- although each project has its own cover separate from that of the other projects, this cover must be consistent with the Group's policy on insurance cover. In the particular case of French solar projects, standard terms and conditions have been set out in framework policies negotiated beforehand by the Group with leading insurers, including insurance brokers. Thus, as at the date of this document, framework policies have been taken out with AXA France and Gothaer to cover the Group's photovoltaic and wind farm assets located in France, both under construction and in operation in order to cover respectively, the third party liability risks as well as the risks of accidental damage to assets and associated loss of revenue;
- concerning its international business, the Group has undertaken a project to harmonize and rationalize its international insurance policies. In 2020, it took out an international insurance policy with leading insurers, whose lead insurer is AGCS, to cover operational assets for the risk of accidental damage to assets and associated loss of revenue. Construction policies covering these projects are taken out at the end of requests for quotations organized with the support of an international broker. In these situations, the Group relies in particular on its local financial partners;
- insurance policies are generally audited by the lenders financing a project who ask to be designated as additional insureds in order to be able, if applicable, to receive any potential insurance proceeds in the event of a claim by subrogation in the framework of the loan agreements;
- finally, the insurance policies taken out by project companies contain limits of indemnity, deductibles and exclusions calibrated on a project-by-project basis, the levels of which are set appropriately further to analysis performed by the Group in consultation with the lenders.

In addition to this general policy, certain mandatory local insurance policies are put in place based on the country concerned, such as for example (i) local insurance taken out in the United States to cover rental risk incurred by the US subsidiary for its use of land and (ii) specific insurance which may be taken out in order to obtain cover for specific risks such as earthquake risk in El Salvador.

In order to ensure that consistent insurance policies are put in place and to guarantee a satisfactory level of cover, the Group has in particular established guidelines to determine the method to be adopted with regard to insurance during the construction phase of projects being developed.

As at the date of this document, the Group has put in place a policy for the coverage of its key insurable risks with levels of guarantee that it considers compatible with the nature of its activities. In the future, the Group does not contemplate any particular difficulty in retaining adequate levels of insurance within the limit of market conditions and availability. The current tightening of the insurance markets may ultimately affect the amounts of deductibles or policy limits, as well as the availability

of certain insurance guarantees, but the Group does not anticipate any particular difficulty in insuring its assets on the basis of acceptable terms and conditions consistent with its current risk management policy.

Over recent years the Group has not experienced any material losses calling its insurance policies into question.

3.2.2 RISK MANAGEMENT

Risk management comprises the measures implemented by the Group in order to survey, analyze and control the risks which it faces in the context of its activities in France and abroad. The Group places special focus on risk management and has developed structured measures aimed at implementing an active policy in terms of risk management providing assurance that its major and operating risks are identified and under control. The set of measures used is applicable to the Group worldwide, inclusive of all activities, functions and territories.

Risk management is considered a priority by the Group which has put in place a coherent set of measures for risk management and internal control. The Group's risk management and internal audit approach is based on a set of resources, policies, procedures, behaviours and actions aimed at ensuring that all necessary measures are taken in order to:

- verify the effectiveness of operations and the efficient use of resources; and
- identify, analyze and control all risks which may have a material impact on the Group's assets, income and operations and on the achievement of its objectives whether operational, commercial, legal or financial or related to compliance with laws and regulations.

An organization and tools to provide structure have been put in place to support these measures at all levels of the Group's organization.

3.2.2.1 RISK MAPPING

The Group has perfected a risk mapping procedure to identify the major risks relating to its business, as described in paragraph 3.1.1 "risks related to the Group's line of business" of this document, with support from a specialized external consultant. The process used for this risk mapping, which was put in place in 2016, has allowed the key risks to which the Group is exposed to be identified and each risk to be assessed in accordance with the methodology defined.

Management of all of the Group's activities and functions are closely involved in the risk mapping process, thereby enabling the objectives and challenges faced by all stakeholders to be taken into account. The exercise consists of identifying those risks which are most significant for the Group, sorted into different categories (development, operating, financial etc.). A description of the risks and their causes is prepared and, for each risk, the probability of occurrence, potential impact on the Group and degree of current control are all assessed. Further to the assessment of the degree of control of such risks, action plans are defined for those risks considered to be insufficiently controlled. The Executive Committee is responsible for progress made in the implementation of action plans.

Every three years, the main risks faced by the Group are subject to a process of updating the risk map, overseen by the Chief Executive Officer. Each update is presented to the Audit Committee. The risk map was last updated in the second half of 2019.

Risk mapping is a control risk management tool. Consequently, this mapping and more generally the risk environment were analysed by the Executive Committee in the second half of 2021 against the backdrop of the gradual recovery from the health crisis and presented to the Audit Committee.

The Group experienced significant imbalances in supply chains and in the logistics of delivering equipment used in the construction of power plants during 2021. These imbalances are the direct consequence (delays in the delivery of photovoltaic panels), or indirect consequence (additional transport costs) of the global health crisis. As their impact on the development and financing of projects (additional costs and delays), as well as on their execution (delays) is likely to be significant, the Group has therefore decided, in agreement with the Audit Committee, to revise the qualification of the risk associated with fluctuations in the prices of components needed to produce renewable equipment from medium to high.

In addition, the Group saw a marked increase in the risk of occurrence of malicious cyber actions and information system security breaches in 2021. This trend was also confirmed in the first months of 2022. Many companies and organisations of various sizes have been affected, financially and operationally, by increasingly sophisticated attacks carried out by various actors, ranging from simple hackers to structured criminal organisations, or even states. The energy sector in particular has been increasingly targeted. The first months of 2022 have also confirmed this trend. The Group has been the target of a larger number of phishing and «Chairman fraud» attempts, which, although they have not had any direct consequences because they have been identified and blocked, have underlined the growing nature of the cyber threat, particularly in a context of increasing remote work associated with the COVID-19 pandemic. As a result, the Group has decided, with the agreement of the Audit Committee, to re-evaluate the IT infrastructure risk rating from medium to high

It does not seem that the net level of other risks has increased or changed compared to the previous situation.

Focus on fraud risk

Specific action has been taken to control the risk of fraud. In order to face this major risk, awareness-raising training has been specifically designed and rolled out to all employees within the Group's Finance department.

In addition, training on cybersecurity topics by a speaker from the General Directorate for Internal Security (DGSI) was organized for all the Company's workforce in January 2019. In 2020, following the arrival of its Chief Information Officer, the Group also commissioned an external audit of its cybersecurity risk exposure, which led to the strengthening and implementation of several internal policies, the deployment of dedicated protection tools focusing in particular on securing data exchanges and workspaces, and ensuring that all employees are made aware of the risks associated with cybersecurity by providing e-learning courses on the subject.

Specific alerts have been issued regarding the types of fraud to which the Group has particular exposure, such as the so-called "Chairman" fraud (a form of external fraud which consists in stealing the identity of the Chairman and then requesting fund transfers) and fraud involving suppliers' bank details (another form of external fraud which consists in stealing the identity of a regular supplier whose bank details are then replaced by those of the fraudster prior to performance of an invoice payment).

Specific monitoring activities have also been defined in order to manage this risk at an operational level and these have been integrated into the various different processes concerned.

Focus on corruption risk

Integrity is one of the Neoen values that guide its relationship and activities with all contacts, partners, customers and local populations. Shared by all Group employees, these values are the foundations on which Neoen's identity and the intangible benchmarks for the everyday behaviour of its employees are built.

The Group chooses partners whose actions follow the same principle of absolute integrity in all situations. This integrity enables the Group to be completely transparent when conducting its projects.

In 2018, an external body carried out a compliance audit on the Group, which mainly focused on anti-corruption issues. Following this audit, an action plan was drawn up and training was provided to Group employees deemed to be the most exposed to corruption risks in early 2019 (this training was one of the measures in the action plan).

At the end of 2020, the Group reviewed its ethics charter. As part of this review, the Group decided to formalize its corruption risk prevention measures in a separate code of conduct published on its website.

Lastly, for the syndicated credit facility put in place by the Company in March 2020, the Company pledged to set up a training plan on anti-corruption issues, provided face-to-face for those deemed to be the most exposed and via online training for the rest of the teams. Face-to-face trainings under this framework were conducted in September 2020 and September 2021 and online training campaigns were conducted during November-December 2020 and November 2021.

3.2.2.2 ORGANIZATIONAL FRAMEWORK FOR RISK MANAGEMENT AND INTERNAL CONTROL

Roles and responsibilities in risk management and internal control have been clearly defined within the Group.

Management responsibilities in this area form part of the Group's particular culture and are anchored in its various management bodies notably for project management and business monitoring (local Development, Construction and Management Committees).

The Executive Committee is at the heart of this process. It is responsible for the design of the overall approach and examines and oversees all subjects relating to risk management and internal control. It ensures implementation within the Group of its internal control process and of the action plans generated by the risk mapping exercise.

More specifically, the CFO is responsible for coordinating the implementation, management and reporting of the internal control system, with the support of internal teams and dedicated external service providers. He also coordinates the process of updating the risk map.

In addition, business process owners have been designated within the Executive Committee to manage the audit tools (resources, policies, procedures, actions etc.) necessary for the control of each process.

Finally, the Audit Committee plays a role in terms of risk management and internal control by requiring a report to be submitted at least once per year and challenging the range of measures put in place by the Group. The report is compiled under the responsibility of the Group Chief Financial Officer.

Focus on the preparation of financial and accounting information

The Group's financial and accounting information is prepared on the basis of information systems which ensure the completeness of recording and proper measurement of transactions and support financial reporting at both the Company and consolidated levels reflecting the Company's accounting policies.

The Group's interim and annual consolidated financial statements are prepared, under the authority of the Group's Finance Department, as follows:

- dissemination of the Group's accounting policies in the form of a manual of procedures;
- preparation and transmission to subsidiaries, by the Group's Finance Department, of consolidation instructions including detailed timing requirements;
- preparation of consolidated financial statements covering the Group's full scope of consolidation and based on the information communicated by Group entities;
- use of a unique centralized consolidation tool.

At each period end the Group's central accounting teams review the accounts submitted, perform period to period analytical review and analyze variances against budget and rolling forecast.

Their work is complemented by that of the Group's statutory auditors covering the Company's annual statutory accounts and the Group's consolidated financial statements.

3.2.2.3 SYSTEM OF INTERNAL CONTROL

The Group's system of internal control is intended to ensure that all accounting and financial information produced is reliable and to guarantee compliance with all laws and regulations applicable to the Group as well as operational efficiency. It is mainly supported by a control environment, by control activities and by dynamic management.

Should any significant weaknesses in the Group's internal control nevertheless arise in the future, they might lead to material

misstatement of the Group's consolidated financial statements potentially obliging it to restate its financial statements or leading to a loss of investor confidence in the reliability and completeness of its financial statements and thereby having negative impact on the market price for the Company's shares.

The control environment is particularly based on the corporate culture disseminated by the Company. The Group has defined and deployed an ethical charter and actively demonstrates a managerial culture sensitive to risk management. The Group's organization and its clearly defined roles and responsibilities, supported by the chart of authorities it has put in place, also contribute to a solid control environment. Its chart of authorities is regularly reviewed for consistency with the Group's needs as it grows.

Control activities have been defined for ten major operational, supporting or cross-departmental processes identified by the Group. For each one, control activities have been listed and circulated via control matrices. This work has been performed under the responsibility of each business process owner. The control activities were defined on the basis of the operating risks identified in each of the processes and via the risk mapping process. They were clearly detailed and defined in order to ensure ease of rollout by all Group subsidiaries. In addition to this organization, a concrete set of tools (checklist, model documents etc.) was designed and circulated within the Group for improved appropriation and implementation of the control activities in a harmonized manner across all territories.

Finally, implementation of the internal control system is assessed annually. Internal control self-assessment campaigns were performed in 2017 and late in 2018 (in the form of a cross-departmental audit). Each relevant manager thus prepared an assessment, for his or her area of responsibility or that of a colleague, of the effectiveness of the control measures defined by the Group, thereby allowing the level of deployment of internal control within the Group to be assessed and also enabling action plans to be drawn up with the aim of strengthening any activities not sufficiently controlled at the time. The results of the campaigns were then reported to the Executive Committee and the Audit Committee.

In the second half of 2019, the Group initiated an external audit campaign, firstly, to ensure that the defined controls were properly implemented and secondly, to check that the measures for controlling major risks — as well any other major risks identified between two risk map updates — were working properly. This audit, which specifically covered the controls used to prepare the financial statements and to produce the Group's financial information for France, was carried out in 2020on the Group's Australian entities, then in 2021 on the scope of the Group's Salvadorian entities and on certain controls applicable to the French entities and to the Company. It is due to be extended to other Group countries in 2022, by geographical rotation and by process.

Lastly, internal controls on compliance are described in paragraph 3.2.2.1 "risk mapping" of this document. Although the Group has established internal control policies and procedures in order to identify any fraud, such policies and procedures may nevertheless not identify and protect the Group against fraud or other criminal acts perpetrated by its employees or agents or by those of its affiliated companies.

Should employees or agents of the Group or of its affiliated companies be involved in fraud or criminal or unethical activities, financial penalties could be imposed on the Group and the Group could be the subject of investigations carried out by the criminal or regulatory authorities or become the subject of disputes or litigation, which could have a material adverse effect on its reputation, activities, financial position or results.

3.2.2.4 MANAGEMENT OF FINANCIAL RISK

Interest rate risk

The Group has exposure to market risk in connection with its investment activities. This exposure is mainly linked to fluctuations in the interest rates applied to its project borrowings.

The following table summarizes the Group's exposure by interest rate type on December 31, 2020 and 2021:

(In millions of euros)	31.12.2021	31.12.2020
Fixed rate borrowings	1,213.5	1,030.1
Floating rate borrowings	1,693.3	1,609.5
Hedging	46.7	109.8
TOTAL BORROWINGS AFTER HEDGING	**2,953.4**	**2,749.4**

As a matter of principle, project financing arranged, in general, at floating rates and the flows of floating interests are covered by hedging which, in general, represents 75% or more of the amount financed at floating rates. Interest rate risk is hedged via over-the-counter instruments (interest rate swaps) with international banking counterparties which are measured at fair value and, for the portion of the hedging which is assessed as effective, recorded in consolidated equity, while changes in the fair values are recorded in the consolidated statement of comprehensive income in the section 4.1 – note 19.2 "net debt" of this document.

The aim of the Group's risk management policy is to limit and control the impact of fluctuations in interest rates and their repercussions on income and cash flows.

The following table sets out the Group's use of derivatives on December 31, 2020 and 2021 for the purpose of hedging its exposure to interest rate risk:

	Notional value per maturity					
(In millions of euros)	Less than 5 years	More than 5 years	Total	Fair value	Recorded as equity	Recorded as income
At December 31, 2020						
Interest rate swaps - Solar	(128.1)	(306.0)	(434.1)	(54.4)	60.4	-
Interest rate swaps - Wind	(159.1)	(425.4)	(584.5)	(54.2)	81.5	-
TOTAL	**(287.2)**	**(731.4)**	**(1,018.6)**	**(108.6)**	**141.9**	**-**
At December 31, 2021						
Interest rate swaps - Solar	(340.3)	(336.4)	(676.7)	(12.1)	15.8	-
Interest rate swaps - Wind	(200.6)	(435.9)	(636.5)	(6.9)	28.6	-
TOTAL	**(540.9)**	**(772.3)**	**(1,313.2)**	**(19.0)**	**44.5**	**-**

Counterparty risk

Counterparty risk is the risk of default by co-contracting parties, in particular the counterparties to power purchase agreements, with regard to the performance of their contractual commitments, which may generate financial losses for the Group.

The following table summarizes the situation of the Group's trade receivables on December 31, 2020 and 2021:

(In millions of euros)	31.12.2021	31.12.2020
Trade receivables	81.6	73.2
Impairment of trade receivables	-	-
TOTAL	**81.6**	**73.2**

The Group sells most of the electricity generated by its plants via power purchase agreements or contracts for difference signed with state-owned counterparties (states or state-run businesses), electricity distribution companies and also a limited number of private purchasers.

The share of power purchase agreements held by private entities and market counterparties (spot exposure) is nevertheless expected to increase in the future.

The Group could design and develop some of its projects with a view to selling their electricity production on the future or spot markets, in accordance with the objectives set for exposure to electricity market risks. It should be remembered that the Group aims to ensure that the share of its operational installed capacity whose revenues are exposed to market prices does not exceed 20% of its total capacity in operation, excluding dedicated storage facilities directly connected to the networks. In cases where the counterparty to the electricity sales contract is a private company, its credit rating is taken into account when calculating the target internal rate of return (IRR) of the underlying project. If the counterparty is a market counterparty, a risk premium is also added to the project's target IRR calculation.

With regard to the counterparty risk associated with its cash management and interest rate or foreign exchange hedging, the Group invests its liquid and semi-liquid cash resources and signs interest rate and foreign exchange hedging agreements with leading financial establishments.

Liquidity risk

Liquidity risk is the risk of the Group not being in a position to meet its cash requirements using its available resources.

The table below summarizes the Group's available resources (liquidity position) as of December 31, 2020 and 2021 (see the section 4.1 - note 21.4 "liquidity risks" of this document):

(In millions of euros)	31.12.2021	31.12.2020
Cash and cash equivalents:	592.6	374.9
of which short-term investments	67.9	0.7
of which available cash resources	524.6	374.2
Overdrafts available	238.0	238.0
TOTAL	**830.5**	**612.9**

Short-term investments by the Group are fully available to the Company which holds them and do not generate any risk of change in value.

4

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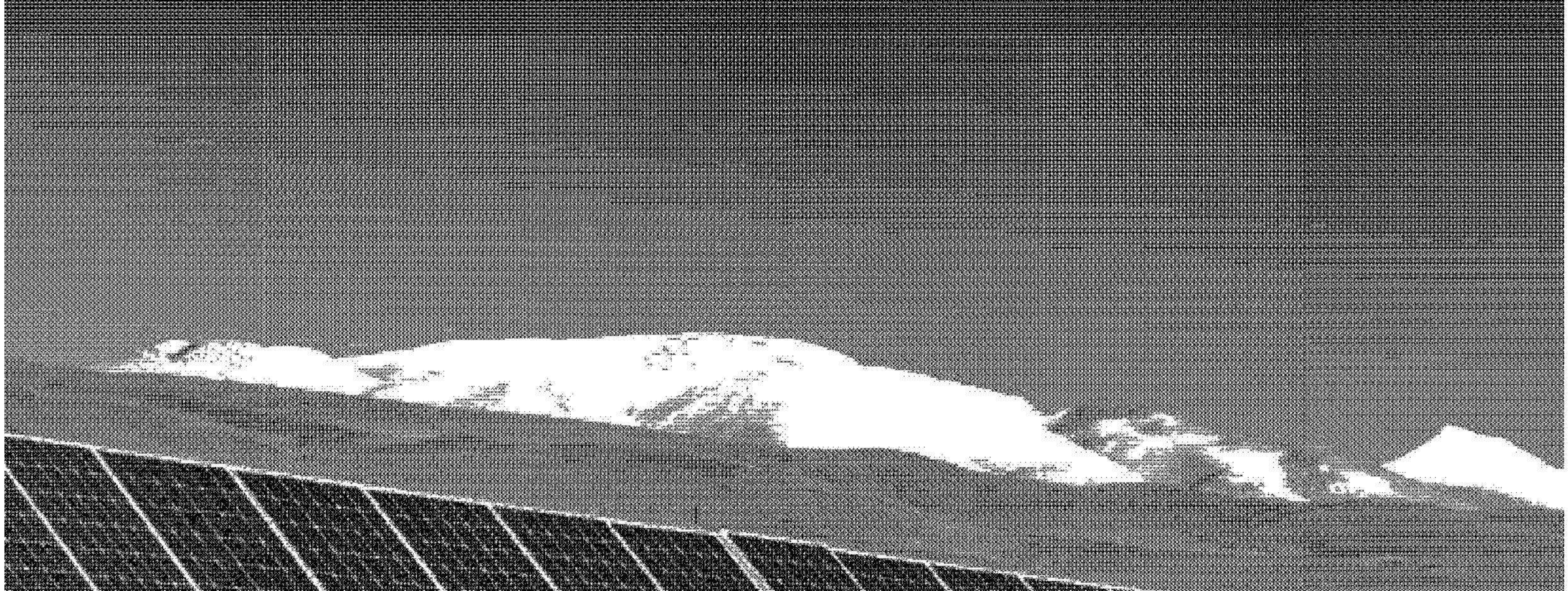

4.1 NEOEN GROUP CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

4.1.1 CONSOLIDATED INCOME STATEMENT

(In millions of euros, except for earnings per share data)	Notes	FY 2021	FY 2020
Energy sales under contract		249.3	235.1
Energy sales in the market		74.7	58.7
Other revenues		9.6	5.0
Total Revenue	**6**	**333.6**	**298.8**
Purchases net of changes in inventories	7.1	2.5	2.9
External expenses and payroll costs	7.3 and 8.1	(66.0)	(73.9)
Duties, taxes and similar payments	11.1	(7.5)	(7.7)
Other current operating income and expenses	9	54.4	49.6
Share of net income of associates	13	0.3	0.7
Current operating depreciation, amortization and provisions	12.2 and 12.3	(107.6)	(109.8)
Current operating income		**189.6**	**160.5**
Other non-current operating income and expenses	10	(8.0)	(4.0)
Impairment of non-current assets	10	(10.4)	(14.1)
Operating income		**171.2**	**142.4**
Cost of debt		(106.5)	(101.8)
Other financial income and expenses		(11.2)	(15.9)
Net financial result	**19.1**	**(117.7)**	**(117.7)**
Profit before tax		**53.5**	**24.8**
Income tax	11	(13.3)	(21.4)
Net income from continuing operations		**40.2**	**3.3**
Consolidated net income		**40.2**	**3.3**
Group share of net income		41.0	3.9
Net income attributable to non-controlling interests		(0.8)	(0.5)
Basic earnings per share (in euros)		0.39	0.04
Diluted earnings per share (in euros)		0.35	0.03

4.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income presents the net income as well as other comprehensive income in respect of the financial year (i.e. income and expense items that are not recognised in net income under IFRS).

In millions of euros	Notes	FY 2021	FY 2020
Consolidated net income		**40.2**	**3.3**
Foreign exchange differences[1]		37.0	(25.5)
Cash flow hedging (interest rate swaps)[2]	19.3	100.6	(39.9)
Deferred tax for cash flow hedging[2]		(26.9)	9.6
Others		0.5	-
Items recyclable through profit or loss		**111.2**	**(55.8)**
Total comprehensive income		**151.4**	**(52.5)**
of which: Net Income - Group share		145.9	(48.6)
of which: Net Income - attributable to non-controlling interests		5.5	(3.9)

(1) In 2021, the foreign exchange differences are mainly due to the favourable change in the exchange rate of the US dollar and the Australian dollar against the euro, amounting to €27.7 million and €8.8 million respectively. In 2020, the foreign exchange differences were due to the unfavourable change in the US dollar exchange rate for €(31.2) million and for €5.7 million to the favourable change in the Australian dollar exchange rate.

(2) Cash flow hedging represents changes in the fair value of derivative financial instruments considered effective within the meaning of IFRS 9 "Financial Instruments". As these instruments are effective, the change is recognized in "other comprehensive income" in the financial statements together with the corresponding deferred tax.

4.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros	Notes	31.12.2021	31.12.2020
Goodwill	12.1	0.7	0.7
Intangible assets	12.2	269.3	208.7
Property, plant and equipment	12.3	3,677.6	2,838.7
Investments in associates and joint ventures	13	16.6	7.3
Non-current derivative financial instruments	19.3	30.4	2.2
Non-current financial assets	14	83.0	92.1
Other non-current assets[1]		11.1	0.1
Deferred tax assets	11.3	58.3	62.2
Total non-current assets		**4,147.0**	**3,212.0**
Inventories	7.2	8.7	4.7
Trade receivables	6.2	81.6	73.2
Other current assets	15	115.3	112.3
Cash and cash equivalents	16	592.6	374.9
Total current assets		**798.2**	**565.1**
Total assets		**4,945.1**	**3,777.1**

In millions of euros	Notes	**31.12.2021**	**31.12.2020**
Share capital		214.1	171.1
Share premium		1,053.4	502.3
Reserves		59.2	(40.3)
Treasury shares		(3.1)	(0.1)
Group share of net income		41.0	3.9
Group share of equity	**17**	**1,364.7**	**636.8**
Non-controlling interests	17	9.2	4.8
Total equity	**17**	**1,373.9**	**641.6**
Non-current provisions	18	75.8	57.4
Non-current project finance	19.2	2,140.1	2,027.1
Non-current corporate finance	19.2	337.5	325.4
Non-current derivative financial instruments	19.3	23.3	90.2
Other non-current liabilities[2]		31.6	22.3
Deferred tax liabilities	11	85.7	53.3
Total non-current liabilities		**2,694.1**	**2,575.7**
Current provisions	18	0.3	0.5
Current project finance	19.2	427.7	273.1
Current corporate finance	19.2	1.3	14.0
Current derivative financial instruments	19.3	23.3	19.6
Trade payables	7.4	340.4	173.9
Other current liabilities	20	84.1	78.7
Total current liabilities		**877.1**	**559.7**
Total equity and liabilities		**4,945.1**	**3,777.1**

(1) Other non-current assets mainly correspond to discounts recognized in advance by the Group, in accordance with its contractual obligations, in connection with the execution of a long-term electricity sales contract in Australia. The liabilities associated with these contractual obligations are recognized in other non-current and current liabilities.

(2) Other non-current liabilities correspond mainly to deferred payments, due in more than one year, related to the acquisition of assets under development in Europe and Australia.

4.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in millions of euros	Share capital	Share premium	Reserves and retained earnings	Treasury shares	Other elements of comprehensive income[1]	**Group share of equity**	Non-controlling interests	**Total equity**
Total equity as of January 1st, 2020	**170.2**	**501.0**	**85.2**	**(3.8)**	**(91.6)**	**661.0**	**19.5**	**680.5**
Comprehensive income for the period	**-**	**-**	**3.9**	**-**	**(52.5)**	**(48.6)**	**(3.9)**	**(52.5)**
Distribution of dividends	-	-	-	-	-	-	(10.9)	(10.9)
Share capital increase	0.9	1.2	24.9	-	-	27.0	0.0	27.1
Share-based payments	-	-	6.2	-	-	6.2	-	6.2
Change in treasury shares	-	-	(7.5)	3.7	-	(4.1)	-	(4.1)
Changes in consolidation scope and other changes	(0.0)	-	(4.7)	-	-	(4.7)	-	(4.7)
Total equity as of January 1st, 2021	**171.1**	**502.3**	**107.6**	**(0.1)**	**(144.1)**	**636.8**	**4.8**	**641.6**
Comprehensive income for the period	**-**	**-**	**41.0**	**-**	**104.9**	**145.9**	**5.5**	**151.4**
Distribution of dividends	-	-	-	-	-	-	(0.2)	(0.2)
Share capital increase and reduction[2]	43.0	551.2	-	-	-	594.1	(2.4)	591.7
Share-based payments	-	-	8.5	-	-	8.5	-	8.5
Transactions with non-controlling interests[3]	-	-	0.6	-	0.0	0.7	1.6	2.2
Change in treasury shares[4]	-	-	(9.0)	(3.0)	-	(12.1)	-	(12.1)
Changes in consolidation scope and other changes	0.0		(9.4)	-	-	(9.3)	-	(9.3)
Total equity as of December 31st, 2021	**214.1**	**1,053.4**	**139.3**	**(3.1)**	**(39.1)**	**1,364.7**	**9.2**	**1,373.9**

(1) "Other elements of comprehensive income" includes exchange differences arising from changes in the exchange rate of foreign currencies against the euro affecting the entities of the Neoen Group as well as the change in fair value of derivative financial instruments qualifying as hedges.

(2) See note 17.

(3) In 2021 (as in the previous year), transactions with non-controlling interests relate exclusively to put options on minority interests. In accordance with IAS 32 "Financial Instruments: Presentation", liabilities are recognized by the Group in respect of its commitment to repurchase minority interests. The Group's accounting policy is to recognize these liabilities and their subsequent changes in equity (Group share).

(4) During 2021, Neoen S.A. bought 251,927 of its own shares for allocation under stock option or free share plans, and increased its number of treasury shares (+ 52,951) under a liquidity contract (entrusted to Kepler Cheuvreux and in accordance with the code of ethics recognized by the Autorité des marchés financiers (AMF)), for a total amount of €12.1 million. A free share plan expired on May 31, 2021, resulting in the recognition of €(4.7) million in reserves, corresponding to the allocation of 110,807 treasury shares to employees (see note 8.3).

4.1.5 CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Notes	FY 2021	FY 2020
Consolidated net income		**40.2**	**3.3**
Eliminations:			
• of the share of net income of associates	13	(0.3)	(0.7)
• of depreciation and provisions	10, 12 and 18	117.5	111.1
• of gains and losses on sale[1]	10	(42.0)	4.1
• of calculated income and expense related to share-based payments	8.3	3.2	4.9
• of other income and expense without cash impact[2]		3.9	5.8
• of the tax charge	11	13.3	21.4
• of the cost of net borrowings	19.1	106.5	101.8
Impact of changes in working capital[3]		44.3	(11.3)
Taxes paid (received)		(10.6)	(16.1)
Net cash flows from operating activities		**276.0**	**222.3**
Acquisitions of subsidiaries net of treasury acquired[4]		(32.2)	(11.0)
Sales of subsidiaries net of cash transferred[5]		72.1	0.0
Acquisition of intangible and tangible fixed assets[6]		(754.5)	(529.7)
Sale of intangible and tangible fixed assets		0.2	0.1
Change in financial assets[7]		3.2	37.3
Dividends received		1.9	0.9
Net cash flows from investing activities		**(709.2)**	**(502.4)**
Share capital increase by the parent company[8]	01.4 and 17	592.1	27.0
Contribution of non-controlling interests to share capital increases (reduction)		(2.4)	0.0
Net sale (acquisition) of treasury shares	01.4	(12.1)	(4.1)
Issue of loans	19.2	419.3	794.4
Dividends paid		(0.2)	(10.9)
Repayment of loans	19.2	(272.0)	(527.9)
Interests paid		(81.3)	(74.6)
Net cash flows from financing activities		**643.5**	**204.0**
Impact of foreign exchange rate fluctuation		7.3	(9.5)
Change in cash and cash equivalents		**217.6**	**(85.6)**
Opening cash and cash equivalents	16	374.9	460.5
Closing cash and cash equivalents	16	592.5	374.9
Change in net cash and cash equivalents		**217.6**	**(85.6)**

(1) In 2021, gains and losses on sale correspond mainly to net proceeds from farm-down transactions for €50.0 million and to write-offs of capitalized development costs for €(8.1) million.

(2) In 2021, other income and expense without cash impact correspond mainly to accretion expenses associated with non-current liabilities and provisions for decommissioning. In 2020, this item included, in addition to accretion effects, the portion of interest expense relating to the convertible bond ("OCEANE") issued in 2019 and the green convertible bonds ("OCEANE Verte") issued in 2020, recorded at the effective interest rate and exceeding the nominal interest rate of these instruments (in 2021, the latter is now presented as an elimination of the cost of financial debt).

(3) In 2020, the impact of changes in working capital requirements was mainly due to contractual indemnities to compensate for lost revenues related to delays in the commissioning of certain plants, pending settlement, and to an increase in VAT receivables pending reimbursement, in particular in relation to assets under construction. In 2021, the impact of changes in working capital was explained by the recognition of cash inflow related to these contractual indemnities and these historical VAT receivables.

(4) In 2021, acquisitions of subsidiaries net of treasury acquired relate to projects under development in Ireland, Finland, Sweden and France.

(5) In 2021, sales of subsidiaries net of cash transferred correspond mainly to farm-down transactions involving the Grabels (Hérault) and Laparde (Vaucluse) solar power plants, the Lugos (Gironde) and Mirepmont (Haute-Garonne) solar power plants, and the Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects.

(6) Acquisitions for the year include investments in intangible assets for €(38.5) million (see note 12.2) and property, plant and equipment for €(843.0) million (see note 12.3) and include the change in payables to suppliers of fixed assets for €127.0 million.

(7) The change during the period is mainly due to the net impact of the release and constitution of security deposits related to the financing of production assets.

(8) This amount mainly corresponds to the capital increase carried out on April 9, 2021 for €591.2 million after taking into account the issue costs (see note 2.2).

4.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1. SEGMENT REPORTING

Accounting principles

In accordance with IFRS 8 "operating segments", segment information is presented based on the internal organisation and reporting used by the Group's management. The latter uses the following breakdown for its operating segments:

- **wind:** this segment includes wind turbine production;
- **solar:** this segment includes photovoltaic energy production;
- **storage:** this segment includes the activity related to independent batteries, directly connected to the grid;
- **development and investments:** this segment includes mainly development and financing activities;
- **farm-down:** this new segment, created in 2021, corresponds to the disposal of all or a majority stake in entities holding projects or assets in its secured portfolio, as announced at the Capital Markets Day on March 11, 2021.

The main indicators published are those used by the Group's management. The concept of EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. As announced at the Capital Markets Day on March 11, 2021, and as of January 1st, 2021:

- it includes net proceeds from the sale of assets in the secured portfolio resulting from the farm-down activity;
- it is restated for the personnel expense resulting from the application of IFRS 2 "Share-based payment". This change in definition has an impact on the Development and Investments segment. EBITDA as newly defined amounts to €300.4 million in 2021 after reclassification of an IFRS 2 expense of €(3.2) million and would have amounted to €272.2 million in 2020, after reclassification of an IFRS 2 expense of €(1.8) million.

For additional information, the main indicators published are broken down by geographical region. These are defined below:

- **Europe – Africa**: this region includes production operations in Europe and Africa;
- **Americas**: this region includes production operations in North America, Central America, South America and the Caribbean;
- **Australia**: this region includes production operations in Australia.

Segment results for 2021 and 2020 are presented for each of the Group's operating segments: wind, solar, storage, farm-down, development and investments (including eliminations).

Segment reporting

(In millions of euros)		Wind power	Solar power	Storage	Farm-down[2]	Development & Investment[3]	Eliminations[4]	FY 2021
EUROPE-AFRICA	**Income statement**							
	Revenue	68.1	60.8	6.3	-			135.2
	EBITDA[1]	51.1	49.3	3.8	50.0			154.2
	Current operating income	21.6	30.2	2.5	50.0			104.3
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	262.6	113.0	3.8	-			379.4
AMERICAS	**Income statement**							
	Revenue	-	63.9					63.9
	EBITDA[1]	-	57.3					57.3
	Current operating income	-	38.1					38.1
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	-	53.2					53.2
AUSTRALIA	**Income statement**							
	Revenue	67.1	37.6	28.1				132.8
	EBITDA[1]	53.9	30.7	26.4				111.0
	Current operating income	36.1	13.7	13.8				63.7
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	102.0	152.6	103.6				358.2
TOTAL	**Income statement**							
	Revenue	135.1	162.3	34.4	-	77.2	(75.5)	333.6
	EBITDA[1]	105.0	137.3	30.2	50.0	2.1	(24.2)	300.4
	Current operating income	57.7	82.1	16.3	50.0	(7.6)	(8.9)	189.6
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	364.8	318.8	107.4	-	(1.7)	(34.7)	754.5

In millions of euros		Wind power	Solar power	Storage	Farm-down[2]	Development & investment[2]	Eliminations [4]	FY 2020
EUROPE-AFRICA	**Income statement**							
	Revenue	64.9	56.3	1.3				122.4
	EBITDA[1]	50.8	48.6	0.8				100.3
	Current operating income	23.7	28.3	0.5				52.5
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	155.5	64.3	14.2				234.0
AMERICAS	**Income statement**							
	Revenue	-	46.2					46.2
	EBITDA[1]	(0.0)	75.0					75.0
	Current operating income	(0.0)	54.7					54.7
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	3.4	170.6					174.0
AUSTRALIA	**Income statement**							
	Revenue	57.0	41.0	31.5				129.5
	EBITDA[1]	46.3	37.5	30.6				114.5
	Current operating income	27.6	16.1	23.3				67.0
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	18.4	53.0	83.2				154.6
TOTAL	**Income statement**							
	Revenue	121.9	143.6	32.7	-	70.1	(69.4)	298.8
	EBITDA[1]	97.2	161.2	31.4	-	(0.6)	(18.8)	270.4
	Current operating income	51.2	99.1	23.8	-	(3.6)	(10.1)	160.5
	Statement of cash flows							
	Acquisition of intangible and tangible fixed assets	177.3	288.0	97.4	-	(0.7)	(32.2)	529.7

(1) The concept of EBITDA corresponds to current operating income, adjusted for depreciation, amortization and current operating provisions and, since January 1, 2021, for the personnel expense resulting from the application of IFRS 2 "share-based payments" and for net proceeds from the disposal of assets in the secured portfolio resulting from the farm-down activity. This change in definition has an impact on the Development and Investments segment. In 2020, under this new definition, the Group's EBITDA would have been €272.2 million. The IFRS 2 charge amounts to €(3.2) million in 2021, compared with €(1.8) million in 2020.

(2) The farm-down business segment was set up following the Group's decision to proceed, on a regular but selective basis as from 2021 financial year, with the disposal of all or a majority share of interests in entities holding projects or assets in its secured portfolio.

(3) Revenues in this segment are mainly generated through sales of services by Neoen S.A. to other entities of the Group (eliminated on consolidation, except for amounts invoiced to Group holdings that are not fully consolidated) but also through sales of services to third parties.

(4) The eliminations mainly concern the cancellation of invoices for services rendered by Neoen S.A. to its project companies for the development, supervision and administrative management of the production assets as well as the capitalization of development costs in accordance with IAS 38 "Intangible Assets".

NOTE 2. GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

NOTE 2.1. IDENTIFICATION OF THE ISSUER

Neoen is a public limited company incorporated and domiciled in France and listed on Compartment A of Euronext, whose registered office is located at 22 rue Bayard, 75008 Paris as of February 21, 2022. Neoen's consolidated financial statements include the Company and those subsidiaries over which it has control, as well as interests in associates (together referred to as "the Group").

The Neoen Group develops and operates power plants to generate electricity from renewable energies (wind, solar), as well as energy storage facilities.

With more than 6.4 GW of projects in operation and construction (including 228 MW under management) and 0.6 GW of projects awarded* at December 31, 2021 (secured portfolio* of more than 6.0 GW), Neoen is the leading independent producer of renewable energies in France.

The Group also has an advanced development pipeline of 7.9 GW (advanced pipeline) and more than 5 GW of early-stage* projects.

The Group operates in the geographic regions of Europe-Africa, Australia and the Americas.

NOTE 2.2. EVENTS OF THE FINANCIAL YEAR

Capital increases

On April 7, 2021, Neoen S.A. announced the success of its capital increase with maintenance of preferential subscription rights. This resulted in the issue on April 9, 2021 of 21,393,678 new shares, representing a total gross amount of €599.0 million, including €42.8 million of share capital and €556.2 million of issue premium. The proceeds of the capital increase will enable Neoen S.A. to finance the first investment cycle of its development plan aimed at reaching 10 GW of capacity in operation or under construction by the end of 2025.

This transaction had an impact of €593.3 million net of issuance costs and taxes on the Group's equity (see note 17).

Free share plan

On March 10, 2021, the Board of Directors decided to grant 272,302 free Neoen S.A. shares to certain group employees and corporate officers. The granting of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan rules, and relating in particular to the achievement of financial and development objectives, are met.

The Group recorded this transaction in accordance with IFRS 2 "Share-based payment". This resulted in an impact of €(1.3) million in personnel expenses in 2021.

Capital increase reserved for employees

On May 12, 2021, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. This plan offered each beneficiary to buy maximum 93 new shares at the preferential subscription price of €28.25 per share per share (benefiting from a 30% discount compared to the average price of the share over the last twenty trading days preceding the date on which the Chairman and Chief Executive Officer, upon sub-delegation by the Board of Directors, set the price on April 16, 2021) and a matching contribution on the basis of one share offered for one share subscribed.

The Group recorded this transaction in accordance with IFRS 2 "Share-based payment". This resulted in an impact of €(0.6) million in shareholders' equity and €(0.3) million in personnel expenses in 2021.

Farm-down transactions

As part of the implementation of its strategy, as announced at its Capital Markets Day on March 11, 2021, the Group in 2021 sold the entire stake or a majority of its stake in some entities holding projects or assets in its secured portfolio (farm-down).

Neoen Group notably sold 100% of its shares in four solar power plants in operation in France: the sale of Grabels power plant (Hérault) and Lagarde power plant (Vaucluse) was finalised in early November 2021, while that of Lugos power plant (Gironde) and Miremont power plant (Haute-Garonne) was finalised in December 2021.

At the end of the year, the Group also sold 95% of its shares in the French wind farms Le Berger and Les Beaux Monts*, under construction. The Group, which retains a 5% stake in these assets, is overseeing their construction and maintenance and will manage relations with the local communities. The Group also has the option to buy back the project companies after 31 years of operation, with the buyer having a symmetrical exit option at that time.

These four solar and two wind assets disposals amounted to a business value of nearly €89 million, with a total capacity of nearly 80 MW.

In 2021, the farm-down transactions as a whole generated net income of €50.0 million, which was recognised in other current operating income and expenses.

* For a definition of the various stages of development of the Group's projects, the reader is invited to refer to section 9.8 of this document.

* Given Neoen's continued ownership (5%) in the Le Berger and Les Beaux Monts wind farms and its option to buy the project companies after 31 years of operation, these assets will continue to be included in the Group's secured portfolio (gross MW).

HWF 1 / AER (Australian Energy Regulator) dispute

In the second half of 2021, the proceedings brought by the Australian Energy Regulator ("AER") against the entity Hornsdale wind farm 1 Pty Ltd ("HWF 1") relating to a power outage that occurred in the State of South Australia on September 28, 2016 have been terminated.

On July 1, 2021, the Australian Federal Court issued a judgement under which it, inter alia:

- declared that HWF 1 had committed breaches of the National Electricity Rules ("NER") between June 2, 2016 and October 10, 2016 by operating the HWF 2016 production units and enabling these production units to supply electricity to the electricity grid while the settings of the voltage dip withstand system applied to them had not yet been approved in writing by the Australian Energy Market Operator (AEMO); and
- ordered HWF 1 to appoint an independent expert to review and report on HWF 1's NER compliance programme and pay a fine of AUD 550,000 and reimburse AER's legal costs incurred in the litigation in the amount of AUD 175,000.

The Australian Federal Court's ruling is consistent with the terms of a tentative agreement reached in this dispute between AER and HWF 1 in December 2020.

HWF 1 also believes that it has a sound basis for recourse (including for the portion corresponding to its own legal costs incurred in its defence), from the co-contractor selected for the development and construction of the wind farm as provided for in the corresponding EPC contract.

However, the ruling dismissing the lawsuits does not extinguish the risk of a possible class action against HWF 1 by parties who may seek compensation for alleged losses attributed to the black-out. No provision was recognised in this respect in the Group's financial statements for the 2021 financial year.

Downward revision of feed-in tariffs for solar electricity

Under the provisions of the 2021 Finance Law, the French authorities have issued a draft decree and tariff order, submitted to the High Council for Energy (CSE) on July 16, 2021, providing for a reduction in feed-in tariffs for solar electricity relating to certain contracts entered into between 2006 and 2010. The decree and its order were finally published in the Official Journal (JO) on October 27, 2021.

Among the four solar power plants that could be affected by this tariff revision, only the Torreilles and Kertanguy solar power plants were affected with decreases of 44% and 28%, respectively. The application of the new feed-in tariffs, as of December 1, 2021, has the consequence of modifying the economic equilibrium of the power plants in question and therefore constitutes an impairment trigger.

The Group has therefore carried out a valuation exercise for these power plants based on the target shareholder internal rate of return (IRR) levels as communicated during its Capital Markets Day held on March 11,2021, which, despite the tariff reductions, did not reveal any impairment.

Non-compliance with covenants for certain project financing

As of December 31, 2021, two of the Group's assets, one in Australia and the other in France, were not meeting their minimum debt service coverage ratio, mainly due to operational problems. As a result, the Group has accelerated the related non-recourse project financing borrowings in its accounts, which are now presented in current financial debt, for amounts of respectively AUD 145.1 million (i.e. €92.9 million) and €24.5 million. At the same time, the Group has entered into negotiations with lending institutions to resolve these cases of default, which are still ongoing at the date of publication of this document. The other companies financed by project and mezzanine debt, on the other hand, complied with their covenants on minimum Debt Service Coverage Ratios (DSCR) or minimum shareholders' equity.

In addition, the start of the commercial operation (COD - Commercial Operation Date) of the Mexican plant in El Llano was announced in November 2020, with a delay of several months, mainly due to delays in the finalisation of construction operations and in the pre-operational tests conducted by the Centro Nacional de Control de Energia (CENACE). The start of the PPA has been in effect since early July 2021, as the electricity produced up to this date was sold on the wholesale electricity markets. On the other hand, Provisional Acceptance (PA) had still not been declared at the end of 2021, resulting in certain documentary non-compliances, as defined by the financing contracts for this plant, being maintained. The Group is actively working to resolve this issue with the EPC contractor.

In the meantime, the financial debt relating to this plant is presented in current liabilities (for USD 139.4 million, or €123.0 million) in the Group's financial statements at December 31, 2021.

Lastly, delays in the construction of the Metoro power plant in Mozambique, associated in particular with the local security context, led to a delay in the commissioning of the project in relation to the contractual schedule, constituting a case of cross-default under the project financing. The financial debt relating to this power plant is presented in current liabilities (USD 30.0 million, or €26.5 million) in the Group's financial statements at December 31, 2021. Construction of the power plant, which is still supported by the lenders, is currently underway with a view to starting production by the end of the first half of 2022.

A total of €266.9 million of debt has been accelerated in the 2021 consolidated financial statements.

Arbitration proceedings for the Altiplano 200 power plant

In Argentina, the Group's EPC contractors on the Altiplano 200 power plant, which began producing electricity in autumn 2021, filed a request for arbitration at the end of December 2021, which was notified to the Group in early 2022. This concerns both i) the challenge to Neoen's right to apply, in accordance with the contractual provisions, delay compensation from 2020 aimed at offsetting the loss of income associated with a delay in the start-up of production of the solar power plant in relation to the contractual schedule (Liquidated Damages), as well as

ii) the additional construction costs that they have allegedly incurred, which they consider that the Group is liable for, which the Group disputes.

In view of the terms of the turnkey construction contract with these EPC contractors, the schedule and conditions for the completion of the project, the financial impacts resulting from the delays incurred in relation to the contractual schedule, and its assessment of its potential exposure in the context of this arbitration carried out with the assistance of its external legal advisers, no significant provision for risk or impairment of receivables has been made by the Group in the 2021 financial statements.

Situation of the solar plants in Australia

In 2021, the Group noted a discrepancy from the initial business plan in the operational and financial performance of its Australian solar assets, against a backdrop of downward revisions by major market players to long-term forecasts of electricity prices captured.

In accordance with IAS 36 "Impairment of assets", the Group has therefore carried out an impairment test of its assets in order to identify any impairment losses.

The cash flows used for the test are mainly based on the following key assumptions: i) production forecasts in line with the latest internal estimates and the current performance of the assets, ii) revenue projections based on the latest external expert curves for market prices as well as the economic conditions of the PPAs signed to date, iii) operating costs in line with the operating and maintenance contracts in force; iv) discounting at a weighted average cost of capital incorporating the current financing conditions of these assets and a cost of equity of 6%.

These impairment tests have led to the recognition of an impairment loss of AUD (16.4) million or €(10.4) million on the Numurkah power plant. A 1% change in the cost of equity used would result in an additional impairment of AUD (7.2) million, i.e. €(4.6) million.

NOTE 2.3. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND THAT ARE MANDATORY OR OPTIONAL FOR APPLICATION FROM JANUARY 1, 2021

New mandatory texts as of January 1, 2021

- Amendments to IFRS 4, relating to the Insurance Contracts - Temporary exemption from IFRS 9;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Benchmark Interest Rate Reform - Phase 2.

The second phase of the "Benchmark Interest Rate Reform" project is mandatory from 2021.

The objective of this phase 2 is to clarify the accounting impacts of the effective replacement of benchmarks. The entry into force of phase 2 will have no impact on the Group as there will be no effective change in the benchmark indices in the Group's contracts as of December 31, 2021.

As a reminder, phase 1 of the project, adopted by the Group in 2019, makes it possible to disregard uncertainties about the future of benchmark rates in assessing the effectiveness of hedging relationships and/or in assessing the highly probable nature of the hedged risk, thereby making it possible to secure existing or future hedging relationships until such uncertainties are resolved.

During the period, the Group finalized the inventory work required to ensure the transition to the new benchmarks. The objective of the project is also to anticipate the impacts associated with the reform and to implement the transition process to the new indices. The main index used by the Group and affected by the reform is the USD Libor (the EURIBOR rate is maintained). Documented interest rate derivatives hedging debts indexed to a reference rate are presented in note 21.1.

New mandatory texts as of April 1, 2021

Amendments to IFRS 16: COVID-19 rent relief beyond June 30, 2021.

As the Group has not benefited from any rent relief related to COVID-19, it has not applied the practical simplification offered by this amendment.

Interpretations

IFRIC agenda decision on configuration and customization costs of a SaaS software contract (IAS 38) - April 2021

The Group is not affected by this decision for the 2021 financial year.

NOTE 2.4. STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT ARE NOT MANDATORY FOR APPLICATION FROM JANUARY 1, 2021

New texts adopted by the European Union and not applied early by the Group

- Amendments to IAS 16: Property, Plant and Equipment - Revenue Generated Before Intended Use, effective from January 1, 2022;
- Amendments to IAS 37: Costs to be taken into account in determining whether a contract is onerous, mandatory from January 1, 2022;
- Amendments to IFRS 3: Updating the Reference to the Conceptual Framework, mandatory from January 1, 2022;
- Annual improvements (2018 - 2020 cycle): Annual process for improving standards, mandatory from January 1, 2022;
- IFRS 17 and amendments: Insurance contracts, mandatory on January 1, 2023.

NOTE 2.5. STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BY THE IASB AND NOT YET ADOPTED BY THE EU

The standards, amendments and interpretations published by the IASB and not yet adopted by the EU are listed below:

- Amendments to IAS 1: "Classification of liabilities as current or non-current"; deferral of effective Date;
- Amendments to IAS 1: Presentation of Financial Statements - Practice Statement 2 "Disclosure of Accounting Policies";
- Amendments to IAS 8: Definition of Accounting Estimates;
- Amendments to IAS 12: Deferred tax on assets and liabilities arising from the same transaction.

NOTE 2.6. ESTIMATES AND ASSUMPTIONS

In preparing the Group's financial statements, and to the extent that items included in the financial statements cannot be accurately measured, management makes estimates, exercises judgement and makes assumptions that may have an impact on the amounts of the assets, liabilities, income and expenses included in the financial statements, as well as on the information disclosed in the notes to the financial statements. Management exercises its judgement by taking into account past experience and other factors deemed relevant in light of the economic conditions and reviews its estimates and assessments on a regular basis. Since assumptions are by nature uncertain, the amounts in future financial statements may differ from current estimates.

As required by IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets", the Group reviews at each balance sheet date the duration of its depreciation. For its solar and wind power assets, given the high standards of design, construction and maintenance applied by the Group, it has been considered, on the basis of an external study carried out during the first quarter of 2021, and relying in particular on sector benchmarking, that the useful life of these assets should be extended from 25 to 30 years. As this is a change in accounting estimate, the effects are accounted for prospectively as from January 1, 2021. The impact on the financial statements represents a saving in amortization expense of €16.2 million, excluding the tax effect, for the 2021 financial year. This gain of €16.2 million should be compared with the amount of €18.0 million presented in the 2020 Universal Registration Document. The difference is mainly due to the delayed start-up dates of certain production assets. Given this extension of the useful lives, provisions for decommissioning have also been revised, with an impact of – €6.1 million, by offsetting decommissioning assets in accordance with IFRIC 1 "Changes in existing dismantling, restoration and similar liabilities" (see note 18).

The main items significantly impacted by estimates and assumptions at 31 December 2021 were the following:

- determining the recoverable amount of goodwill, intangible assets and property plant and equipment (notes 12.1, 12.2 and 12.3);
- useful lives of production assets (note 12.3);
- recognition of a deferred tax asset when it is probable that sufficient future taxable income will exist against which tax losses can be utilised (note 11);
- determining the lease term and the discount rate to be applied to the lease payments, in connection with the application of IFRS 16 "leases" (note 12.3);
- capitalisation of development costs (note 12.2);
- assessing dismantling provisions (note 16).

NOTE 3. CONSIDERATION OF THE COVID-19 IMPACT IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The COVID-19 pandemic, which has been raging since the first quarter of 2020, has led governments around the world to adopt social and economic restrictive measures aimed at containing the spread of the virus. These measures triggered significant disruptions for companies, leading to a global economic slowdown.

Against this backdrop, the Group continued to protect the health of all its employees while actively pursuing the development of its portfolio with a total of 898 MW of operating capacity added in 2021, the launch of the construction of more than 1,416 MW and the strengthening of its portfolio of secured projects.

The Group thereby managed to continue its development, despite occasional delays in the completion of its projects, and to maintain dynamic growth in its revenues while maintaining its cash and liquidity throughout the period. As a result, it did not use government support measures. As the Group's assets operate mainly under long-term power purchase agreements with mainly first-rate counterparties, they were only slightly affected by the fluctuations that impacted the financial and electricity markets during the financial year.

In addition, the crisis has not revealed any new significant risk factors, thanks to the resilience of the Group's business model, which has enabled it to continue to operate its assets normally, to commission assets under construction despite delays in certain regions, and to win new projects. The Group has not identified any liquidity risk inherent to the health crisis.

However, changes in the economic and financial environment resulting from the COVID-19 health crisis have led the Group to strengthen risk monitoring procedures, particularly in the valuation of financial instruments and the recoverable amount of its assets.

The Group has taken into account this environment and the significant market volatility in the estimates used, inter alia, for impairment tests and provision calculations.

The Group has also exercised its judgement to assess:

- the existence of a triggering event that could lead to an impairment loss on goodwill and property, plant and equipment or intangible assets;
- default probabilities in a context of uncertainty;
- potential impacts on the risks relating to financial instruments, in particular liquidity risk and changes in the interest rate and foreign exchange markets;
- the prospect for the use of recognised deferred tax assets;
- hedging consequences, particularly with regard to the maintaining the highly probable nature of the hedged item.

NOTE 4. TRANSLATION METHODS

Presentation currency of the consolidated financial statements

The Group's consolidated financial statements are presented in millions of euros.

Functional currency

The functional currency of an entity is the currency of the economic environment in which it primarily operates. In some entities, a functional currency other than the local currency may be used if it reflects the currency of the entity's main trading and economic environment.

As part of the preparation of its 2019 financial statements, the Group refined its analysis of the conditions for the application of functional currencies and thus adopted the US dollar (USD) for some countries that have seen projects enter construction or operation during the period, namely Mexico, Argentina, Jamaica, Mozambique and Zambia.

Translation of foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the transaction date. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are recorded at the closing exchange rate. Any resulting exchange differences are recognised in the income statement for the period;
- non-monetary assets and liabilities denominated in foreign currencies are translated at the historical exchange rate applicable at the date of the transaction.

Translation of the financial statements of subsidiaries whose functional currency is not the euro

The statement of financial position is translated into euros at the exchange rate prevailing at the end of the financial year. Income and expense items and cash flows are translated using average exchange rates. Any differences resulting from the translation of the financial statements of foreign subsidiaries are recorded under "Exchange differences on translation of foreign operations" in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity. They are therefore expressed in the entity's functional currency and translated at the closing rate.

NOTE 5. CONSOLIDATION SCOPE

NOTE 5.1. ACCOUNTING PRINCIPLES

Business combinations

In accordance with the provisions of IFRS 3, "Business combinations", business combinations are accounted for using the acquisition method when all the activities and assets acquired meet the definition of a business, control of which is transferred to the Group.

Under this method, the assets acquired, liabilities and contingent liabilities assumed are measured at fair value. Goodwill is the difference between the fair value of the consideration transferred in the business combination and the amount of identifiable assets acquired net of liabilities and contingent liabilities assumed. It is provisionally determined on acquisition and reviewed within a period of 12 months from the acquisition date. Goodwill is not amortised. It is tested for impairment as soon as indications of impairment appear and at least once a year. In accordance with IFRS 3 as amended:

- acquisition costs are recognised in other non-recurring operating income and expenses when they are incurred;
- contingent earn-outs are estimated at fair value and included, where applicable, in the consideration transferred.

For each business combination, the Group may value non-controlling interests either at fair value or on the basis of their share of the identifiable net assets of the acquiree measured at fair value at the acquisition date. The Group decides on the method it will use to account for non-controlling interests on a case-by-case basis.

To determine whether a set of activities and assets constitutes a business, and thus whether there is a business combination and not the acquisition of a group of isolated assets, the Group assesses whether it includes at least one substantial input and one substantial process, which together contribute significantly to the generation of goods and services.

The Group decided to carry out a "concentration test" to assess whether a set of acquired activities and assets does not constitute a business. The test is conclusive if the fair values of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets. In the context of the acquisition of a project entity, the group meets these conditions.

If the transaction is treated as a stand-alone asset acquisition, then the acquisition cost (including acquisition costs) must be allocated to the individual identifiable assets and liabilities based on their relative fair values at the acquisition date, i.e., no goodwill is recognised. In this context, the Group has chosen to apply the following approach:

- measure assets and liabilities initially measured other than at cost in accordance with the initial measurement provisions of the standards applicable to them;
- deduct the valuation of these assets and liabilities from the acquisition cost;
- then allocate the residual acquisition cost to the various assets and liabilities in proportion to their fair value.

Consolidation methods

Subsidiaries that are controlled within the meaning of IFRS 10, "Consolidated Financial Statements", are fully consolidated regardless of the Group's equity interest. The Group controls an entity when it is exposed to, or has a right to, variable returns from its involvement with the entity and its ability to affect those returns through its power of the entity.

In accordance with IFRS 11 "Joint arrangements", a joint arrangement is a company over which the Group and one or more other parties exercise joint control by virtue of a contractual agreement. The Group has joint control over a joint arrangement when decisions about the relevant activities require the unanimous consent of the Group and the other parties sharing control. The Group recognises joint arrangements classified as joint ventures as defined by IFRS 11 using the equity method. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets.

The equity method is also applied to associates over which the Group has significant influence. Under the equity method, the net assets and net income of a company are recognised in proportion to the equity interest held by the parent company and, where applicable, the related goodwill (which is included in the value of the investment).

All transactions and positions within fully consolidated subsidiaries are eliminated on consolidation. The list of the main subsidiaries, joint ventures and associated companies is presented in note 5.2.

NOTE 5.2. CONSOLIDATED COMPANIES

As at 31 December 2021, the Group consisted of 344 consolidated companies, 340 of which were fully consolidated and 4 of which were consolidated using the equity method.

As a reminder, at December 31, 2020, the Group consisted of 315 consolidated companies, of which 311 were fully consolidated and 4 were consolidated using the equity method.

Pursuant to regulation no. 2016-09 of December 2, 2016 of the French Accounting Standards Authority, the complete list of companies included in the scope of consolidation, companies excluded from the scope of consolidation and investments in non-consolidated companies is available on the Group's website (https://www.neoen.com/en/investors).

The list of the main operating entities presented below was determined in particular on the basis of their contribution to the following financial indicators: revenue, total assets or debt.

During the 2021 financial year, Neoen Jules GmbH and Neoen Mistral Gmbh used the derogation provision of Article 264(3) of the German Commercial Code (HGB) with regard to the preparation of an appendix, the management report and the publication of the annual accounts.

The Group's main subsidiaries are:

Consolidation method	Entity	Country	Percentage interest 31.12.2021	Percentage interest 31.12.2020
Parent company	Neoen S.A.	France	Parent company	Parent company
Full consolidation	Altiplano Solar	Argentina	100%	100%
	La Puna Solar	Argentina	100%	100%
	HWF 1	Australia	70%	70%
	HWF 2	Australia	80%	80%
	HWF 3	Australia	80%	80%
	Victorian Big Battery	Australia	100%	0%
	Parkes Solar Farm	Australia	100%	100%
	Bulgana Windfarm	Australia	100%	100%
	Coleambally Solar	Australia	100%	100%
	Numurkah Solar Farm	Australia	100%	100%
	Hornsdale Power Reserve	Australia	100%	100%
	Western Downs Green Power Hub	Australia	100%	100%
	Hedet	Finland	80%	80%
	Mutkalampi	Finland	100%	80%
	Neoen International	France	100%	100%
	Neoen Production 1	France	100%	100%
	Neoen Production 2	France	100%	100%
	Centrale Solaire de Torreilles	France	100%	100%
	Groupement Solaire Cestas 1	France	100%	100%
	EREC	Jamaica	50%	50%
	SPV AGS	Mexico	100%	100%
	CSNSP 452	Portugal	100%	100%
	Providencia Solar	El Salvador	100%	100%
	Capella Solar	El Salvador	100%	100%

NOTE 5.3. NON-CONSOLIDATED COMPANIES

The Group consolidates all of subsidiaries over which it has control or over which it exercises significant influence, even if they could be considered non-significant.

Non-controlling interests in the Cestas groups and in wind farms Le Berger and Les Beaux Monts are recognised as non-consolidated investments.

NOTE 5.4. CHANGES IN SCOPE

As part of its development, the Group regularly creates companies, and may be required to acquire entities in a relatively advanced development phase or offering growth or repowering prospects.

In accordance with the strategy announced at the Capital Markets Day on March 11, 2021, the Group is also required to proceed on a regular basis to the disposal of all or a majority of the stakes in entities holding projects or assets in its secured portfolio (farm-down).

Farm-down transactions - sale of equity investments

In the second half of 2021, the Group mainly carried out three farm-down transactions:

- the disposal of 100% of the equity investment in the entities Centrale Solaire 7 and Centrale Solaire Alpha on November 4, 2021;
- the disposal of 100% of the equity investment in the entities Centrale Solaire Orion 56 and SASU PV Le Camp on December 10, 2021;
- the disposal of 95% of the equity investment in the entities Centrale Eolienne Le Berger and Centrale Eolienne des Beaux Monts on December 14, 2021.

The related capital gains on disposals were recorded under "Other current operating income" for €50.0 million (see note 9).

Acquisitions of projects under development

During the 2021 financial year, the main transactions that affected the Group's scope were acquisitions of projects under development. These acquisitions of subsidiaries were qualified as acquisitions of assets rather than business combinations within the meaning of IFRS 3 "Business combinations".

The following projects were acquired and included in the consolidation scope using the full consolidation method:

- acquisition of 100% of the equity investment in the Storen Vind AB and Isbilien Vind AB wind projects in Sweden on January 6, 2021 (entities subsequently merged on September 1, 2021);
- acquisition of 51% of the equity investment in the Alight Miranda AB solar project in Sweden on January 29, 2021;
- acquisition of 100% of the equity investment in the Solas Eireann JV Ltd project and its subsidiaries in Ireland on March 10, 2021;
- acquisition of 60% of the equity investment in Hexagone Energie holding seven solar projects under development on September 10, 2021;
- acquisition of 100% of the equity investment in OBM Solar Limited in Ireland on November 29, 2021.

The Finnish wind farm project Storbotet Vind AB, in which the Group acquired a 80.1% stake on May 19, 2021, is consolidated using the equity method.

The Group measured the identifiable assets acquired and liabilities taken over, which resulted in the recognition of additional intangible assets totaling €24.3 million in 2021.

Purchase of non-controlling interests

On January 22, 2021, the Group acquired the stake of the minority shareholders of the Finnish company Mutkalampi Tuulipuisto Oy, increasing its stake in the entity from 80.1 % to 100 %.

Other changes

On April 14, 2021, the Group sold 100% of its stake in project company PV le Moulin de Beuvry. This disposal has no material impact on the Group's consolidated financial statements.

On October 14, 2021, Neoen and BNRG agreed to separate and to split the assets of the initially co-owned portfolio in Ireland. The Group acquired the 50% stake held by BNRG Sonas in the three winning projects in the RESS1 tender, BNRGN Hilltown Limited, BNRGN Hortland Limited and BNRGN Millvale Limited, now controlled by the Group. In addition, the Group also acquired BNRG Sonas' indirect stake in BNRGN Johnstown North Limited (renamed Johnston North Solar Limited). At the same time, the Group sold its 50% stake in the holding company BNRG Neoen Holdings Limited, which owns solar under development.

NOTE 6. SALES

NOTE 6.1. REVENUE

Accounting principles

Revenue represents the fair value of the consideration received or receivable in exchange for goods or services sold in the course of the Group's ordinary activities. Revenue is shown net of any discounts and rebates and less any intra-group sales. No revenue is recognised when there is material uncertainty as to the recoverable nature of the consideration due.

The Group mainly distinguishes between contract revenue, which is predominantly long-term, from that from sales on the market (classified as non-contract revenue). Revenue consists mainly of sales of electricity and green certificates.

Energy sales correspond to electricity sales at the level of the generation units as well as the associated green certificates, and to revenues from arbitrage and the provision of services to the networks for storage activities.

Energy is sold either in accordance with the various contracts whose selling prices are set by decree or as part of calls for tender, or on the market.

In the case of electricity sales, revenue is recognised based on the quantities produced and/or injected during the period.

For green certificates sales, revenue is recognised at the time of physical delivery.

Breakdown of revenue

Revenue breaks down as follows:

In millions of euros	Wind	Solar	Storage	Other[1]	FY 2021	Wind	Solar	Storage	Other[1]	FY 2020
Electricity	80.0	116.4	(0.0)	-	196.4	79.9	106.4	0.5	-	186.9
Green certificates	34.3	16.6	-	-	50.9	32.4	15.9	-	-	48.2
Energy sales under contract	**114.3**	**135.0**	**(0,0)**	**-**	**249.3**	**112.3**	**122.3**	**0.5**	**-**	**235.1**
Electricity	12.1	23.9	28.4	-	64.3	7.3	20.0	29.5	-	56.7
Green certificates	7.9	2.4	-	-	10.3	1.9	0.0	-	-	2.0
Energy sales in the market	**20.0**	**26.3**	**28.4**	**-**	**74.7**	**9.2**	**20.0**	**29.5**	**-**	**58.7**
Services rendered	-	-	-	1.6	1.6	-	-	-	0.6	0.6
Other items	0.9	0.9	6.0	0.1	8.0	0.4	1.2	2.8	-	4.4
Other revenue	**0.9**	**0.9**	**6.0**	**1.7**	**9.6**	**0.4**	**1.2**	**2.8**	**0.6**	**5.0**
Total revenue	**135.1**	**162.3**	**34.4**	**1.7**	**333.6**	**121.9**	**143.6**	**32.7**	**0.6**	**298.8**

(1) This mainly concerns administrative management, supervision and development services for non-group entities.

NOTE 6.2. TRADE RECEIVABLES

Accounting principles

The Group mainly sells the electricity it produces under contracts subject to purchase obligations (the conditions of which are specified in decrees or tenders regulations).

Receivables recognised at the reporting date corresponded mainly to invoices not yet due for the sale of electricity and green certificates, the change in which is due mainly to the growth in the number of power plants in operation, as well as contractual indemnities offsetting revenue losses due to delays in the commissioning of certain assets.

Given the quality of the signing parties to PPAs, the Group considers that the counterparty risk related to its trade receivables is negligible.

Impairment

IFRS 9 requires credit risk on financial assets to be taken into account on the basis of the "expected losses" principle, which implies recognising impairment losses on trade receivables that have not yet matured.

At December 31, 2021, the Group carried out a review, based on the quality and solvency of its customers, of its portfolio of trade receivables. Given the nature of its activities and its customers, no particular "expected loss" has been identified given the nature of the receivables in the portfolio.

Breakdown of trade receivables

(In millions of euros)	31.12.2021	31.12.2020
Trade receivables net value - start of period	**73.2**	**52.2**
Change of activity	6.9	22.3
Scope change	(1.1)	0.6
Conversion differences	2.6	(1.9)
Trade receivables net value - end of period	**81.6**	**73.2**

There were no material overdue trade receivables at 31 December 2021 or 31 December 2020.

In 2020, the Group had invoiced contractual indemnities to compensate for lost revenues related to delays in the commissioning of the Altiplano 200 power plant for a gross amount of €18.3 million or USD 20.9 million. In accordance with the contractual provisions, these losses have been progressively offset against the amounts due under the construction contract, for a total amount of €13.6 million by the end of 2021, or USD 15.4 million (see note 2.2 for a description of the general situation of the project).

NOTE 7. PURCHASES AND INVENTORIES

NOTE 7.1. PURCHASES NET OF CHANGES IN INVENTORIES

Accounting principles

The Australian project companies operating solar and wind power plants generate green certificates at the rate of their production which, for the portion exceeding the commitments provided for in their Power Purchase Agreement with their counterparties, are intended to be sold on the market.

With the aim of hedging price risk in order to limit its exposure to spot market volatility, the Group created the company Neoen Energy Management Australia (NEMA) in the first half of 2020. This company now acquires quarterly from project companies (as long as their financing contracts allow them to do so) the green certificates that exceed the commitments made under the Power Purchase Agreements. Furthermore, in accordance with a risk policy subject to prior approval by the management bodies, it hedges the price risk over the accessible liquidity horizon (up to and including year n+2) through forward sales to external counterparties, giving rise to physical delivery in the year following the production of these green certificates.

As part of this new organisation, green certificates, which are the subject of this price risk hedging, are recognised in inventories at fair value in accordance with the principles set out in IAS 2 "Inventories", until they are physically transferred to external counterparties in year n+1 following their production, which triggers recognition of the associated proceeds in revenues. These green certificates are recognised under "Purchases net of changes in inventories" in the income statement and under "Inventories" in the balance sheet.

Purchases and inventories consist mainly of:

- charges relating to the purchase of electricity for €(0.7) million and purchases of small items of equipment for €(0.6) million;
- changes in inventories of green certificates generated by project companies in Australia (Large-Scale Generation Certificates - LGCs) and Mexico (Clean Energy Certificates - CELs) for €3.8 million.

In 2020, this item consisted of purchases of electricity for €(0.4) million, small items of equipment for €(0.4) million and €3.7 million in changes in inventories of green certificates (pending their physical delivery).

NOTE 7.2. INVENTORIES

In millions of euros	31.12.2021	31.12.2020
Inventories net value - start of the period	**4.7**	**0.7**
Change of activity	3.8	3.7
Conversion differences	0.3	0.2
Inventories net value - end of the period	**8.7**	**4.7**

NOTE 7.3. EXTERNAL EXPENSES

In millions of euros	FY 2021	FY 2020
Maintenance and repair expenses	(26.0)	(22.7)
Other external expenses	(42.4)	(35.0)
Total of external expenses	**(68.3)**	**(57.7)**

Maintenance and repair expenses mainly correspond to maintenance costs of the plants in operation.

Other external expenses mainly include:

- operating expenses for power plants in operation (costs associated with managing network frequency and operating insurance);
- structural costs (fees, consulting, subcontracting, IT, insurance);
- non-capitalised development costs because they do not meet the capitalisation criteria laid down by IAS 38 "Intangible assets".

Non-capitalised development expenses totalled €3.0 million, compared with €1.5 million from the previous year.

NOTE 7.4. TRADE PAYABLES

In millions of euros	31.12.2021	31.12.2020
Payables	51.6	33.2
Fixed asset suppliers	288.7	140.7
Total trade payables - end of the period	**340.4**	**173.9**

Fixed asset suppliers include mainly liabilities relating to the construction of power generation plants. The change corresponds to an increase of + €149.3 million in Australia and + €36.3 million in France, partially offset by a decrease of – €31.3 million in Finland and – €7.6 million in Mexico.

NOTE 8. EMPLOYEE EXPENSES AND BENEFITS

NOTE 8.1. PAYROLL COSTS

Accounting principles

Payroll costs

Payroll costs allocated to project development are recognised as assets when the projects meet the capitalisation criteria laid down by IAS 38 "Intangible assets". The Group considers that these criteria are met when a project enters the development portfolio, i.e. when the contractual elements and technical studies indicate that the feasibility of a project is likely (most often at the early stage). Other payroll costs are included in the income statement.

Post-employment benefits

Employee benefits include defined contribution plans and defined benefit plans.

Defined contribution plans are post-employment schemes under which the Group pays fixed contributions to various social security organisations.

Contributions are paid in exchange for services rendered by employees during the financial year. They are expensed as incurred.

Defined benefit plans guarantee employees additional benefits such as retirement indemnities. These guaranteed additional benefits represent a future obligation for the Group which is quantified. The provision is calculated by estimating the amount of benefits that employees will have accrued in exchange for services rendered during the current and prior years.

Given the average age of the Group's workforce, no liabilities have been recognised in respect of employee benefits, as the amount of these benefits is immaterial at the reporting date.

In 2021, payroll costs amounted to €(17.6) million for the year compared with €(16.2) million in 2020.

The increase in payroll costs was due mainly to the increase in the number of employees and the increase in social security contributions in relation to the free share and stock-options plan.

NOTE 8.2. EXECUTIVE COMPENSATION

In millions of euros	FY 2021	FY 2020
Short-term employee benefits	2.4	2.5
Share-based payments	2.3	1.5
Total executive compensation	**4.7**	**4.0**

The directors represent the members of the Group's Management Committee.

NOTE 8.3. SHARE-BASED PAYMENTS

Accounting principles

In accordance with IFRS 2 "share-based payments", the fair value of stock options and free share grants is determined using methods appropriate to their characteristics (equity-settled), and recognised as payroll costs over the vesting period.

Stock options, which are not subject to share price performance conditions, are valued using the Black and Scholes model.

The fair value of stock options at the grant date is recognised as an expense over the option vesting period, based on the probability of the options being exercised before their expiry date, with a corresponding increase in consolidated reserves.

The fair value of bonus share plans is based on the share price on the grant date (for plans prior to the Company's listing, the fair value was estimated on the basis of the last capital increase), and takes into account the prospects for dividend payments over the vesting period, the anticipated rate of staff turnover and the lock-in period for these instruments. The expense is spread over the vesting period and offset against consolidated reserves.

At each reporting date, the Group assesses the probability of beneficiaries losing rights to options or bonus shares before the end of the vesting period. Where applicable, the impact of the revision of these estimates is recognised in the income statement with a corresponding change in consolidated reserves.

The expense related to the allocation of free shares and stock options amounted to €(3.2) million for the year compared with €(1.8) million in 2020.

Details of share subscription plans

	2016 Plan	2016 Plan	2016 Plan	2018 Plan	2018 Plan	TOTAL
Date of general shareholders' meeting	17/03/2014	17/03/2014	17/03/2014	29/05/2018	04/07/2018	
Date of the Chairman's decision	08/01/2016	08/01/2016	23/12/2016	30/05/2018	05/07/2018	
Total number of shares that can be subscribed or purchased	127,500	25,000	235,000	45,000	65,000	
Start of option exercise period	11/01/2019	17/05/2019	24/12/2019	31/05/2021	06/10/2020	
End of option exercise period	10/01/2021	16/05/2021	23/12/2021	30/05/2023	05/07/2023	
Subscription or purchase price	4.00 €	4.00 €	6.00 €	10.00 €	10.00 €	
Adjusted subscription or purchase price following the capital increase of April 9, 2021[1]			5.55 €	9.25 €	9.25 €	
Number of options						
Existing at 1 January 2020	**37,500**	**25,000**	**225,000**	**40,000**	**60,000**	**387,500**
Notified	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-
Exercised	37,500	25,000	161,834	-	25,000	249,334
Existing at 1 January 2021	**-**	**-**	**63,166**	**40,000**	**35,000**	**138,166**
Notified	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-
Exercised	-	-	66,339	16,215	4,000	86,554
Adjustment following the capital increase of April 9, 2021[1]			3,173	3,240	2,835	9,248
Existing at 31 December 2021	**-**	**-**	**-**	**27,025**	**33,835**	**60,860**

To value these plans, the Group used the Black & Scholes model with the following assumptions:

- a volatility rate of 23 % since the May 30, 2018 plan versus 18 % previously (taking into account the volatility of comparable companies);
- a risk-free interest rate corresponding to the 5-year French government bond (OAT) yield on the allocation date;
- average maturity of the 1-year plans beyond the vesting period.

Details of free share allocation plans

	2018 Plan	2018 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	TOTAL
Date of general shareholders' meeting	23/02/2018	29/05/2018	04/07/2018	02/10/2018	26/05/2020	26/05/2020	
Date of the decision to allocate by the Chairman/Board of Directors	09/04/2018	30/05/2018	05/07/2018	10/07/2019	02/07/2020	10/03/2021	
Total number of free shares allocated	2,500	107,500	570,644	297,000	140,000	272,302	
Shares vesting date	10/04/2020	31/05/2021	06/10/2020	11/07/2022	03/07/2023	11/03/2024	
End of holding period	10/04/2021	-	-	-	-	-	
Total number of free shares allocated							
Existing at 1 January 2020	**2,500**	**105,000**	**493,644**	**297,000**	**-**	**-**	**898,144**
Notified	-	-	-	-	140,000	-	140,000
Cancelled	-	-	7,000	5,000	-	-	12,000
Definitively allocated	2,500	-	486,644	-	-	-	489,144
Existing at 1 January 2021	**-**	**105,000**	**-**	**292,000**	**140,000**	**-**	**537,000**
Notified	-	-	-	-	-	272,302	272,302
Cancelled	-	-	-	18,903	5,406	9,108	33,417
Definitively allocated	-	113,510	-	-	-	-	113,510
Adjustment following the capital increase of April 9, 2021 (1)	-	8,510	-	22,348	11,354	22,058	64,270
Existing at 31 December 2021	**-**	**-**	**-**	**295,445**	**145,948**	**285,252**	**726,645**

(1) Following the capital increase with preferential subscription rights carried out on April 9, 2021, and in accordance with the applicable legal provisions and the stipulations of the free share and stock option plans, the Chairman and Chief Executive Officer, acting on a delegation of authority from the Board of Directors, adjusted the rights of beneficiaries of free share and stock options (coefficient of 1.061).

The free share allocation plan of May 30, 2018 expired on May 31, 2021. The 113,510 shares allocated were made through (i) the use of 110,807 existing shares held by Neoen S.A. and (ii) the creation of 2,703 new shares, with the impact of the recognition of €(4.7) million in reserves.

NOTE 9. OTHER CURRENT OPERATING INCOME AND EXPENSES

Accounting principles

Other current operating income includes in particular the capital gains on the sale of entities holding projects or assets in the secured portfolio, realized in the context of the farm-down activity, as announced at the Capital Markets Day on March 11, 2021.

These capital gains correspond to the proceeds of the sale less the book value of the net assets of the entities sold and the sale costs.

Any additional consideration to be received in cash in the future is recognized in this item at its fair value at the date of sale, and is revalued at each balance sheet date until it is paid or extinguished.

When the Group retains a minority interest in the project entity, the revaluation at fair value of the retained interest is also included in this item.

In millions of euros	FY 2021	FY 2020
Farm-down	50.0	-
Other current operating income	20.2	59.2
Other current operating expenses	(15.8)	(9.7)
Other current operating income and expenses	**54.4**	**49.6**

Farm-down proceeds correspond to the net capital gains realized mainly in the context of the following operations:

- sale of 100% of the entities Centrale Solaire 7 and Centrale Solaire Alpha (Grabels and Lagarde project), representing a total capacity of 11 MWp in operation, for net proceeds of €10.5 million;
- sale of 100% of the entities Centrale Solaire Orion 56 and SASU PV Le Camp, representing a total capacity of 21.7 MWp in operation, for net sale proceeds of €9.7 million;
- sale of 95% of the entities Centrale Eolienne Le Berger and Centrale Eolienne des Beaux Monts, representing a total capacity of 46.8 MW, for net proceeds of €26.8 million and €1.5 million for the revaluation of the 5% shares retained.

Excluding the farm-down activity, other current operating income consists mainly of contractual compensation for loss of revenue resulting from delays in the commissioning of certain power plants due to the contractors responsible for their construction.

Other current operating expenses correspond mainly to penalties resulting from delays in the commissioning of power plants (obligation of Group subsidiaries under the Power Purchase Agreement), and foreign exchange losses and gains on operating transactions.

NOTE 10. NON-CURRENT OPERATING ITEMS

Accounting principles

Other non-current operating income and expenses include non-current transactions of significant amounts that, due to their nature or unusual nature, may affect the clarity of the performance of the Group's ordinary operating activities. This may include:

- capital gains and losses on disposals;
- significant and unusual impairment of non-current assets, whether tangible or intangible;
- certain significant expenses related to restructuring operations or unusual transactions;
- other operating income and expenses such as a provision or penalty for a dispute of significant materiality;
- acquisition costs linked to changes in scope (see notes 5.4 and 12.1).

Details of non-current items

In millions of euros	FY 2021	FY 2020
Prior period development costs[1]	(8.1)	(4.1)
Gains and losses on disposal of assets	0.1	0.1
Other income	0.1	0.3
Other non-current items	(0.1)	(0.4)
Other non-current operating income and expenses	**(8.0)**	**(4.0)**
Impairment of capitalised development costs	(5.7)	(3.1)
Other asset impairment[2]	(10.5)	(13.4)
Reversal of impairment of capitalised development costs[3]	5.8	2.4
Impairment of non-current assets	**(10.4)**	**(14.1)**
Non-current operating profit	**(18.4)**	**(18.1)**

(1) Capitalized development costs for which the Group considers that the criteria for capitalization set out in IAS 38 "Intangible Assets" are no longer met, as a result of external events beyond its control, are recognized in other non-current operating expenses for the period.

(2) Other asset impairment in 2021 corresponds to the impairment of the Numurkah power plant in Australia (see note 2.2). Impairment of other receivables in 2020 corresponded to the impairment of the assets of the Altiplano 200 power plant.

(3) Reversals of impairment losses on capitalized development costs relate to abandoned projects.

NOTE 11. TAXES

Accounting principles

Income taxes

Income taxes include current and deferred tax expense (income), calculated in accordance with the tax laws of the countries where the income is taxable. Current and deferred taxes are generally recognised in profit or loss or in equity symmetrically with the underlying transaction.

Current tax expense (income) is the estimated amount of tax due on the taxable income for the period, determined using tax rates adopted at the reporting date. Deferred tax arises from temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, no deferred tax is recognised for temporary differences generated by:

- non-tax-deductible goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit (tax loss) at the transaction date;
- investments in subsidiaries, joint ventures and associates when the Group controls the date on which the temporary differences reverse and it is probable that these differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected in the period in which the asset will be realised or the liability settled and that have been adopted at the reporting date. In the event of a change in tax rate, deferred taxes are adjusted to the new prevailing rate and the adjustment is charged to the income statement unless it relates to an underlying asset, the changes in which are charged to equity, in particular in respect of the fair value accounting of hedging instruments.

Deferred taxes are reviewed at each reporting date to take into account changes in tax legislation and prospects of recovering deductible temporary differences. A deferred tax asset is recognised only to the extent that it is probable that the Group will have future taxable profits against which it can be offset in the foreseeable future or, beyond that, deferred tax liabilities of the same maturity. In determining the conditions for the use of its deferred tax assets, the Group relies on long-term business plans established for each of its projects in operation and under construction, which are reviewed as soon as indications of impairment appear and at least annually.

Income tax and other tax payables

In France, the 2010 Finance Act introduced a territorial economic contribution to replace the business tax (CET). The CET includes two new contributions: the corporate property contribution (CFE) and the corporate value added contribution (CVAE). For the financial years presented, the Group has recognised the CFE in recurring operating income under "Duties, taxes and similar payments" and considered that the CVAE base was within the scope of application of IAS 12 "Income taxes".

NOTE 11.1. DUTIES, TAXES AND SIMILAR PAYMENTS

In accordance with IFRIC 21, the Group recognises tax as soon as it becomes payable. The expense amounted to €(7.5) million in 2021 compared with €(7.7) million in 2020.

NOTE 11.2. INCOME TAX

Income tax expense breaks down as follows:

In millions of euros	FY 2021	FY 2020
Profit before tax	53.5	24.8
Income tax	**(13.3)**	**(21.4)**
Current tax	*(14.6)*	*(14.5)*
Deferred tax	*1.4*	*(6.9)*
Effective tax rate	**24.8%**	**86.6%**

The tax charge was €(13.3) million in 2021 compared with €(21.4) million in 2020, representing an effective tax rate of 24.8% compared with 86.6%.

The tax payable in 2021 is composed of:

* €(11.3) million in corporate income tax compared with €(8.8) million in 2020. This increase is mainly due to:
  - the increase in the taxable income of the Neoen S.A. tax consolidation group due to the development of the business;
  - the decrease in current tax in Australia, resulting in particular from the decrease in taxable income of Hornsdale Power Reserve;
  - an increase in income tax in other geographical areas, notably in France due to the end of the use of ordinary tax loss carryforwards on certain power plants;
* €(2.5) million of withholding taxes, used as tax credits in the amount of €(1.7) million, compared with €(4.1) million in 2020, used as tax credits in the amount of €(1.2) million;
* €(0.9) million in corporate value added tax (CVAE), compared with €(1.7) million in 2020.

The difference between the effective tax charge and the theoretical tax charge breaks down as follows:

In millions of euros	FY 2021	FY 2020
Profit before tax	**53.5**	**24.8**
Tax rate applicable to the parent company	26.5%	28.0%
Theoretical tax charge	**(14.2)**	**(6.9)**
Tax rate differences	(0.5)	(0.9)
Effects of rate changes	1.9	-
Permanent differences	4.9	(3.9)
Tax without base	(1.6)	(3.7)
Change in tax assets on tax loss carryforwards	0.4	(0.5)
Tax losses generated during the period for which deferred tax assets have not been recognized	(2.2)	(3.4)
Others	(2.0)	(2.1)
Effective tax charge	**(13.3)**	**(21.4)**

The €0.9 million difference between the theoretical tax charge of €(14.2) million and the actual tax charge of €(13.3) million in 2021 is mainly due to:

* the effect of the change in the tax rate in Argentina (from 25% to 35%), which had a positive impact on the deferred tax base on capitalised tax loss carryforwards (+ €1.9 million);
* permanent differences of + €4.9 million. They mainly include:
  - the impact of farm-down transactions (+ €10.0 million), in France, and falling under the long-term capital gains regime;
  - the effect of expenses incurred in connection with the application of IFRS 2 "Share-based payments" for €(0.6) million;
  - the impact of expenses not giving rise to tax savings in several regions for a total of €(3.4) million;
* taxes without base in the amount of €(1.6) million, corresponding mainly to the tax on business value added (CVAE) in the amount of €(0.8) million, and withholding tax in the amount of €(0.8) million;
* earnings outlook and time limitations in the use of tax losses for certain regions, which led the Group to write down or not recognise deferred tax assets in respect of certain tax losses, for €(1.8) million;
* other impacts, including mainly the consequences of the tax rules in force in Argentina with regard to hyperinflation.

In 2020, the difference of €(14.5) million between the theoretical tax charge of €(6.9) million and the actual tax charge of €(21.4) million was mainly due to:

* permanent differences of €(3.9) million. They mainly included:
  - the impact of the non-recognition of tax income on the portion of interest expenses relating to the convertible bonds ("OCEANE") issued in 2019 and the green convertible bonds ("OCEANE Verte") issued in 2020, recorded at the EIR and exceeding the nominal interest rate of these instruments, for €(1.7) million;
  - the effect of expenses incurred in connection with the application of IFRS 2 "Share-based payments" for €(0.7) million;
  - and expenses not giving rise to tax savings (notably accretion effects) for €(1.4) million;
* taxes without base in the amount of €(3.7) million, which mainly corresponded to the tax on business value added (CVAE) in the amount of €(1.2) million, as well as withholding tax in the amount of €(2.6) million;
* earnings outlook and time limitations in the use of tax losses for certain regions, which led the Group to write down or not recognise deferred tax assets in respect of certain tax losses, for €(3.9) million;
* other impacts that mainly included the effects of hyperinflation in Argentina.

NOTE 11.3. DEFERRED TAXES

Deferred tax assets and liabilities recorded in the balance sheet arise from:

In millions of euros	31.12.2021	31.12.2020
Fixed assets	(1.7)	(4.3)
Excess tax depreciation	(155.0)	(77.1)
Goodwill allocated	(3.7)	(3.8)
Financial	5.3	27.7
Others	(0.5)	(7.9)
Tax loss carryforwards and unused tax credits	128.2	74.3
Net deferred taxes	**(27.4)**	**8.9**
Deferred tax assets	58.3	62.2
Deferred tax liabilities	85.7	53.3
Net deferred taxes	**(27.4)**	**8.9**

The change in deferred tax assets on accelerated depreciation is mainly due to the difference between the tax depreciation period and the accounting depreciation period of certain fixed assets, associated in particular with an increase in investments in production assets in Australia. Temporary government measures have made it possible to depreciate production assets coming on stream for tax purposes over one year.

The decrease in deferred tax on financial flows is due mainly to the change in the fair value of derivative financial instruments recorded in other comprehensive income, as a result of the impact of the significant increase in forward rates over the period in most of the geographical areas where the Group operates.

The + €53.9 million increase in deferred taxes on tax loss carryforwards and unused tax credits was due to:

- the recognition of new deferred taxes amounting to €68.7 million, mainly in Australia for €61.8 million and related to the accelerated tax depreciation over one year allowed by temporary government measures;
- consumption of deficits for €(15.2) million mainly in Argentina for €7.5 million, Zambia for €3.4 million, France for €2.4 million and Australia for €1.2 million.

The amount of unrecognized ordinary tax losses at December 31, 2021 is €18.6 million, corresponding to a deferred tax asset of €5.3 million.

The change in deferred taxes breaks down as follows:

In millions of euros	Deferred tax assets	Deferred tax liabilities	**Total**
Net deferred tax - start of the period	**62.2**	**53.3**	**8.9**
Change recognised in income	94.0	92.6	1.4
Other items of comprehensive income	4.5	32.0	(27.5)
Impact of changes in consolidation scope	0.6	1.5	(0.8)
Offsetting of deferred tax assets and liabilities	(103.1)	(103.1)	(0.0)
Other movements	-	9.3	(9.3)
Net deferred tax - end of the period	**58.3**	**85.7**	**(27.4)**

NOTE 12. GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

NOTE 12.1. GOODWILL

Accounting principles

Impairment of assets

Refer to note 5.1 "business combinations".

Impairment of assets

Refer to accounting principles in note 12.2 "Impairment of assets".

The goodwill presented relates to the acquisition in 2019 of Irish wind power plants in operation. The latter was tested for impairment as at 31 December 2021. No impairment was detected.

NOTE 12.2.INTANGIBLE ASSETS

Accounting principles

Intangible assets

The main intangible assets recognised by the Group linked to expenses related to project development.

Direct and indirect, external or internal development costs are capitalised as soon as the corresponding projects are likely to be successful.

Projects are capitalised in accordance with IAS 38 "Intangible assets".

The capitalisation criteria are as follows:

- the technical feasibility of the project;
- the intention to complete the intangible asset and use or sell it;
- the ability to use the intangible asset;
- the probability of generating future economic benefits;
- the availability of technical and financial resources to complete the development of the project;
- the ability to reliably measure expenses attributable to the asset during its development.

The Group considers that these criteria are met when a project enters the development portfolio, i.e. when the contractual elements and technical studies indicate that the feasibility of a project is likely (most often at the early stage). When the conditions for recognition of an internally generated asset are not met, project development expenses are expensed in the period in which they are incurred.

The expenses associated with these projects cease to be capitalised upon industrial commissioning.

As soon as the Group considers that the probability of success is reduced due to unusual external factors, development-related expenses are written down and recorded under "Impairment of non-current assets".

When a project is abandoned, the development expenses related to this project are expensed within "Other non-recurring operating income and expenses" (see note 10).

The Group distinguishes between "Studies" and "Operation" development costs depending on the state of progress of the project at the end of the year. The term "Operation" covers the construction and operation phases of power plants.

Amortisation is calculated from the commissioning of the asset on a straight-line basis over the useful life of the underlying asset.

Other intangible assets are amortised on a straight-line basis according to their estimated useful life.

The main categories of intangible assets and their amortisation period used by the Group are as follows:

- software: 1 to 3 years;
- development costs: 6 to 30 years, in line with the estimated useful life of power plants and storage facilities.

Impairment of assets

In accordance with IAS 36 "Impairment of assets", at the end of each reporting period, the Group reviews the financial information for indications of impairment of intangible assets and property, plant and equipment with finite and indefinite useful lives (goodwill) and intangible assets in progress. If such evidence exists, the Group performs an impairment test to assess whether the carrying amount of the asset exceeds its recoverable amount, defined as the higher of fair value less transaction costs and value in use.

In addition, for intangible assets with indefinite useful lives (goodwill) and intangible assets in progress, an impairment test is carried out annually whether or not there is an indication of impairment.

Most of the fixed assets on the balance sheet relate to production assets (plants under development, under construction or in operation). These assets, which have a finite life, are tested for impairment whenever impairment indicators appear.

In the Group's business, only projects with sufficient profitability at the outset are built and operated. To the extent that, without production incidents, the resources generated by the project are predictable, the risk of not generating the expected level of cash flow is low.

The value in use of an asset is generally measured by discounting the future cash flows generated by the asset. Assets that do not generate largely independent cash flows are grouped together in Cash Generating Units (CGUs). The Group has identified each project as a CGU.

The data used to implement the tests using the discounted cash flow method are derived from the project's business plans covering the term of the power sales contracts, and a sales period on the markets running from the end of the sales contracts until the end of the useful life of the underlying assets. The underlying assumptions are systematically updated at the test date.

Changes in intangible assets break down as follows:

	In millions of euros	Capitalized development costs - Operation	Capitalized development costs - Studies[4]	Other intangible assets[5]	**Total**
Gross amounts	**As of December 31st, 2020**	**84.2**	**64.9**	**77.3**	**226.3**
	Acquisitions[1]	12.9	25.5	0.1	38.5
	Disposals[2]	(1.9)	(9.4)	(0.0)	(11.3)
	Impact of changes in consolidation scope[3]	-	-	24.3	24.3
	Impact of fluctuation in foreign exchange rates	1.2	0.8	1.6	3.6
	Reclassifications and others	17.7	(13.4)	6.2	10.6
	As of December 31st, 2021	114.2	68.4	109.4	292.0
Amortization and impairment	**As of December 31st, 2020**	**(9.7)**	**(3.8)**	**(4.1)**	**(17.6)**
	Charge for amortization	(2.4)	(0.0)	(2.4)	(4.8)
	Impairment loss	-	(5.7)	(0.0)	(5.7)
	Reversal of impairment loss	-	5.8	-	5.8
	Disposals	0.3	0.0	-	0.3
	Impact of fluctuation in foreign exchange rates	(0.1)	(0.1)	(0.1)	(0.3)
	Reclassifications and others	0.0	(0.0)	(0.4)	(0.4)
	As of December 31st, 2021	(11.8)	(3.8)	(7.0)	(22.7)
Net amounts	As of December 31st, 2020	74.4	61.0	73.2	208.7
	As of December 31st, 2021	102.4	64.5	102.4	269.3

(1) During the 2021 financial year, the Group capitalised expenses directly attributable to project development in the amount of €38.5 million. These investments mainly concern projects located in Australia, France, Finland, Ireland, Portugal, Sweden, Mexico, Argentina and Mozambique.

(2) The decreases relate to scrapping during the period.

(3) Changes in the scope of "Other intangible assets" include valuation differences relating to entities acquired during the year.

(4) At December 31, 2021, "Capitalised development costs - Studies" amounted to €64.5 million in net value, and included €10.3 million in capitalised expenses relating to projects for which the tariff is secured at December 31, 2021.

(5) Other intangible assets consist mainly of assets relating to projects under development, which have been acquired from third parties.

NOTE 12.3. PROPERTY, PLANT AND EQUIPMENT

Accounting principles

Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost in accordance with IAS 16 "property, plant and equipment". Property, plant and equipment acquired through business combinations are measured at fair value. The cost of an item of property, plant and equipment includes, where applicable, the estimate of the costs relating to the dismantling and rehabilitation of the site on which it is located, based on the obligation incurred by the Group.

The costs of borrowings used to finance the assets until commissioning are included in the initial cost of fixed assets.

Depreciation is calculated from the date the asset is brought into service and expensed over the estimated useful life, using the straight-line method and on the following bases:

- power plants: 30 years[1];
- power storage plants: 10 to 20 years;
- fixtures and fittings: 3 to 10 years;
- office equipment and furniture, computers: 3 to 4 years;

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Current production assets correspond mainly to power plants under construction. An asset is defined as soon as expenses are incurred for the construction of the power plants until they are commissioned.

Accounting policies applied to leases

The Group leases land for its power generation facilities and office space for its administrative activities.

Land leases generally cover a period of 18 to 99 years, some of which include an option for renewal by the Group. The terms used by the Group include renewal periods to the extent that the Group believes that it is reasonably certain that the renewal clauses will be exercised (given the strategic nature of the locations in question).

The term of office leases is between 1 and 10 years.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease.

The contract is or contains a lease if the contract confers the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract gives the right to control an identified asset throughout the life of the asset, the Group assesses whether:

- the contract involves the use of an identified asset - this can be specified explicitly or implicitly, and must be physically distinct or substantially represent the capacity of a physically distinct asset. If the supplier has a substantial right of substitution, the asset is not identified;
- the Group is entitled to obtain substantially all the economic benefits of using the asset throughout the period of use;
- the Group has the right to decide on the use of the asset. The Group has this right when it has the most relevant decision rights to determine how and for what purpose the asset is used. In rare cases, when the decision on the manner and purpose for which the asset is used is predetermined, the Group has the right to direct the use of the asset if:
  - the Group has the right to operate the asset; or
  - the Group has designed the asset in a way that pre-determines how and for what purposes it will be used.

At the time of the creation or revaluation of a lease that contains a lease component, the Group elected not to separate the non-lease components and to recognise the lease as a single lease component.

[1] The Group considers that the useful life of the power plants is 30 years but may opt for different depreciation periods depending on technical, regulatory or contractual constraints.

The Group recognises a right-of-use asset and a lease liability at the beginning of the lease:

- the right-of-use asset is initially measured at the cost, which includes the initial amount of lease liability adjusted for lease payments made on or before the date of commissioning, plus any marginal direct costs incurred, less lease incentive premiums received;
- the asset related to the rights of use is then depreciated using the straight-line method from the effective date of the contract until the end date of the contract. In addition, the value of the asset related to the rights of use is adjusted to take account of certain revaluations of the lease liability and, where applicable, reduced in the event of impairment, in accordance with IAS 36;
- the lease liability is initially measured at the present value of lease payments that have not yet been made, discounted using the lessee's incremental borrowing rate (the interest rate that the lessee would have to pay to borrow, for a similar term and with a similar guarantee, the funds necessary to obtain a property of similar value to the asset under the right of use in a similar economic environment).

Lease payments included in the lease liability valuation include the following:

- fixed payments, including substantive fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the effective date;
- rents in an optional renewal period if the Group is reasonably certain to exercise an extension option;
- The lease liability is revalued in the event of a change in future rental income resulting from a change in index or rate or if the Group changes its assessment as to whether to exercise an extension or termination option.

When the lease liability is revalued, an adjustment is made to the carrying amount of the right-of-use asset or is recorded in income if the amount of the right-of-the use asset has been reduced to zero.

Short-term leases and low-value asset leases

The Group has elected not to recognise right-of-use assets or lease liabilities for short-term leases with a term of 12 months or less, or low-value asset leases. The Group recognises the lease payments related to these leases as expenses.

Impairment of assets retained under the right of use

Refer to accounting principles in note 12.2.

Changes in property, plant and equipment are as follows:

	In millions of euros	Production assets	Production assets in progress	Lease rights of use[4]	Other property, plant and equipment	Total
Gross amounts	**As of December 31st, 2020**	**2,388.8**	**635.4**	**172.8**	**21.0**	**3,218.1**
	Acquisitions[1]	0.0	835.0	(0.1)	8.0	843.0
	Disposals	-	(0.0)	(4.2)	(0.2)	(4.3)
	Impact of changes in consolidation scope[2]	(38.6)	10.1	(6.0)	-	(34.5)
	Impact of fluctuation in foreign exchange rates	72.9	16.0	1.7	1.1	91.7
	Reclassifications and others[3]	792.4	(786.9)	59.3	0.4	65.2
	As of December 31st, 2021	**3,215.5**	**709.6**	**223.6**	**30.3**	**4,179.0**
Amortization and impairment	**As of December 31st, 2020**	**(364.9)**	**(1.0)**	**(11.5)**	**(2.0)**	**(379.3)**
	Charge of amortization	(95.9)	-	(6.3)	(0.7)	(102.9)
	Impairment loss	(10.4)	-	-	(0.1)	(10.5)
	Disposals	-	-	3.9	0.2	4.1
	Impact of changes in consolidation scope[2]	5.9	-	0.8	-	6.7
	Impact of fluctuation in foreign exchange rates	(7.0)	(0.0)	(0.2)	(0.0)	(7.2)
	Reclassifications and others	(12.4)	-	(0.0)	(0.0)	(12.4)
	As of December 31st, 2021	**(484.7)**	**(1.0)**	**(13.2)**	**(2.6)**	**(501.5)**
Net amounts	**As of December 31st, 2020**	**2,023.9**	**634.4**	**161.4**	**19.1**	**2,838.7**
	As of December 31st, 2021	**2,730.8**	**708.6**	**210.5**	**27.7**	**3,677.6**

(1) Acquisitions over the period correspond to plants under construction, including the following plants:
- *in Australia: €491.6 million, consisting mainly of the Victorian Big Battery (€159.5 million), Western Downs (€152.8 million), Bulgana (€64.5 million), Kaban (€62.6 million), Goyder (€42.9 million) and Capital Battery (€9.7 million);*
- *in Europe - Africa: €320.8 million, of which mainly the Mutkalampi power plant in Finland (€96.4 million), wind and solar power plants in France (€106.6 million and €80.7 million respectively), the Metoro power plant in Mozambique (€25.6 million), three solar power plants in Ireland (€4.3 million) and the Rio Maior power plant in Portugal (€1.7 million);*
- *in the Americas: €30.5 million, mainly the Altiplano 200 plants (€20.9 million) in Argentina and the Itzoteno plant (€7.7 million) in Mexico.*

(2) The changes in scope correspond to:
- *farm-down transactions amounting to €(32.7) million net on production assets, €(6.9) million on production assets in progress and €(5.2) million net on rights of use;*
- *the acquisition of control of the Irish solar power plants under construction, previously accounted for using the equity method, for €13.1 million;*
- *as well as acquisitions of projects under development in Ireland and Sweden for €4.0 million.*

(3) Reclassifications and others on production assets include + €22.4 million related to decommissioning assets of newly commissioned power plants, – €6.1 million related to the revaluation of decommissioning provisions, and – €11.0 million of investment in sub-stations, transferred to operators (in accordance with the contractual obligations inherent in certain PPAs) and reclassified as intangible assets. The reclassifications and other on rights of use (€59.3 million) mainly correspond to new leases capitalised under IFRS 16 "Leases", as well as extensions or indexation of current leases.

(4) This mainly concerns land use rights (for power plants under construction and in operation, for an amount of €196.4 million), as well as usage rights relating to offices, for an amount of €14.0 million. The + €49.1 million increase over the period was mainly due to the recognition of new leases for + €54.9 million and the sale of companies in connection with farm-down transactions for – €5.2 million.

In accordance with IAS 36 "Impairment of assets", the Group has therefore carried out an impairment test on the carrying amount of its assets in order identify any impairment losses.

During the 2021 financial year, the Group noted a variance in operational and financial performance from the initial business plan for its Australian solar assets, against a backdrop of downward revisions by major market players to long-term forecasts of electricity prices captured by solar assets in Australia. Impairment tests led to the recognition of an impairment loss in the amount of AUD (16.4) million or €(10.4) million on the Numurkah power plant (see note 2.2).

There is no other indication of impairment requiring the additional implementation of impairment tests on property, plant and equipment in the Group's balance sheet at the date of publication of its consolidated financial statements (see note 10).

In 2020, the property, plant and equipment of the plants in Argentina were tested for impairment as indications of impairment were identified, in particular due to delays in the repayment of VAT receivables. An impairment loss for €(13.4) million, i.e. USD (15.3) million, was therefore recorded in the consolidated financial statements at December 31, 2020. The test was updated in 2021, using a cost of equity of 13% and no additional impairment loss was recognised. A + 1% change in the cost of equity would result in an additional impairment charge of USD (7.5) million or €(6.4) million.

NOTE 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Changes in investments in associates and joint ventures are as follows:

In millions of euros	31.12.2021	31.12.2020
Total investments in associates and joint ventures - start of the period	**7.3**	**6.9**
Dividends paid	(1.1)	-
Capital increase	-	(0.1)
Impact of changes in consolidation scope	9.8	-
Share of net income of associates	0.3	0.7
Change in fair value	0.2	(0.1)
Total investments in associates and joint ventures - end of the period	**16.6**	**7.3**

This item corresponds mainly to the Group's interest in the Selxal power plant in Portugal and in the Finnish company Storbotet Vind AB, acquired in May 2021 (see note 5.4).

NOTE 14. NON-CURRENT FINANCIAL ASSETS

Accounting principles

Non-current financial assets consist of security deposits related to financing contracts, term deposits, loans, non-consolidated securities, and derivative instruments with a positive value.

Financial assets are classified and measured as follows:

- security deposits and term deposits are carried at amortised cost;
- non-consolidated securities are recognised at fair value in accordance with IFRS 9 "Financial Instruments".

In millions of euros	31.12.2021	31.12.2020
Security deposits	67.2	76.6
Available-for-sale (AFS) financial assets	3.8	2.5
Loans due in more than one year	12.1	13.0
Total non-current financial assets	**83.0**	**92.1**

Security deposits

Security deposits correspond mainly to:

- the financing reserve accounts set up in connection with project financing relating to production assets;
- deposits made in response to calls for tenders.

The decrease during the period was due mainly to the release of an escrow account related to the financing of an asset under construction and the repayment of security deposits related to the financing of production assets (Debt Service Reserve Account or DSRA).

NOTE 15. OTHER CURRENT ASSETS

Other current assets break down as follows:

In millions of euros	31.12.2021	31.12.2020
Tax and employee-related receivables	63.6	84.3
Trade accounts payable in debit	2.0	7.7
Prepaid expenses	8.2	7.8
Other debtors	41.2	12.4
Total other current assets	**115.3**	**112.3**

Tax and social security receivables consist mainly of VAT credits pending recovery associated with the construction of power plants.

The increase in other debtors is due to higher advance payments to suppliers in connection with the construction of power plants.

NOTE 16. CASH AND CASH EQUIVALENTS

Accounting principles

Cash includes cash and cash equivalents as well as short-term investments that are considered to be liquid, convertible into a known amount of cash and that are subject to an insignificant risk of change in value in light of the criteria provided for by IAS 7 "cash flows atatements".

Overdrafts are excluded from the notion of cash and cash equivalents and are recognised as current financial liabilities.

Cash and cash equivalents break down as follows:

In millions of euros	31.12.2021	31.12.2020
Cash	524.6	374.2
Cash equivalents	67.9	0.7
Total cash and cash equivalents	**592.6**	**374.9**

Cash and cash equivalents at December 31, 2021 stood at €592.6 million, compared with €374.9 million at the end of 2020, a change of + €217.7 million, and mainly corresponds to cash and cash equivalents:

* held by Neoen S.A. for €290.4 million, the change in which in 2021 (+ €219.2 million) is mainly due to:
  - capital increases in cash in the amount of +€599.9 million, less issuance costs of €(7.8) million, i.e. + €592.1 million (see note 2.2);
  - dividends received and repayment of shareholder loans for + €50.0 million;
  - investments in the form of equity and shareholder loans in new projects amounting to – €384.0 million, particularly in Finland, Australia and France;
  - repayment of financing from the BPI for – €10.5 million;
  - payment of financial interest relating to the convertible bonds issued in 2019 and 2020 for – €7.5 million;
* located in the project companies and associated holding companies (€312.1 million), of which the change in 2021 (– €1.6 million) results, for assets under construction, from the drawdown of senior debt and equity contributions to finance investments in production assets, and, for assets in operation and finance companies, from cash flow generated by the business, intended in particular to ensure the repayment of project financing and the remuneration of contributions made by shareholders.

Cash equivalents mainly correspond to term accounts opened by Neoen S.A. for €67.2 million at the time of the capital increase of April 7, 2021. As these are highly liquid, they meet the criterion of IAS 7 "Statement of cash flows" (easily convertible into cash and no significant risk of a change in value).

NOTE 17. SHAREHOLDERS' EQUITY AND DETAILS OF DILUTIVE INSTRUMENTS

Capital management policy

Neoen group manages its capital within the framework of a prudent and rigorous financial policy which since the creation of the company has been based on a desire to constantly optimise its financial structure, enabling it to finance its development, in accordance with its objectives of growth in installed capacity and internal rate of return (IRR). This is part of a diversification strategy, both geographic and technological, but also its exposure to currency risk. In addition to compliance with covenants and financial commitments made in connection with its project financing, most of which are without recourse to the Group's parent company, and its corporate financing, Neoen group more specifically monitors its net debt-to-EBITDA and financial leverage-to-capital employed ratios on an all-in basis including all of the Group's debt, whether corporate or set up to finance its projects, with a view to managing its capital structure.

This capital management policy is designed to enable it to continue to invest in value-generating projects, thereby maximising the creation of value for its shareholders, including its controlling shareholder for the past 10 years, Impala SAS. Neoen group may therefore make regular adjustments to this policy, particularly with regard to changes in economic conditions and access to debt and capital markets, and in this context to issue new shares, buy back own shares or authorise share-based payment plans.

Neoen group is not subject to any external minimum capital requirements, except as required by law.

Equity

Movements affecting the Group's equity during financial years 2020 and 2021 are detailed in the consolidated statement of changes in shareholders' equity.

Share capital

During the period, the share capital was increased as a result of:

- 24,000 stock options were exercised at an exercise price of €6, 42,339 stock options were exercised at an exercise price of €5.55 and 20,215 stock options were exercised at an exercise price of €9.25;
- 21,393,678 shares were created in connection with a capital increase carried out on April 9, 2021;
- 23,038 shares were created in connection with a capital increase reserved for employees;
- 2,703 shares were created in connection with free share allocation plan that had expired.

These operations for a total amount of €599.9 million, including an issue premium of €556.9 million, brought the share capital to €214.1 million and the issue premium to €1,053.4 million.

Treasury shares

At December 31, 2021, the Company held directly or indirectly 204,510 treasury shares, mainly resulting from a share buyback programme with a view to allocating them, representing €3.1 million at the closing date.

Dividends

The Group did not distribute any dividends.

Non-controlling interests

In millions of euros		Percentage of interest uncontrolled		Net profit from investments attributable to non-controlling interests	Investments attributable to non-controlling interests	Net profit from investments attributable to non-controlling interests	Investments attributable to non-controlling interests
Entity	**Country**	**31.12.2021**	**31.12.2020**	**FY 2021**	**31.12.2021**	**FY 2020**	**31.12.2020**
HWF 1 & Holdco	Australia	30.0%	30.0%	0.3	2.1	(0.2)	1.3
HWF 2 & Holdco	Australia	20.0%	20.0%	0.4	2.1	0.1	0.7
HWF 3 & Holdco	Australia	20.0%	20.0%	0.2	3.0	(0.2)	1.7
Hedet	Finland	19.9%	19.9%	(0.0)	(1.0)	0.1	(1.2)
Bangweulu Power Company	Zambia	41.2%	41.2%	(0.2)	0.1	0.4	(0.2)
EREC	Jamaica	50.0%	50.0%	(1.1)	(1.1)	(0.4)	0.0
Metoro	Mozambique	25.0%	25.0%	(0.1)	0.2	(0.1)	0.3
Zambia Sunlight One	France	31.3%	31.3%	(0.1)	(0.3)	(0.1)	(0.5)
Hexagone Energie	France	40.0%	-	(0.0)	3.7	-	-
Alight Miranda AB	Sweden	49.0%	-	(0.0)	0.6	-	-
Mutkalampi	Finland	-	19.9%	-	0.0	(0.1)	2.7
Others				(0.1)	(0.1)	(0.1)	(0.0)
Total non-controlling interests				**(0.8)**	**9.2**	**(0.5)**	**4.8**

The change in non-controlling interests of + €4.4 million is mainly due to:

- the change in fair value of financial instruments on HWF 1, HWF 2 and HWF 3 entities for + €5.2 million;
- the acquisition of the Hexagone Energie project, 60% owned by the Group, for + €3.7 million;
- the purchase of the 19.9% minority stake in the Finnish company Mutkalampi, bringing the Group's interest to 100%, for – €2.7 million;
- – €2.4 million in capital reductions at HWF 1, HWF 2 and HWF 3 entities.

Balance sheet aggregates

The net assets of non-controlling interests at 31 December 2021 break down as follows:

In millions of euros	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Zambia Sunlight One	Hexagone Energie	Alight Miranda A B	Other
Current assets	4.4	3.1	3.3	3.3	5.5	13.8	4.4	0.0	0.2	0.1	1.1
Non-current assets	118.2	110.3	119.3	91.5	51.9	28.2	40.5	6.9	4.3	0.6	4.7
Current liabilities	9.5	7.9	8.6	38.0	12.9	42.9	12.1	7.8	0.5	0.1	4.9
Non-current liabilities	128.9	114.0	126.6	61.9	47.2	1.8	34.8	-	0.4	0.1	1.3
Net assets	**(15.8)**	**(8.5)**	**(12.5)**	**(5.1)**	**(2.6)**	**(2.9)**	**(1.5)**	**(1.0)**	**3.7**	**0.6**	**(0.4)**

The net assets of non-controlling interests at 31 December 2020 break down as follows:

In millions of euros	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Mutkalampi
Current assets	5.6	4.3	3.8	8.8	7.1	9.1	6.2	15.5
Non-current assets	115.2	109.0	118.2	93.8	50.8	1.4	38.5	82.0
Current liabilities	10.1	8.9	9.7	41.4	13.7	10.7	12.9	88.5
Non-current liabilities	133.0	121.9	132.9	67.3	44.5	2.2	34.0	6.9
Net assets	(22.2)	(17.5)	(20.7)	(6.2)	(0.3)	(2.4)	(2.2)	2.2

Income statement aggregates

The comprehensive income of non-controlling interests in 2021 breaks down as follows:

In millions of euros	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Zambia Sunlight One	Hexagone Energie	Alight Miranda A B	Others
Revenue	19.0	15.3	16.4	7.9	6.2	-	4.5	-	-	-	0.0
Net income	1.1	1.8	0.9	(0.2)	(2.2)	(0.4)	(0.5)	(0.3)	(0.0)	(0.0)	(0.3)
Of which: Net income - Group share	*0.8*	*1.4*	*0.7*	*(0.2)*	*(1.1)*	*(0.3)*	*(0.3)*	*(0.2)*	*(0.0)*	*(0.0)*	*(0.2)*
Of which: Net income - attributable to non-controlling interests	*0.3*	*0.4*	*0.2*	*(0.0)*	*(1.1)*	*(0.1)*	*(0.2)*	*(0.1)*	*(0.0)*	*(0.0)*	*(0.1)*
Comprehensive income	2.5	1.9	1.7	0.2	(1.1)	(0.1)	0.3	0.2	(0.0)	(0.0)	(0.1)

The comprehensive income of non-controlling interests in 2020 breaks down as follows:

In millions of euros	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Mutkalampi
Revenue	19.6	15.9	16.5	6.6	6.0	-	4.9	-
Net income	(0.6)	0.3	(1.0)	0.4	(0.8)	(0.4)	1.1	(0.5)
Of which: Net income - Group share	*(0.4)*	*0.2*	*(0.8)*	*0.3*	*(0.4)*	*(0.3)*	*0.6*	*(0.4)*
Of which: Net income - attributable to non-controlling interests	*(0.2)*	*0.1*	*(0.2)*	*0.1*	*(0.4)*	*(0.1)*	*0.4*	*(0.1)*
Comprehensive income	(1.7)	(0.2)	(1.2)	(0.1)	(0.4)	(0.1)	(0.0)	(0.1)

Cash flows statement

The cash flow statement of non-controlling interests for 2021 breaks down as follows:

In millions of euros	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Zambia Sunlight One	Hexagone Energie	Alight Miranda A B	Others
Net cash flows from operating activities	17.4	15.1	17.4	3.1	3.3	(1.4)	1.4	(0.0)	0.3	0.1	1.7
Net cash flows from investing activities	(0.0)	(0.0)	(0.1)	(2.9)	(0.4)	(17.3)	(0.0)	-	(0.5)	(0.0)	(2.8)
Net cash flows from financing activities	(17.3)	(15.4)	(16.6)	(5.2)	(3.9)	22.4	(3.2)	-	0.2	0.1	0.3
Net change in cash including non-current assets or group of assets held for sale	0.1	0.1	0.1	-	0.3	0.7	0.3	-	-	(0.0)	0.0
Net change in cash from continued activities	**0.1**	**(0.2)**	**0.8**	**(4.9)**	**(0.7)**	**4.4**	**(1.5)**	**(0.0)**	**0.1**	**0.1**	**(0.8)**
Opening cash and cash equivalents	2.4	1.8	0.9	6.4	4.1	6.0	4.7	0.0	-	-	1.8
Closing cash and cash equivalents	**2.5**	**1.6**	**1.7**	**1.5**	**3.4**	**10.5**	**3.2**	**0.0**	**0.1**	**0.1**	**1.0**
Dividends paid to minority interests	(0.2)	-	-	-	-	-	-	-	-	-	-

The cash flow statement of non-controlling interests for 2020 breaks down as follows:

In millions of euros	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Mutkalampi
Net cash flows from operating activities	13.0	11.2	12.6	6.5	6.2	(4.1)	10.0	36.0
Net cash flows from investing activities	6.6	6.1	8.4	(10.8)	(10.0)	(1.4)	(10.3)	(36.1)
Net cash flows from financing activities	(19.4)	(16.9)	(30.6)	5.4	(4.3)	3.7	(3.0)	0.2
Net change in cash including non-current assets or group of assets held for sale	0.7	0.3	(0.1)	-	(0.5)	(0.6)	(0.5)	-
Net change in cash from continued activities	**1.0**	**0.8**	**(9.6)**	**1.1**	**(8.6)**	**(2.4)**	**(3.7)**	**0.1**
Opening cash and cash equivalents	1.4	1.1	10.5	5.3	12.7	8.4	8.4	0.1
Closing cash and cash equivalents	**2.4**	**1.8**	**0.9**	**6.4**	**4.1**	**6.0**	**4.7**	**0.2**
Dividends paid to minority interests	(7.2)	(1.9)	(1.7)	-	-	-	-	-

Dilutive instruments

Accounting principles

Basic earnings per share and diluted earnings per share are calculated in accordance with IAS 33 "earnings per share".

Basic earnings per share: earnings for the period (Group share) are divided into the weighted average number of shares outstanding after deduction of treasury shares held.

Diluted earnings per share: earnings for the period (Group share) as well as the weighted average number of shares outstanding after deduction of treasury shares held, taken into account for the calculation of basic earnings per share, are adjusted for the effects of all potentially dilutive instruments. Call options and free shares have a dilutive effect if their exercise price is lower than the market price.

(In number of shares)		31.12.2021	31.12.2020	31.12.2020	31.12.2019
Before dilution					
Number of shares		107,056,685	85,550,712	85,550,712	85,088,748
Number of treasury shares		204,510	10,639	10,639	198,948
Number of other shares		106,852,175	85,540,073	85,540,073	84,889,800
Average number of shares before dilution[1]		**96,196,124**		**85,214,937**	
Average number of adjusted shares[3]		*103,136,139*		*91,582,158*	
Dilutive instruments[2]	Free shares	726,645	537,000	537,000	898,144
	Stocks options	60,880	138,166	138,166	387,500
	Convertible bonds 2019 ("OCEANE")	7,126,283	6,629,101	6,629,101	6,629,101
	Convertible bonds 2020 ("OCEANE")	3,955,626	3,679,653	3,679,653	-
	TOTAL	**11,869,414**	**10,983,920**	**10,983,920**	**7,914,745**
After dilution					
Number of shares		118,926,099	96,534,632	96,534,632	93,003,493
Number of treasury shares		204,510	10,639	10,639	198,948
Number of other shares		118,721,589	96,523,993	96,523,993	92,804,545
Average number of shares after dilution[1]		**107,622,791**		**94,664,269**	
Average number of adjusted shares[3]		*115,022,621*		*101,737,541*	

(1) Average number of shares over the period excluding treasury shares and before taking into account the adjustment factor described in note (3) below.

(2) Following the capital increase with preferential subscription rights and in accordance with the applicable legal provisions and the stipulations of the free share allocation plans and stock option plans and the terms and conditions of convertible bonds ("OCEANE") issued by Neoen S.A. on October 7, 2019 ("OCEANE") and June 2, 2020 ("OCEANE Verte"), by decision of April 7, 2021, the Chairman and Chief Executive Officer, on delegation of the Board of Directors, adjusted the rights of the beneficiaries of free shares, stock options (coefficient of 1.081) and the ("OCEANE") and ("OCEANE Verte") (coefficient of 1.075).

(3) In accordance with IAS 33, the number of ordinary shares (used to calculate basic and diluted earnings per share) for all periods prior to the capital increase with preferential subscription rights on April 9, 2021 has been adjusted by a factor of 1.075 to reflect the effect of the capital increase.

NOTE 18. PROVISIONS

Accounting principles

Provisions

Provisions are recognised when, at the reporting date, the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the amount of which can be reliably estimated.

The amount recognised as provisions is measured in accordance with IAS 37 "provisions, contingent liabilities and contingent assets" based on the most likely estimate of the expenditure required to settle the present obligation at the reporting date. When the time value effect is significant, the amount of the provision recognised corresponds to the present value of the expected expenses deemed necessary to settle the corresponding obligation. The increase in provisions recorded to reflect the passage of time and relating to discounting is recognised in financial expenses.

Litigation and contingent liabilities

The Group exercises its judgement on a case-by-case basis in assessing the risks incurred and records a provision when it expects a probable outflow of resources. In cases where a reliable estimate cannot be made because it is considered unfounded or not sufficiently substantiated, there is a potential or current obligation that cannot be recognised (contingent liability).

Dismantling provision

When a legal or contractual obligation exists to dismantle a power plant, a decommissioning provision is recognised in return for a decommissioning asset, the cost of which is regularly estimated, based on quotes from external service providers. In the event of a significant change in the estimate leading to an increase in the provision, the net value of the dismantling assets is also increased. If the change results in a reduction in the provision, an impairment of the asset is recorded.

Current and non-current provisions

The main movements affecting provisions in 2021 were as follows:

In millions of euros	Non-current provisions	Current provisions	Total
Total current and non-current provisions - start of the period	**57.4**	**0.5**	**57.8**
Constituted over the period	22.0	0.3	22.3
Effect of extended service lives	(6.1)	-	(6.1)
Discounting	1.5	-	1.5
Impact of changes in consolidation scope	(0.4)	-	(0.4)
Reversal for use	-	(0.5)	(0.5)
Impact of exchange rate changes	1.5	0.0	1.5
Total current and non-current provisions - end of the period	**75.8**	**0.3**	**76.1**

Dismantling provisions recognized for production assets in operation amounted to €75.7 million at December 31, 2021, compared with €57.0 million at December 31, 2020.

The change in decommissioning provision during the 2021 financial year is mainly due to new provisions for dismantling recorded during the period for + €22.3 million and to extend the period of use of its production solar and wind assets from 25 to 30 years (see note 2.6). The impact of this change in estimate on provisions amounts to – €6.1 million.

NOTE 19. FINANCING AND FINANCIAL INSTRUMENTS

NOTE 19.1. NET FINANCIAL RESULT

A breakdown of the net financial result is provided in the following table:

In millions of euros	FY 2021	FY 2020
Loan interest	(77.2)	(76.4)
Interest associated with derivatives	(23.9)	(20.1)
Interest associated with rights of use	(5.4)	(5.2)
Cost of debt	**(106.5)**	**(101.8)**
Shareholder loan interest income and expenses	(0.8)	(0.8)
Foreign exchange gains and losses	(4.3)	(9.4)
Other financial income and expenses	(6.1)	(5.7)
Total other financial income and expenses	**(11.2)**	**(15.9)**
Net financial result	**(117.7)**	**(117.7)**

The change in the cost of financial debt is explained by:

- the setting up of corporate financing (mainly linked to the issue of green convertible bonds "OCEANE Verte" in June 2020 and the syndicated loan set up in March 2020, and not drawn down at the annual closing date);
- the increase in the number of plants in operation under financing;
- effects partially offset by the impact of the gradual repayment of the financing of the plants in operation.

Financial expenses on derivative instruments correspond to the recycling through profit or loss of the fair value of the derivative financial instruments considered as effective, recognised in other comprehensive income.

The impact of foreign exchange on financial income improved by + €5.2 million. This development is mainly due to the Altiplano 200 power plant in Argentina. In 2020, the Group recorded a foreign exchange loss of €(8.5) million resulting mainly from the effect of the depreciation of the Argentine peso against the US dollar on peso-denominated VAT credits generated by this power plant and awaiting reimbursement; In 2021, due to the repayment of a substantial portion of these VAT credits, foreign exchange losses were reduced by €(3.8) million, an improvement of + €4.7 million.

Other financial income and expenses were mainly affected by the following items in 2021:

- early repayments that led to the recognition in financial expenses of €(1.2) million in swap termination fees and €(0.4) million in immediate recognition in profit or loss of the balance of the upfront fees still to be amortised;
- the non-utilisation fees for the syndicated loan carried by Neoen S.A., which amounted to €(1.5) million;
- other items for €(2.1) million, including recurring bank fees and charges.

In 2020, other financial income and expenses were mainly affected by the following:

- the refinancing of the Australian power plants Hornsdale Wind Farm 1, 2 and 3, which had led to the immediate recognition in financial expenses of former upfront fees for € (4.7) million and €(0.2) million in penalties;
- the setting up of a syndicated credit facility by Neoen S.A., for which the non-utilisation fees amounted to €(1.3) million.

NOTE 19.2. NET DEBT

Accounting principles

Financial liabilities

Financial liabilities include financial liabilities and derivative financial instruments with a negative market value.

Borrowings are initially recognised at their original fair value less directly attributable transaction costs.

At each reporting date, borrowings are measured at amortised cost using the effective interest method and are broken down in the balance sheet as follows:

- non-current financial liabilities for the portion due in more than one year;
- current financial liabilities for the portion due within one year.

In accordance with IAS 23 "borrowing costs", borrowing costs directly attributable to the acquisition, construction or production of a fixed asset are included in the cost of the underlying asset.

Derivative financial instruments

The objective of Neoen Group's finance department is to hedge the risk of variability in the future interest expense resulting from the financing of the Group's investments.

To hedge its interest rate risk exposure, the Group uses derivatives mainly in the form of interest rate swaps and interest rate options. Most of the interest rate derivatives used by the Group qualify as cash flow hedges. Hedge accounting is applicable if the conditions provided for by IFRS 9 are met:

- the hedging relationship must be clearly designated and documented at the date of inception of the hedging instrument;
- the economic link between the hedged item and the hedging instrument must be documented, along with potential sources of inefficiency;
- retrospective ineffectiveness must be measured at each reporting date.

Cash flow hedges are used to hedge changes in the value of highly probable future cash flows from interest arising from the Group's financing requirements.

Changes in the fair value of the derivative financial instrument are recognised in other comprehensive income in equity (cash flow hedge reserve) for the "effective portion" of the hedge and in profit or loss for the period for the "ineffective portion".

Accumulated gains or losses in equity are recognised in profit or loss under the same heading as the hedged item, i.e. financial income at the time the hedged cash flow affects profit or loss.

When the derivative instrument is terminated or when the ineffectiveness of the hedging relationship results in its reclassification, the gains or losses accumulated on the derivative instrument are maintained in other comprehensive income (cash flow hedge reserve) and recognised symmetrically with the hedged flows. If future cash flows are no longer expected, the gains and losses previously recognised in equity are then transferred to the income statement.

When they are not considered as cash flow hedges for accounting purposes, changes in the fair value of these instruments are recorded in the income statement.

Derivative financial instruments with a positive market value are recognised as assets and those with a negative market value are recognised as liabilities.

Total net debt breaks down as follows:

In millions of euros	31.12.2021	31.12.2020
Senior financing of projects	2,199.6	1,948.7
Bond financing of projects	117.5	154.4
Lease liabilities	219.7	167.9
Corporate financing	336.8	339.4
Non-controlling investors and others	31.0	29.2
Derivative instruments liabilities – hedging effect	46.7	109.8
Financial debt	**2,953.4**	**2,749.4**
Non-controlling investors and others	(31.0)	(29.2)
Adjusted financial debt	**2,922.4**	**2,720.2**
Cash equivalents	(67.9)	(0.7)
Cash	(524.6)	(374.2)
Total cash and cash equivalents	**(592.6)**	**(374.9)**
Guarantee deposits	(67.2)	(76.6)
Derivative instruments assets – hedging effect	(30.4)	(2.2)
Total other assets	**(97.6)**	**(78.8)**
Total net debt	**2,232.2**	**2,266.5**

Net debt decreased by – €34.3 million at December 31, 2021. This is mainly due to the effect of the cash capital increase and the decrease in derivative liabilities recorded over the period, in a context of rising forward interest rates, partially offset by the setting up of new project financing and by the equity investments made in projects.

Analysis by type

In millions of euros	Non-current	Current	31.12.2021	Non-current	Current	31.12.2020
Senior financing of projects	1,795.1	404.5	2,199.6	1,696.7	252.0	1,948.7
Bond financing of projects	102.3	15.3	117.5	140.4	14.0	154.4
Corporate financing	337.5	1.3	338.8	325.4	14.0	339.4
Lease liabilities	212.1	7.7	219.7	160.8	7.1	167.9
Non-controlling investors and others	30.8	0.3	31.0	29.2	-	29.2
Derivative instruments liabilities – hedging effect	23.3	23.3	46.7	90.2	19.6	109.8
Total financial liabilities	**2,501.0**	**452.4**	**2,953.4**	**2,442.8**	**306.6**	**2,749.4**

Senior financing of projects

In 2021, senior project financing increased by + **€250.9** million, due to:

- new loans issued in connection with the financing of Group projects for **€413.0** million, including:
  - the Europe-Africa zone for €224.5 million (including the Mutkalampi power plant for €67.0 million in Finland, several solar and wind power plants in France for €76.1 million and €48.5 million respectively, and Metoro power plant in Mozambique for €22.0 million);
  - €173.1 million in Australia (including Western Downs for €87.3 million and the Victorian Big Battery for €55.4 million);
  - the America zone for €15.4 million (including Altiplano 200 in Argentina for €7.6 million);
- **€(214.9)** million in loan repayments in 2021;
  - the impact of foreign exchange fluctuations for €53.7 million;
  - the impact of changes in the scope of consolidation for €(7.6) million;

- the change in amortized cost of borrowings for **€5.3** million and accrued interest and other changes for **€1.3** million.

As of December 31, 2021, bank financing has been reclassified as current for an amount of €252.4 million (see note 2.2).

Bond financing for projects

The bond financing mainly comprises junior debt on projects. The decrease in bond financing of €(35.8) million is mainly explained by the repayment of €(34.9) million of debt carried by the entity Neoen Production 2 and €(3.2) million by the entity NP Investment.

Corporate financing

At December 31, 2021, corporate financing mainly corresponds to the convertible bonds ("OCEANE") issued in 2019 and the green convertible bonds ("OCEANE Verte") issued in June 2020. The decrease over the period corresponds mainly to the repayment of loans previously taken out with the Public Investment Bank (BPI France) for €(10.5) million, partially offset by the amortization of issue premiums relating to the ("OCEANE") and ("OCEANE Verte") for €8.4 million.

Lease liabilities

Each lease liability is initially measured at the present value of the outstanding lease payments at the effective date, discounted at the lessee's incremental borrowing rate. It is then repaid and accreted according to the rate of lease payments. The increase of + €51.8 million over the period is mainly due to the entry into force of new leases or revaluations for €62.0 million, €(5.4) million of changes in the scope of consolidation and repayments for €(4.4) million.

Non-controlling investors and others

This item consists mainly of current account contributions from minority shareholders in the context of project financing.

Derivative financial instruments

The decrease in derivative financial liabilities is mainly due to a positive change in fair value of – €64.9 million (as a result of the impact of the increase in forward rates over the period in most of the geographical areas where the Group operates).

Breakdown of financial debt by currency (excluding lease liability and minority investments)

(Counter value in millions of euros at closing price)	EUR	USD	AUD	Others	31.12.2021
Senior financing of projects	811.1	515.7	872.8	-	2,199.6
Bond financing of projects	50.9	12.7	54.0	-	117.5
Corporate financing	337.7	-	1.2	-	338.8
Derivative instruments – impact of hedging	13.5	12.8	20.4	-	46.7
Total financial liabilities	**1,213.1**	**541.2**	**948.3**	**-**	**2,702.6**

(Counter value in millions of euros at closing price)	EUR	USD	AUD	Others[1]	31.12.2020
Senior financing of projects	741.6	458.6	741.5	7.0	1,948.7
Bond financing of projects	66.7	17.7	69.9	-	154.4
Corporate financing	339.4	-	-	-	339.4
Derivative instruments – impact of hedging	32.1	20.5	57.2	-	109.8
Total financial liabilities	**1,179.9**	**496.8**	**868.6**	**7.0**	**2,552.3**

(1) As of December 31, 2021, debts denominated in other currencies corresponded to VAT financing pending repayment, denominated in Mexican pesos, and relating to the El Llano power plant in Mexico. These debts were repaid during the first half of 2021.

Breakdown of financial debt by interest rate type

In millions of euros	31.12.2021	31.12.2020
Fixed rate	1,213.5	1,030.1
Floating rate	1,693.3	1,609.5
Impact of hedging	46.7	109.8
Total financial liabilities after hedging	**2,953.4**	**2,749.4**

The financing of projects generally subscribed at variable rates and the flow of variable interest are covered, which generally represents 75% or more of the amount financed at variable rates.

Breakdown of total financial debt by maturity

In millions of euros	Less than 1 year[1]	Between 1 and 5 years	More than 5 years	**Total financial liabilities**
Senior financing of projects	404.5	511.5	1,283.6	2,199.6
Bond financing of projects	15.3	32.3	70.0	117.5
Lease liabilities	7.7	15.4	196.6	219.7
Corporate financing	1.3	337.5	-	338.8
Non-controlling investors and others	0.3	3.8	27.0	31.0
Derivative instruments liabilities – hedging effect	23.3	14.1	9.2	46.7
Total as of December 31st, 2021	**452.4**	**914.6**	**1,586.4**	**2,953.4**

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total financial liabilities**
Senior financing of projects	252.0	348.4	1,348.3	1,948.7
Bond financing of projects	14.0	44.2	96.2	154.4
Lease liabilities	7.1	8.7	152.1	167.9
Corporate financing	14.0	188.7	136.7	339.4
Non-controlling investors and others	-	-	29.2	29.2
Derivative instruments liabilities – hedging effect	19.6	52.8	37.5	109.8
Total as of December 31st, 2020	**306.6**	**642.8**	**1,800.1**	**2,749.4**

(1) As of December 31, 2021, financial debts due within one year include the acceleration of the debts of the El Llano power plant (for €123.0 million, of which €113.3 million in senior project financing and €9.7 million in swaps), of the Goleambally power plant (for €92.9 million, of which €88.9 million in senior project financing and €3.9 million in swaps), the Meteora power plant (for €26.5 million in senior project financing) and Plateau de l'Auxois Sud power plant (for €24.5 million, of which €23.6 million in senior project financing and €0.9 million in swaps) (please refer to note 2.2).

Breakdown of financial debt by movements

			Change without cash impact					
In millions of euros	31.12.2020	Cash flows	Change in foreign exchange	Change in consolidation scope	Changes in fair value and amortized cost[1]	Accrued interest	Other changes[2]	31.12.2021
Senior financing of projects	1,948.7	198.2	53.7	(7.6)	5.3	1.1	0.2	2,199.6
Bond financing of projects	154.4	(37.4)	0.0	-	0.6	(0.0)	(0.0)	117.5
Lease liabilities	167.9	(4.4)	1.8	(5.4)	-	(2.2)	62.0	219.7
Corporate financing	339.4	(10.1)	0.0	-	1.1	(0.0)	8.5	338.8
Non-controlling investors and others	29.2	1.1	1.0	(0.4)	-	-	0.1	31.0
Derivative instruments liabilities – hedging effect	109.8	(0.0)	2.0	(0.3)	(64.9)	-	(0.0)	46.7
Total financial liabilities	**2,749.4**	**147.3**	**58.5**	**(13.6)**	**(57.9)**	**(1.1)**	**70.8**	**2,953.4**

			Change without cash impact					
In millions of euros	31.12.2019	Cash flows	Change in foreign exchange	Change in consolidation scope	Changes in fair value and amortized cost	Accrued interest	Other changes[2]	31.12.2020
Senior financing of projects	1,757.9	212.3	(34.8)	-	8.5	4.9	(0.0)	1,948.7
Bond financing of projects	199.5	(45.4)	(0.8)	-	1.2	(0.2)	0.0	154.4
Lease liabilities	136.7	(5.9)	(0.8)	2.1	-	3.9	32.0	167.9
Corporate financing	194.6	137.4	-	-	0.9	0.3	6.2	339.4
Non-controlling investors and others	30.4	(0.2)	(1.1)	(0.0)	-	-	0.0	29.2
Derivative instruments liabilities – hedging effect	95.4	(31.7)	(1.6)	-	47.7	-	-	109.8
Total financial liabilities	**2,414.6**	**266.5**	**(39.1)**	**2.1**	**58.3**	**8.9**	**38.2**	**2,749.4**

(1) During 2021, the change in fair value and amortized cost includes – €64.9 million decrease in the fair value of derivative liabilities, due to the significant increase in forward interest rates during the period.

(2) Other changes in lease liabilities correspond to non-cash changes related to new leases in application of IFRS 16 "Leases". Other changes in corporate finance correspond to the portion of interest expense relating to the convertible bonds ("OCEANE") issued in 2019 and the green convertible bonds ("OCEANE Verte") issued in 2020, recorded at the effective interest rate and exceeding the nominal interest rate of these instruments.

NOTE 19.3. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Accounting principles

The fair value of an asset and liability is the price that would be agreed between parties who are free to contract and operate under market conditions. IFRS 13 "fair value measurement" distinguishes between three levels of fair value:

- level 1: prices quoted on an active market;
- level 2: prices quoted on an active market for a similar instrument, or another valuation technique based on observable parameters;
- level 3: valuation method incorporating unobservable parameters.

For derivative financial instruments, see notes 19.2 and 19.3.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the balance sheet, as the effect of discounting future cash flows is immaterial.

As of December 31st, 2021 *In millions of euros*	Level	**Carrying amount**	**Fair value**	Amortized cost	Fair Value through profit or loss	Debts measured at amortized cost	Cash-flow hedge derivatives
Derivative financial instruments	2	30.4	30.4				30.4
Non-current financial assets	2	83.0	83.0	83.0			
Other assets (current and non-current)	2	126.3	126.3	126.3			
Trade receivables	2	81.6	81.6	81.6			
Cash and cash equivalents	1	592.6	592.6		592.6		
Total financial assets		**914.0**	**914.0**	**291.0**	**592.6**	**-**	**30.4**
Non-current financial liabilities	2	2,477.7	2,533.3			2,477.7	
Other liabilities (current and non-current)	2	115.7	115.7			115.7	
Derivative financial instruments	2	46.7	46.7				46.7
Current financial liabilities	2	429.1	429.1			429.1	
Trade payables	2	340.4	340.4			340.4	
Total financial liabilities		**3,409.4**	**3,465.1**	**-**	**-**	**3,362.8**	**46.7**

As of December 31st, 2020 *In millions of euros*	Level	**Carrying amount**	**Fair value**	Amortized cost	Fair Value through profit or loss	Debts measured at amortized cost	Cash-flow hedge derivatives
Derivative financial instruments	2	2.2	2.2		2.2		
Non-current financial assets	2	92.1	92.1	92.1			
Other assets (current and non-current)	2	112.4	112.4	112.4			
Trade receivables	2	73.2	73.2	73.2			
Cash and cash equivalents	1	374.9	374.9		374.9		
Total financial assets		**654.8**	**654.8**	**277.7**	**377.1**	**-**	**-**
Non-current financial liabilities	2	2,352.6	2,419.6			2,352.6	
Other liabilities (current and non-current)	2	101.0	101.0			101.0	
Derivative financial instruments	2	109.8	109.8				109.8
Current financial liabilities	2	287.0	287.0			287.0	
Trade payables	2	173.9	173.9			173.9	
Total financial liabilities		**3,024.3**	**3,091.4**	**-**	**-**	**2,914.5**	**109.8**

NOTE 20. OTHER CURRENT LIABILITIES

NOTE 20.1. TAX AND SOCIAL SECURITY LIABILITIES

Tax and social security liabilities break down as follows:

In millions of euros	**31.12.2021**	**31.12.2020**
Tax debts	27.4	27.4
Social debts	11.7	10.1
Total of tax and security liabilities	**39.1**	**37.4**

NOTE 20.2. OTHER CURRENT LIABILITIES

Other current liabilities break down as follows:

In millions of euros	**31.12.2021**	**31.12.2020**
Prepaid income	15.8	18.6
Other creditors	29.1	22.7
Total other current liabilities	**45.0**	**41.3**

Prepaid income consists mainly of operating subsidies that are transferred to the income statement on a straight-line basis according to the life of the underlying asset.

Other creditors correspond mainly to debts related to assets under development acquisitions in Europe and Australia.

NOTE 21. RISK MANAGEMENT

NOTE 21.1. INTEREST RATE RISKS

The Group is exposed to market risks as a result of its investment activities. This exposure is mainly linked to fluctuations in variable interest rates relating to the financing of its projects.

The Group's interest rate risk management objective is therefore to secure and preserve the economic balance of projects by limiting the future variability of the financial burden associated with their financing. This is based on the use of hedging instruments.

Interest rate risk is hedged using over-the-counter instruments with first-rate counterparties. The Group contracts financial instruments to hedge its variable-rate financing, with the aim of hedging at a fixed rate a minimum of 75% of the variable-rate financing requirements for projects. In this respect, the Group has entered into interest rate swaps and caps that qualify as cash flow hedges.

	Notional value by maturity					
As of December 31st, 2021 *In millions of euros*	Less than 5 years	More than 5 years	**Total**	Fair value[1]	Recorded as equity[2]	Recorded as income[3]
Interest rate swaps - Solar	(340.3)	(336.4)	(676.7)	(12.1)	15.8	-
Interest rate swaps - Wind	(200.6)	(435.9)	(636.5)	(6.9)	28.8	-
Interest rate swaps - Holding	112.5	-	112.5	(0.2)	0.2	
Interest rate caps	62.6	84.3	146.9	2.9	1.7	-
Total	**(365.7)**	**(688.0)**	**(1,053.7)**	**(16.3)**	**46.4**	**-**

(1) The fair value breaks down into €30.4 million of derivative assets and €(46.7) million of derivative liabilities at year-end.
(2) This concerns the stock of OCI in the Group's equity.
(3) The ineffective portion of derivatives is recorded in the income statement.

A 1% increase in interest rates would, given the interest rate hedging instruments in force, cause an annual increase of €1.6 million in the Group's cost of debt. Due to the existence of floors, a 1% decrease in interest rates would not generate any particular savings on the Group's annual cost of debt.

NOTE 21.2. FOREIGN EXCHANGE RISKS

Foreign exchange risks relate to operational transactions in foreign currencies (mainly US dollars and Australian dollars) which tend to increase with the Group's sustained international deployment. In order to avoid any foreign exchange risk on the assets in operation, the Group systematically finances each of its assets in its functional currency.

NOTE 21.3. COUNTERPARTY RISKS

Given the large number of suppliers and subcontractors available in the markets where the Group operates, the Group considers that the insolvency of one or a small number of them would not have any material impact on the Group's ongoing operations.

Insofar as electricity sales contracts or contracts for difference are concluded with State counterparties (States or companies controlled by a State), electricity distribution companies and with a limited number of private buyers, the Group considers that the counterparty risk relating to trade receivables is not material at this time.

The Group invests its cash and cash equivalents with leading financial institutions.

The Group enters into over-the-counter interest rate derivatives with leading banks under agreements that provide for the offsetting of amounts due and receivable in the event of default by one of the contracting parties. These conditional netting arrangements do not meet the criteria of IAS 32 "financial instruments: presentation" to allow for the offsetting of asset and liability derivatives on the balance sheet.

NOTE 21.4. LIQUIDITY RISKS

Liquidity risk is the Group's inability to meet its immediate or short-term financial commitments.

To prevent this risk, the Group analyses its liquidity requirements several times a year over a rolling 12-month horizon.

At the closing date of its accounts, the Group has the necessary liquidity to finance its current activity and its development, but also to face exceptional events.

Cash held by the holding and development companies amounted to €329.1 million at December 31, 2021, compared with €263.4 million for the project companies (assets in operation and under construction).

In millions of euros	31.12.2021	31.12.2020
Cash and cash equivalents	592.5	374.9
Corporate credit lines available	238.0	238.0
Total	**830.5**	**612.9**

Corporate credit lines available

The Group has short-term credit lines totalling €238.0 million, including a syndicated loan of €200.0 million, composed of a corporate loan of €125.0 million that has not been drawn down to date and a revolving credit line of €75.0 million that has also not been drawn down, to meet the working capital requirements of the parent company.

Credit lines granted to projects

As of December 31, 2021, the Group benefits from commitments received in respect of its projects and operating financing in the amount of €753.8 million not used at that date.

NOTE 21.5. RISKS RELATED TO REGULATORY CHANGES

The Group sells electricity mainly under long-term contracts with firm commitments from its counterparties, including many governments.

In some countries, governments may retroactively call into question certain subsidized feed-in tariffs, as was the case in France in 2021, without any material impact on the Group's accounts (see note 2.2). A reconsideration of certain feed-in tariffs in the future could have a material impact on the Group's financial statements.

The Group still considers that its multi-sector and multi-country strategy has the effect of limiting the risk linked to regulatory changes by reducing its exposure to a particular technology or country. The particularly competitive price of the electricity produced by the Group in the vast majority of its contracts also constitutes a natural hedge against this risk.

NOTE 22. OFF-BALANCE SHEET COMMITMENTS

NOTE 22.1. OFF-BALANCE SHEET COMMITMENTS GIVEN

In millions of euros	31.12.2021	31.12.2020
Guarantees provided to suppliers	416.4	243.6
Maintenance	1,425.0	844.0
Other commitments provided	283.1	198.5
Commitments provided associated with operating activities	**2,124.4**	**1,286.1**
Assets provided as surety	3,836.2	3,080.7
Commitments provided associated with financing activities	**3,836.2**	**3,080.7**
Total off-balance sheet commitments provided	**5,960.6**	**4,366.7**

Guarantees given to suppliers

The Group may temporarily give guarantees to its suppliers in connection with the construction of its production assets.

Maintenance

In the context of operating its production assets, the Group enters into maintenance agreements that may span several years. The related services are expensed in the year in which they are provided.

Other commitments given

Other commitments are mainly guarantees given by the Group as part of the project development process, such as tendering guarantees, and performance and decommissioning guarantees.

Assets pledged as collateral

In most cases, the Group pledges shares and advances on shareholder loans in connection with debt incurred to finance projects. Some assets are also pledged as collateral to guarantee the repayment of bank debt until its extinguishment.

NOTE 22.2. OFF-BALANCE SHEET COMMITMENTS RECEIVED

In millions of euros	31.12.2021	31.12.2020
Energy purchase commitments received	6,188.8	6,201.2
Other commitments received	2,897.3	1,366.3
Commitments received associated with operating activities	**9,086.1**	**7,567.5**
Amounts payable to related parties	753.8	374.9
Corporate credit lines available	238.0	238.0
Commitments received in connection with financing activities	**991.8**	**612.9**
Total off-balance sheet commitments received	**10,077.9**	**8,180.4**

Energy purchase commitments received

In most cases, when an electricity production unit is built, the company carrying the project and which will operate the plant enters into a long-term energy supply contract. The Group generally receives purchase commitments for periods from 10 to 20 years. For each underlying asset, the commitment was valued on the basis of production volumes estimated by the Group over the term of the purchase agreement and on sales prices excluding inflation.

Other commitments received

These consist mainly of guarantees received by construction companies for the successful construction of plants and by suppliers in connection with maintenance.

NOTE 23. RELATED PARTY TRANSACTIONS

Transactions were carried out with Impala and BPI France, identified as related parties for the Group.

Expenses relating to related parties primarily concern *management fees* and interest on loans granted. Amounts due to related parties correspond to financing.

Neoen's consolidated financial statements are fully consolidated in the consolidated financial statements of Impala, which owns 46.51% of its share capital. Transactions with Impala and its subsidiaries or BPI France were carried out under normal market conditions.

The following table provides the amount of these transactions for the years ended December 31, 2021 and December 31, 2020:

In millions of euros	31.12.2021	31.12.2020
Expenses	0.1	0.6
Debts[1]	(0.0)	10.5

(1) On January 14, 2021, Neoen S.A. repaid the entire loan taken out with the BPI, reducing thus its debt by €10.5 million. Transactions with related parties in the 2021 financial year mainly concern the support agreement with Impala for €0.1 million.

NOTE 24. STATUTORY AUDITORS' FEES

In millions of euros	Deloitte / Constantin	RSM	Other networks	**FY 2021**
Neoen S.A.				
Statutory Audit	0.1	0.1	-	0.2
Services other than certification of financial statements*	0.2	0.1	-	0.2
Subsidiaries				
Statutory Audit	0.9	-	0.2	1.1
Total	**1.2**	**0.1**	**0.2**	**1.5**

** Services other than certification of financial statements mainly include fees relating to the capital increase of April 9, 2021.*

In millions of euros	Deloitte / Constantin	RSM	Other networks	**FY 2020**
Neoen S.A.				
Statutory Audit	0.1	0.0	-	0.1
Services other than certification of financial statements	0.0	0.0	-	0.0
Subsidiaries				
Statutory Audit	0.6	0.0	0.2	0.8
Total	**0.7**	**0.1**	**0.2**	**1.0**

NOTE 25. SUBSEQUENT EVENTS

None.

4.2 STATUTORY AUDITORS' CERTIFICATION REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEOEN GROUP AS OF DECEMBER 31, 2021

Year ended December 31, 2021

To the Neoen Shareholders' Meeting

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Neoen for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Group for the year then ended and of its financial position and of its assets and liabilities as of December 31, 2021 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2021 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) paragraph 1 of Regulation (EU) no. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Those measures taken during the state of health emergency, such as travel restrictions and remote working, have had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

A. Internally generated intangible assets

(Note 12.2 to the consolidated financial statements)

As stated in Note 12.2 "intangible assets" to the consolidated financial statements, the development expenses for various renewable energy production facility projects, comprising external and internal direct and indirect costs relating to development, are capitalized from the point in time when the success of the corresponding project is probable with regard to the six IAS 38 criteria.

Identified risk and main judgments

The Group considers that these criteria are satisfied once a project enters the portfolio, i.e. when the contractual factors and technical studies indicate that the project's feasibility is probable. Once a project is commissioned, amortization is calculated on a straight-line basis over the estimated useful life of the underlying asset. Furthermore, when the Group estimates that the probability of success is reduced, development expenses are impaired. When a project is discontinued, the related development expenses are expensed under "Other non-current operating income and expenses."

As of December 31, 2021, the net value of development projects totaled €166.9 million, the Group having capitalized expenses directly attributable to project development of €42.8 million in 2021.

We considered the recognition and measurement of internally generated development projects to be a key audit matter considering the level of judgment required by Management to assess compliance with capitalization criteria for the corresponding costs and the sensitivity to the estimates and assumptions used by Management in determining the recoverable amount.

Responses as part of our audit

Our procedures primarily consisted in:

- Assessing, with regard to prevailing accounting standards and the capitalization rules defined by the Group, the methods of reviewing capitalization criteria, particularly by interviewing Management;
- Testing, on a sample basis, the consistency of the amounts recorded in assets with the project monitoring file prepared by the Group with a return to the underlying documented evidence;
- Analyzing the compliance of the methodology applied by the Company to determine the recoverable amount of development expenses with prevailing standards;
- Analyzing, with regard to the useful life adopted for these projects under development, the development expense amortization process;
- Finally, we verified the appropriateness of the disclosures in Note 12 to the consolidated financial statements.

B. Hedging financial instruments

(Note 19 to the consolidated financial statements)

Neoen finances the construction and operation of some of its facilities using floating-rate loans that expose the company to interest rate risk. To hedge this risk, Neoen sets up interest rate swap or cap hedges to peg the interest rate at the start of the project (or to peg the maximum interest rate).

As shown in Note 19 "Financing and Derivative financial instruments" to the consolidated financial statements, derivative financial instruments with a positive market value are recorded in assets, while those with a negative market value are recorded in liabilities. These instruments are initially measured at fair value on the derivative contract signature date and then remeasured at their fair value at each closing date.

Identified risk and main judgments

Neoen classifies these hedges in its accounts as cash flow hedges so as to recognize the changes in fair value of the hedging instruments in OCI for their effective portion. The new IFRS 9 principles had no material impact on the Group's financial statements insofar as all the transactions that were classified as hedges under IAS 39 continue to be classified as such under IFRS 9.

We consider the recognition of financial instruments to be a key audit matter due to the materiality of the potential changes in fair value of these instruments, the level of judgment in documenting and analyzing the hedges and the accounting impacts arising from their classification as cash flow hedges.

Responses as part of our audit

Our procedures primarily consisted in:

- Analyzing the compliance of the methodologies applied by the Group with prevailing accounting standards
- Assessing the competency of the specialists hired by the company to measure the fair value of the financial instruments and interviewing Management to obtain an understanding of their scope of involvement.
- Validating the breakdown of the Group financial instrument portfolio that we compared with the fair value determined by the Group's external specialists. We compared these bank confirmation statements and conducted valuation tests.
- Reviewing the cash flow hedging documentation, and the accounting treatment applied to financial instruments and their impacts on the income statement and other comprehensive income according to the classification of these instruments.
- Finally, we verified that Note 19 to the consolidated financial statements provides appropriate disclosure.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law on the information concerning the Group presented in the Board of Directors' management report.

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

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Constantin Associés was appointed as statutory auditor of Neoen by the Shareholders' Meeting of September 13, 2008 and replaced by Deloitte & Associés at the Shareholders' Meeting of April 22, 2014. RSM Paris was appointed as statutory auditor by the Shareholders' Meeting of September 12, 2018.

As of December 31, 2021, Deloitte & Associés and RSM were in their 14th and 4th period of total uninterrupted engagement, respectively.

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 its 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 consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective 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, 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 judgment throughout the 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 his 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 his 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 whether the consolidated financial 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 included in the consolidation scope 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 as well as for the audit opinion.

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 program implemented, as well as significant audit findings. We also bring to its attention 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 judgment, 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 referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris and Paris-La Défense, March 14, 2022

The Statutory Auditors

RSM Paris	**Deloitte & Associés**
Etienne de BRYAS	Benoit PIMONT

4.3 ANNUAL FINANCIAL STATEMENTS OF NEOEN S.A. AS OF DECEMBER 31, 2021

4.3.1 INCOME STATEMENT

In millions of euros	Notes	2021	2020
Revenue	3.1	79.2	61.5
Other income[1]		1.8	4.7
OPERATING INCOME		**81.0**	**66.2**
Other purchases and external expenses	5.1	(46.1)	(39.8)
External charges	**5.1**	**(46.1)**	**(39.8)**
Duties, taxes and similar payments		**(1.0)**	**(1.4)**
Wages and salaries	8.1	(20.4)	(18.1)
Social security contributions	8.1	(7.4)	(12.1)
Payroll costs	**8.1**	**(27.8)**	**(30.2)**
Amortization and impairment on assets	14 and 15	(0.8)	(0.7)
Amortization of operating expenses[2]		(1.2)	(1.0)
Current asset provisions		-	(0.0)
Foreign exchange gains and losses		(0.1)	(0.9)
Other expenses[3]		(0.3)	(0.2)
OPERATING EXPENSES		**(77.2)**	**(74.1)**
OPERATING PROFIT (LOSS)		**3.8**	**(7.9)**
Financial income	10.1	54.0	41.1
Financial expenses	10.1	(15.9)	(18.5)
Net financial income (expenses)	**10.1**	**38.1**	**22.6**
CURRENT PROFIT (LOSS) BEFORE TAX		**41.9**	**14.6**
Non-current income	11	14.7	21.9
Non-current expenses	11	(13.8)	(8.3)
Non-current profit (loss)	**11**	**1.0**	**13.6**
Employee profit-sharing		(1.0)	(0.8)
Income tax	12	(6.1)	(0.8)
PROFIT (OR LOSS) FOR THE PERIOD		**35.8**	**26.6**

(1) Includes in 2021, transfers of expenses relating to costs and fees for €0.9 million related to the two-year extension of the maturity of the syndicated loan concluded on June 25, 2021, the reversal of the impairment of the current account of BE Laneuveville following the absorption of this entity by Neoen Service for €0.6 million, as well as foreign exchange gains on debts and trade receivables for €0.2 million.

In 2020, these were mainly transfers of expenses relating to costs and fees for €2 million associated with the syndicated loan concluded on March 12, 2020, transfers of expenses relating to costs and fees for €2.3 million associated with the bond issue with the option of conversion and/or exchange for new or existing shares ("OCEANE VERTE") carried out on June 2, 2020 and exchange gains on debts and trade receivables for €0.4 million.

(2) Corresponds to the amortization of expenses related to the setting up of the "OCEANE" and "Term-loan" financings.

(3) Mainly corresponds to remuneration received by non-executive directors.

4.3.2 STATEMENT OF FINANCIAL POSITION - ASSETS

In millions of euros	Notes	**Gross 31.12.2021**	Amortization/ Impairment	**Net 31.12.2021**	**Net 31.12.2020**
Intangible assets	**14**	**2.3**	**(1.9)**	**0.5**	**1.1**
Property, plant and equipment	**14**	**2.6**	**(1.0)**	**1.5**	**0.6**
Equity investments	15	70.4	-	70.4	68.9
Receivables from equity investments	15	1,375.7	-	1,375.7	990.7
Deposits and security provided	15	14.2	-	14.2	19.5
Other non-current financial assets	15	7.8	-	7.8	0.4
Non-current financial assets	**15**	**1,468.1**	**-**	**1,468.1**	**1,079.4**
FIXED ASSETS		**1,473.0**	**(2.9)**	**1,470.1**	**1,081.1**
Down-payments and advances		2.2	-	2.2	0.2
Trade receivables	3.2	36.5	-	36.5	13.8
Other receivables	3.2	3.6	-	3.6	4.5
Receivables	**3.2**	**42.2**	**-**	**42.2**	**18.6**
Liquid assets and miscellaneous		**279.6**	**-**	**279.6**	**60.4**
CURRENT ASSETS		**321.9**	**-**	**321.9**	**79.0**
Prepaid expenses	16	0.4	-	0.4	0.3
Deferred expenses	16	4.5	-	4.5	4.9
Unrealized foreign exchange losses	16	0.6	-	0.6	2.3
TOTAL ASSETS		**1,800.3**	**(2.9)**	**1,797.5**	**1,167.6**

4.3.3 STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

In millions of euros	Notes	31.12.2021	31.12.2020
Share capital	13	214.1	171.1
Additional paid-in capital	13	1,053.4	502.3
Legal reserve	13	4.7	3.4
Other reserves	13	53.8	28.5
Retained earnings	13	8.0	8.0
Profit (loss) for the period	13	35.8	26.6
EQUITY	13	**1,369.8**	**739.9**
Provisions for risks and charges	7	5.0	0.7
Provisions for exchange rate losses	7	0.6	2.3
PROVISIONS	7	**5.6**	**3.0**
Convertible bonds	10.2	371.2	371.2
Borrowings and liabilities with lending institutions	10.2	0.0	10.5
Miscellaneous borrowings and financial liabilities	10.2	20.0	19.3
Financial debt	**10.2**	**391.2**	**401.0**
Trade accounts payable	5.2	11.2	7.7
Payroll and tax liabilities	9	19.3	15.8
Current liabilities		**30.5**	**23.5**
Other payables	9	0.2	0.2
Deferred income	9	0.0	0.0
TOTAL PAYABLES		**421.9**	**424.7**
Unrealized foreign exchange gains	17	0.2	0.0
TOTAL EQUITY AND LIABILITIES		**1,797.5**	**1,167.6**

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NOTE 1. ACCOUNTING POLICIES AND VALUATION METHODS

Preparation of the financial statements

The annual financial statements as of December 31, 2021 have been prepared in accordance with the provisions of French law and generally accepted accounting principles and methods, in accordance with ANC Regulation No. 2014-03 dated June 5, 2014 as well as with all regulations subsequently modifying it and on the same bases as of December 31, 2020.

Changes in valuation methods

None.

Changes in presentation

None.

NOTE 2. ACTIVITY AND KEY EVENTS

Activity

Neoen S.A. is a French limited company in the form of a société anonyme which was initially registered in Paris on September 29, 2008 under company number 508,320,017 and in the form of a société par actions simplifiée. Its shares were admitted for trading on the Euronext Paris regulated market on October 17, 2018.

As the Group holding company, Neoen mainly holds intermediate holding companies which in turn hold, directly or indirectly, project companies which own the Group's energy production or storage facilities.

Key events

Capital increases

On April 7, 2021, Neoen S.A. announced the success of its capital increase with maintenance of preferential subscription rights. This resulted in the issue on April 9, 2021 of 21,393,678 new shares, representing a total gross amount of €599.0 million, of which €42.8 million of share capital and €556.2 million of issue premium. The proceeds of the capital increase will enable Neoen to finance the first investment cycle of its development plan aimed to reach 10 GW of capacity in operation or under construction by the end of 2025.

This transaction had an impact of €593.3 million net of expenses and net of tax on the Group's equity after taking into account issuance costs (see note 13).

During the year, other capital increases were carried out due to:

- the exercise of 42,339 stock options at an exercise price of €5.55, of 24,000 stock options at an exercise price of €6 and of 20,215 stock options at an exercise price of €9.25;
- the creation of 23,038 shares related to a capital increase reserved for employees;
- the creation of 2,703 shares related to a free share allocation plan that expired on May 31.

These transactions, which totalled €599,942,809.95 including an issue premium of €556,930,863.95, increased the share capital to €214,113,370 (see Note 13).

Treasury shares

As of December 31, 2020, Neoen SA held 10,639 shares (of which 10 resulting from a liquidity contract).

On September 24, 2020, Neoen signed a mandate to buy back a maximum of 163,000 shares over the period from September 28 to May 15, 2021, for a maximum purchase price of €45 per share. Under this mandate, 151,727 shares were bought in 2021 for an amount of €6.5 million.

On May 28, 2021, Neoen signed a mandate to buy back a maximum of 100,000 shares over the period from May 31, 2021 to July 31, 2021, for a maximum purchase price of €40 per share. Under this mandate, 100,000 shares were bought for an amount of €3.6 million.

On May 31, 2021, the Company used 110,807 of its treasury shares to serve a free share plan that had expired.

As of December 31, 2021, Neoen SA held 204,510 of its own shares (of which 52,961 from a liquidity contract) for a gross amount of €3.1 million.

Capital increase reserved for employees

On May 12, 2021, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. This plan offered each beneficiary to buy maximum 93 new shares at the preferential subscription price of €28.25 per share (benefiting from a 30% discount compared to the average price of the share over the last twenty trading days preceding the date on which the Chairman and Chief Executive Officer, upon sub-delegation by the Board of Directors, set the price on April 16, 2021) and a matching contribution on the basis of one share offered for one share subscribed.

This transaction resulted in the creation of 23,038 shares with a par value of €2 each, corresponding to a capital increase of €348,449.75, including an issue premium of €302,373.75.

Free share plan

On March 10, 2021, the Board of Directors decided to grant 272,302 free Neoen S.A. shares to certain group of employees and corporate officers. The granting of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan rules, and relating in particular to the achievement of financial and development objectives, are met.

Impact of the health crisis

The COVID-19 pandemic, which is going on since the first quarter of 2020, has led governments around the world to adopt restrictive social and economic measures to contain the circulation of the virus. In particular, these measures have triggered significant disruptions for businesses, leading to a global economic slowdown.

In this context, the Group continued to preserve the health of all its employees while actively pursuing the development of its portfolio with a total of 898 MW of operating capacity added in 2021, the launch of the construction of more than 1,416 MW and the strengthening of its portfolio of secured projects.

The Group has thus managed to pursue its development, despite occasional delays in the execution of its projects, and to maintain dynamic revenue growth while preserving its cash and liquidity throughout the period. As a result, it did not had recourse to government support measures.

NOTE 3. REVENUE

NOTE 3.1. REVENUE

Revenue consists primarily of services provided by the Company to its subsidiaries, particularly within the context of project development or the management and monitoring of assets in operation, recognized on a percentage-of-completion basis in accordance with the applicable contractual milestones.

Breakdown of revenue

Revenue may be broken down as follows by type of activity and geographical market:

In millions of euros	France	Export	**Total**
Provision of services	52.2	27.0	79.2
Revenue	**52.2**	**27.0**	**79.2**
Proportion (%)	66%	34%	100%

NOTE 3.2. RECEIVABLES

Accounting policy

Receivables are recorded at their nominal value. They are impaired when necessary to reflect any collection difficulties. Receivables are impaired on a case-by-case basis, notably on the basis of customers' solvency.

Breakdown of receivables

Receivables may be broken down as follows:

In millions of euros	Gross amount 31.12.2021	Impairment	Net amount 31.12.2021	Net amount 31.12.2020
Trade receivables	36.5	-	36.5	13.8
Other receivables	3.6	-	3.6	4.5
Down-payments and advances	2.2	-	2.2	0.2
TOTAL	**42.2**	**-**	**42.2**	**18.6**

The increase in trade receivables is explained by the increase in receivables relating to development agreements, mainly with French project companies, not yet collected as of December 31, 2021, but expected to be collected during 2022.

NOTE 4. MATURITY OF RECEIVABLES

In millions of euros	Gross amount 31.12.2021	< 1 year	> 1 year	Of which: related companies
Receivables from equity investments	1,375.7		1,375.7	1,375.7
Equity investments	70.4		70.4	70.4
Deposits and security	14.2	1.2	13.0	
Other financial assets	7.8	5.5	2.3	
Total non-current financial assets	**1,468.1**	**6.7**	**1,461.4**	**1,446.1**
Trade receivables	36.5	36.5		
Value added taxes	3.3	3.3		
Other duties and taxes	0.3	0.3		
Miscellaneous debtors	2.2	2.2		
Total current assets	**42.2**	**42.2**	**-**	**-**
Prepaid expenses	0.4	0.4		
TOTAL	**1,510.7**	**49.3**	**1,461.4**	**1,446.1**

NOTE 5. PURCHASES

NOTE 5.1. OTHER PURCHASES AND EXTERNAL EXPENSES

In the framework of its transfer pricing policy, all development costs for the Group's international projects are either borne directly by Neoen S.A. or rebilled to Neoen S.A. by the Company's international development subsidiaries. The costs comprise the external costs incurred essentially for the purposes of obtaining requisite permits or performing environmental or technical surveys, as well as internal staff expenses.

In millions of euros	2021	2020
Development costs - France	(6.5)	(3.4)
Development costs -International	(25.3)	(21.5)
Surveys and subcontracting	(1.6)	(1.4)
Professional fees	(7.4)	(8.9)
Other charges	(5.3)	(4.6)
TOTAL	**(46.1)**	**(39.8)**

The Group has intensified its investments in the development of its projects in France (+ €3.1 million) and worldwide (+ €3.9 million), mainly in Finland, Sweden and Australia.

NOTE 5.2. OPERATING PAYABLES

Accounting policy

Operating payables are recorded at their nominal value.

Breakdown of operating payables

Operating payables may be broken down as follows:

In millions of euros	31.12.2021	31.12.2020
Trade payables - Group	5.3	4.5
Trade payables - third parties	3.0	0.1
Accrued invoices - Group	0.0	0.2
Accrued invoices - third parties	2.9	2.9
TOTAL	**11.2**	**7.7**

Trade payables – Group are composed of the re-invoicing of development costs of international projects by local development companies.

Trade payables – third parties are mainly composed of the payment of connection costs for a project under development and various fees.

NOTE 6. MATURITY OF TOTAL PAYABLES

In millions of euros	**Gross amount 31.12.2021**	< 1 year	From 1 to 5 years	> 5 years	*Of which: related companies*
Convertible bonds	371.2	1.2	370.0		
Borrowings and liabilities with lending institutions	0.0	0.0			
Miscellaneous borrowings and financial liabilities	20.0			20.0	16.3
Trade payables	11.2	11.2			
Payroll liabilities	3.9	3.9			
Social security liabilities	3.6	3.6			
Tax liabilities:	**11.8**	**11.8**			
> Value added taxes	8.7	8.7			
> Other duties and taxes	3.1	3.1			
Other payables	0.2	0.2			
Deferred income	0.0	0.0			
TOTAL	**421.9**	**31.8**	**370.0**	**20.0**	**16.3**

NOTE 7. PROVISIONS

Accounting policy

Provisions for risks and charges are made to cover probable outflows of resources embodying economic benefits for third parties, without a corresponding benefit for the Company. They are estimated on the basis of the most probable assumptions at the closing date.

Breakdown of provisions

Provisions may be broken down as follows:

In millions of euros	**31.12.2020**	Increases	Reversals for use	Reversals without use	**31.12.2021**
Provisions for disputes	0.4				0.4
Provisions for risks	-				-
Provisions for charges[1]	0.4	8.9	(4.6)		4.7
Provisions for exchange rate losses	2.3	0.6	(2.3)		0.6
TOTAL	**3.0**	**9.5**	**(6.9)**	**-**	**5.6**

(1) At December 31, 2021, provisions for treasury shares amount to €4.7 million. These shares are intended to be allocated to beneficiaries when the corresponding free share plans expire in 2022, 2023 and 2024 respectively. They were therefore impaired in proportion to the time elapsed over the full term of the plans.

NOTE 8. PERSONNEL EXPENSES AND CORPORATE OFFICERS' REMUNERATION

Accounting policy

Retirement commitments

The Company is relieved of its obligation to fund the pensions of its workforce by the payment of contributions calculated on the basis of wages to the organizations that manage pension benefits.

In addition, a retirement benefit determined on the basis of seniority and level of remuneration must be paid to employees present in the Company at retirement age.

As the Company's commitment in this respect, calculated using the projected unit credit method, is not significant in view of the low level of seniority acquired by employees to date and their average age, it has not been recognized.

NOTE 8.1. PAYROLL COSTS AND AVERAGE EMPLOYEE NUMBERS

In millions of euros	2021	2020
Payroll costs		
Wages and salaries	(20.4)	(18.1)
Social security contributions	(7.4)	(12.1)
PAYROLL COSTS	**(27.8)**	**(30.2)**
Full-time equivalent employees (FTE) - Average		
Executives	140	123
Employees and supervisors	3	4
EMPLOYEES NUMBER	**143**	**127**

The increase in wages and salaries is mainly due to:

- The impact of free share plans for employees for -€1.2 million. Treasury shares are impaired in proportion to the time elapsed over the full term of the plans, generating an expense of €(9.0) million in the 2021 financial year. In 2020, €(7.8) million had been recognised for the impact of free share plans.
- The €1.1 million increase in the payroll, mainly due to the increase in the workforce over the year.

However, social security contributions decreased due to the recognition, since the 2020 financial year, of contributions on free shares over the term of the plans:

- In 2020, all social security contributions related to the plan due to expire in October 2020 had been recorded at €4 million. The company had also set aside a provision of €1.9 million for the portion of social security contributions relating to free share plans expiring in 2021, 2022 and 2023.
- In 2021, a €0.5 million provision for social security contributions was recognised as part of the current free share plans expiring in 2021, 2022 and 2023, based on a Neoen share price that has fallen significantly compared to 2020.

NOTE 8.2. CHARACTERISTICS OF SHARE PURCHASE OR SUBSCRIPTION OPTIONS AND FREE SHARE ALLOCATIONS TO EMPLOYEES

Share purchase or subscription options

Date of allocation	Number of options allocated	Date vested	Date of expiry	Exercise price	**Number of options outstanding**
30/05/2018	45,000	31/05/2021	30/05/2023	9.25 €	27,025
05/07/2018	65,000	06/10/2021	05/07/2023	9.25 €	33,835
TOTAL	**110,000**				**60,860**

Free share allocations

Date of allocation	Number of shares allocated	Date of share acquisition	Date of end of period of conservation	**Number of shares outstanding[1]**
10/07/2019	297,000	11/07/2022	-	295,445
02/07/2020	140,000	03/07/2023	-	145,948
10/03/2021	272,302	11/03/2024	-	285,252
TOTAL	**709,302**			**726,645**

(1) Following the capital increase with preferential subscription rights carried out on April 9, 2021, and in accordance with the applicable legal provisions and the stipulations of the free shares and stock options plans, the Chairman and Chief Executive Officer, acting on a delegation of authority from the Board of Directors, adjusted the rights of beneficiaries of free shares and stock options (coefficient of 1.081).

NOTE 9. BREAKDOWN OF OTHER LIABILITIES

In millions of euros	**31.12.2021**	**31.12.2020**
Payroll liabilities	7.5	7.2
Tax liabilities	11.8	8.6
Other payables	0.2	0.2
Deferred revenue	0.0	0.0
TOTAL	**19.4**	**16.0**

The increase of €3.2 million in tax liabilities is mainly related to VAT liabilities collected on invoicing of development agreements (€1.2 million) and to corporate income tax (€1.8 million) linked to the increase in profits for the year.

NOTE 10. FINANCIAL ITEMS

Accounting policy

Investment securities

Investment securities represent temporary cash positions invested in mutual funds and/or money market funds. They are recorded at their historical acquisition cost. When sold, gains or losses are calculated using the first-in first-out method (FIFO).

Impairment is recognized if the net asset value is less than the carrying amount.

Foreign currency transactions

Neoen S.A.'s financial statements are presented in euros. Income and expenses denominated in foreign currencies are converted into euros at the foreign exchange rates prevailing on the transaction dates. At the closing date, receivables and payables denominated in foreign currencies are converted and recorded in the balance sheet on the basis of the latest exchange rate, with an offsetting entry in the balance sheet under "conversion differences - assets/liabilities".

Unrealised foreign exchange gains are not included in the accounting profit. A provision for foreign exchange losses is established for unrealised foreign exchange losses that are not offset by a foreign exchange hedge.

Hedging

Hedge accounting is obligatorily applied for all documented hedging relationships identified. The impacts of the financial instruments employed by Neoen S.A. to hedge its exposure to foreign currency risk are recognized in its income statement on a symmetrical basis to the hedged item.

NOTE 10.1. NET FINANCIAL INCOME (EXPENSES)

In millions of euros	2021	2020
Financial income	**54.0**	**41.1**
Financial income from equity investments	48.5	31.5
Other financial income	1.3	3.4
Reversal of provisions and reclassification of expenses	2.3	0.5
Foreign exchange gains	1.9	5.7
Financial expenses	**(15.9)**	**(18.5)**
Financial allocations to amortization and provisions	(0.6)	(2.3)
Interest and similar expenses	(13.3)	(9.2)
Foreign exchange losses	(2.0)	(7.0)
NET FINANCIAL INCOME (EXPENSE)	**38.1**	**22.6**

The increase in financial income is mainly due to the + €17.0 million increase in interest on shareholder loans due to continued growth in investments made in new projects.

The financial expenses decrease is explained by a – €5 million decrease in foreign exchange losses partly offsets by the + €1.4 million increase in interest expenses associated with ("OCEANE") 2020 (full-year effect).

NOTE 10.2. BREAKDOWN OF FINANCIAL DEBT

In millions of euros	31.12.2021	31.12.2020
Borrowings	370.0	380.4
Accrued interest	1.2	1.2
Other financial debt	20.0	19.3
TOTAL	**391.2**	**401.0**

At December 31, 2021, the decrease in borrowings is mainly due to the repayment of a BPI loan in January 2021.

NOTE 11. NON-CURRENT PROFIT (LOSS)

In millions of euros	2021	2020
Non-current income	**14.7**	**21.9**
Non-current income from management transactions	0.0	-
Non-current income from capital transactions	1.1	14.1
Reversals on provisions and reclassification of expenses	13.7	7.8
Non-current expenses	**(13.8)**	**(8.3)**
Non-current expenses from management transactions	(9.0)	(0.4)
Non-current expenses from capital transactions	(4.8)	(7.9)
NON-CURRENT PROFIT (LOSS)	**1.0**	**13.6**

In 2021, the non-current income from capital transactions is related to the income from the sale of subsidiaries to other entities of the group in the context of the structuring of new projects financings. As a reminder, the €14.1 million realized in 2020 were mainly composed of €13.3 million related to a capital reduction at Neoen Services, which had generated a bonus corresponding to the difference between the value of the shares at Neoen SA and the amount of the share capital of Neoen Services.

Non-current expenses are mainly composed of a loss on treasury shares of €(13.8) million, linked on the one hand to the shares that were definitively allocated when a free share allocation plan expired on May 31, 2021, and on the other hand to the treasury shares impaired in proportion to the time elapsed over the full term the remaining plans.

These expenses are fully offset by a transfer of expenses of the same amount to non-current income (the expense associated with the free share allocation is thus recognized under payroll costs).

NOTE 12. TAXATION

Tax consolidation

With effect from January 1, 2010 the Company opted for the tax consolidation scheme provided for by Articles 223A et seq. of the French General Tax Code and including, as of December 31, 2021, its following direct or indirect subsidiaries: Neoen Biopower, Neoen Solaire, Neoen Services, Neoen Éolienne, Neoen International and Neoen Production 2, Neoen Investissement, Neoen Northern Hémisphère, Neoen Holding Jamaica, Neoen Holding Mexico, Neoen Holding El Salvador, Neoen Mexico II et Neoen Investissement II.

No subsidiary joined the tax consolidation Group in 2021.

As the tax consolidation parent, Neoen S.A. consolidates the taxable results of all member companies and pays the applicable tax. It receives from its subsidiaries the amounts of tax they would have borne in the absence of any tax consolidation. For that reason, as of December 31, 2021, Neoen S.A. recognised a tax charge of €4.0 million.

Calculation of the taxable result from the Consolidated Tax Group

	Accounting profit (loss)	Reinstatements	Deductions	**Taxable profit (loss)**	Use of own Tax losses	**Taxable profit (loss) after use of own tax losses**
Neoen	35.8	10.4	23.0	23.1		23.1
Neoen Solaire	1.5	0.2	1.6	0.2		0.2
Neoen Eolienne	19.2	2.3	19.8	1.8		1.8
Neoen Biopower	0.2	0.0	0.2	0.0		0.0
Neoen Services	1.2	0.3	0.7	0.8		0.8
Neoen International	(1.9)	2.7	1.1	(0.3)		(0.3)
Neoen Production 2	(0.8)	3.8	6.1	(3.0)		(3.0)
Neoen Investissement	8.9	0.8	6.7	3.0		3.0
Neoen Northern Hemisphere	(2.7)	1.7	0.0	(1.0)		(1.0)
Neoen Holding Jamaica	0.7	0.1	0.4	0.4		0.4
Neoen Holding Mexico	14.0	1.7	10.9	4.9		4.9
Neoen Holding El Salvador	1.6	0.4	2.3	(0.3)		(0.3)
Neoen Holding Mexico II	2.8	0.2	2.2	0.8		0.8
Neoen Investissement II	(0.0)	-	-	(0.0)		(0.0)
TOTAL	80.4	24.7	74.9	30.3	-	30.3

Reinstatements/deductions specific to the tax consolidation	(4.6)
Consolidated taxable profit (loss)	**25.7**
Use of consolidated tax losses	-
Result after use of consolidated tax losses	**25.7**
Tax payable	6.8
Tax surcharge payable	0.2
Tax credits	(0.1)
Tax consolidation gain	(2.9)
Income tax	**4.0**

Determination of individual taxable profits (losses)

	Calculated in the absence of tax consolidation				
	Taxable profit (loss)	Losses carried forward at 31.12.2020	Use of losses brought forward	Taxable amount	**Theorical income tax**
Neoen	23.1	-	-	23.1	6.3
Neoen Solaire	0.2	-	-	0.2	0.0
Neoen Eolienne	1.8	0.9	(0.9)	1.0	0.3
Neoen Biopower	0.0	0.2	-	0.0	0.0
Neoen Services	0.8	-	-	0.8	0.2
Neoen International	(0.3)	11.1	-	(0.3)	-
Neoen Production 2	(3.0)	15.2	-	(3.0)	-
Neoen Investissement	3.0	-	-	3.0	0.8
Neoen Northern Hemisphere	(1.0)	1.1	-	(1.0)	-
Neoen Holding Jamaica	0.4	-	-	0.4	0.1
Neoen Holding Mexico	4.9	0.0	-	4.9	1.3
Neoen Holding El Salvador	(0.3)	1.3	-	(0.3)	-
Neoen Holding Mexico II	0.8	0.2	(0.2)	0.6	0.2
Neoen Investissement II	(0.0)	0.0	-	(0.0)	-

NOTE 13. EQUITY

Share capital

Between January 1 and March 15, 2021, 24,000 share subscription options at an exercise price of €6.00 were exercised for a total amount of €144,000, of which €96,000 in share premium, bringing the share capital to €171,149,424.

On April 9, 2021, 21,393,678 new shares were issued as part of a capital increase with preferential subscription rights, representing a total gross amount of €599,022,984, including a share premium of €556,235,628, bringing the share capital to €213,936,780.

On May 12, 2021, 23,038 shares with a nominal value of €2 were created in the context of a capital increase reserved for employees for a total amount of €348,449.75, including a share premium of €302,373.75, bringing the share capital to €213,982,856.

On the same day, 4,324 stock options were exercised at an exercise price of €5.55, for a total amount of €23,998.20, including a share premium of €15,350.20, bringing the share capital to €213,991,504.

On May 31, 2021, 2,703 shares were created as a result of the expiry of a free share plan, bringing the share capital to €213,996,910.

In June, 13,210 stock options were exercised at an exercise price of €9.25, for a total amount of €122,192.50, including a share premium of €95,772.50, bringing the share capital to €214,023,330 as of June 30, 2021.

During the second half of 2021, 38,015 stock options at an exercise price of €5.55 and 7,005 stock options at an exercise price of €9.25 were exercised, for a total amount of €275,779.50, including a share premium of €185,739.50, bringing the share capital to €214,113,370.

At December 31, 2021, the share capital is divided into 107,056,685 fully paid-up ordinary shares with a par value of 2 euros.

Treasury shares

As of December 31, 2021, the Company held, directly or indirectly, 204,510 treasury shares mainly arising from a share buyback program with a view to their subsequent allocation.

Statement of changes in equity

In millions of euros	Opening	Increase	Decrease	Closing
Share capital	171.1	43.0		214.1
Additional paid-in capital	502.3	559.0	7.8	1,053.4
Legal reserve	3.4	1.3		4.7
Other reserves	28.5	25.3	0.0	53.8
Retained earnings	8.0			8.0
Net income for the year	26.6	35.8	26.6	35.8
TOTAL	**739.9**	**664.4**	**34.5**	**1,369.8**

The income for 2020 of €26.6 million was allocated to other reserves (€25.3 million) and to the legal reserve (€1.3 million) in accordance with the income allocation rules.

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Intangible assets mainly consist of software, concessions, patents and similar rights. They are recognized at acquisition cost.

Assets are depreciated or amortized on a straight-line basis over the expected useful life of the asset depending on the method of consumption of the related economic benefits. The main categories are:

- software and other intangible assets: 3 years;
- general facilities and sundry fixtures and fittings: 3 to 10 years;
- computer hardware: 3 years;
- office furniture: 4 years.

Depreciation and amortization are calculated on the basis of acquisition cost less a residual value if appropriate. The residual value is the amount, net of anticipated costs to sell, that the Company could obtain from the sale of the asset on the market at the end of its use.

At the year-end, the Company assesses whether there are any indications of impairment of fixed assets, in which case an impairment test is performed by comparison of the carrying amount of the fixed asset with its fair value. The carrying amount of an asset is impaired when the fair value is less than the carrying amount. Fair value is the higher of the asset's market value and value in use.

Breakdown of the gross values of intangible assets and property, plant and equipment

In millions of euros	31.12.2020	Acquisitions	Disposals	31.12.2021
Software	-	-	-	-
Other intangible assets	1.9	0.4	-	2.3
Intangible assets under development	0.5	-	0.4	0.1
Intangible assets	**2.3**	**0.4**	**0.4**	**2.3**
Land	0.0	-	-	0.0
Computer and office equipment and furniture	1.1	0.2	-	1.3
Other property, plant and equipment	0.3	-	0.1	0.3
Property, plant and equipment under construction	-	0.9	-	0.9
Property, plant and equipment	**1.5**	**1.1**	**0.1**	**2.5**
TOTAL	3.8	1.5	0.5	4.8

Breakdown of the applicable depreciation, amortization and impairment

		Amortization		Impairment		
In millions of euros	31.12.2020	Allocations	Reversals	Allocations	Reversals	31.12.2021
Software	-	-	-	-	-	-
Other intangible assets	(1.3)	(0.6)	-	-	-	(1.9)
Intangible assets under development	-	-	-	-	-	-
Intangible assets	**(1.3)**	**(0.6)**	-			**(1.9)**
Computer and office equipment and furniture	(0.9)	(0.1)	-	-	-	(1.0)
Other property, plant and equipment	-	-	-	-	-	-
Property, plant and equipment	**(0.9)**	**(0.1)**	-			**(1.0)**
TOTAL	(2.2)	(0.7)	-			(2.9)

NOTE 15. NON-CURRENT FINANCIAL ASSETS

Accounting policy

Equity investments and associated receivables

The gross amount of equity investments is recognized at acquisition cost inclusive of the directly attributable costs of acquisition.

The value in use of a given investment is assessed using a multi-criteria approach (discounted cash flows, earnings multiples based on market comparables) taking notably into account the medium and long-term outlook for profitability.

An impairment allowance is recognized at the year-end for any excess of an investment's carrying amount over its value in use.

Receivables from equity investments mainly take the form of current account contributions from the Company, directly to subsidiaries or indirectly via intermediate holding companies, designed to finance the construction of energy facilities. They are recognized at their nominal amounts. An impairment allowance is recognized at the year-end for any excess of carrying amount over value in use.

Other non-current financial assets

At December 31, 2021, other non-current financial assets consisted of treasury shares in the Company (see note 13 "equity").

Liquidity contract

Transactions relating to the Company's liquidity contract are accounted for in accordance with the guidance provided by the French accounting authorities in 1998 and 2005:

- treasury shares are recognized as part of financial assets. An impairment allowance is recognized for any excess of cost of acquisition over the average share price for the final month of the year. Results on disposal are calculated on a FIFO basis;
- cash transferred to the liquidity contract operator and not yet used is also recognized as part of cash and cash equivalents.

Breakdown of the gross values of non-current financial assets

In millions of euros	**31.12.2020**	Increase	Decrease	**31.12.2021**
Equity investments	68.9	1.6	0.0	70.4
Receivables from equity investments	991.3	426.3	41.8	1,375.7
Deposits and security provided	19.5	-	5.3	14.2
Other non-current financial assets	0.4	12.1	4.8	7.8
TOTAL	**1,080.1**	**440.0**	**52.0**	**1,468.1**

€1.6 million positive change in equity investments in 2021 corresponds to capital increases carried out by some of the Company's subsidiaries and subscribed by the Company.

The increase in receivables from equity investments + €426.3 million is due to the contribution of €229 million to current accounts in connection with the financing of the construction of the Group's power plants, particularly in Europe and Australia for €165 million, plus interest on current accounts of €14 million.

The decrease in receivables by €41.8 million is related to cash inflows from operating plants.

Deposits and securities decreased by €5.3 million following the reduction in the guarantee deposit made in connection with the financing of the construction of solar power plants in Argentina, now in operation.

Other financial assets increased by €7.4 million during the year due to the acquisition of new treasury shares for €10.1 million and the acquisition of shares under the liquidity contract for €2.0 million. These acquisitions were offset by the final allocation of €4.8 million from the free share plan which expired on May 31, 2021.

Breakdown of the applicable amortization and impairment

In millions of euros	31.12.2020	Increases	Reversals	31.12.2021
Equity investments	-			-
Receivables from equity investments	(0.6)		0.6	-
Deposits and security provided	-			-
Other non-current financial assets	-			-
TOTAL	**(0.6)**	**-**	**0.6**	**-**

The provision for depreciation of the current account receivable that Neoen held in the company of the BE Laneuveville group was written back for €0.6 million in the context of the merger of BE Laneuveville with the company Neoen Service.

NOTE 16. ASSET ADJUSTMENT ACCOUNTS

In millions of euros	31.12.2021	31.12.2020
Prepaid expenses	0.4	0.3
Deferred expenses[1]	4.5	4.9
Unrealized foreign exchange losses	0.6	2.3
TOTAL	**5.5**	**7.5**

(1) Corresponds to the costs and fees of €2.5 million associated with a syndicated loan signed on March 12, 2020 and amended on June 25, 2021, €2 million associated with the issue of green convertible bonds into new shares and/or exchangeable for existing shares ("OCEANE Verte") carried out on June 2, 2020 (see note 2) as well as €1.3 million associated with the issue of convertible bonds into new shares and/or exchangeable for existing shares ("OCEANE") carried out on October 7, 2019. As of December 31, 2021, €1.2 million has been amortized.

NOTE 17. LIABILITY ADJUSTMENT ACCOUNTS

In millions of euros	31.12.2021	31.12.2020
Unrealized foreign exchange gains	0.2	0.0
TOTAL	**0.2**	**0.0**

NOTE 18. INVESTMENTS IN SUBSIDIARIES

(In thousands of euros)	Currencies of subsidiary data	Share capital	Reserves and retained earnings	Result of the last fiscal year	**Interest held (%)**	Gross amount of shares held	Net amount of shares held	Loans and advances granted by the Company	Security provided by the company	Net sales of the last fiscal year	Dividends received by the Company during the year
Neoen International	EUR	100	(7,819)	(1,872)	100,0%	100	100	458,145	0	0	0
Neoen Services	EUR	539	312	1,226	100,0%	9	9	3,479	0	0	393
Neoen Eolienne	EUR	37	1,198	19,237	100,0%	37	37	3,349	0	0	0
Neoen Solaire	EUR	37	943	1,497	100,0%	37	37	2,232	0	0	7,113
Neoen Biopower	EUR	37	84	153	100,0%	37	37	10	0	0	1,297
Neoen Production 1	EUR	10	(5,618)	783	100,0%	10	10	0	0	0	0
Neoen Production 2	EUR	50,003	53,106	(734)	100,0%	50,003	50,003	16,749	0	0	0
Neoen Production 3	EUR	3	(63)	(13)	100,0%	3	3	144,830	0	0	0
Eoliennes Vesly	EUR	10	(72)	(3)	100,0%	10	10	81	0	0	0
Centrale Eolienne Champs Au Roy	EUR	10	(67)	(4)	100,0%	10	10	63	0	0	0
Eoliennes Chemin Vert	EUR	5	(71)	(72)	100,0%	5	5	10,214	0	370	0
Centrale Solaire Orion 8	EUR	5	(35)	(13)	100,0%	5	5	121	0	0	0
Centrale Solaire Orion 9	EUR	5	(34)	(3)	100,0%	5	5	168	0	0	0
Pv Le Champ De Manoeuvre	EUR	5	(90)	(5)	100,0%	5	5	93	0	0	0
Neoen Investissement	EUR	20	(2,188)	8,883	100,0%	20	20	169,485	0	0	0
Neoen Northern Hemisphere	EUR	20	(1,104)	(2,724)	100,0%	20	20	462,872	0	0	0
Neoen Stockage	EUR	3	(318)	755	100,0%	3	3	1,967	0	1,594	0
Neoen Stockage France	EUR	3	(13)	(9)	100,0%	3	3	26	0	0	0
Neoen Investissement Ii	EUR	1	(18)	(11)	100,0%	1	1	866	0	0	0
Neoen Argentina	ARS	690	(1,184)	(913)	99,1%	1,439	1 439	1,294	0	10	0
Neoen Australia	AUD	8,290	(980)	(682)	100,0%	7,814	7,814	(0)	0	21,704	0
Neoen Ecuador Sa	USD	212	3	17	100,0%	204	204	0	0	600	0
Neoen Renewables Finland Oy	EUR	647	0	304	100,0%	647	647	0	0	2,716	0
Neoen Renewables Croatia Llc	HRK	51	0	21	100,0%	51	51	311	0	597	0
Neoen Ireland	EUR	0	0	27	100,0%	0	0	7,184	0	2,686	0
Neoen Renewables Italia Srl	EUR	10	0	37	100,0%	10	10	510	0	101	0
Neoen Renewables Jamaica Limited	JMD	75	(149)	(50)	100,0%	87	87	239	0	181	0
Neoen Mexico	MXN	705	33	(5)	100,0%	759	759	0	0	112	0
Neoen Servicios Mexico	MXN	1,275	(4)	(620)	99,0%	1,230	1,230	0	0	1,303	0
Neoen Mozambique	MZN	635	(181)	(74)	99,9%	451	451	0	0	82	0
Ndevelopment	EUR	50	415	329	100,0%	50	50	0	0	1,378	0
Npinvestment	EUR	50	4,966	2,117	100,0%	602	602	0	0	0	0
Npinvestment Ii	EUR	85	9,743	3,841	100,0%	4,425	4,425	6,923	0	0	0
Npi Iii	EUR	155	(178)	(139)	100,0%	156	155	5,975	0	0	0
Neoen Renewable Sweden Ab	SEK	2	396	(101)	100,0%	2	2	200	0	1,810	0
Neoen El Salvador	USD	388	(88)	9	100,0%	376	376	0	0	850	0
Pedregal Solar	USD	2	0	0	100,0%	2	2	0	0	0	0
Nahualapa Solar	USD	2	0	0	100,0%	2	2	0	0	0	0
Spica Solar	USD	2	0	0	100,0%	2	2	0	0	0	0
Neoen Zambia Renewables	ZMW	14	1,753	(253)	100,0%	1,647	1,647	0	0	136	0

NOTE 19. OTHER INFORMATION

Identity of the consolidating parent

Neoen S.A. is a French limited company in the form of a *société anonyme* which was initially registered in Paris on September 29, 2008.

Name and registered office of the company preparing consolidated financial statements for the largest group of companies	NEOEN S.A., 22 rue Bayard - 75008 Paris SIREN 508 320 017
Name and registered office of the company preparing consolidated financial statements for the smallest group of companies	NEOEN S.A., 22 rue Bayard - 75008 Paris SIREN 508 320 017
Place at which copies of those consolidated financial statements may be consulted	NEOEN S.A., 22 rue Bayard - 75008 Paris SIREN 508 320 017

Information on corporate officers

Total remuneration paid to the Group's directors amounted to €2.4 million in 2021 (€2.5 million in 2020). The directors represent the members of the Group's Management Committee.

Information on related parties

On January 14, 2021, Neoen SA repaid the entire loan taken out with BPI, thus reducing the liability of Neoen SA by €10.5 million.

In 2021, transactions with related parties in the 2021 corresponded exclusively to the management agreement with Impala for €0.1 million.

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

Hedging transactions

The hedging transactions recognized in Neoen S.A.'s financial statements are designed to cover the exposure associated with:

- Precisely determinable equity or shareholder's current account contributions denominated in foreign currencies for the benefit of the Group's project companies;
- The remittance by those companies of cash denominated in foreign currencies in the form of dividends or of the repayment of shareholder's current account balances.

Contingent liabilities

Neoen S.A. has provided the following security for certain of its subsidiaries in the framework or bids, of financing projects and the construction of power plants, under the following conditions:

In millions of euros	**Total**	< 1 year	1 to 5 years	> 5 years
Financing guarantees	82.6	32.6	23.4	26.7
Development guarantees	14.4	5.3	8.9	0.3
Operating guarantees	553.8	271.3	282.5	0.0
TOTAL	**650.9**	**309.1**	**314.8**	**26.9**

Contingent assets

In millions of euros	**Total**	< 1 year	1 to 5 years	> 5 years
Financing guarantees	15.0	-	-	15.0
TOTAL	**15.0**	**-**	**-**	**15.0**

NOTE 21. SUBSEQUENT EVENTS

None.

4.4 STATUTORY AUDITORS' CERTIFICATION REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF NEOEN S.A. AS OF DECEMBER 31, 2021

Year ended December 31, 2021

To the Neoen Shareholders' Meeting

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Neoen for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and the financial position of the Company as of December 31, 2021 and of the results of its operations for the year then ended in accordance with generally accepted accounting principles in France.

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 Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2021 to the issue 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.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Those measures taken during the state of health emergency, such as travel restrictions and remote working, have had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the financial statements taken as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

We determined that there were no key audit matters to be disclosed in our report.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and consistency with the financial statements of the payment period disclosures required by Article D.441-6 of the French Commercial Code.

Information relating to corporate governance

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information presented in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, 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 companies controlled by it that are included within the scope of consolidation. 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 bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations 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.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

Constantin Associés was appointed as statutory auditor of Neoen by the Shareholders' Meeting of September 13, 2008 and replaced by Deloitte & Associés at the Shareholders' Meeting of April 22, 2014. RSM Paris was appointed as statutory auditor by the Shareholders' Meeting of September 12, 2018.

As December 31, 2021, Deloitte & Associés and RSM Paris were in their 14th and 4th period of total uninterrupted engagement, respectively.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective 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, 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 judgment throughout the 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 his 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 his 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 program implemented, as well as significant audit findings. We also bring to its attention 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 judgment, were of most significance in the audit of the 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 referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris and Paris-La Défense, March 14, 2022

The Statutory Auditors

RSM Paris	**Deloitte & Associés**
Etienne de BRYAS	Benoit PIMONT

5

SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSABILITY

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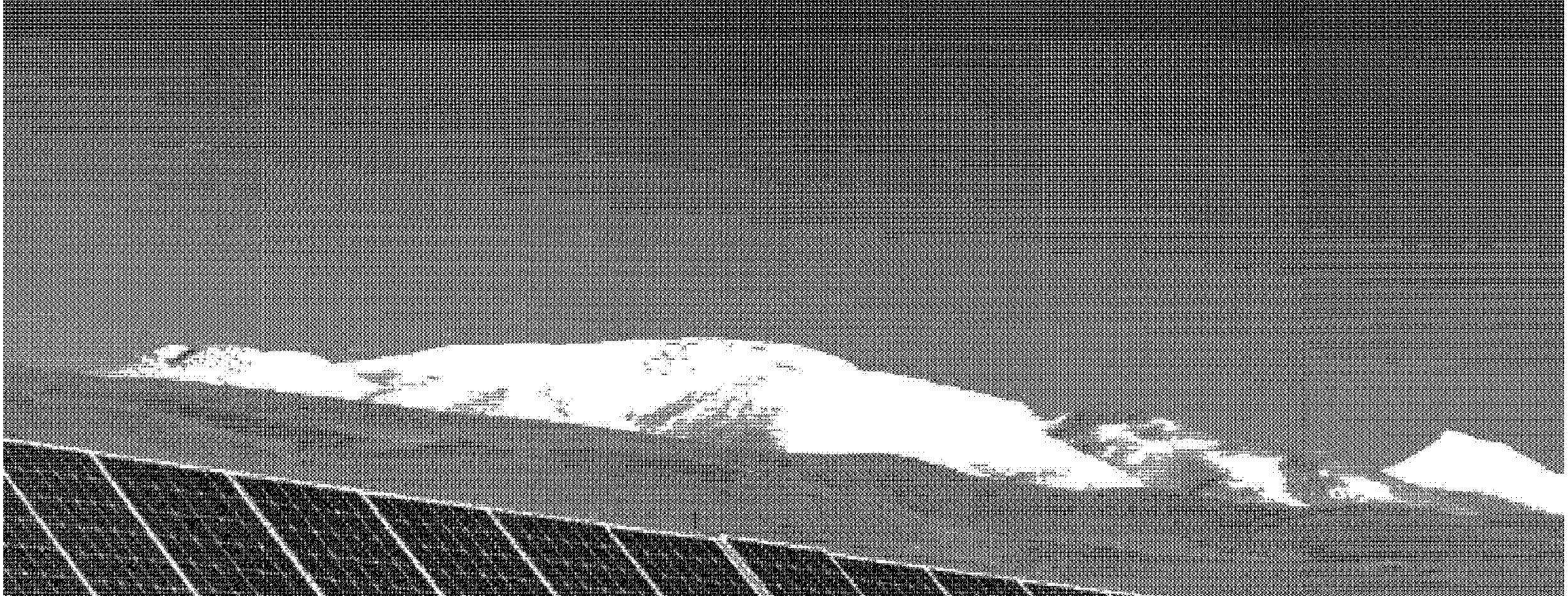


5.1 CSR, AT THE HEART OF OUR ORGANIZATION

Sustainability is at the heart of the activities of Neoen, an independent producer of 100% renewable energies whose mission is **to produce the most competitive renewable electricity sustainably and on a large scale.**

Neoen is involved in the fight against climate change by developing, owning and operating large-scale solar and wind farms and storage plants around the world. The size of the existing plants and its ambition for future plants are helping to speed up the pace of the energy transition. Aware of the special role it has to play in promoting sustainable development and of its responsibility to «set an example», Neoen develops, finances, builds and operates its power plants according to the best performance standards. In addition, Neoen's solar and wind farms provide competitively priced energy, driving down electricity prices. Likewise, battery storage also plays its part in reducing energy costs by providing competitive solutions to grid difficulties.

Neoen has a long-term vision for the sustainable infrastructures that the Group builds. Neoen is generally the majority shareholder, or even the sole shareholder, of its infrastructures, and aims to optimise the return on its facilities over their entire life cycle. This allows it to make the best decisions regarding the maintenance of its installations.

5.1.1 STRONG VALUES SHARED WITHIN THE GROUP

Neoen relies on strong values that guide its relationships and actions with all its stakeholders:

- **boldness**, i.e. the ability to become one of the world leaders in renewable energies, by designing and implementing innovative, competitive and effective energy solutions;
- **integrity**, which ensures that projects are conducted in complete transparency, anywhere in the world. The Group selects partners who act according to the same principle;
- **commitment**, by placing fulfilment of commitments made to internal and external counterparties at the heart of its development;
- **esprit de corps**, with loyalty and solidarity guiding the employees' actions on a daily basis.

The Group has expressed its attachment to these values and the associated commitments in its code of conduct, which is distributed to all its employees and which each employee undertakes to comply with.

> "Producing the most competitive renewable electricity, sustainably and on a large scale."

5.1.2 SUSTAINABLE FINANCING

In line with its positioning and convictions, the Group was keen from the outset to adopt an environmental component in its project financing. Thus, after an initial green bond issue in October 2015, Neoen used this financing method again in December 2017 when it issued green bonds for a maximum amount of €245 million to finance a portfolio of onshore wind and solar projects in Australia, Latin America and France, totalling 1.6 GW of cumulative capacity in operation. This financing was certified as green bonds in accordance with the green bond principles as published by the International Capital Market Association (ICMA) in 2015 and 2017. This certification was carried out by Moody's ESG Solutions (formerly Vigeo Eiris), a recognised expert in sustainable development, following its ESG (Environmental, Social and Governance) due diligence on the Group.

In March 2020, Neoen entered into an initial syndicated loan agreement of €200 million, indexing the terms of the loan to environmental, social and governance (ESG) indicators. In keeping with its commitments, Neoen has chosen to integrate ESG criteria into this loan agreement: the prevention of corruption and its own ESG rating calculated by Moody's ESG Solutions (formerly Vigeo Eiris). A third criterion was adopted in June 2021, relating to Neoen's recycling commitments for its new equipment supply agreements during the period 2021-2025. The terms of the loan will be adjusted according to Neoen's ESG performance on these three criteria, which will be measured annually.

Lastly, in May 2020, Neoen issued the very first "green" convertible bond in Europe in the amount of €170 million, underpinning its commitment to sustainable finance. The proceeds from the issue of green OCEANE bonds (convertible into new or existing shares) were used to finance or refinance renewable energy production (photovoltaic solar and wind power) or energy storage assets, in accordance with the requirements of the European Union taxonomy and the Green Bond Framework, which can be consulted on Neoen's website. Moody's ESG Solutions (formerly Vigeo Eiris) issued a Second Party Opinion (SPO) on Neoen's Green Bond Framework and confirmed that it was indeed in line with the 2018 Green Bond Principles, as well as with the European Union's Green Bond Standards.

5.1.3 SUSTAINABILITY FRAMEWORK

In addition to its core business as a leading developer and producer of renewable energies, Neoen has also wanted to develop responsible and sustainable practices linked to its *modus operandi*, its interactions with communities and the control of its environmental footprint. The Group has therefore decided to adopt its «*Sustainability Framework*», a framework for an ambitious and far-reaching sustainable development policy. This first version of the Framework, presented at the Capital Markets Day in March 2021, is now a common reference for all Neoen countries. The Framework is built around three pillars:

- Our teams
- Our projects
- Our communities

5.1.4 THIRD PARTY ASSESSMENT

In September 2018, the Group initiated a corporate sustainability rating process with Vigeo Eiris (now Moody's ESG Solutions) on a voluntary basis and obtained a score of A1 (5th out of 49 companies in the sector). Then, starting in April 2019, Neoen asked Moody's ESG Solutions to carry out an ESG Assessment of the company and obtained improved scores, from 60/100 (17th out of 65 companies in the sector and in the top 200 companies in the global ranking out of nearly 5,000 companies assessed in 2019) to 64/100 in 2021 (8th out of 62 companies in the sector and in the top 1% of the 5,000 companies assessed).

5.2 PRESENTATION OF THE MAIN NON-FINANCIAL RISKS

The Group's risk mapping has been used as a reference for identifying the main non-financial risks that fall within the scope of the Non-Financial Performance Statement (NFPS). Updated in the second half of 2020 and approved by the Audit Committee, it presents and classifies risks according to their potential impact and their probability of occurrence. Some of these risks are specific to sustainability development issues. Neoen's non-financial risks are managed according to the same methodology as the operational risks related to its business, such as legal or financial risks.

All of the risks presented are described in detail in chapter 3.

Among all the validated Group risks (see Chapter 3), Neoen has identified several main risks with a non-financial dimension detailed in the table below. This table links the strategic priorities of the Sustainability Framework with the Group's risks and opportunities and the key performance indicators monitored. The policies, mechanisms and actions implemented are detailed bellow.

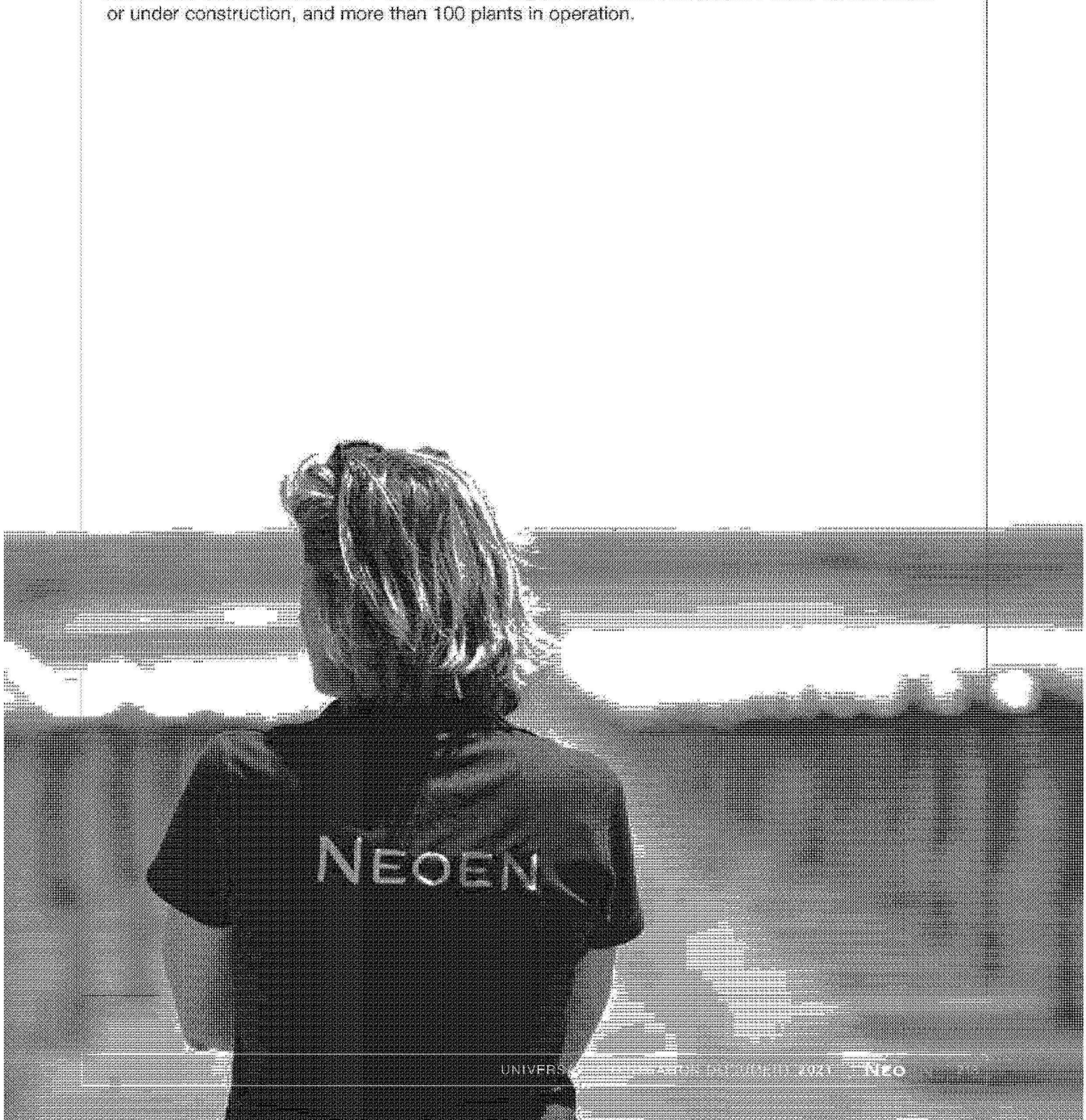
Also, in 2021, Neoen chose to carry out a materiality analysis with the support of a leading consulting firm, with the aim of ensuring that the company had properly identified the expectations of internal and external stakeholders - employees, customers, suppliers, lenders, shareholders in particular - and reflected them in its strategic priorities.

Strategic priorities	Risks/Opportunities	Policies, due diligence procedures	Key performance indicators	2020 results	2021 results
Working ethically	Corruption risk in the context of the Group's expansion into emerging markets	§.5.3.1 Working with integrity §.3.1.2 Risks related to the Group's activity and strategy	Percentage of employees trained to provide anti-corruption and compliance training	58%	96.9%
			Percentage of employees trained in high-risk populations	39%	52%
	Risk relating to suppliers and contractors whose practices are contrary to human rights (child labour, forced labour, health and safety, etc.), which can lead to a violation of human rights and harm the company's reputation	§.5.3.2 Responsible procurement	Share of Tier-1 contractors	100%	100%
Attracting talent and building staff loyalty	Risks associated with the capacity to retain executives and key employees	§.5.3.3 Managing talents	Percentage of employees having completed at least one training course during the year	79.8%	100%
			Of which France	100%	100%
			Attrition rate in the permanent workforce	16.1%	17.8%
Reducing emissions	Opportunity: Contribution to the energy transition	§.5.3.4 Committing to the climate	Tons of CO2 equivalent avoided through Neoen's production	1,994,589 tons of CO2	2,230,831 tons of CO2
Prioritising safety	Risks related to the health and safety of employees and subcontractors	§.5.4.1 Prioritising safety	Number of workplace accidents on our sites (internal employees and subcontractors)	n.a.	20 LTI; 12 MTC
			Percentage of sites under construction that have undergone an HSE audit	n.a.	48%
Protecting biodiversity		§.5.4.2 Using resources responsibly	Percentage of plants in operation in 2021 that have had an environmental impact assessment completed	n.a.	100%
Integrating/ promoting recycling		§.5.4.3 Promoting the circular economy	New MW covered by a recycling clause (photovoltaic and batteries, excluding solar in France)	n.a.	174
Consulting and interacting	Risks associated with local opposition to the construction of a facility	§.5.5.1 Consulting and engaging	Percentage of plants in operation in 2021 that were the subject of a consultation or an information process	85%	100%

As regards the environmental consequences of Neoen's operations, the Group's environmental footprint is under control and not currently considered as a major risk. The energy transition is a growth opportunity for the Group, given the significant role Neoen plays in reducing greenhouse gas emissions by producing entirely renewable energy. However, it remains very mindful of the environmental footprint of its projects and assets.

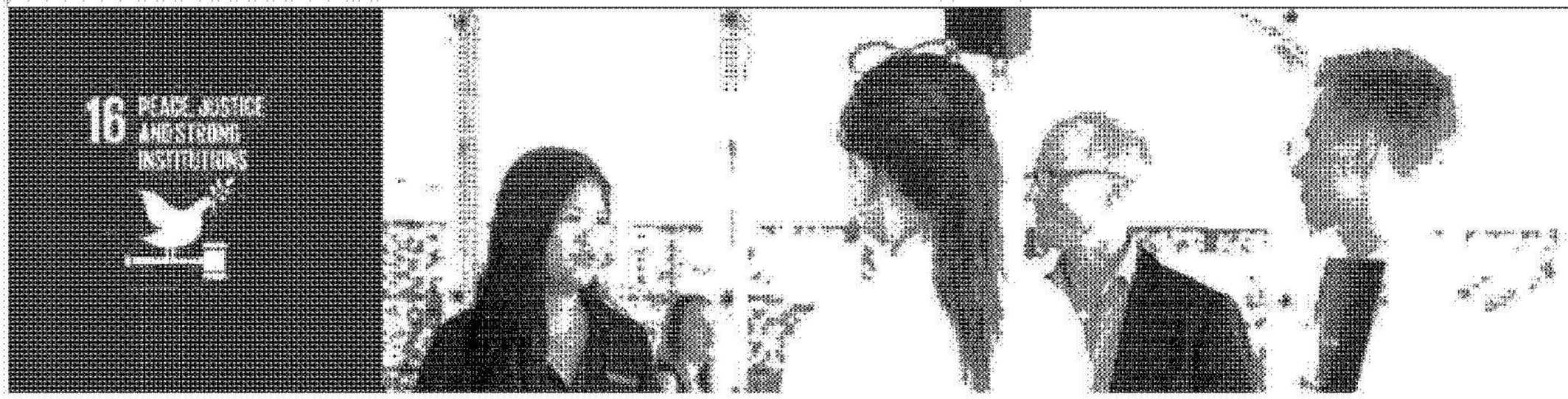
5.3 OUR TEAMS

Neoen has 299 employees in 16 countries working on more than 100 projects under development or under construction, and more than 100 plants in operation.



5.3.1 WORKING ETHICALLY

Integrity is one of Neoen's four values and one of its daily compasses.
The Group's employees are trained to identify corruption risks in each of our countries.



POLICY

No case of corruption has been detected since the Company was created in 2008.

As part of Neoen's expansion, strengthening our culture of integrity in all our countries is essential in the management of the risk of corruption.

Code of conduct and anti-corruption code

Neoen is mindful of the corruption risks relating to some of the Group's sites and has therefore developed a code of conduct and an anti-corruption code of conduct to prevent such risks. The Group's code of conduct has been drawn up in French, English and Spanish and reflects the Group's commitment to integrity and compliance with local laws and regulations. Rules of conduct are set out in the anti-corruption code to combat the risks of corruption in any form.

Alert system

The Group has also implemented a system of independent alerts which can be transmitted by employees to a lawyer, designed to collect reports of conduct or situations that are contrary to the anti-corruption code of conduct and the code of conduct. No such alert was made in 2021.

Monitoring mechanism

The Group has also implemented a system of internal control, backed up by external audits of procedures, described in paragraph 3.2.2.3 «system of internal control» of this document.

ACTIONS IMPLEMENTED

- The code of conduct signed by all employees in 2021, either when they joined Neoen or during their annual interview
- Development, internal distribution and publication on Neoen's website of the anti-corruption code in 2021, signed by 100% of Neoen's employees
- Continued roll-out of the anti-corruption training for all new employees and more specific face-to-face training for the most exposed employees

KEY FIGURES

100%
of employees have signed the code of conduct

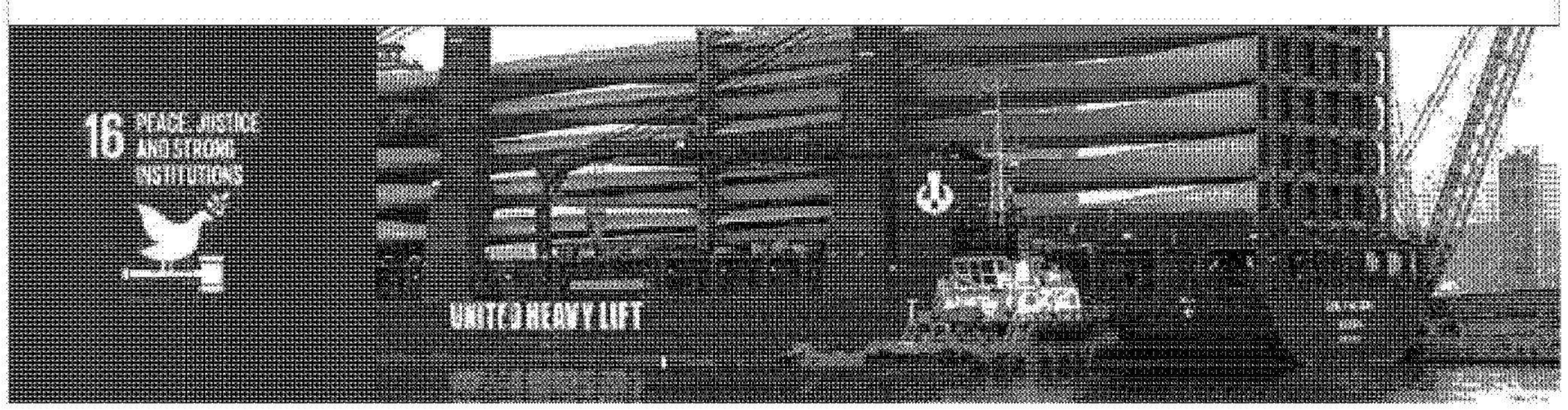
95.9%
of employees have taken the anti-corruption and compliance training
(58% in 2020)

52%
of «exposed» employees have received an additional anti-corruption training
(39% in 2020)

5.3.2 RESPONSIBLE PROCUREMENT

Neoen endeavours to work with responsible suppliers and contractors who comply with the highest standards. It ensures that these standards are adhered to, by incorporating them into its EPC contracts and implementing an audit and assessment system.

This responsible procurement strategy allows us to efficiently manage the risks linked to our value chain (non-respect of human rights, health and safety, etc.) and the associated reputational risk.



POLICY

Selection of suppliers

Prior to selection, Neoen asks its suppliers to provide their HSE and quality certificates and results as well as their sustainable development report. Then, during the selection phase (RFP), suppliers undertake to comply with the ESG and HSE clauses included in the contracts. The analysis of responses is supplemented by Ecovadis assessments. If the contractor or supplier is not registered on the platform, Neoen asks that the ESG assessment by Ecovadis be carried out before the winner is chosen.

Before the work starts, Neoen shares the conclusions of the social (in emerging countries) and environmental studies undertaken at the selection stage with the EPC contractors. They are then required to implement social (in emerging countries) and environmental action plans during the construction and operation phases.

Monitoring and assessment mechanism

Neoen then carries out a 360° audit and/or a factory visit of its suppliers of major components (modules, turbines, trackers and inverters) before initiating any business relationship (when the health situation allows it). The full audit is based on a questionnaire covering topics such as working conditions and health and safety. Site visits include a review of topics relating to health, safety, the environment and quality.

During the contractual period, Neoen endeavours to repeat site visits, mainly targeting suppliers whose products have undergone changes. Where a major breach of standards is revealed in an audit conducted either by Neoen or an independent auditor, Neoen may have to exclude the supplier depending on the severity of the breach. In 2021, no audit could be carried out due to the health context.

ACTIONS IMPLEMENTED

- Contracts with Tier 1 suppliers of major or critical components, also ISO 9001 and ISO 14 001 certified, for the supply and/or installation of photovoltaic modules, wind turbine generator, inverters, and battery cells
- Implementation, since early 2021, of monthly reporting of HSE data from EPC contractors
- ESG assessment of the Group's suppliers using the Ecovadis platform since the end of 2021

KEY FIGURES

100%
Tier-1 suppliers

100%
major suppliers certified ISO 9001 and more than 96% certified 14001

5.3.3 ATTRACTING TALENT AND BUILDING STAFF LOYALTY

The Group attaches great value to its human capital, one of its fundamental strengths, and seeks to encourage the emergence of talents from among its employees.



POLICY

Neoen's inability to retain its best employees and build staff loyalty would result in a loss of skills and expertise that could adversely affect its performance. Career development (in terms of mobility, training, taking responsibility, quality of life at work) is therefore an important dimension of the Human Resource policy.

ATTRACTING NEW TALENT

As of December 31, 2021, the Group had 299 employees worldwide, compared to 255 as of December 31, 2020, i.e. an increase of 17.3% that reflects the Group's growth both in France and internationally. Most employees, 97.9%, are executives.

Despite the public health crisis, the Group continued its sustained recruitment drive, with the hiring in 2021 of 100 employees, including 10 through internal career mobility programmes. In 2021, 54.0% of the new hires were on international markets, mainly on business development positions, with the opening of a new country in 2021 (Italy) and the opening of two new offices in France (Lyon and Toulouse). The attrition rate has slightly went up compared to 2020, which was relatively stable in terms of departures. However, it is still lower than the 2019 rate (18.6%).

The proportion of new hires in the total workforce was 33.4% at 31 December 2021 (31.8% in 2020), fulfilling the need to attract new talent in order to sustain the Group's development momentum. To this end, Neoen has strengthened its communication by publishing the open positions on its website and relaying them through various recruitment channels, in particular on the Alumni pages of different schools, websites dedicated to environmental and sustainable development recruitment, as well as social media to make them accessible to as many people as possible.

ACTIONS IMPLEMENTED

- Roll-out of a human resources information system (HRIS) featuring a Group-wide module to manage employee leave, a module to manage employee files digitally and a module to monitor the time allocated by employees to the Group's various projects, ensuring seamless processes
- Insourcing of the EHS&S function in order to ensure working conditions that guarantee the protection of the health and safety of our employees and the integrity of our assets, as well as respect for environmental protection
- Strengthening of the Human Resources Department to provide better support and development for employees and to encourage their adherence to Neoen's values

KEY FIGURES

17.8%
Attrition rate in 2021
(16.1% in 2020)

299
Workforce
(255 in 2020)



ENCOURAGING EMPLOYEE COMMITMENT AND THE QUALITY OF LIFE AT WORK

Employees' well-being at work has a direct impact on their loyalty, commitment and performance. Neoen implements measures in favour of employee well-being and work/life balance.

- Since 2019, implementation of a minimum of three days paternity leave for all Group employees, even if local legislation does not require it.
- For employees in France, in terms of employee savings plans, renewal of the various schemes previously put in place, i.e. matching contributions under the company savings plan (PEE) and the collective company retirement savings plan (PER COL) agreements and the Spring 2021 employee share ownership as well as profit-sharing (for which the amount was increased in 2021).
- Incentives for employees to use low-carbon transport when commuting to and from work (sustainable mobility package in France, the possibility of purchasing a bicycle through the employer in Ireland (Cycle 2 Work scheme) or monetary compensation for using public transport in Finland).
- In 2021, implementation of a work from home policy in France.
- Organization of Neoen's Solidarity Day in two countries, allowing employees to donate time during a day to a NGO of their choice, to have a positive impact beyond Neoen's commitment to the energy transition. It will be implemented in the rest of the Neoen countries according to the local health situation.
- Organization of events to strengthen team cohesion both internally (Ciné-philo, TGIF allowing regular updates on Neoen's activity) and externally with the participation to events of stakeholders from the sector (Finergreen's Solar Foot, Renewable Energies World Race) and to take into account the wishes expressed by employees in the 2020 study on corporate culture, values and work from home, done by external consultants with our employees in France.
- Raising employee awareness of the importance of respectful and trusting relationships at all levels of the hierarchy in order to prevent the risks of harassment and discrimination.



ENCOURAGING MOBILITY

There is no standard career path at Neoen. Each employee can adapt their career path according to their own individual goals and the opportunities that arise. In-house career mobility is a major factor in developing employees' skills. Neoen provides employees with opportunities to take on new duties and acquire new experience throughout the Group's various subsidiaries.

Neoen strongly encourages international mobility. For instance, in 2021, ten employees who had been hired by a Group company subsequently joined another Group company on a temporary or permanent basis. This trend is also reflected in the mobility between business lines, with five employees switching to different positions in 2021.

To enable employees to project themselves for the long term within the Group, Neoen gives preference to permanent contracts that provide its employees with a stable working environment. In 2021, 288 employees were employed under long-term contracts (permanent or equivalent), i.e. 96.3% of the Group's workforce.

PROVIDING RESPONSIBILITY

The average age within the Group is 35.5 years. Employees aged 35 and less (55.2% of the Group's employees) remain predominant in 2021, due in particular to significant recruitment in this age group (73.0% of the total). Accordingly, the company offers opportunities of rapid promotion and possibilities of increasing responsibilities. The average age of managers is 40.4 years (40.1 years in 2020).

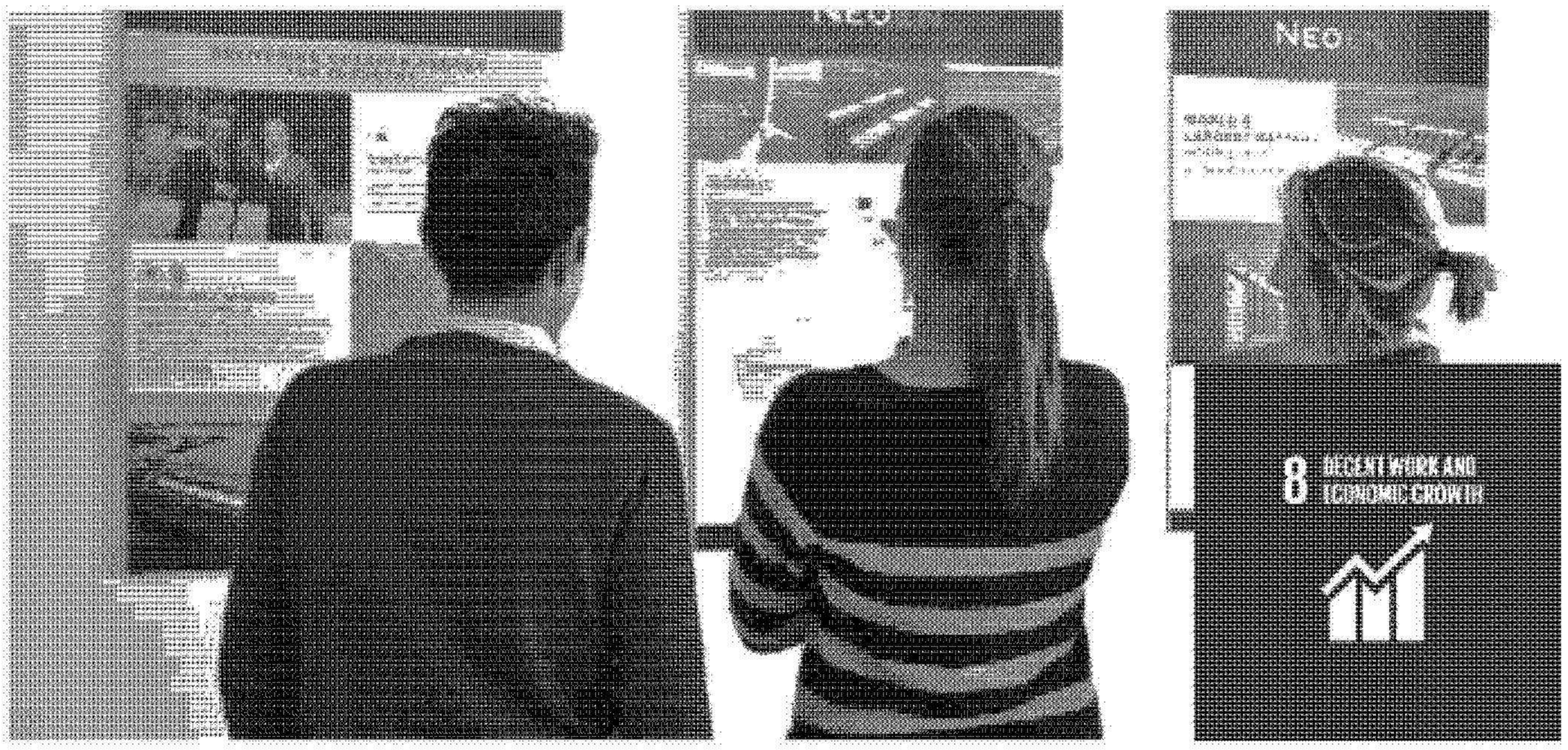
MONITORING AND REWARDING PERFORMANCE

The annual appraisal is a key feature of employee development. It allows a discussion with the manager on performance and development, assessment and setting of annual goals. It is also an opportunity to review the development plan and define the actions to be taken in light of past performance and the objectives assigned to the employee. In 2021, all Group employees had an annual performance review with their managers.

Mid-year performance reviews were held in June 2021 to allow employees to meet with their managers after a period of working from home. For 76% of employees, the objectives set at the beginning of the year were reviewed and updated if necessary. This initiative will now be renewed every year.

Neoen has an attractive remuneration policy. The overall remuneration of Group employees takes into account the position held, the degree of responsibility as well as the individual and Group's performance.

Remuneration may also include benefits that can vary according to the practices and regulations in force in the countries, such as lunch or commuting benefits, health insurance, pension plans, profit-sharing and incentive schemes. In addition, the Group has set up solutions that give certain employees the possibility of share ownership (employee shareholding, free share award).



DEVELOPING SKILLS

To support employee development, the Group has renewed the process of formalizing a training plan, in France and internationally.

The Group has pursued its efforts to train employees through face-to-face training sessions, distance learning (depending on local COVID-19 health constraints) and e-learning.

The training courses focus mainly on safety (particularly training to obtain accreditation for working at heights and with electricity), workstation training to enable employees to adapt to new regulatory and legislative changes (e.g. IFRS standards) and the development of skills required for the position, with training in areas such as foreign languages, compliance, management and negotiation.

In 2021, the Group renewed its focus on the prevention of corruption and provided further face-to-face and distance training for the most exposed employees, as well as an e-learning for the newcomers.

Neoen promotes internal skills in the implementation of the training plan. In 2021, 15% of the training courses were done internally, compared to 14% in 2020. This sharing of expertise creates better conditions for teamwork and facilitates communication between the different teams.

Percentage of employees trained[1]	31.12.2021	31.12.2020
World	100%	79.8%
Europe-Africa	100%	97.4%
Of which France	100%	100%
Australia	95.3%	40.6%
Americas	92.7%	60.7%

Total number of training hours	31.12.2021	31.12.2020
World	6,853[2]	1,918
Europe-Africa	5,490	706
Of which France	4,845	589
Australia	852	349
Americas	511	863

(1) The percentage of employees trained is the number of employees who have received at least one training course, including e-learning, out of the average number of employees (a total of 288 employees have been trained during the year out of an average of 281 employees worldwide).

(2) Including 394.3 hours of e-learning (excluding distance training courses usually conducted in person).

KEY FIGURES

100%

of employees having completed at least one training course during the year

(79.8% in 2020)

5.3.4 ENCOURAGING DIVERSITY

Diversity is a source of pride and dynamism for Neoen, with over 36 nationalities represented amongst the team. The recruitment process is open to all, upholds the principles of fairness and non-discrimination. Neoen has a zero tolerance policy towards harassment in the workplace.



POLICY

Diversity is a performance driver and a key aspect of the Group's Human Resources policy. The diversity of its executive workforce fuels the Group's performance and hinges, in particular, on the different cultures that make up Neoen and the balance between men and women.

The Group firmly believes that gender diversity can be a performance driver and it pays particular attention to diversity at all levels. Its current priority is to improve gender parity in all its countries. As of December 31, 2021, 28.8% of its employees were women and 24.1% of management positions were held by women. The marked growth in hiring, particularly internationally, for engineering and project management positions, where women are less represented on the job market, explains the decrease in the proportion of women in the workforce at the end of 2021. An action plan is in place to ensure that the representation of women increases.

On an equivalent skills basis, Neoen is careful to ensure that recruitment is equally distributed among women and men and is committed during the annual remuneration review to not creating a gap between men and women. The implementation and monitoring of the wage policy is reflected in the gender equality index, which was significantly higher in 2021. Neoen obtained a score of 98/100 in the gender equality index (France) for 2021, compared with 92/100 for 2020.

Diversity is also a source of pride and performance for Neoen, with more than 36 nationalities represented in its teams.

In order to attract candidates with disabilities, Neoen continues to post job offers on a French recruitment website specifically geared towards people with a disability. In 2021, none of the Group's employees was recognised as having a disability.

ACTIONS IMPLEMENTED

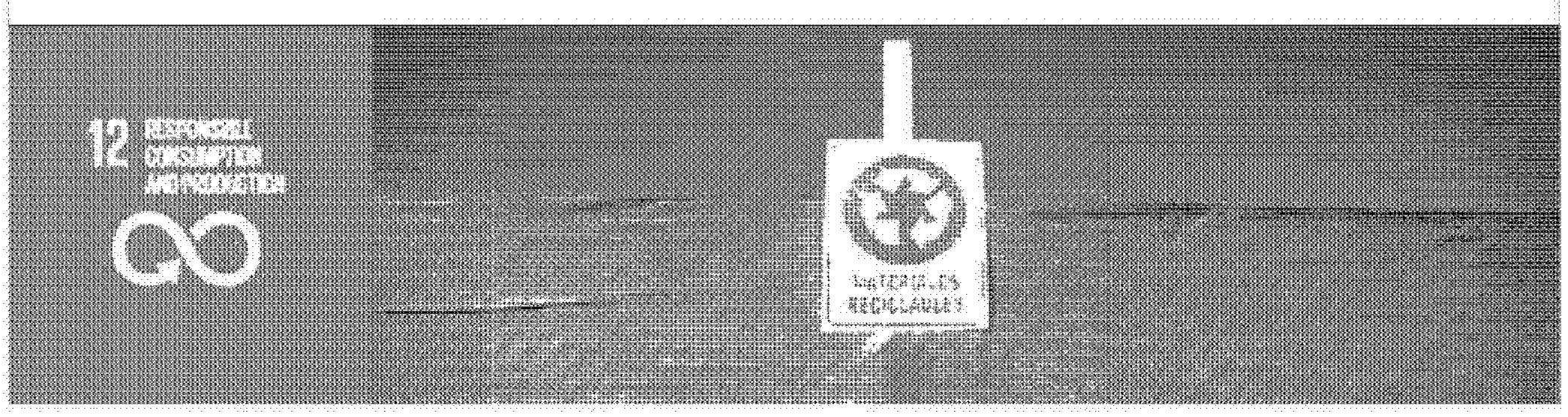
- Raising awareness of gender parity targets among managers and recruitment agencies
- Better anticipation of recruitment to ensure choice between candidates of both genders
- 100% of Neoen employees have a local contract in the different countries
- Continuing the Group's efforts to recruit people with disabilities and increase purchases from sheltered employment sectors

KEY FIGURES

28.8%
of women in the Group
(30.9% in 2020)

5.3.5 REDUCING EMISSIONS

As a specialised and independent energy specialist, Neoen's mission is to design and implement the means to produce the most competitive renewable electricity sustainably and on a large scale. In doing so, Neoen actively participates in the decarbonisation of energy.



POLICY

Climate change is an opportunity for Neoen, as it encourages the emergence of national policies in favour of renewable energies. The Group's activities make an active contribution to reducing greenhouse gas emissions, which is often a stated political objective. The development, ownership and operation of large-scale solar and wind farms and storage facilities around the world help speed up the pace of the energy transition.

Thus, in the past three years, Neoen has, according to its own calculations, avoided the emission of more than 5,500,000 tons of CO2 as a result of the strict application of the specific methodology developed by the European Investment Bank (EIB).

Neoen also wants to reduce emissions related to its business and has already introduced several initiatives: promotion of «"low-carbon» travel (trains, electric cars), mobility package for employees who commute by bicycle, strengthening of «zero paper» initiatives, and those aimed at reducing office waste and recycling computer equipment worldwide.

Also, Neoen calculated its carbon footprint for the first time in 2021 with the help of a well-known external consultancy firm to identify other possibilities for reducing its emissions.

ACTIONS IMPLEMENTED

- Expansion of existing initiatives: introduction of low-carbon travel incentives in Ireland and Finland
- In 2021, offsetting 100% of the company's business travel emissions in 2020 (707 tons of CO2) by financing «clean» cookstoves for low-income families in Mozambique and Mexico
- In 2021, for the first time, calculation of Neoen's carbon footprint for all its activities (scopes 1, 2 and 3)

KEY FIGURES

2,231,000

tons of CO2 equivalent avoided through Neoen's production

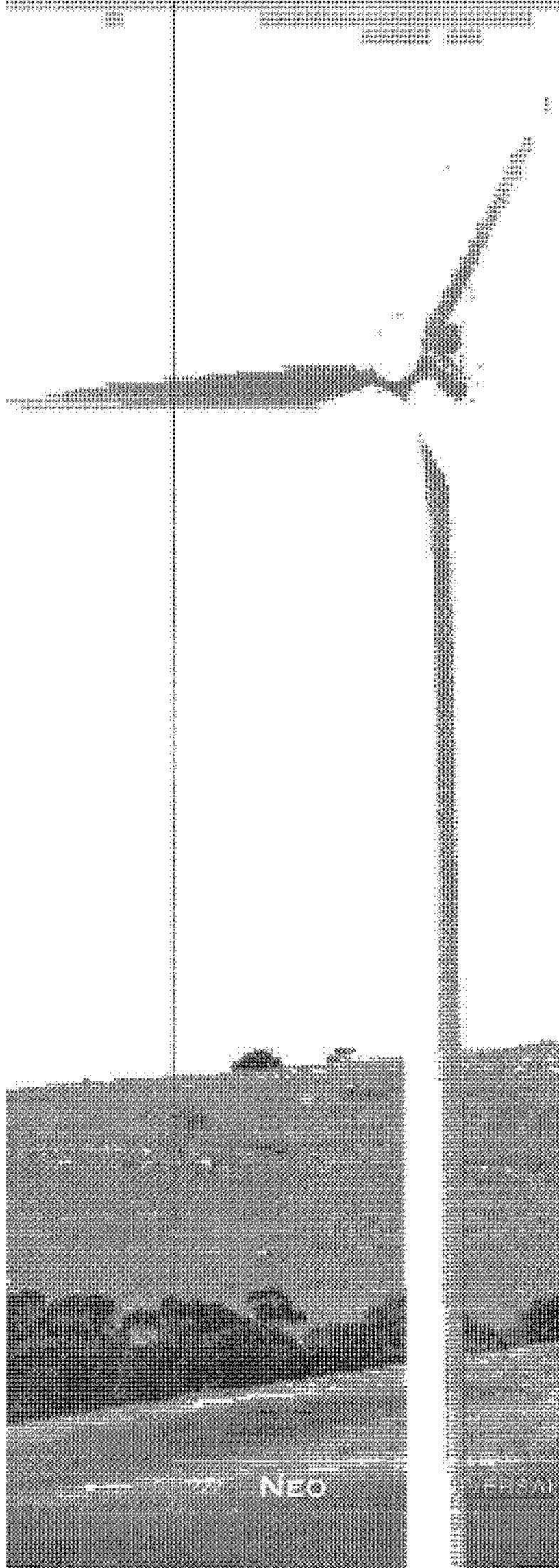
(1,995,000 t of CO2 in 2020)

464,000

tons of CO2 emitted in scopes 1, 2 and 3 in 2020

5.4 OUR PROJECTS

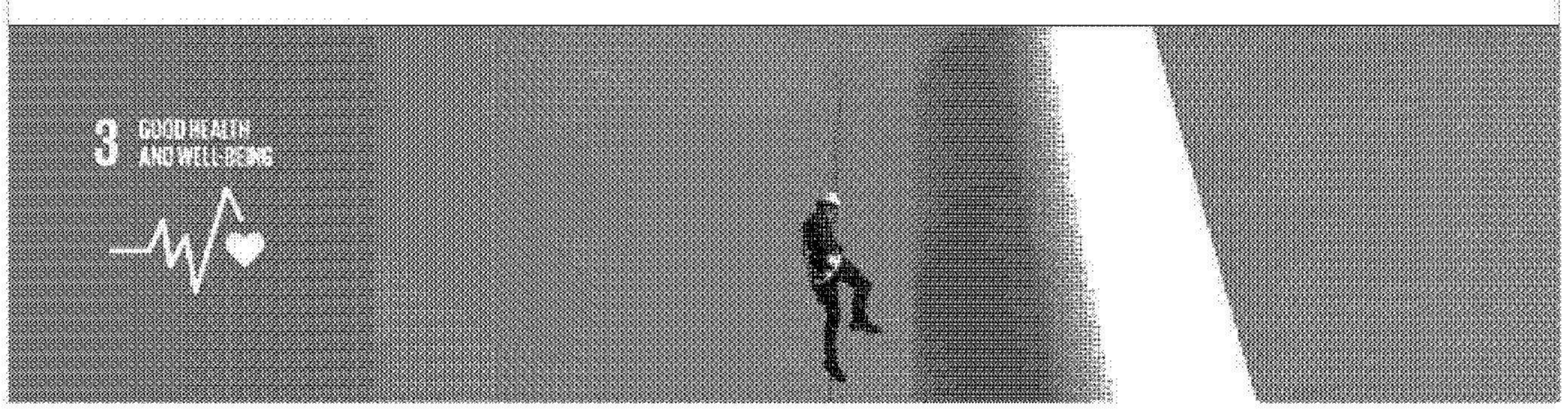
As well as generating clean electrons, Neoen's power plants are the crucible for a range of different and emerging sustainable initiatives and outcomes.



5.4.1 PRIORITISING SAFETY

Neoen is engaged in activities that may expose its employees and subcontractors to health and safety risks at all of its sites, primarily at its construction sites and production facilities, but also in its offices, and in particular in high-risk countries or areas.

For this reason, Neoen is committed to ensuring the health and safety of its employees and all of those working on its sites, by implementing strict measures to control and reduce risks, as well as procedures for reporting and investigating incidents and accidents.



POLICY

The construction, operation and maintenance of electricity production infrastructures expose the company to events that may affect the safety and/or health of individuals: technical risks related to the use of equipment, live electrical environment, traffic within at-risk areas, etc.

The Group promotes a strong health, safety and environment (HSE) culture through its HSE approach, which ensures that service providers comply with Neoen's expectations in strict compliance with the relevant legal and regulatory constraints.

The HSE approach advocated by Neoen aims to limit harm to people, property and the environment in the workplace, particularly on the Group's sites but also during the development and operation phases of its facilities. These objectives are defined in the HSES Management Plan (appended to the EPC and O&M contracts) established by the Group, as follows:

- avoid serious injury to personnel;
- improve working conditions and reduce the risks associated with each work;
- promote proactive escalation of information on near-miss and unsafe situations;
- promote the Group's HSE culture (by site inspections, toolbox talks, audits, training, etc.).

Neoen has formed a HSE Committee that includes the members of its Executive Committee. This committee meets every quarter. It is responsible for overseeing the Group's performance in terms of HSE policy and for monitoring indicators relating to the aforementioned objectives.

Neoen also endeavours to prevent health risks to its employees, particularly when they travel or work abroad. In the context of the health crisis, Neoen encouraged its staff to work from home.

ACTIONS IMPLEMENTED

- Insourcing of the EHS&S function
- Collection and analysis of accident frequency rates of the Group's contractors
- Progress towards the objective of conducting an HSE compliance audit on 100% of our sites under construction, every month for sites with a capacity of more than 20 MW, and every two months for smaller sites
- Selection of service providers that includes HSE performance and management criteria into account

KEY FIGURES

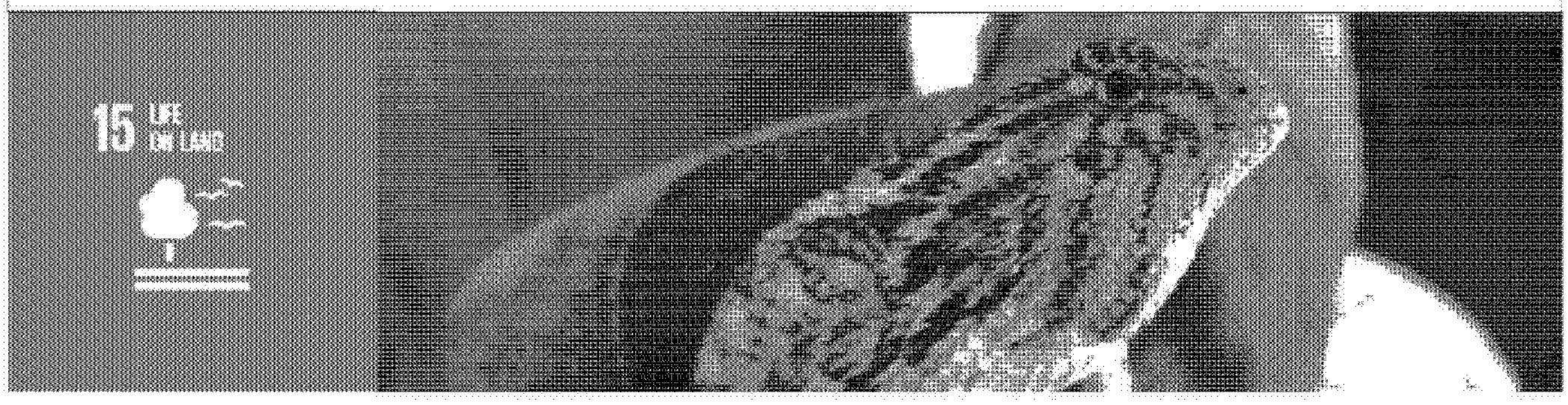
20
workplace accidents on our sites (with lost time)
(23 accidents in 2020)

48%
of sites under construction that have undergone an HSE audit

173
Number of reported near-miss

5.4.2 PROTECTING BIODIVERSITY

Beyond our commitment to addressing climate change through renewable energy, Neoen's environmental stewardship is reflected in our projects through the implementation of the "Avoid, Reduce, Offset" principle.



POLICY

As its footprint is often significant, Neoen is mainly confronted with issues relating to land use and the protection of biodiversity. Thus, all geographic locations are rigorously selected based on cartographic elements and on-site analyses to identify the potential impact on fauna, flora, heritage and archaeological sites, etc. Each project is therefore based on a territorial review that avoids, reduces or offsets pressures on the environment.

Similarly, in agricultural regions, Neoen develops agrisolar solutions that make it possible to reconcile an agricultural activity and energy production.

Also, at the end of the plants' useful life, Neoen is committed to dismantling the facilities so that local environments can be restored and recovered.

Neoen takes particular care to respect ecosystems in the territories where its projects are located, throughout the life cycle of its facilities. It ensures that all development, construction and operating teams are aware of the importance of protecting the environment and biodiversity.

The Group has made several commitments to the environment and to biodiversity. These include:

- respecting the reproduction periods of local species;
- construction of drainage channels in parallel with the construction of facilities;
- use of sheep grazing for vegetation control;
- drilling holes in fences (hedges, etc.) to facilitate the mobility of native animal species;
- and clearance to combat the spread of fires.

ACTIONS IMPLEMENTED

- Environmental impact assessment carried out by specialist ecologists for 100% of the Group's projects under development
- Implementation of an agrisolar approach beyond France and Australia
- Offset of unavoidable environmental impacts in accordance with local requirements (tree planting, preservation of species, fire management plans) and going beyond: for example, for the Group's wind projects in France, for each meter of hedge destroyed, 3 meters are planted or replanted on average; for each square meter of wetland destroyed, almost twice as much is recreated
- Going beyond regulatory requirements: in Mexico, equipping a community beekeeping room and financing a large greenhouse to produce local trees to combat deforestation and to support the activity of beekeepers

KEY FIGURES

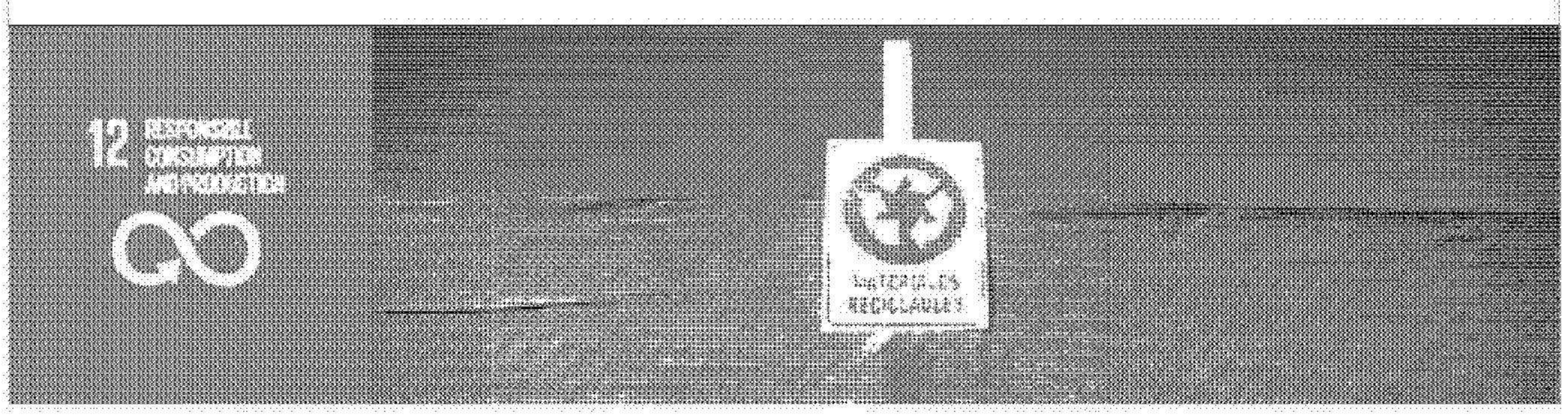
100%

of assets commissioned in 2021 that have had an Environmental Impact Assessment completed

5.4.3 INTEGRATING RECYCLING

Neoen designs and operates plants with a long useful life - at least 25 years - but is very aware of the key issue of recycling the main equipment of its plants (photovoltaic panels, batteries, etc.). For this reason, the Group is committed to analysing the various recycling channels for the main materials across its three technologies of solar, wind and batteries.

Neoen maintains a regular dialogue with its suppliers.



POLICY

Neoen is attentive to the recyclability of the equipment purchased and regularly engages with its suppliers, even though the Group has yet to dismantle an installation, as its facilities are relatively recent.

During the construction and operation phases, Neoen takes care to properly manage the waste generated on all its sites. The EPC and O&M contractors are required to treat waste in accordance with local regulations.

Neoen is also committed to promoting the recycling of photovoltaic panels, by asking its solar panel suppliers to join PV Cycle in Europe and in El Salvador in particular. This recycling clause will be gradually integrated for other countries as soon as a recycling channel emerges.

For its wind farms, pending the need to dismantle them, Neoen has added a reuse clause in all wind maintenance contracts that allows for the use of reuse parts (guarantee and equivalent certification) to promote the circular economy and reduce its CO2 emissions.

Dialogue with suppliers is also under way for the storage activity: the lithium-ion batteries used by Neoen can be recycled using the pyrometallurgy process (50% recycling rate of for lithium, >95% for metals, the most widespread process) and hydrometallurgy (recycling rate >80%, with >90% for lithium and >99% for metals). A recycling clause has been included in its most recent battery purchase contracts.

ACTIONS IMPLEMENTED

- Commitment to identify recycling channels for all Group activities
- Commitment to include a recycling clause in any new supply agreement in countries with a mature recycling industry. This commitment is reflected in the syndicated loan that Neoen signed in 2020, which has a target of 400 MW covered by this clause by 2024 (solar power - excluding France, and batteries)
- For new solar farms in France, maximizing the use of solar panels with a share of recycled raw material, especially polycrystalline silicon
- Implementation of office computer equipment recycling

KEY FIGURES

174

New MW covered in 2021 by a recycling clause*

* Total capacity of projects (MW) for which a recycling clause has been negotiated for main equipment, for PV modules or batteries (outside France for PV modules).

5.5 OUR COMMUNITIES

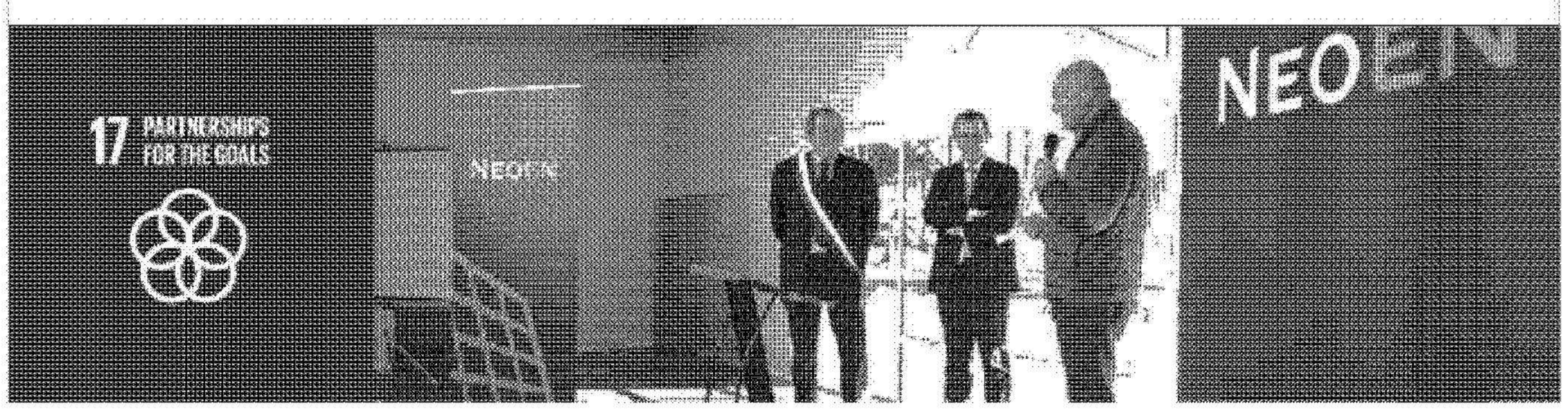
Our projects occupy significant footprints of land in regional areas and as long-term owner operators we are privileged to become long-term neighbours to the communities surrounding our sites.
Neoen works in consultation and cooperation with local stakeholders, contributes to local and regional economic development, and seeks to share the benefits of the transition with its communities.



5.5.1 CONSULTING AND ENGAGING

Neoen understands that the success of a project is dependent to a large extent on developing genuine, open, and ongoing relationships with key stakeholders and members of the local community.

Therefore, the Group recognises the importance of ensuring a "no surprises" dynamic and Neoen is committed to engagement that starts early, tailoring to the local context, and provides opportunities for the community to participate.



POLICY

Neoen is committed to a concerted approach with local stakeholders that goes beyond meeting regulatory requirements. The location of each facility is decided in consultation with the local authorities and communities in all countries where the Group operates.

First of all, Neoen is careful to hold prior discussions with local elected officials to ensure the project is compatible with regional policies. Then, beyond the regulatory provisions, when there are plans for a power plant, Neoen takes steps to inform and communicate with the community (local residents, local associations...) in order to present the project and the issues at stake and help residents understand them, via letters, posters, and/or a website dedicated to the project.

During the development phase, public meetings are also held in which the Neoen staff present the planned work, the integration of the proposed facility into the landscape, the conclusions of social (in emerging countries) and environmental impact studies, the planned support measures and, more generally, to effectively consult local populations in order to come up with solutions that are satisfactory for the community.

In countries outside Europe, local communities are systematically consulted on projects. This consultation is coordinated by the project manager during the development phase, then by a Community Liaison Officer, appointed by the EPC contractor during the construction phase.

ACTIONS IMPLEMENTED

- For each of the Group's projects, consulting the community and sharing information, even if not mandated: in 2021, for example, we launched the Mutkalampi website, as well as several websites for French and Australian projects
- Provision of the *Community Engagement Plan** for the teams

* *Community Engagement Plan* is a comprehensive internal tool which guides and maps our consultation and engagement across a project's lifecycle from early stages of assessing feasibility through until decommissioning.

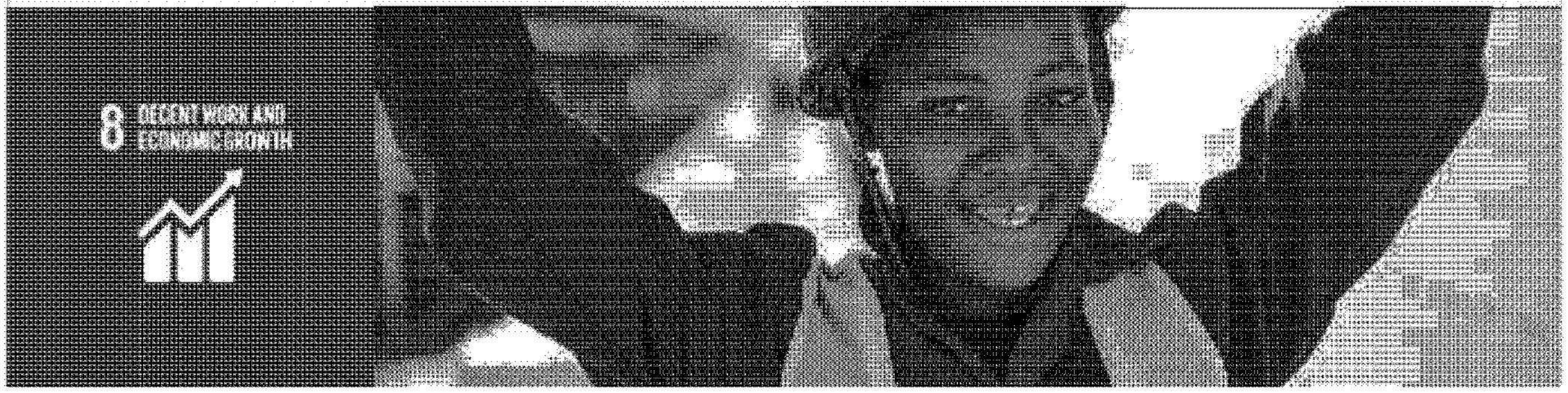
KEY FIGURES

100%

of assets commissioned in 2021 were the subject of a consultation or information process

5.5.2 ECONOMIC DEVELOPMENT

The construction and operation of power plants has the potential to deliver significant local and regional economic development through, the creation of jobs, the supply chain outcomes, the multiplier effect of the income and expenditure generated by the investments. But Neoen's commitment goes further, as wishing to bring positive social and cultural benefits to the areas in which the Group operates.



POLICY

The impact of the Group's projects is not only economic. Neoen, as a long-term owner and operator, is committed to ensuring that the regions where the projects are located benefit from the impacts of the projects, by identifying and financing local initiatives and sustainable development projects. The social and cultural investment in the regions is fundamental to all the projects developed and operated by the Group.

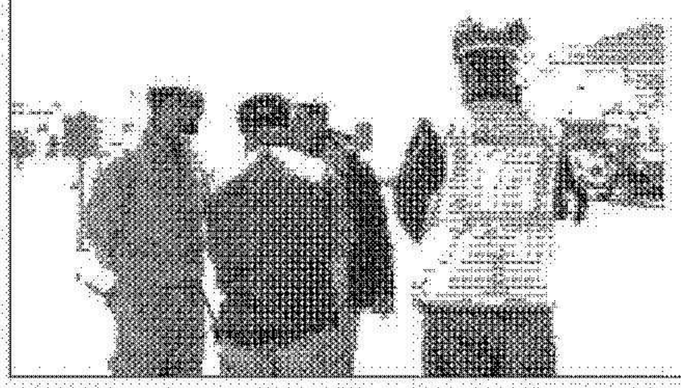
During 2021, Neoen made several commitments:

- Maximising its local economic impact, by interacting with local businesses and business networks, favouring local suppliers and workers whenever possible, and seeking to develop skills, training and learning. A Local Participation Plan* will now be developed, particularly for projects with capacity of more than 100 MW.
- Enabling communities to benefit from the impacts of the Group's projects. Neoen sets aside an annual budget to finance actions in favour of the communities neighbouring its projects, for each project with a capacity of more than 50 MW. In emerging countries, a Community Development Plan (CDP) is drawn up to target priority actions to meet the needs of local communities.
- Establishing sustainable relationships by creating a work of art that highlights renewable energies and local culture for each project with a capacity of more than 50 MW.

* *Local Participation Plan* is a sister document to the Community Engagement Plan which identifies and maps potential local and regional economic development outcomes.

ACTIONS IMPLEMENTED

Neoen has rolled out a number of initiatives in the countries where these projects and plants are located, some of which are presented hereafter.

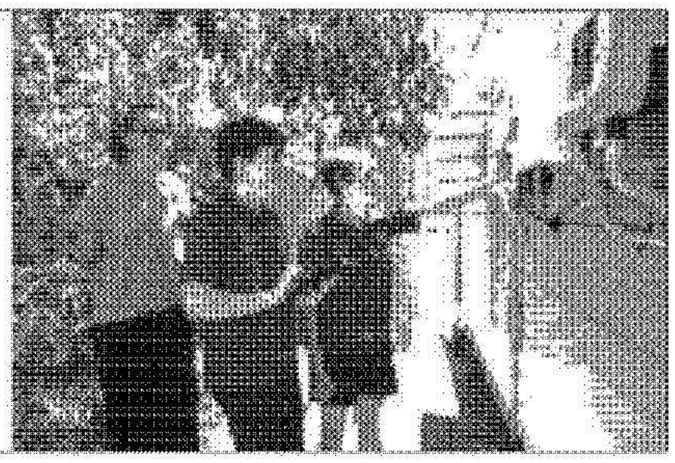


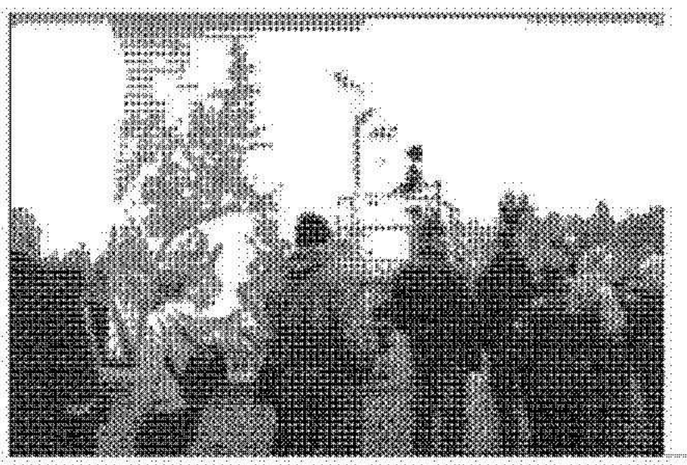
Argentina

In Argentina, priority to community employment: 40 local people were hired during construction phase and 4 others for the operation and maintenance phase. In addition, 8 scholarships were awarded to students in higher education.

Australia and El Salvador

Continued implementation of Community Benefit Funds: in El Salvador, where 3% of revenues are paid into a social investment fund dedicated to local development projects (health, education and community development); and in Australia, where a similar mechanism, dedicated to financing local development initiatives, has been set up for many of our power plants (Hornsdale, Bulgana, etc.).



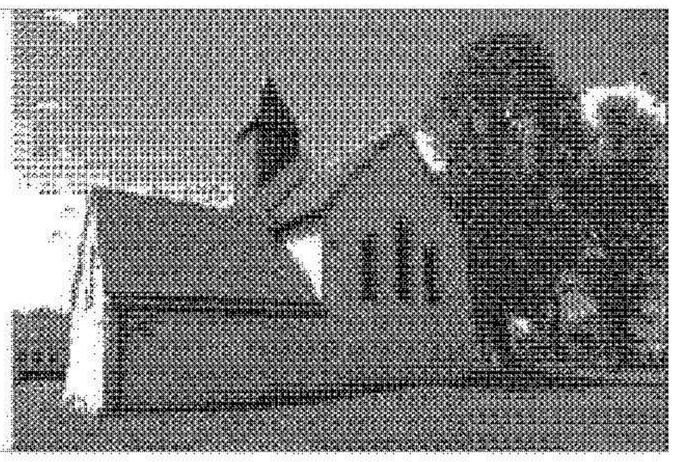


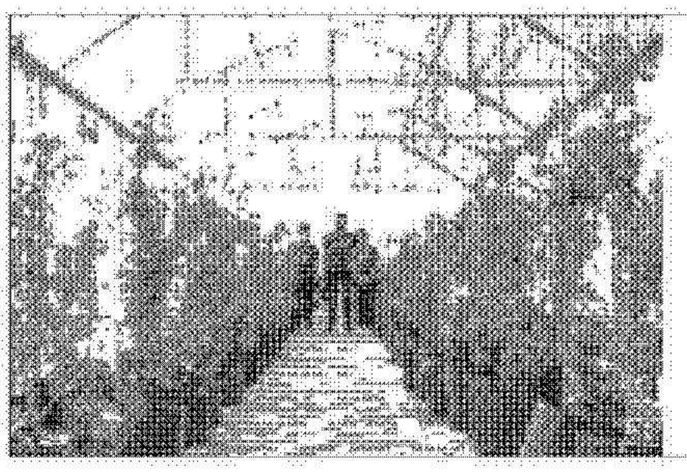
Finland

In Finland, inauguration of a work of art in Hedet, created by a local artist, on the masts of 3 wind turbines; financial support to low-income families to enable children to practice sport and sponsorship of local junior sports teams.

France

Financing of green spaces, river renaturation, energy refurbishment of municipal buildings; participation in heritage restoration projects, such as the church of Notre-Dame de Vattetot-Sous-Beaumont (76), with strong positive impacts (direct or indirect impacts generated during the work or the operation of the sites estimated by an independent firm at 21 times the amount invested).



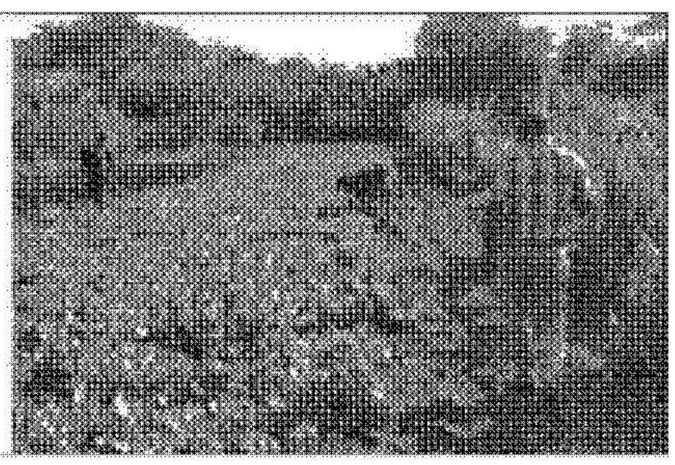


Mexico

Construction of a community greenhouse, a local tree nursery to combat desertification, and a multi-purpose room for one of the communities. Equipping a beekeeping room and a leather goods workshop.

Zambia

Continuation of the agricultural training programme for local communities to improve their income by diversifying the species harvested and sharing best practices.



5.6 OTHER EMPLOYMENT INFORMATION

Total workforce*	31.12.2021	31.12.2020
World	299**	255
Europe - Africa	197	163
Of which: France	153	136
Australia	64	55
Americas	38	37

98% of which are on permanent contracts

Workforce by country	31.12.2021
Europe - Africa	**197**
France	153
Finland	11
Ireland	8
Portugal	6
Sweden	7
Zambia	3
Mozambique	3
Croatia	3
Italy	1
Australia	**64**
Americas	**38**
Mexico	15
El Salvador	8
Argentina	8
Ecuador	4
United States	2
Jamaica	1
TOTAL	299

Breakdown of workforce by type of contract	31.12.2021	31.12.2020
Permanent contracts	288	247
Fixed term contracts	11	8
TOTAL	299	255

	31.12.2021				
Breakdown of workforce by activity	**World**	Europe - Africa	of which: France	Australia	Americas
Management	4	3	3		1
Support	4	3	1		1
IT	1	1	1		
Legal and Insurance	12	10	10	2	
Human Resources	4	4	4		
HSE&S	1	1	1		
Development	124	86	61	20	18
Energy Management	8	1	1	7	
Finance	52	36	25	7	9
Investor Relations	2	2	2		
Financing	17	13	13	4	
Procurement	6	4	4	2	
Construction	23	14	11	6	3
Competence Centre	7	4	4	3	
Asset Management	34	15	12	13	6
TOTAL	299	197	153	64	38

Number of hires	**31.12.2021**	**31.12.2020**
World	100	81
Europe - Africa	68	53
Of which: France	46	35
Australia	24	20
Americas	8	8

Number of departures	**31.12.2021**	**31.12.2020**
World	53	39
Europe - Africa	31	19
Of which: France	27	12
Australia	15	10
Americas	7	10

Breakdown of workforce by gender	**31.12.2021**		**31.12.2020**	
	Women	**Men**	**Women**	**Men**
World	**86**	**213**	**79**	**176**
Europe - Africa	**61**	**136**	**52**	**111**
Of which: France	51	102	46	90
Australia	**18**	**46**	**17**	**38**
Americas	**7**	**31**	**10**	**27**
TOTAL	86	213	79	176

	31.12.2021					31.12.2020				
	World	Europe - Africa	France	Australia	Americas	World	Europe - Africa	France	Australia	Americas
Percentage of women in total workforce	28.8%	31.0%	33.3%	28.1%	18.4%	31.0%	31.9%	33.8%	30.9%	27.0%
Percentage of women in management	24.1%	30.0%	35.1%	17.6%	6.3%	28.4%	33.3%	34.3%	23.5%	16.7%
Percentage of women recruited	24.0%	25.0%	21.7%	20.8%	25.0%	27.2%	26.4%	28.6%	40.0%	0%

5.7 METHODOLOGICAL NOTE

For the fourth consecutive year, Neoen voluntarily committed to publishing a NFPS in its universal registration document, with reference to the transposition in France of European Directive 2014/95/EU of October 22, 2014 on disclosure of non-financial and diversity information (decree 2017-1180 of July 19, 2017, O.J. of 21; decree 2017-1265 of August 9, 2017, O.J. of 11), as amended by decree 2017-1180 of July 19, 2017 and decree 2017-1265 of August 9, 2017.

The cross-reference table with the employment, environmental and societal information to be included in the NFPS, as well as the list provided for by Article R. 225-105 II of the French Commercial Code, is published in section 5.10 of this document.

This methodological note aims to specify the methods for collecting social, environmental and societal indicators.

NFPS consolidation scope

The following information relates to Neoen's subsidiaries (within the meaning of Article L. 233-1 of the French commercial code) and the companies in which it holds a controlling interest (within the meaning of Article L. 233-3 of said code), i.e. companies included in the Company's full consolidation scope. The local teams, the various Group departments and the Head of CSR have compiled the 2021 data and indicators based on information as of 31 December 2021.

Organization of CSR and reporting

The Group tasks its various departments with the definition and roll-out of solutions to address issues and challenges within their scope, under the oversight of the Executive Committee. These solutions factor in the expectations of internal and external stakeholders: employees, customers, suppliers, lenders, shareholders and national and international regulatory and governance bodies. In 2020, the Group entrusted the monitoring of labour-related, environmental and social criteria to the CSR manager, who became CSR director in 2021 and reports directly to the Chief executive officer. Likewise, a number of these topics are addressed by the HSES Manager, recruited in 2021. In addition, a CSR committee was formed, bringing together the members of the Executive Committee and the Head of CSR. It has been meeting every six months since October 2020.

Employment and health and safety information

Workforce

The workforce includes the number of employees on permanent contracts and those on fixed-term contracts. Employees on an International Corporate Volunteer (VIE) contract, on a work-study programme (CAP and professional training contract) and on an internship are excluded from the headcount.

The rate of attrition corresponds to the departure of employees under permanent contracts within the Group during the year compared with the permanent headcount as of December 31st of the previous year (x100).

The gender equality index is calculated on the basis of four indicators: the gender pay gap, the annual pay-rise gap, pay-rises on return from maternity leave and the gender parity among Company's ten highest earners.

Social dialogue

Regarding labour relations, the Company and the Group's subsidiaries are subject to different legal and regulatory requirements in terms of employee representation, depending on the country in which they are located. The Group complies with local obligations regarding employee representation and union representation. For example, in France, employee representation is provided by the Social and Economic Council (*CSE*). The members of the CSE meet with the employer every two months.

Number of near-miss

This is the number of events that did not result in physical or environmental injury or damage, but had the potential to do so under other circumstances. The scope covered includes the activities carried out by Neoen or its contractors. The published indicator covers the second half of 2021.

Number of accidents with lost time

These are accidents resulting in more than one day of absence from work. The scope covered includes the activities carried out by Neoen or its contractors. The published indicator covers the year 2021.

Societal information

Tax transparency

Neoen complies with the tax regulations in force in all the countries in which it operates and applies the Group's ethics standards. Given the Group's international profile, Neoen pays taxes and duties that may be significant in the countries where it operates. The Group rigorously follows all applicable tax rules and makes every effort to comply with local regulations, international treaties and the directives of international organisations. The Group has only set up operations abroad in order to develop its activities or meet operational needs.

Environmental information

Avoided CO_2 emissions

Avoided CO_2 emissions are equal to the difference between the emissions generated by the renewable electricity production of existing and operating plants and the emissions of a benchmark scenario that would have occurred in the absence of such production. Neoen calculates its emissions according to the EIB methodology (production in kWh x rate of CO_2 avoided per kWh) and had a critical review of this methodology carried out in 2021 by Carbone 4.

Carbon footprint of the Neoen Group (Scopes 1, 2 and 3)

For the first time in 2021, the Group commissioned the consultancy firm Carbone 4 to calculate its carbon footprint for scopes 1, 2 and 3. The calculation method is based on the principles of the ISO 14 069 standard and integrates two methodologies: the Greenhouse Gas protocol and the Carbon Footprint method. The emission factors can be taken from the ADEME Carbon Database, calculated by Carbone 4 based on information provided by Neoen or taken from the databases of Carbone 4.

Other

Share of Tier-1 contractors

Neoen only works with Tier-1 suppliers for the main equipments of its power plants (modules, inverters, wind generators and battery cells). This classification is established by reference third parties, such as BNEF (Bloomberg) for solar panels or batteries and Wood Mackenzie for inverters or wind turbine suppliers, to name only the best-known.

Exclusions

Given the Group's activity, Neoen has not detailed the following topics, as they are considered immaterial in the context of its activity:

- the fight against food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food.

External verification

The quantitative and qualitative data provided in this report have been externally verified by RSM, appointed as an independent third-party body and the Company's statutory auditor. For the information considered to be the most important, tests of details have been carried out.

5.8 REPORT OF THE INDEPENDENT THIRD-PARTY BODY

NEOEN

Report of one of the statutory auditors, designated as an independent third party, on the consolidated statement of non-financial performance.

(Year ended December 31, 2021)

To the General Assembly,

In our capacity as statutory auditors of your company (hereinafter «entity») designated as an independent third party organization («third party»), we have carried out work designed to provide a reasoned opinion expressing a conclusion of moderate assurance on the information of a historical or extrapolated nature in the consolidated extra-financial performance statement prepared in accordance with the entity's procedures (here in after the «Reporting Criteria»), for the year ended December 31, 2021 (here in after the «Information» and the «Statement» respectively), presented in the Group's management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Preparation of the extra-financial performance declaration

The absence of a generally accepted and commonly used framework or established practice on which to base the evaluation and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of information related to the Declaration

The Information may be subject to inherent uncertainty given the state of scientific knowledge and the quality of the external public data used (e.g., greenhouse gas emission factors, sectoral climate trajectories, etc.). Some information is sensitive to the methodological choices, assumptions and/or estimates used to establish it and presented in the Statement, (e.g., the reporting scope, extrapolations made on energy consumption, scope 3 greenhouse gases reported, etc.).

Responsibility of the entity

It is the responsibility of the Executive Committee:

- to select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the entity's Baseline as described above.

Responsibility of the auditor appointed as an independent third-party body

It is our responsibility, based on our work, to express a reasoned opinion with a moderate level of assurance on:

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions relating to the main risks, hereinafter referred to as the «Information».

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorized to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plane and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

We conducted the work described below in accordance with the provisions of Articles A. 225-1 and of the French Commercial Code, with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this work.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and professional guidance issued by the French Institute of Statutory Auditors

(Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Nature and scope of work

We planned and performed our work considering the risks of material misstatement of the information.

We believe that the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance.

We conducted our work in accordance with an audit program and related specified audit requirements.

- we have examined the activities of all the entities included in the scope of consolidation and the description of the main risks;
- we assessed the appropriateness of the Reporting Criteria with regard to its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, good industry practice;
- we have verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 with regard to social and environmental matters, as well as respect for human rights and the fight against corruption and tax evasion;
- we have verified that the Declaration presents the information required by II of Article R. 225 105 when it is relevant to the main risks and includes an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we have verified that the Statement presents the business model and a description of the principal risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators relating to the principal risks;
- we consulted documentary sources and conducted interviews to:
  - assess the selection and validation process of the main risks and the consistency of the results, including the key performance indicators, with the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1. For certain risks, our work was performed at the level of the consolidating entity; for other risks, work was performed at the level of the consolidating entity and in a selection of entities;
- we have verified that the Declaration covers the consolidated perimeter, i.e., all the entities included in the consolidation perimeter in accordance with Article L. 233-16;
- we have examined the internal control and risk management procedures implemented by the entity and have assessed the collection process aimed at ensuring the completeness and fairness of the information;
- for the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1, we performed:
  - analytical procedures consisting of verifying the correct consolidation of the data collected and the consistency of changes in the data;
  - detailed tests on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities, namely the French subsidiaries, and covered between 25% and 100% of the consolidated data selected for these tests;
  - we assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures performed as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC); a higher level of assurance would have required more extensive verification work.

Means and resources

Our work mobilized the skills of two people and took place between January 2022 and February 2022 over a total intervention period of two weeks.

We called upon our specialists in sustainable development and social responsibility to assist us in our work. We conducted 10 interviews with the people responsible for the preparation of the Declaration.

Conclusion

Based on the procedures we performed, as described in the «Nature and scope of our work» section, and on the information we obtained, nothing has come to our attention that causes us to believe that the non-financial performance statement is not in compliance with the applicable regulations and that the information, taken as a whole, is presented fairly, in accordance with the Standards.

Paris, 02/28/2022

The Statutory Auditor appointed Independent Third-Party Organization

RSM Paris
Martine Leconte

Director of the CSR Department
Partner

5.9 VIGILANCE PLAN

As of the date of this document, given the number of employees, the Group is not required to prepare a vigilance plan as provided for in Article L. 225-102-4 of the French Commercial Code.

5.10 CROSS-REFERENCE TABLE FOR THE NON-FINANCIAL PERFORMANCE STATEMENT

Required information	Chapter / Section
ELEMENTS OF THE 2021 NON-FINANCIAL PERFORMANCE STATEMENT	
Presentation of the business model	
Main activities of the company: key figures, organization and governance	Chapter 0. Our mission; Our expertise; A multi-local player; Key figures; Governance
Description of the business model	Chapter 0. Our expertise
Strategy: outlook and objectives	Chapter 0. Our ambition for 2025
Presentation of the main non-financial risks related to the company's business	**3.1 and 5.2**
Description of the policies applied by the company, results and performance indicators	
Health & Safety risks	5.4.1
Reputational risk and risk of non-acceptability of projects	5.5.1
Risks associated with ethics and corruption	5.3.1
Risks associated with attractiveness and retaining talent	5.3.3
Other topics and information mentioned in article L.225-102-1	
Impacts of the activity in terms of respect for human rights	5.3.1 and 5.3.2
Impacts of the activity on the fight against corruption	5.3.1
How the company takes into account the risk of tax evasion	5.7
Climate change	5.3.5
Circular economy	5.4.3
Fight against food waste, fight against food insecurity, respect for animal welfare and fair and sustainable food	N/A
Collective bargaining agreements and impacts	5.3
Fight against discrimination, promotion of diversity and measures regarding employment and integration of disabled people	5.3.4
Social commitments	5.5.1 and 5.5.2
Impact of the health crisis	2.3.1.2

6

CORPORATE GOVERNANCE REPORT

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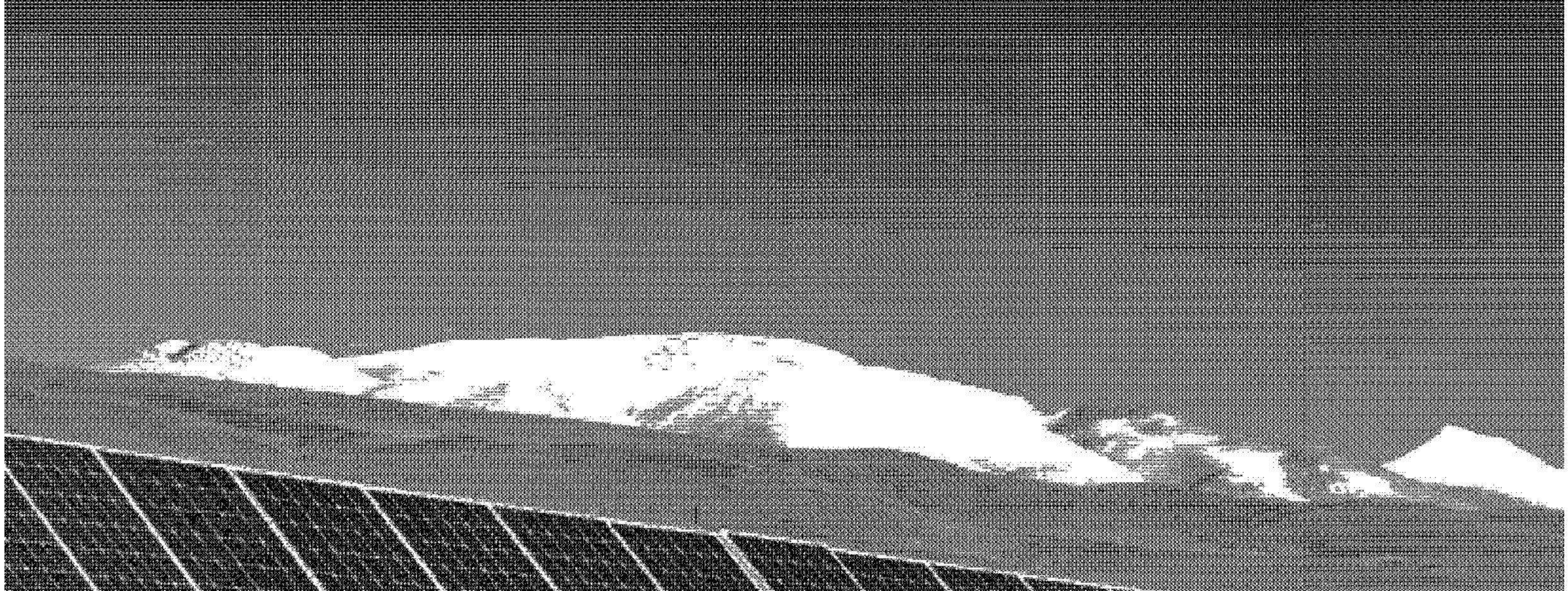


6 CORPORATE GOVERNANCE REPORT

This section constitutes the corporate governance report referred to in Article L. 225-37 of the French Commercial Code.

It reports in particular on (i) the composition, conditions for preparing and organizing the work of the Board of Directors and its committees and gender balance on the Board, (ii) the corporate governance code to which it refers and (iii) the remuneration policy for corporate officers.

This report was prepared by a working group including *inter alios* the Legal Department, the Human Resources Department and the Finance Department.

At its meeting on March 14, 2022, the Board of Directors decided to extend the powers of the Nomination and Compensation Committee to include those relating to social and environmental matters and therefore to change its name to Governance and CSR Committee.

This report was therefore reviewed by the Nomination and Compensation Committee, now called the "Governance and CSR Committee", on March 7, 2022, and approved by the Board of Directors on March 14, 2022. It will be presented to the shareholders at the next general shareholders' meeting on May 25, 2022.

6.1 STATE OF GOVERNANCE

The Company is a limited company with a Board of Directors since 12 September 2018.

The Company refers to the Corporate Governance Code for listed companies of the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) (the "AFEP/MEDEF Code").

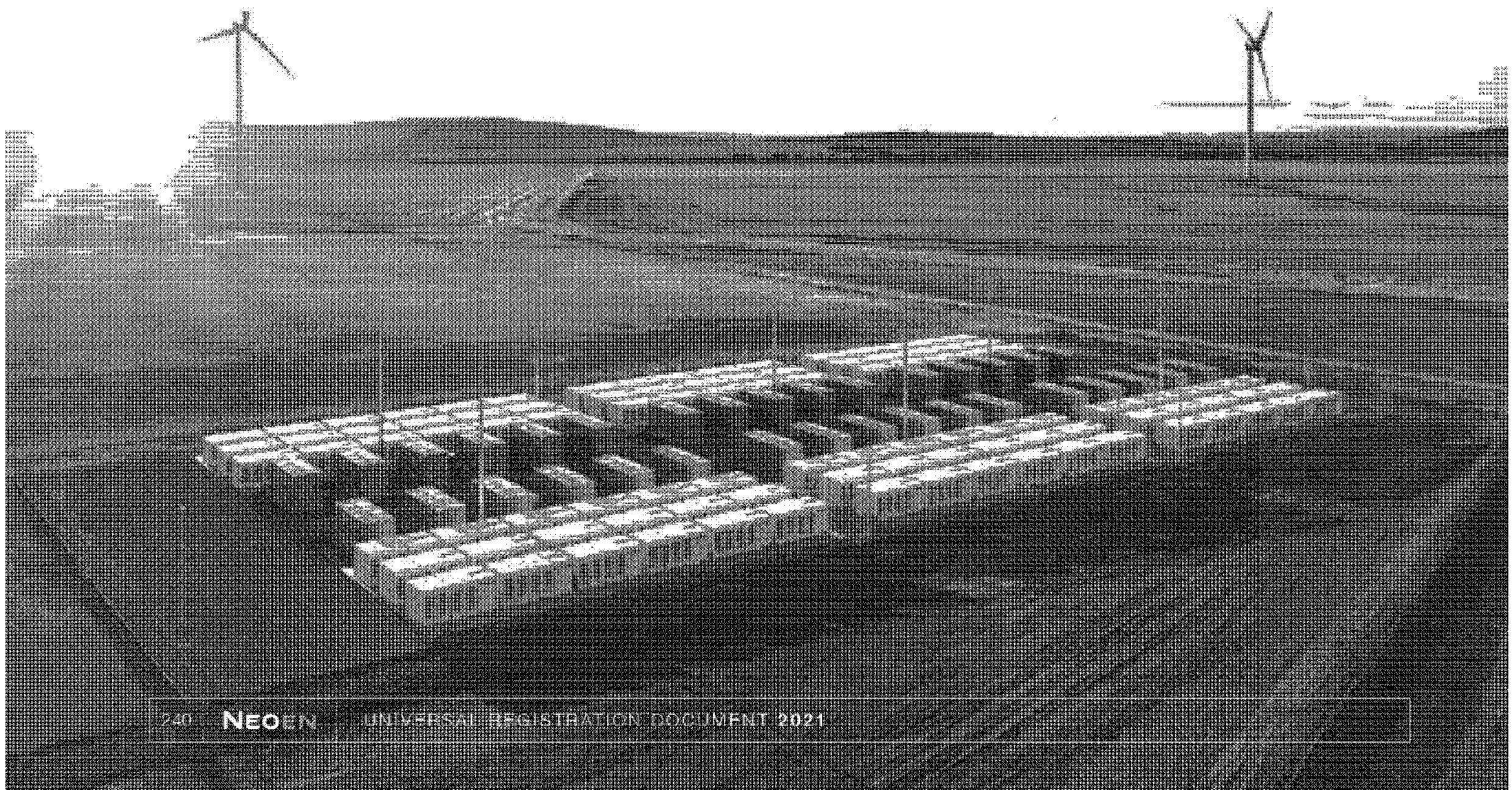
6.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

As of March 14, 2022, the date on which the report on corporate governance was prepared by the Board of Directors, it is composed of seven members and an observer. The composition of the Board of Directors is described in the tables below.

During the 2021 financial year, Céline André was replaced by Vanessa Giraud as permanent representative of Bpifrance Investissement on September 22, 2021. This appointment was made for the remainder of Bpifrance Investissement's term of office on the Board of Directors.

There was no other change in the composition of the Board during the 2021 financial year or between the end of this financial year and March 14, 2022.

The terms of office of Bpifrance Investissement and Hélène Lee Bouygues were renewed by the general shareholders' meeting of May 25, 2021 for a period of four years.



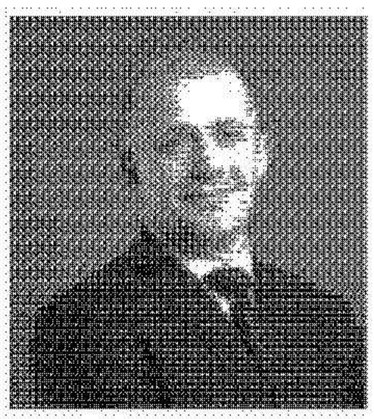
THE BOARD OF DIRECTORS IS COMPOSED OF SEVEN MEMBERS AND AN OBSERVER:



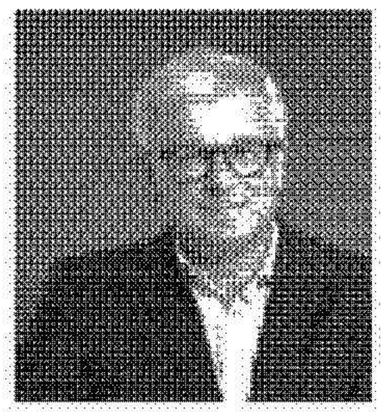
XAVIER BARBARO
President and CEO



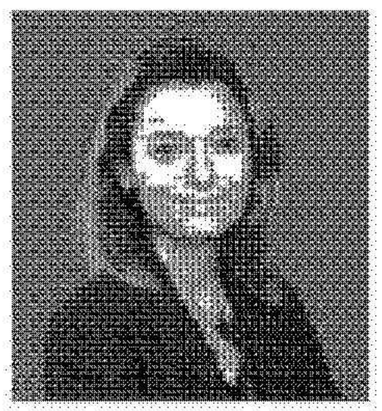
HELEN LEE BOUYGUES
Lead independent director



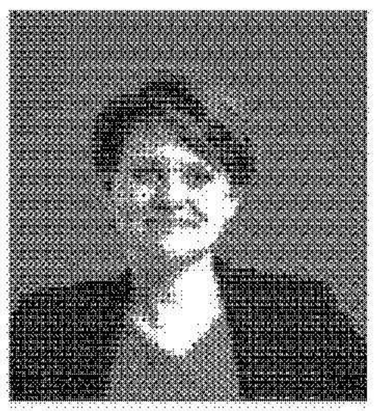
FSP(1)
Represented by Christophe Gégout
Board member



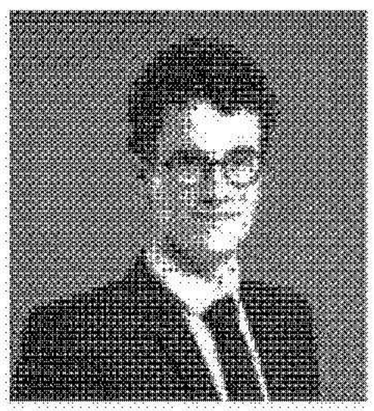
SIXTO
Represented by Bertrand Dumazy
Board member



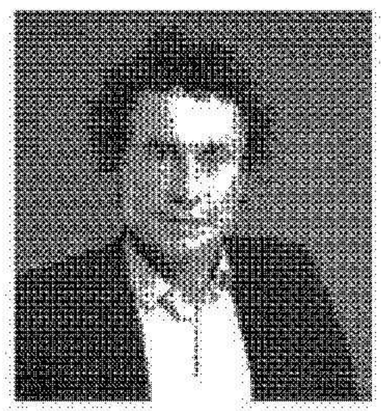
BPIFRANCE INVESTISSEMENT
Represented by Vanessa Giraud
Board member



STÉPHANIE LEVAN
Board member



SIMON VEYRAT
Board member



JACQUES VEYRAT
Observer

- Independent director
- Audit Committee
- Governance and CSR Committee
- P President of Committee

Independent directors(2)
42%

Gender Diversity in the Board of directors(2)
42%
58%

Average age of directors(2)
45 years

(1) Fonds Stratégique de Participations
(2) These ratios exclude the observer

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

XAVIER BARBARO

Chairman and Chief Executive Officer

Business address:

22 rue Bayard - 75008 Paris

Age: 46 years

Nationality: French

Date of expiry of term of office: General shareholders' meeting to be held in 2022 to approve the financial statements for the past fiscal year

Number of Company shares held:

1,721,443[1]

Xavier Barbaro is Chairman and Chief Executive Officer of Neoen. He started his career at Louis Dreyfus Communications (which became Neuf Cegetel) in Paris in 2001, before joining Louis Dreyfus Commodities in Geneva as assistant to the managing director, where he was in charge of the business plan and carried out several projects in Asia. He then joined Direct Energie in 2007 as director of development before founding Neoen in 2008. Xavier Barbaro is a graduate of the École Polytechnique, the École Nationale des Ponts et Chaussées and holds an MBA from Harvard Business School.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT[4]	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD[4]
– Chairman and Chief Executive Officer of Neoen SA*[2][3] – Chairman of Cartusia SAS – Manager of the non-trading company Axholme – Manager of the non-trading company Casara	– None

(1) Number of shares held directly or indirectly (via Cartusia, formerly known as Carthusiane) by Xavier Barbaro and his family members.
(2) Xavier Barbaro holds positions in certain Group's European subsidiaries.
(3) Main office held by Xavier Barbaro as of the date of this document.
(4) Xavier Barbaro has held positions in certain Group subsidiaries.
** French listed company*

INDEPENDENT DIRECTORS

HELEN LEE BOUYGUES

Independent director

Lead Independent Director

Business address:

184 avenue Victor Hugo - 75116 Paris

Age: 49 years

Nationality: American

Date of expiry of term of office: General shareholders' meeting to be held in 2025 to approve the financial statements for the past fiscal year

Number of Company shares held:

1,632

Helen Lee Bouygues began her career in 1995 with J.P. Morgan, as an associate in M&A in New York and Hong Kong. In 1997, she was appointed Development Director of Pathnet, a telecommunications services provider based in Washington, DC, and then in 2000 joined Cogent Communications where she worked as Treasurer, Chief Operating Officer and Chief Financial Officer until 2004. She was then appointed partner at Alvarez & Marsal in Paris, which she left in 2010 to create her own consulting firm. In 2014, she joined McKinsey & Company, where she became a partner in charge of the Recovery and Transformation Services department. Since February 2018, she has been President of LB Associés, a consulting firm. She holds a Bachelor of Arts in political science, magna cum laude, from Princeton University and an MBA from Harvard Business School.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD
– President of LB Associés[1] – Independent Director, Lead Independent Director and member of the Audit Committee and member of the Governance and CSR Committee of Neoen SA* – Chairwoman of the Board of Directors of Conforama SA – Member of the Board of Directors and the Audit and Remuneration Committee of Burelle SA* – Member of the Board of Directors and the Remuneration Committee of Latécoère SA* – Member of the Board of Directors and the Audit Committee of Fives SAS – Governor and Chair of the Finance Committee of the American Hospital (Association) – Member of the Board of Directors and the Audit Committee and the Investment Committee of CGG SA* – Member of the Supervisory Board of Arvella Investments SAS	– Founder and CEO of Lee Bouygues Partners – Partner of McKinsey RTS France – Member of the Board of Directors and the Audit Committee of Novartex SAS

(1) Main office held by Helen Lee Bouygues as of the date of this document.
** French listed company*

FONDS STRATEGIQUE DE PARTICIPATIONS (FSP)[1]

Represented by Christophe Gégout, independent director

Business address:

20 rue Royale - 75008 Paris

Age: 45 years

Nationality: French

Date of expiry of term of office: General shareholders' meeting to be held in 2024 to approve the financial statements for the past fiscal year

Number of Company shares held :

6,950,000

Christophe Gégout began his career in 2001 in the General Directorate of the French Treasury and then, from 2003, in the Budget Department, where he was a consultant for the government. In 2007, he became an advisor to the Ministry of Finance. He joined the French Alternative Energies and Atomic Energy Commission (CEA) in April 2009 as Chief Financial Officer and became Deputy Managing Director in September 2015.
He has also been Chairman of CEA Investissement, a subsidiary of the CEA, since January 2010. In 2018, he became the new President of the Alliance Nationale de Coordination de la Recherché pour l'Énergie (Ancre), and then Senior Investment Director at Meridiam, a global leader in public infrastructure investment and asset management serving the community.
He is now a partner and Chief Executive Officer of Yotta Capital Partners SAS. He is a graduate of École Polytechnique, Sciences-Po Paris and ENSAE (École Nationale de la Statistique et de l'Administration Économique).

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

Offices and positions held by Christophe Gégout

- Partner - Chief Executive Officer of Yotta Capital Partners SAS[3]
- Permanent representative of the FSP as director and Chairman of the Audit Committee of Neoen SA*
- Member of the Board of Directors and Chairman of the Audit Committee of Soitec SA*

Positions and offices held by FSP

- Member of the Board of Directors of SEB S.A.*
- Member of the Board of Directors of Arkema S.A.*
- Member of the Board of Directors of Safran* (through F&P, a governance company jointly owned with Peugeot Invest)
- Member of the Board of Directors of Eutelsat Communications S.A.*
- Member of the Supervisory Board of Tikehau Capital S.C.A.*
- Member of the Board of Directors of Tikehau Capital Advisor S.A.
- Member of the Board of Directors and Chairman of the Audit Committee of Neoen S.A.*
- Member of the Board of Directors of Elior S.A.*
- Member of the Board of Directors of Valeo S.A.*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Assistant Director General of the French Alternative Energies and Atomic Energy Commission (CEA)
- Chairman of the Board of Directors of CEA Investissement
- Member of the Supervisory Board of Supernova Invest
- Member of the Board of Directors of Séché environnement
- Permanent representative of CEA, director of FT1CI
- Permanent representative of CEA Investissement, observer of the Supervisory Board of Kalray*
- Member of the Board of Directors of Valéo BV*
- Member of the Board of Directors of Zodiac Aerospace S.A.

(1) For more information on the Fonds Stratégique de Participations (FSP), the reader is invited to refer to paragraph 7.3.1 "Breakdown of share capital and voting rights" of this document.

(2) The Fonds Stratégique de Participations, of which Christophe Gégout is a permanent representative, is a shareholder in the Company (refer to section 7.3 "shareholders" of this document).

(3) Main office held by Christophe Gégout as of the date of this document.

** French listed company*

SIXTO[1]

Represented by Bertrand Dumazy, independent director

Business address:

14/16 boulevard Garibaldi - 92130 Issy les Moulineaux

Age: 50 years

Nationality: French

Date of expiry of term of office: General shareholders' meeting to be held in 2022 to approve the financial statements for the past fiscal year

Number of Company shares held:

1,360

Bertrand Dumazy is a graduate of ESCP Europe and holds an MBA (with distinction) from Harvard Business School. He began his career in 1994 as a consultant with Bain & Company, first in Paris and later in Los Angeles. He then became Investment Director at BC Partners in 1999. In 2002 he joined the Neopost group, where he was Director of marketing and strategy. He was appointed Chairman and CEO of Neopost France in 2005 and then Chief Financial Officer of the group in 2008. In 2011, he was appointed CEO of the Deutsch group, a world leader in high performance connectors, a position he held until the group was acquired by TE Connectivity. In 2012, he joined the Materis group as Executive Vice-President and then CEO and eventually Chairman and CEO of the renamed Cromology Group. He was appointed CEO of the Edenred group in October 2015.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

Offices and positions held by Bertrand Dumazy

- Chairman and Chief Executive Officer of Edenred SE*[2]
- Independent director on the Board of Directors of Air Liquide SA*
- Permanent representative of Sixto on the Board of Directors and Chairman of the Governance and CSR Committee of Neoen SA*

Positions and offices held by Sixto

- Member of the Board of Directors and Chairman of the Governance and CSR Committee of Neoen SA*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Chairman of PWCE Participations SAS (a company of the Edenred group)
- Chairman of the Supervisory Board of Union Tank Eckstein GmbH & Co. KG (Germany - Edenred group company)

Offices of Sixto

- Member of the Board of Directors of Terreal Holding

(1) Sixto is a company specialized in the business consulting sector, including strategy, management and investment consulting.
(2) Main office held by Bertrand Dumazy as of the date of this document.
** French listed company*

DIRECTORS

BPIFRANCE INVESTISSEMENT[1]

Represented by Vanessa Giraud, director

Business address:

6/8 boulevard Haussmann - 75009 Paris

Age: 48 years

Nationality: French

Date of expiry of the position[2]: General shareholders' meeting to be held in 2025 to approve the financial statements for the past fiscal year

Number of Company shares held[3]:

5,016,112

Vanessa Giraud started her career in 1996 in the international banking sector (Société Générale in Germany and then General Inspection of Crédit Agricole Indosuez), before continuing in strategy consulting for Arthur D. Little in 2001 (Telecom/Internet/Media/Electronics, Pharma, Oil & Gas practices). Vanessa joined Caisse des Dépôts' private equity division in 2004 and then Bpifrance in 2013. She is currently Director of Sector Funds and Director of Strategy of the Private Equity Department. Vanessa is a graduate of HEC, holds a certificate as a company director from the French Institute of Directors (IFA), and is a Knight of the Order of Agricultural Merit.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

Positions and offices held by Vanessa Giraud

- Director of Sector Funds and Director of Strategy of the Private Equity Department at Bpifrance Investissement[4]
- Permanent representative of Bpifrance Investissement on the Board of Directors of Neoen SA*
- Permanent representative of Bpifrance Investissement on the Supervisory Board of Trainvest SAS
- Member of the Monitoring Committee of Malvaux Group SAS
- Permanent representative of Bpifrance Investissement on the Strategy Committee of Scierie de Savoie Lapierre & Martin SAS
- Permanent representative of Bpifrance Investissement as observer of the Texelis SAS Strategy Committee
- Permanent representative of Bpifrance Investissement on the Strategy Committee of Syrtony SAS

Offices and positions of Bpifrance Investissement

- Member of the Board of Directors of Abéo SA*
- Member of the Board of Directors of Adocia SA*
- Member of the Board of Directors of Advicenne Pharma SA*
- Member of the Board of Directors of Albioma SA*
- Member of the Board of Directors of Arkema*
- Member of the Board of Directors of Balyo SA*
- Member of the Board of Directors of Beneteau SA*
- Member of the Board of Directors of Eutelsat Communications SA*
- Member of the Board of Directors of Fermentalg SA*
- Member of the Board of Directors of Forsee Power*
- Member of the Supervisory Board of Kalray SA*
- Observer of the Board of Directors of Maat Pharma*
- Member of the Board of Directors of McPhy Energy SA*
- Member of the Board of Directors of Mersen SA*
- Member of the Board of Directors of Metex*
- Member of the Board of Directors of Nacon SA*
- Member of the Board of Directors of Sensorion SA*
- Member of the Board of Directors of Verallia SA*
- Member of the Board of Directors of Vilmorin & Cie*
- Observer of the Board of Directors of Voyageurs du Monde*

- Permanent representative of Bpifrance Investissement and Chairman of the strategy committee of Palettes Gestion Services SAS
- Permanent representative of Bpifrance Investissement at the Supervisory Board of Bois et Sciages de Sougy SA
- Permanent representative of Bpifrance Investissement on the Board of Directors of Josso SA
- Permanent representative of Bpifrance Investissement on the Board of Directors of EO2 SA
- Permanent representative of Bpifrance Investissement at the Monitoring Committee of Groupe Millet Industries SAS
- Permanent representative of Bpifrance Investissement at the Supervisory Committee of Groupe Sirail SAS
- Permanent representative of Bpifrance Investissement at the Monitoring Committee of Interior Rail SAS

(1) For more information on Bpifrance Investissement, please refer to paragraph 7.3.1 "Breakdown of share capital and voting rights" of this document.

(2) Vanessa Giraud replaced Céline André as permanent representative of Bpifrance Investissement, with effect from September 22, 2021. The appointment is made for the remaining term of office of Bpifrance Investissement on the Board of Directors.

(3) Bpifrance Investissement, of which Vanessa Giraud has been a permanent representative since September 22, 2021, is a shareholder in the Company, through the FPCI Fonds ETI 2020 (refer to section 7.3 "shareholders" of this document).

(4) Main office held by Vanessa Giraud as of the date of this document.

** French listed company*

STÉPHANIE LEVAN

Director

Business address:

4 rue Euler - 75008 Paris

Age: 50 years

Nationality: French

Date of expiry of term of office:
General shareholders' meeting to be held in 2023 to approve the financial statements for the past fiscal year

Number of Company shares held:

1,088

Stéphanie Levan began her career at Ernst & Young where she conducted audit and consulting assignments for five years with several listed French and foreign companies. She then joined the Plastic Omnium Group, an automotive equipment manufacturer and specialist in urban waste collection and management, as group consolidation director and then internal audit director. In September 2004, she joined the Louis Dreyfus group as group consolidation director and, at the time of a spin-off, became the Chief Financial Officer of the Impala SAS group (formerly Louis Dreyfus SAS). Her role in the consolidation department of the Louis Dreyfus group and then of the Impala SAS group has given her a thorough understanding of the Group since the creation of the Company in 2008. Stéphanie Levan is a graduate of the EDHEC and is a certified public accountant.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD
– Chief Financial Officer of Impala SAS[1] – Director and member of the Audit Committee of Neoen SA*	– Permanent representative of Impala SAS on the Board of Directors and the Audit Committee of Direct Energie*

(1) Main office held by Stéphanie Levan as of the date of this document.
** French listed company*

SIMON VEYRAT

Director

Business address:

4 rue Euler - 75008 Paris

Age: 31 years

Nationality: French

Date of expiry of term of office:
General shareholders' meeting to be held in 2024 to approve the financial statements for the past fiscal year

Number of Company shares held[1]:

0

Simon Veyrat has been business manager at the Impala Group since October 1, 2018, after having held a variety of roles at commercial law firms in the context of his studies. He is a graduate of the École des Hautes Etudes Commerciales de Paris (HEC Paris) in business management and law. He also holds a degree in business law and taxation from Sorbonne Paris 1 University, and is a qualified attorney (holding a Certificat d'Aptitude à la Profession d'Avocat (CAPA)).

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD
– Business manager at the Impala Group[2] – Director of Neoen SA* – Chairman of Claploca SAS	– None

(1) Simon Veyrat is an indirect shareholder of the Company, through Impala SAS, in which he is a minority shareholder.
(2) Main office held by Simon Veyrat as of the date of this document.
** French listed company*

6.1.2 OBSERVER OF THE BOARD OF DIRECTORS

The Board of Directors may appoint observers. In particular, the Board of Directors ensures that observers are aware of the regulations relating to market abuse, and more specifically the rules on abstention, use and disclosure of inside information.

Observers are invited to attend and may be consulted by the Board of Directors as observers. The Board of Directors may entrust specific missions to observers; they may be part of and chair - subject to compliance with the recommendations of the AFEP/MEDEF Code and the Board of Directors' internal regulations, in particular with regard to independence requirements - committees created by the Board of Directors (with the exception of the Audit Committee).

Any remuneration of observers is set by the Board of Directors. The Board of Directors may decide to pay observers a share of the total annual remuneration allocated to it by the general shareholders' meeting and authorise the reimbursement of expenses incurred by observers in the interest of the Company.

JACQUES VEYRAT

Observer

Business address:

4 rue Euler - 75008 Paris

Age: 59 years

Nationality: French

Date of expiry of term of office:
General shareholders' meeting to be held in 2022 to approve the financial statements for the past fiscal year

Number of Company shares held[1]:

0

Jacques Veyrat began his career in 1989 at the Industrial Restructuring Interdepartmental Committee (treasury department), where he was rapporteur until 1991. From 1991 to 1993, he was deputy secretary general of the Paris Club, and subsequently became a technical advisor to the Ministry of Transportation Equipment, Tourism and the Sea as of 1993. In 1995, he joined the Louis Dreyfus group as Managing Director of Louis Dreyfus Armateurs until 1998, before becoming Chairman and CEO of Louis Dreyfus Communications (Neuf Cegetel) from 1998 to 2008 and Chairman and CEO of the Louis Dreyfus group until 2011. Since 2011, he has been Chairman of Impala SAS. He is a graduate of the École Polytechnique and Collège des Ingénieurs, and is an engineer of the Corps des Ponts et Chaussées.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD
– Chairman of Impala SAS[2] – Observer and member of the Governance and CSR Committee of Neoen SA* – Chairman of the Board of Directors of Fnac-Darty SA* – Director of GBL (Groupe Bruxelles Lambert)** – Director of Iliad SA* – Observer of the Supervisory Board of Louis Dreyfus Armateurs SAS	– Member of the Supervisory Board of Eurazeo* – Director of Direct Energie* – Director of ID Logistics Group – Director of Imerys* – Director of HSBC France – Member of the Supervisory Board of Sucres et Denrées – Director of Nexity SA* – Observer of the Board of Directors of ID Logistics Group SA*

(1) Jacques Veyrat controls Impala SAS, which is the Company's reference shareholder.

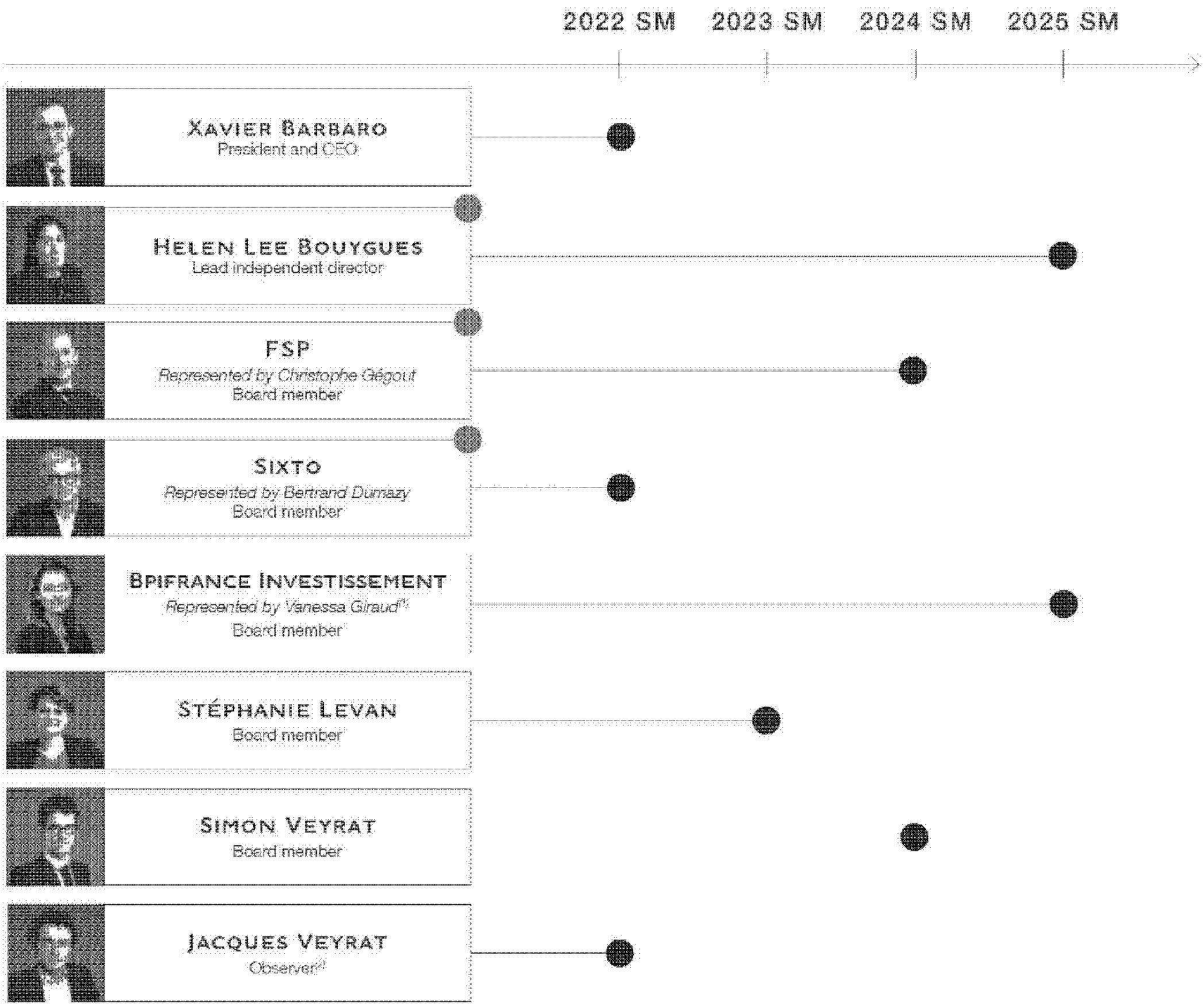
(2) Main office held by Jacques Veyrat as of the date of this document.

** French listed company*

*** Belgian company listed on Euronext Brussels*

6.1.3 RENEWAL OF TERMS OF OFFICE

Expiry of the terms of office of the directors and the observer



(1) During the financial year 2021, Céline André was replaced by Vanessa Giraud as permanent representative of Bpifrance Investissement, director, with effect from September 22, 2021.

(2) Jacques Veyrat was appointed as an observer by the Board of Directors on September 12, 2018. His term of office expires at the end of the general shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year.

	First appointment	Last renewal of office	Expiry of current office[2]
Xavier Barbaro Chairman and Chief Executive Officer	2018 SM	N/A	2022 SM
Helen Lee Bouygues Lead Independent Director	2018 SM	2021 SM	2025 SM
FSP Represented by Christophe Gégout Director	2018 SM	2020 SM	2024 SM
Sixto Represented by Bertrand Dumazy Director	2018 SM	N/A	2022 SM
Bpifrance Investissement Represented by Vanessa Giraud[1] Director	2018 SM	2021 SM	2025 SM
Stéphanie Levan Director	2018 SM	2019 SM	2023 SM
Simon Veyrat Director	2018 SM	2020 SM	2024 SM
Jacques Veyrat Observer	2018 SM	N/A	2022 SM

(1) Vanessa Giraud replaced Céline André as permanent representative of Bpifrance Investissement, director, with effect from September 22, 2021. The appointment is made for the remaining term of office of Bpifrance Investissement as a director on the Board of Directors.

(2) The terms of office of the members of the Board of Directors expire at the end of the general shareholders' meeting to be held in the year indicated to approve the financial statements for the previous financial year.

Review of the minimum number of shares to be held in registered form by executive officers until the end of their term of office

In accordance with the recommendation of paragraph 23 of the AFEP-MEDEF Code, the Board of Directors had set the number of shares to be held by executive officers in registered form at 5,000 until the end of their term of office. This decision is reviewed at least at each renewal of their term of office.

On the recommendation of the Governance and CSR Committee, the Board of Directors, at its meeting of March 14, 2022 (during which it decided on the renewal of the terms of office of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer), reviewed this obligation and decided to maintain the number of shares to be held by the executive officers in registered form until the end of their terms of office.

6.1.3.1 PROPOSAL TO RENEW THE TERM OF OFFICE OF XAVIER BARBARO

Xavier Barbaro's term of office as a director expires at the end of the general shareholders' meeting held in 2022 to approve the financial statements for the previous financial year, i.e. at the next annual general shareholders' meeting.

The Company's annual general shareholders' meeting will be asked to renew Xavier Barbaro's term of office as a director for a period of four years expiring at the end of the general shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year.

It should also be noted that Xavier Barbaro is also Chairman and Chief Executive Officer of the Company and that his term of office will also expire at the end of the general shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year, i.e. at the next annual general shareholders' meeting.

On the recommendation of the Governance and CSR Committee, the Board of Directors meeting of March 14, 2022 decided to confirm the continued combination of the functions of Chairman of the Board and Chief Executive Officer for the following reasons:

- the combination of functions will continue to ensure responsiveness, efficiency and agility in decision-making; the latter is very characteristic for decision-making within the Group and the «unity of command» would be perfectly consistent with the existing decision-making process within the Group;
- it also allows the Company to speak with one voice and to continue to benefit from a single point of contact and strong and consistent communication;
- the combination of the functions of Chairman of the Board and Chief Executive Officer also makes it possible to continue to maintain the trust and dialogue established between the Company's senior management and the Board of Directors, and thereby ensure consistency between strategy and operational function;
- this combination of functions is also justified in view of the recognized performance and qualities of the current Chairman and Chief Executive Officer.

Lastly, this combination of functions would ensure continuity with the previous method of governance, which has proven to be effective in a group with 299 employees at the end of 2021.

Accordingly, on the recommendation of the Governance and CSR Committee, the Board of Directors decided at its meeting of March 14, 2022 to renew his term of office as Chairman and Chief Executive Officer, subject to the condition precedent of his reappointment as a director, for a term coinciding with that of his term of office.

6.1.3.2 PROPOSAL TO RENEW THE TERMS OF OFFICE OF SIXTO

Sixto's term of office as a director expires at the end of the general shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year, i.e. at the next annual general shareholders' meeting.

The Company's annual general shareholders' meeting will be asked to renew Sixto's term of office as a director for a period of three years expiring at the end of the general shareholders' meeting to be held in 2025 to approve the financial statements for the previous financial year.

Sixto and its permanent representative Bertrand Dumazy meet the AFEP-MEDEF Code independence criteria adopted by the Company, referred to in paragraph 6.2.1.4 of this document.

It should also be noted that Bertrand Dumazy (representing Sixto, director) is also Chairman of the Governance and CSR Committee.

At its meeting of March 14, 2022, the Board of Directors, on the recommendation of the Governance and CSR Committee, decided to appoint Sixto as Chairman of the Governance and CSR Committee, subject to the condition precedent that and with effect from the renewal of its term of office as a director, for a term coinciding with that of its term of office.

6.1.3.3 RENEWAL OF THE TERM OF OFFICE OF ROMAIN DESROUSSEAUX AS DEPUTY CHIEF EXECUTIVE OFFICER

The term of office of Romain Desrousseaux as Deputy Chief Executive Officer is aligned with that of the Chairman and Chief Executive Officer, and therefore expires at the end of the general shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year, i.e. at the next annual general shareholders' meeting.

It should be noted that the initial appointment of Romain Desrousseaux as Deputy Chief Executive Officer was justified by the importance of the development of international projects as part of the implementation of the Company's strategy and the desirability that these development activities be directly supervised by a corporate officer of the Company. This method of governance has since proven its effectiveness and usefulness to the Group.

The Board of Directors, on the proposal of the Governance and CSR Committee and the Chairman and Chief Executive Officer, decided at its meeting of March 14, 2022 to renew the term of office of Romain Desrousseaux as Deputy Chief Executive Officer for a period coinciding with the term of office of the Chairman and Chief Executive Officer, subject to the condition precedent and with effect from the renewal of the term of office of the Chairman and Chief Executive Officer at the end of the next annual general shareholders' meeting.

6.1.3.4 RENEWAL OF THE TERMS OF OFFICE OF JACQUES VEYRAT

Jacques Veyrat's term of office as observer expires at the end of the general shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year, i.e. at the next annual general shareholders' meeting.

Jacques Veyrat is also a member of the Governance and CSR Committee.

The Board of Directors, on the proposal of the Governance and CSR Committee, decided in advance at its meeting of March 14, 2022 to renew his term of office as observer and member of the Governance and CSR Committee from the next annual general shareholders' meeting, for a period of four years ending at the end of the general shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year.

6.2 ORGANISATION OF CORPORATE GOVERNANCE

6.2.1 PRINCIPLES GOVERNING THE COMPOSITION AND FUNCTIONING OF THE BOARD OF DIRECTORS

6.2.1.1 RULES APPLICABLE TO THE COMPOSITION OF THE BOARD OF DIRECTORS

The Company is governed by a Board of Directors comprising at least three members and no more than eighteen members, appointed by the ordinary general shareholders' meeting.

The proportion of directors of each gender may not be less than 40% when the Board of Directors is composed of more than eight members. When the Board of Directors is composed of more than eight members, the difference between the number of directors of each gender may not exceed two.

A legal entity may be appointed as a director but it must, under the conditions provided for by law, appoint a natural person who will act as its permanent representative on the Board of Directors.

The Board of Directors is renewed each year in rotation, so that this rotation concerns a portion of the members of the Board of Directors.

The ordinary general meeting has set the term of office of directors at four years, subject to the legal provisions allowing an extension of the term of office. The duties of each director will terminate following the ordinary general meeting of shareholders called to approve the financial statements of the prior financial year and which is held in the year during which such director's term expires.

As an exception, the general meeting may, for the implementation or maintenance of a principle of staggered renewal of the Board of Directors, appoint one or more directors for a different term not exceeding four years or reduce the term of office of one or more directors in office to less than four years. The duties of any director so appointed or whose term of office is modified for a period not exceeding four years shall end at the end of the ordinary general meeting of shareholders that has approved the financial statements of the previous financial year and held in the year during which such director's term of office expires.

6.2.1.2 INTERNAL REGULATIONS FOR THE BOARD OF DIRECTORS

The Board of Directors of the Company adopted on September 12, 2018, and updated on April 17, 2019, March 25, 2020, December 18, 2020 and December 15, 2021, internal regulations describing the composition, duties and rules governing its operation and those of the committees, in addition to the applicable legislative, regulatory and statutory provisions. It is posted on the Company's website, in the "Investors – governance" section. It provides for the following clarifications.

(i) Participation in Board of Directors meetings by videoconference or any other means of communication - Written consultation of directors

In accordance with the provisions of Article L. 225-37 of the French Commercial Code and Article 14.3 of the by-laws, the Board of Directors' internal regulations provide for the possibility for directors to attend Board meetings by any means of videoconferencing or telecommunication that allows directors to be identified and ensures their effective participation. These methods of participation do not apply to the approval of those decisions defined by Articles L.232-1 and L.233-16 of the French Commercial Code relating to the establishment of the annual financial statements and the management report and to the establishment of the Group's consolidated financial statements and management report.

In addition, in accordance with the provisions of Article L. 225-37 of the French Commercial Code, Article 14.3 of the by-laws and the Board of Directors' internal regulations, certain decisions of the Board of Directors (as provided for by the regulations) may be taken by written consultation.

(ii) Reserved matters of the Board of Directors

According to the terms of Article15 of the by-laws, the Board of Directors sets the limits on the powers of the Chief Executive Officer, if applicable, according to its internal regulations, defining the decisions for which the prior approval of the Board of Directors is required.

According to the terms of Article 4.2 of the internal regulations of the Board of Directors, without prejudice as to those decisions expressly reserved by law for general shareholders' meetings and without prejudice to the general powers of the Board of Directors to examine any question concerning the conduct of Company business, the following decisions relating to the Company and/or any one of its subsidiaries, as applicable, and any measure leading in practice to the same consequences as those resulting from one of the following decisions which the Chief Executive Officer and/or the Deputy Chief Executive Officers may wish to make shall be subject to prior approval of the Board of Directors, voting on the basis of a simple majority of this members present or represented:

(i) any acquisition or disposal (in particular by means of sale, merger, spin-off, or partial asset contribution) by the Company or one of its subsidiaries of an asset or equity investment of more than €20,000,000 (with the exception of potential transactions to be carried out by the Company or one of its subsidiaries in the assets or equity securities of subsidiaries that are wholly owned, directly or indirectly, by the Company);

(ii) approval or modification of the Company's annual budget;

(iii) any investment by the Company or by one of its subsidiaries, immediately or in the future, in equity or expenses relating to a project not included in the budget (including any partnership or joint venture agreement) for a unit amount greater than €20,000,000;

(iv) any investment or expense by the Company or one of its subsidiaries relating to a project included in the budget or authorised by the Board of Directors or the Supervisory Board, as the case may be, for an amount that results in an increase of more than 15% of the equity provided for in the budget or authorized by the Board of Directors or the Supervisory Board, as the case may be, for such project;

(v) the adoption of a new business plan or any modification to the current business plan;

(vi) any change in the form or corporate purpose of the Company, and any strategic change in the nature of its activities;

(vii) any transfer or sale of all or nearly all of the Company's assets, or any merger, spin-off, winding up, or liquidation of the Company (except for any transactions with a Group company that are merely internal reorganisation transactions without any effect on the shareholders' rights and obligations);

(viii) the entry into or amendment by the Company of any loan or corporate financing agreement with a person other than a Group company or one of its shareholders, and any guarantee, endorsement, or any other similar payment undertaking of the Company in an amount exceeding 5% of the total amount of the Group's indebtedness, it being specified that all projects that are part of the same decision or the same call for tenders shall be combined for purposes of the thresholds provided for in this paragraph (viii);

(ix) the decision to (x) change the stock exchange on which the Company is listed, (y) conduct an initial public offering of the Company on another regulated market in addition to Euronext Paris, or to (z) conduct an initial public offering of a subsidiary of the Company on a regulated market; and

(x) the decision to transfer the registered office outside of France (or move the main decision-making centres outside of France).

(iii) Lead Independent Director

The Board of Directors may decide to appoint a Lead Independent Director if it deems it useful or necessary, under the conditions set by Article 1.3 of its internal regulations.

Appointment of Lead Independent Director

When the Company's senior management is assumed by the Chairman of the Board of Directors, the Board of Directors may appoint from among its qualified independent members, on the recommendation of the Governance and CSR Committee, a Lead Independent Director («Lead Independent Director»).

The Lead Independent Director is appointed for a term that may not exceed his/her term of office. He/she can be re-elected and may be dismissed from his/her duties as Lead Independent Director by the Board of Directors at any time, it being specified that his/her duties will end early if the duties of Chairman of the Board of Directors and Chief Executive Officer are separated before the end of his/her term of office.

Responsibilities and powers of the Lead Independent Director

The responsibilities of the Lead Independent Director are as follows:

Organisation of the Board of Directors' work

The Lead Independent Director:

- may be consulted by the Chairman of the Board of Directors with respect to the draft of the meetings calendar submitted to the Board for approval and on the draft agenda for each of the Board's meetings. He/she may propose the inclusion of items on the agenda of the Board's meetings to the Chairman, at his own initiative or at the request of one or more members of the Board of Directors;
- he/she may ask the Chairman to call a Board meeting to discuss a particular agenda;
- he/she may gather the members of the Board of Directors outside the presence of executive officers together in so-called executive sessions, at his/her own initiative or at the request of one or more members of the Board of Directors, on a specific agenda;
- he/she chairs the meetings of the Board in the absence of the Chairman;
- he/she ensures compliance with the internal regulations; and
- he/she assists the Governance and CSR Committee in assessing the functioning of the Board of Directors and reports on this assessment to the Board of Directors.

Relationships with the directors

The Lead Independent Director shall maintain a regular and open dialogue with each member of the Board of Directors, particularly the independent directors, and may become their spokesperson to the Chairman, if necessary. The Lead Independent Director ensures that the members of the Board of Directors are able to perform their duties under the best possible conditions and, in particular, receive a high level of information prior to Board meetings.

Functioning of the governance bodies

The Lead Independent Director:

- may attend and participate in any Committee meeting, including the ones in which he/she is not a member. If he/she is not a member of the Governance and CSR Committee, he/she is automatically associated with the work of this Committee; and
- may be appointed as chairman of one or more Board of Directors committees.

Management of conflicts of interest

Notwithstanding the obligation of declaration of conflicts of interest imposed on each member of the Board of Directors provided for in the internal regulations of the Board of Directors, the Lead Independent Director draws the attention of the Board of Directors to any conflict of interest (even potential), that he/she has identified.

Relationships with the shareholders

The Lead Independent Director takes note of shareholder inquiries in matters relating to governance and ensures that such inquiries are answered.

He/she assists the Chairman or Chief Executive Officer in answering shareholder inquiries, remains available to meet some of them, and shares the shareholders' possible concerns about governance with the Board of Directors.

Resources made available to the Lead Independent Director and report on his/her work

In order to carry out the duties referred to above, the Lead Independent Director has access to all documents and information that he/she deems necessary for the performance of his/her duties.

The Lead Independent Director reports on his/her work to the Board of Directors annually during the assessment of the functioning of the Board of Directors provided in the internal regulations of the Board of Directors. He/she attends general shareholders' meetings and may be invited by the Chairman to report on his actions during these meetings.

Review of the Lead Independent Director's activity

During the past financial year, Helen Lee Bouygues, Lead Independent Director and member of the Audit Committee and the Governance and CSR Committee, attended all meetings of the Board of Directors and its committees. She met regularly with the Chairman and Chief Executive Officer, including in advance of each meeting, to review the anticipated agendas and ensure that important issues were addressed. In addition, her main activities in FY 2021 included:

- participating in the preparation of the business plan and the development strategy presented at the Capital Markets Day on March 11, 2021;
- contributing to the preparation of the capital increase with maintenance of preferential subscription rights carried out on April 9, 2021;
- meeting and greeting Vanessa Giraud, appointed as new permanent representative of Bpifrance Investissement to replace Céline André;
- leading the discussions and contributing to formalising the procedure for selecting new directors;
- leading and chairing the discussions of the Board meeting held without the presence of the executive officers (executive session) on September 23, 2021;
- reviewing the self-assessment of the functioning of the Board of Directors and its committees during the 2021 financial year, and then presenting its report to the Board at the March 14, 2022 meeting.

In addition, Helen Lee Bouygues ensured that there were no conflicts of interest during this financial year.

Lastly, as part of this work, Helen Lee Bouygues considered that the governance bodies functioned satisfactorily during the 2021 financial year. Under these conditions, she did not consider it necessary to ask the Chairman and Chief Executive Officer to call a Board meeting to discuss a specific agenda.

6.2.1.3 CORPORATE GOVERNANCE CODE

The Company shall comply with the recommendations of the AFEP/MEDEF Code in its revised version of January 30, 2020.

The AFEP/MEDEF Code is available online at: www.medef.com. The Company ensures that copies of this Code are available to members of its corporate bodies at all times.

6.2.1.4 REVIEW OF THE INDEPENDENCE OF DIRECTORS

In accordance with Article1 (II) of the Internal Rules of the Governance and CSR Committee, the Committee shall assess *"each year, prior to the publication of the Company's annual corporate governance report, the position of each member of the Board of Directors with regard to the independence criteria adopted by the Company, and submit its opinions to the Board so it can examine the situation of each person in question with regard to these criteria"*.

In accordance with the AFEP/MEDEF Code, to which the Company adheres, and the Board of Directors' internal regulations (article 1.2), directors who do not have any relationship with the Company, the Group or its management, of any kind whatsoever that may compromise their freedom of judgement are considered independent. In particular, the criteria to be considered by the Governance and CSR Committee and the Board of Directors in order to consider a director as independent are as follows:

(i) may not be an employee or executive officer of the Company, may not be an employee, executive officer or director or of the parent company or of a company or entity consolidated by the Company or of a company consolidated by the parent company, and may not have been so during the previous five years;

(ii) may not be an executive officer of a company in which the Company directly or indirectly serves as a director or in which an employee appointed as such or a company officer of the Company (currently or in the last five years) serves or has served as a director;

(iii) may not be a significant customer, supplier, investment banker, corporate finance banker or advisor of the Company or the Group, or for which the Company or the Group represents a significant share of its business;

(iv) may not have any close family relationship with an officer of the Company;

(v) may not have been, during the previous five years, the statutory auditor of the Company;

(vi) may not have been a Director of the Company for longer than twelve years, it being specified that the loss of independent director status occurs on the date of twelve years.

According to the AFEP/MEDEF Code, with regard to the criterion mentioned in point (iii) above, the assessment of whether or not the relationship with the Company or the group is significant must be discussed by the Board of Directors and the quantitative and qualitative criteria that lead to this assessment must be contained in the corporate governance report.

For directors holding more than 10% of the share capital or voting rights of the Company, or representing a legal person holding such an interest, the AFEP/MEDEF Code further recommends that the qualification as an independent director take into account the composition of the Company's capital and the existence of a potential conflict of interest.

	Xavier Barbaro	Helen Lee Bouygues	FSP	Sixto	Bpifrance Investissement	Stéphanie Levan	Simon Veyrat
Criteria 1: Must not be or have been an employee or executive officer of the Company, its parent company or one of its subsidiaries during the five past years		●	●	●	●		
Criteria 2: Must not be an executive officer of a company where the Company holds a directorship	●	●	●	●	●	●	●
Criteria 3: Must not have significant business relationships with the Company	●	●	●	●		●	●
Criteria 4: Must not have a close family relationship with one of the Company's corporate officers	●	●	●	●	●	●	●
Criteria 5: Must not have been an auditor of the Company within the five past years	●	●	●	●	●	●	●
Criteria 6: Must not have been a director of the Company for more than 12 years	●	●	●	●	●	●	●
Criteria 7: Must not have received a significant compensation from the Company as a nonexecutive corporate officer		●	●	●	●	●	●
Criteria 8: Must not represent a significant shareholder of the Company (according to the Board of directors' analysis)		●	●	●	●		
Independent director	**NO**	**YES**	**YES**	**YES**	**NO**	**NO**	**NO**

● Independence criteria satisfied

Pursuant to these criteria, the following persons were previously considered independent, on the occasion of the Company's IPO in October 2018 and at subsequent Board meetings, and in particular the meeting of December 15, 2021: Helen Lee Bouygues, Sixto represented by Bertrand Dumazy and the Fonds Stratégique de Participations (FSP) represented by Christophe Gégout because they meet all the aforementioned independence criteria.

It is also specified that no independent director has a business relationship with the Company.

However, three directors (Stéphanie Levan, Xavier Barbaro and Simon Veyrat) should not be considered independent given their appointment on the proposal of the reference shareholder Impala SAS.

Bpifrance Investissement's independence was reviewed in detail in December 2021 by the Governance and CSR Committee and the Board of Directors. As Bpifrance is one of the Group's lenders, this relationship does not allow Bpifrance Investissement to be considered an independent member of the Board of Directors at this time.

6.2.1.5 DIVERSITY POLICY APPLIED TO MEMBERS OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE AND DIVERSITY IN THE 10% OF POSITIONS WITH THE GREATEST RESPONSIBILITY

Diversity within the Board of Directors

The Board of Directors has implemented a diversity policy aimed at obtaining a composition that achieves a good balance and a fair distribution of experiences, qualifications, cultures, ages, nationalities and seniority, in line with the needs of the Company. The search for this diversity results in a balanced composition within the Board of Directors, taking into account in particular the following elements: (i) the desired balance in the Board of Directors in view of the Company's shareholders, (ii) the desired number of independent members, (iii) the proportion of men and women required by the regulations in force, and (iv) the integrity, competence, experience and independence of each candidate.

At its meeting of December 15, 2021, the Board of Directors, acting on a proposal from the Governance and CSR Committee, approved the terms of the diversity policy applicable to directors, assessed on the basis of a number of criteria, as well as its implementation during the 2021 financial year and the results obtained during said financial year, as follows:

Criteria	Policy and objectives	Policy implementation and results in 2021
Gender balance	Gender balance on the Board and all committees Compliance with the legal requirement within the Board: when the Board of Directors has more than eight members, the difference between the number of directors of each gender may not exceed two and the proportion of directors of each gender may not be less than 40%.	Composition of the Board: * 42/% women * Difference of one between the number of members of each gender (it being specified that the legal requirement applicable in this matter is a maximum difference of two). Composition of the committees: * Audit Committee 2/3 women * Governance and CSR Committee 1/3 women * difference of one between the number of members of each gender on each committee
Plurality of nationalities - International profiles	International experience of some of the directors and/or presence of at least one director of foreign nationality	International dimension of the Board with regard to the presence of: * Helen Lee Bouygues, a US citizen with international experience, * Bertrand Dumazy, who heads a group with a large international presence, and * Xavier Barbaro, Chairman and CEO of Neoen, who has previous professional experience abroad and is currently Chairman and Chief Executive Officer of the Group, which is present in 16 countries.
Independence	Minimum percentage of independent members on the Board and the Committees: * Board of Directors: 1/3 * Audit Committee: 2/3 * Governance and CSR Committee: +50%	Representation of independent directors on the Board of Directors and the Committees: * Board of Directors 42% independent members * Audit Committee and Governance and CSR Committee: 2/3 independent members
Age	No more than one-third of the directors may be aged over 70	No director has reached the age of 70. The directors are currently between 31 and 50 years old, with an average of 45 years.
Diversity of professional skills and experience	Promoting and maintaining a variety and complementarity of expertise and experience among the Board members, which allows them to quickly and thoroughly apprehend the Company's development challenges and to make well-considered, quality decisions.	Diversity of skills: Some directors have expertise in strategy, others in finance, international business, general management or more specific areas (ethics and compliance, CSR, digital). For further details, please refer to the table of «skills represented on the Board of Directors» below. Diversity of work experience: The majority of directors have extensive professional experience in various business segments and in senior positions, most of whom are already or have already held directorships or corporate offices in other French or foreign companies, some of which are public companies.

SKILLS REPRESENTED ON THE BOARD OF DIRECTORS

	Strategy	Finance	International	General Management	Energy	Ethics and compliance	CSR	Digital
Xavier Barbaro	✓		✓	✓	✓		✓	
Helen Lee Bouygues	✓	✓	✓	✓	✓	✓	✓	✓
FSP Represented by Christophe Gégout	✓	✓	✓	✓	✓	✓		
Sixto Represented by Bertrand Dumazy	✓	✓	✓	✓	✓	✓	✓	✓
Bpifrance Investissement Represented by Vanessa Giraud[1]	✓	✓			✓	✓	✓	
Stéphanie Levan		✓				✓		
Simon Veyrat	✓	✓	✓	✓	✓			
Jacques Veyrat[2]	✓	✓	✓	✓	✓			

(1) Vanessa Giraud replaced Céline André as permanent representative of Bpifrance Investissement, with effect from September 22, 2021. The appointment is made for the remaining term of office of Bpifrance Investissement on the Board of Directors.

(2) Jacques Veyrat is an observer of the Board of Directors.

In light of the above, the Board of Directors of the Company, meeting on December 15, 2021, after having reviewed the conclusions of the Governance and CSR Committee, noted that all the objectives of the diversity policy had been achieved and would be monitored annually by the Governance and CSR Committee.

The monitoring and implementation of this diversity policy will be ensured in particular through the selection procedure for directors, which includes all the criteria taken into account in connection with the diversity of the composition of the Board. These criteria will therefore be systematically examined when selecting candidates for the position of director.

Gender balance on the Executive Committee

The offices represented on the Company's Executive Committee are: Chairman and Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Counsel.

The representation of women on the Executive Committee remains at 20%, as in the previous year. The average is 23% in CAC 40 companies and 25% in SBF 80 companies (this average was 21% in CAC 40 and SBF 80 companies in 2020).

However, given the Group's business sector and the predominantly engineering profile of the Executive Committee members, women are less represented in this labour market sector. As a result of these constraints, the Board of Directors, at its meeting of December 15, 2021, acting on a proposal from the Governance and CSR Committee, approved the objective of maintaining a minimum of 20% women on the Company's Executive Committee.

In addition, in the event of a vacancy on the Executive Committee to be filled by external recruitment, the Company will endeavour to have candidates of both sexes to maximize its chances of having a better gender balance on its Executive Committee. However, in the event of internal recruitment in accordance with the succession plan in place, there may not necessarily be any competition between male and female candidates.

Accordingly, the Board of Directors, meeting on December 15, 2021, after reviewing the conclusions of the Governance and CSR Committee, approved the gender diversity policy presented above.

The Company will continue to monitor the number of women on its Executive Committee and the profile of its members on an annual basis, with a view to complying with the aforementioned gender diversity policy in its management bodies.

Results in terms of gender diversity in the 10% of positions with the greatest responsibility

As of December 31, 2021, women accounted for 28.8% of the Group's total workforce (compared with 31% in 2020) and 31% of the 10% most senior positions (compared to 28% in 2020).

The group's growth is reflected in the workforce growth, which is more than 17% in 2021. This represents 100 hires, of which more than 50% internationally, particularly in engineering and project manager positions, where women are less represented in the labour market. The strong growth, particularly internationally and in functions with low female representation, explains the decrease in the proportion of women in the workforce at the end of November 2021. An action plan has been put in place to ensure that the representation of women is increased (see paragraph 5.3.4 «Promoting diversity - Policy» of this document).

The Group continues to deploy its efforts and also ensures that there is a satisfactory distribution of men and women and a wide diversity of backgrounds and nationalities (36 nationalities).

The Company is continuing to implement its commitment to gender diversity and balanced representation of women and men, with the aim of maintaining this trend and improving the figures.

6.2.2 PRINCIPLES GOVERNING THE FUNCTIONING OF THE GOVERNANCE

6.2.2.1 METHOD OF GOVERNANCE

(i) Chairman and Chief Executive Officer

Combination of the functions of Chairman of the Board of Directors and Chief Executive Officer

Xavier Barbaro was appointed Chairman and Chief Executive Officer at the Board meeting of September 12, 2018, with immediate effect.

Following the opinion of the Governance and CSR Committee, the Board of Directors concluded that not separating the functions of Chairman and Chief Executive Officer would ensure continuity with the separation of the powers between the statutory corporate bodies of the Company in its form as a simplified joint stock company, so that the change in the corporate form would not have any effect on the way in which the Company's senior management is exercised. Xavier Barbaro held the position of Chief Executive Officer of the Company and Chairman of the Supervisory Board of the Company in its previous corporate form as a simplified joint stock company until it was changed into a limited company (*société anonyme*) on the same date, September 12, 2018.

The continuation of the combination of functions and the renewal of the terms of office of Xavier Barbaro, which expire at the end of the next annual general shareholders' meeting, are described in paragraph 6.1.3.1 of this document.

Powers of the Chief Executive Officer (Article 16.1 of the by-laws)

The Chief Executive Officer is vested with all powers to act in all circumstances in the name of and on behalf of the Company. He exercises these powers within the limit of the corporate purpose and subject to those powers that the law and the by-laws expressly reserve to the general shareholders' meetings and the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is committed even by the actions of the Chief Executive Officer which do not fall within the corporate purpose, unless it can prove that the third party knew that the action exceeded this purpose or that he could not ignore it in the relevant circumstances, it being clarified that the publication of the by-laws alone shall not in itself be sufficient proof thereof.

At the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer with the title of Deputy Chief Executive Officer (see paragraph below" (ii) Deputy Chief Executive Officer"). The maximum number of Deputy Chief Executive Officers is set at three.

Nevertheless, the Chief Executive Officer must obtain the prior approval of the Board of Directors for operations listed in paragraph 6.2.1.2 (ii) "Reserved matters of the Board of Directors" of this document.

(ii) Deputy Chief Executive Officer

Appointment of the Deputy Chief Executive Officer

At its meeting of April 17, 2019, on the proposal of the Chairman and Chief Executive Officer and after receiving the opinion of the Governance and CSR Committee, the Company's Board of Directors decided to appoint Romain Desrousseaux as Deputy Chief Executive Officer.

ROMAIN DESROUSSEAUX

Deputy Chief Executive Officer

Business address:

22 rue Bayard - 75008 Paris

Age: 46 years

Nationality: French

Date of expiry of term of office: General shareholders' meeting to be held in 2022 to approve the financial statements for the past fiscal year

Number of Company shares held:

512,150[1]

Romain Desrousseaux is Deputy Chief Executive Officer of Neoen and his main responsibility is to ensure the implementation of the Group's strategy and to support its international development accordingly. He began his career in 1999 at LDCom, in charge of the investment program in the high speed broadband internet network. In 2008, he joined the Louis Dreyfus Commodities group as deputy Chief Information Officer, then he took over operations management for the African and Middle East region. Romain Desrousseaux is an alumnus of the École Normale Supérieure. He joined Neoen in 2013 as Deputy Chief Executive Officer in charge of international project development, and member of the Executive Committee.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT[2]	POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD
– Deputy Chief Executive Officer of Neoen SA*	– None

(1) Number of shares held by Romain Desrousseaux and his family members.
(2) Romain Desrousseaux holds offices in certain Group's foreign subsidiaries.
** French listed company*

Powers of the Deputy Chief Executive Officer (Article 16 of the by-laws)

With the Chief Executive Officer's agreement, the Board of Directors determines the extent and duration of the powers granted to the executive Deputy Chief Executive Officers.

Towards third parties, the executive Deputy Chief Executive Officer(s) have the same powers as the Chief Executive Officer.

Nevertheless, the Deputy Chief Executive Officer and/or the Deputy Chief Executive Officers must obtain the prior approval of the Board of Directors for operations listed in paragraph 6.2.1.2 (ii) "reserved matters of the Board of Directors" of this document.

(iii) Executive Committee

As of the date of the corporate governance report approved by the Board of Directors on March 14, 2022, the Executive Committee was comprised of five members:

Xavier Barbaro	Chairman and Chief Executive Officer
Romain Desrousseaux	Deputy Chief Executive Officer
Norbert Thouvenot[1]	Group Chief Operating Officer
Louis-Mathieu Perrin	Chief Financial Officer
Olga Kharitonova	General Counsel

(1) Norbert Thouvenot was appointed Group Chief Operating Officer to replace Paul-François Crolière on the proposal of Xavier Barbaro and after having obtained the opinion of the Governance and CSR Committee.

Xavier Barbaro's resume is presented in paragraph 6.1.1 of this document.

Romain Desrousseaux's resume is presented in paragraph 6.2.2.1 (ii) of this document.

Norbert Thouvenot began his career in 1991 at Alcatel as export project manager. In 1998, he joined Louis Dreyfus Communication (LDCOM) where he held various positions (construction, internet and data BU, etc.) before taking over the management of the operational activities of the residential sector. He then joined the Louis Dreyfus Commodities group in 2006 as global director of industrial operations, procurement and health & safety. He joined Neoen in 2015 as director of international operations. He was then appointed Group Chief Operating Officer in May 2021. He is a graduate of CentraleSupelec and holds an International Master in Management from EM Lyon.

Louis-Mathieu Perrin began his career in audit and financial consulting for five years before joining Pictet Asset Management in 2006, initially as an analyst before becoming an investment Manager. In 2009, he joined EY, where he became associate director, and worked in particular with players in the energy sector. In 2014, he was appointed Chief Financial Officer of the Direct Énergie group, before moving to Voodoo in 2018, in similar positions. He joined Neoen in 2019 as Group CFO. Louis-Mathieu Perrin is a graduate of Sciences Po Paris.

Olga Kharitonova began her career in Moscow in 2000 with the European Business Club (an association representing the interests of European businesses in Russia) before joining Bureau Francis Lefebvre (now CMS Francis Lefebvre). Admitted to the Paris bar in 2006, she then joined the Paris office of Cleary Gottlieb Steel & Hamilton LLP where she advised clients on complex international transactions. Olga Kharitonova joined

Neoen in 2018 as the Group's General Counsel. She graduated from the State University of Moscow (Lomonossov), from the Paris IEP and holds a master's degree in business law from the Paris I-Sorbonne University.

(iv) Procedure for selecting directors

The Company has a procedure for selecting new directors. This procedure is intended to be used when a new member of the Board of Directors is to be appointed in addition to the members in office or to replace a member whose position has become vacant. This selection procedure is implemented by the Governance and CSR Committee. It is managed by the Lead Independent Director, in conjunction with the Chairman of the Governance and CSR Committee.

The main steps in this process, after identifying the selection criteria and the profile sought, are a review of the applications by the Lead Independent Director in conjunction with the Chairman of the Governance and CSR Committee, where appropriate, in light of the work carried out by an external recruitment firm and/or profiles proposed by the directors, followed by an individual interview with the Governance and CSR Committee, which makes a recommendation to the Board of Directors. The final choice is made by the Board of Directors. If this procedure is implemented, a report will be presented in the corporate governance report for the corresponding year.

(v) Succession plan for corporate officers

Under Article1 (i) of the Internal Rules of the Governance and CSR Committee, the Committee is required to prepare and maintain a succession plan for the members of the Board of Directors and for the Company's executive officers, in order to be in a position to propose quickly to the Board of Directors succession solutions, especially in case of unforeseeable vacancy.

At its meeting on March 14, 2022, the Board of Directors, after receiving the opinion of the Governance and CSR Committee, examined this point and considered the following:

- the appointment of a Deputy Chief Executive Officer by the Board would enable the Company to appoint him/her as part of the immediate succession of the Chief Executive Officer in the event of an unforeseeable vacancy. This internal solution would have the advantage of ensuring a certain form of continuity as well as the thorough knowledge of the Company by the successor thus appointed, even if, depending on the circumstances that arise when the time comes, the Board may wish to identify another candidate whose profile would more closely suit the role of Chief Executive Officer of the Company when the time comes;
- the Lead Independent Director appointed by the Board could, in turn, play the role of interim successor by immediately assuming the duties of Chairman of the Board of Directors in the event this position becomes vacant unexpectedly. Given the role of the Lead Independent Director, this would enable the Company and its Board of Directors to also benefit from a certain form of continuity in the corporate bodies and the knowledge of the Company by the successor thus appointed, even if, depending on the circumstances that may arise when the time comes, the Board may wish to identify, either temporarily or on a more permanent basis, another candidate whose profile would better fulfil the role of Chairman of the Board of Directors of the Company when the time comes.

Following its review of this succession plan, the Board of Directors confirmed that said succession plan was still applicable.

With regard to the members of the Board of Directors, discussions are continuing on this subject, although it should be remembered that three of the seven directors are legal entities, for which the question of succession does not arise, with the exception of Sixto. Identifying potential candidates likely to face an unforeseeable vacancy of a director could also be a possible approach.

In addition, in order to ensure continuity of management in the event of an unforeseen vacancy of a member of the Executive Committee, at its meeting of March 10, 2021, the Board of Directors, on the recommendation of the Governance and CSR Committee, decided on a succession plan for the other members of the Executive Committee. This plan was implemented at the time of the departure of Paul-François Croisille by the Governance and CSR Committee, which appointed Norbert Thouvenot as his replacement.

Lastly, at its meeting of March 14, 2022, the Board of Directors, on the proposal of the Governance and CSR Committee, also reviewed and updated the specific succession plan in the event of unforeseeable vacancies for each member of the Executive Committee.

6.2.2.2 RULES APPLICABLE TO THE OPERATION OF THE BOARD OF DIRECTORS

(i) Duties (internal regulations - Article 4.1)

The Board of Directors shall perform the responsibilities and exercise the powers attributed to it by law, the Company's by-laws, and the internal regulations of the Board and its committees. It shall determine and evaluate the Company's strategic direction, objectives, and performance, and supervise their implementation in accordance with its corporate interest, taking into account the social and environmental challenges of its business. Subject to the powers attributed to the general shareholders' meetings and within the limit of the corporate purpose, the Board may address any question concerning the Company's operations and shall settle the matters within its purview through its deliberations.

The Board shall carry out the audits and verifications that it believes appropriate and may request communication of documents that it deems useful in order to carry out its responsibilities.

The Board of Directors shall also work to promote value creation over the business's long term, taking into account the employment, societal, and environmental dimensions of its activities. Where necessary, it shall propose any amendments to the corporate purpose set forth in the by-laws that it shall deem appropriate. It shall also be informed of developments on the markets, of the competitive environment, and of the principal challenges facing the business, including with regard to social and environmental responsibility.

The Board of Directors shall regularly examine, in light of the strategy that it has defined, the Company's opportunities and risks, including financial, legal, operational, social, and environmental risks, as well as the measures taken as a result. To that end, the Board of Directors shall obtain all information from the Company's executive officers that it needs to perform its responsibilities.

The Board of Directors shall ensure that the executive officers implement a non-discrimination and diversity policy, in particular with respect to the balanced representation of women and men on management bodies.

With regard to the regular assessment of agreements relating to current agreements entered into under normal conditions, the Board of Directors ensures that a meeting is held each year to re-examine the nature of the agreements in question. During the financial year, monitoring of current agreements is established and managed by an ad hoc committee composed of the Group Chief Financial Officer and the General Counsel. This monitoring is summarised in a monitoring table including the date of conclusion of the agreement, its main characteristics and the reasons for treating it as a current agreement.

(ii) Directors' competence and expertise (Article 3.4 of the internal regulations)

Members of the Board of Directors must have the following essential attributes:

- they must be attentive to the corporate interest;
- they must have good judgment, in particular with respect to situations, strategies, and people, relying in particular on their experience;
- they must have the ability to anticipate risks and strategic challenges;
- they must have integrity and be present, active, and involved.

The skills and experience of the members of the Board of Directors are also described in paragraphs 6.1.1 and 6.2.1.5 of this document.

(iii) Ethics (criminal record and bankruptcy, family links, conflicts of interest, service contracts)

Criminal record and bankruptcy

To the Company's knowledge, over the course of the last five years:

- none of the members of the Board of Directors or executive officers has been convicted of fraud;
- none of the members of the Board of Directors or corporate officer has been involved in any bankruptcies, receiverships, liquidations or companies put into administration;
- no official public censure and/or sanction has been issued against any member of the Board of Directors or any executive officer by any statutory or regulatory authorities (including any designated professional bodies);
- none of the members of the Board of Directors or executive officers has been disqualified by a court from serving as a member of a management or supervisory body of an issuer or from being involved in the management or conduct of an issuer's business.

Family links

As of the date of this document, and to the Company's knowledge, other than the family relationship between Jacques Veyrat (observer and majority shareholder of the Company through Impala SAS) and his son Simon Veyrat (member of the Board of Directors), there are no family relationships among the members of the Board of Directors mentioned or between members of the Board of Directors and members of the Company's Executive Committee.

Conflicts of interest

According to the terms of Article 3.3 of the Board of Directors' internal regulations, each member of the Board of Directors must inform the Board about any conflict of interest (even potential) and must not vote in the corresponding deliberation.

As of the date of this document, and to the Company's knowledge, there are no potential conflicts of interest between the duties of the directors or executive officers with regard to Neoen and their private interests or other duties.

As of the date of this document, and to the Company's knowledge, no arrangement or agreement has been entered into with any of the main shareholders, a client, a supplier or any third party under which any member of the Board of Directors or an executive officer may have been appointed to the Board of Directors.

As of March 14, 2022, the date on which the Board of Directors prepared the corporate governance report, and to the Company's knowledge, the restrictions on the free disposal, within a certain period of time, of the Company's shares held by the members of the Board of Directors listed in paragraph 6.1.1 "composition of the Board of Directors" of this document or members of the Company's Executive Committee are as follows:

- rules relating to preventing insider trading;
- the rules defined by the Company in accordance with the AFEP/MEDEF Code imposing an obligation to hold shares, namely:
  - in accordance with the Board of Directors' internal regulations (Article 3.10), the obligation for each member of the Board of Directors to own (directly or indirectly) five hundred shares throughout his term of office and in any event not later than six months after his appointment,
  - the obligation for executive officers to keep in registered form, until the end of their term, at least five thousand shares, the minimum number set by the Board of Directors,
  - the minimum number of shares issued as free shares or stock subscription or purchase options to be retained by the executive officers until the end of their term, as set by the regulations of the corresponding plans (see section 6.3.4.3 concerning free share granted).

Service contracts

As of the date of this document, and to the Company's knowledge, no contract exists between members of the administrative or management bodies and the Company or any of its subsidiaries that provides for the granting of benefits under such a contract.

6.2.2.3 ASSESSMENT AND WORK OF THE BOARD OF DIRECTORS AND THE COMMITTEES

2021 was marked by regular activity of the Company's governance bodies, despite the continuing specific context of the health crisis. This is detailed in the table below.

	Board of directors[1]			Audit Committee			Governance and CSR Committee		
Number of sessions/meetings	8			4			2		
Average duration	1h55			1h45			1h40		
Board members and observer	Average attendance rate	Nature of participation		Average attendance rate	Nature of participation		Average attendance rate	Nature of participation	
Xavier Barbaro	100%	6	2	-	-	-	-	-	-
Helen Lee Bouygues ●	100%	4	4	100%	2	2	100%	1	1
FSP ● *Represented by Christophe Cuvelier*	100%	2	6	100%	2	2	-	-	-
Sixto ● *Represented by Bertrand Dumazy*	100%	4	4	-	-	-	100%	1	1
Bpifrance Investissement	100%	4	4	-	-	-	-	-	-
Represented by Céline André[2]	75%	2	4	-	-	-	-	-	-
Represented by Vanessa Giraud[2]	25%	2	-	-	-	-	-	-	-
Stéphanie Levan	100%	4	4	100%	2	2	-	-	-
Simon Veyrat	100%	3	5	-	-	-	-	-	-
Jacques Veyrat[3]	100%	3	5	-	-	-	100%	-	2
Average attendance rate	100%[4]	-	-	100%	-	-	100%	-	-

● Independent directors Face-to-face meetings Teleconference/videoconference meetings

(1) In accordance with recommendation 11.3 of the AFEP-MEDEF Code, which recommends that at least one annual meeting be held without the presence of executive officers, the members of the Board of Directors met on September 23, 2021 without the presence of the Chairman and Chief Executive Officer.

(2) Vanessa Giraud replaced Céline André as permanent representative of Bpifrance Investissement, with effect from September 22, 2021. The appointment is made for the remaining term of office of Bpifrance Investissement on the Board of Directors.

(3) Jacques Veyrat is an observer of the Board of Directors.

(4) Average attendance rate not taking into account the attendance of the observer.

(i) Assessment of the operation of the Board of Directors and the Committees

In accordance with recommendation 10 of the AFEP-MEDEF Code, the Board of Directors must conduct an assessment of its operation every year, and a formal assessment at least every three years. In accordance with the internal regulations, the Lead Independent Director is responsible for assisting the Governance and CSR Committee in this regard.

During the assessment of the Board's operation in December 2020, the following areas for improvement were mentioned:

- being vigilant at the upcoming expiries of the terms of office of the following profiles:
  - more international (knowledge of the Australian market would be a plus);
  - with experience in the renewable energy sector; and
  - ESG expertise;
- having access to more information about the Group's competitors and their strategies (the strategy seminar was appreciated both for the quality of the presentations and the quality of the discussions);
- improving the training of directors and invest in informal activities: site visits and informal lunch/dinner at a Board meeting were suggested; and
- providing a framework for managing potential conflicts of interest.

In addition, the following measures were taken in 2021 to take into account the ideas formulated during the assessment conducted in 2020:

- establishment of a procedure for managing potential conflicts of interest by the Board of Directors at its meeting on March 10, 2021;
- strengthening the cohesion of the Board of Directors by organizing an informal lunch;
- strengthening the CSR competence with the arrival of Vanessa Giraud, the new permanent representative of Bpifrance Investissement, replacing Céline André;
- improving the integration and training of directors, with the organization of a site visit on January 5, 2022 for Vanessa Giraud with the participation of Xavier Barbaro;
- vigilance by senior management throughout the year to share information with the Board of Directors about the renewable energy sector and some of the Group's competitors.

Thus, a new assessment of the Board of Directors' operation in 2021 was carried out by means of a questionnaire given to the directors and the observer in December 2021.

This formal assessment resulted in a positive assessment of the composition of the Board and its committees, their operation and the resources and information provided to them to enable them to give their opinion on the various items on the agenda. The exemplary attendance at all the meetings held in 2021 was highlighted and the effective contributions of each of the directors were welcomed.

Areas for improvement were identified, including:

- strengthening the Board's vigilance with regard to (i) growth objectives and (ii) risk assessment;
- strengthening the Board's knowledge of the Group's competitors, their strategy and their performance;
- improving knowledge of the senior management team, in particular by organizing off-site meetings to meet the management team of a country in which the Group operates and by organizing informal meetings to discuss the Group's long-term prospects;
- paying particular attention to talent retention.

(ii) Work of the Board of Directors and the Committees

The main work of the Board of Directors and its Committees during the 2021 financial year is presented below:

Board of Directors

During the 2021 financial year, the Board of Directors made decisions on the following topics:

Financial statements and financial communication

Approval of the annual financial statements for the year ended December 31, 2020, approval of the 2020 annual financial report and universal registration document, review of the half-yearly financial statements and preparation of the half- the financial report, financial communication procedures, monitoring of threshold crossings and changes in the shareholder structure, approval of the 2022 budget with the corresponding financing plan.

Strategy

The Group's strategic guidelines, in particular the preparation of the new business plan, in line with the announcements made at the Capital Markets Day on March 11, 2021.

Combined general shareholders' meeting of May 25, 2021

Preparation of the combined general shareholders' meeting of May 25, 2021 and, in particular, draft resolutions, implementation of the share buyback programme.

Remuneration and governance

The remuneration of the Chairman and Chief Executive Officer, the granting of free performance shares, an assessment of the level of achievement of the performance conditions of the free shares, the distribution of directors' remuneration, the composition of the Committees, the criteria for the independence of directors, the annual assessment of the operation of the Board of Directors and its Committees, the succession plans, the authorisation of sureties, endorsements and guarantees.

Corporate social responsibility

The monitoring of the implementation of the policy on professional and wage equality.

Group development projects

Monitoring the Group's growth.

Financing

The preparation of the capital increase with maintenance of preferential subscription rights.

COVID-19:

Monitoring the impact of the COVID-19 pandemic on the Group's business.

Audit Committee

At its meetings during the 2021 financial year, the Audit Committee prepared, inter alia, the Board of Directors' deliberations on:

- the review of the annual corporate financial statements, the half-yearly and annual consolidated financial statements and the 2022 budget;
- the proper application of accounting principles;
- the implementation, at the time of the 2021 half-year closing, of the plan to speed up the closing of the accounts;
- the statutory auditors' fees;
- the conditions of financial communication;
- the monitoring of the audit work and action plans undertaken in the area of internal control;
- the external review of the internal control system in France and El Salvador;
- the cash flow forecasting and financing methods at the Company level;
- the follow-up of farm-down projects carried out by the Group in 2021;
- the review of the risk mapping; and;
- the security of the information system.

Organization of the work

As part of its duties, the Audit Committee may interview:

- the statutory auditors, who attend Audit Committee meetings to review the financial statements and risks and answer questions raised by Committee members;
- the Group Chief Financial Officer, who attends all Audit Committee meetings and answers questions raised by Committee members.

In addition, the Audit Committee's internal rules provide that, as far as possible, the Audit Committee shall review the financial statements two days before they are reviewed by the Board of Directors. In practice, the Audit Committee reviews the financial statements between four and seven days before the Board of Directors does.

Lastly, the Audit Committee's internal rules provide for the possibility of using external experts, as necessary, while ensuring their competence and independence.

Governance and CSR Committee

At its meetings during the 2021 financial year, the Governance and CSR Committee prepared the Board's deliberations on:

- the determination of the remuneration and benefits of the Chairman and Chief Executive Officer, and in particular the variable portion of his 2020 remuneration, the fixed portion and the performance conditions of the variable portion of his 2021 remuneration;
- the remuneration policy for corporate officers;
- the distribution of the directors' remuneration for the 2021 financial year;
- the policy of granting free performance shares and the assessment of the performance conditions for free shares;
- the diversity policy of the Board of Directors and the management bodies;
- the policy on professional and wage equality;
- the renewal of terms of office as director at the general shareholders' meeting of May 25, 2021;
- the composition of the Board of Directors, particularly with regard to independence, gender balance and skills represented on the Board;
- the formalisation of a procedure for selecting directors;
- the annual assessment of the operation of the Board of Directors and its Committees;
- the succession plans; and
- the review of compliance with the recommendations of the AFEP/MEDEF Code.

The Chairman and Chief Executive Officer also attends meetings of the Governance and CSR Committee, but does not participate in its deliberations or in decisions relating to his remuneration.

6.2.2.4 COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors relies on the work carried out by its two specialised committees: the Audit Committee and the Governance and CSR Committee. The possibility for the Board of Directors to create these committees is provided for in the Company's by-laws and the main organisational and operating procedures for these committees are set out in the Board of Directors' rules of procedure. The Audit Committee and the Governance and CSR Committee also have their own internal regulations.

The composition of these specialised committees complies with the recommendations of the AFEP-MEDEF Code.

(i) Audit Committee



AUDIT COMMITTEE

FSP
Represented by Christophe Gégout ❁
Chairman of the Committee
• Helen Lee Bouygues ❁
• Stéphanie Levan

❁ Independent director

- Monitoring the process for preparing financial information
- Monitoring the effectiveness of the internal supervision, internal audit and risk management systems relating to financial and accounting information
- Monitoring the statutory audit of the corporate and consolidated financial statements by the Company's statutory auditors
- Supervision of the statutory auditors

In 2021

4 meetings

3 members

67 % of independent directors

2/3

100 % average attendance of the committee members

(A) Composition

The Audit Committee is made up of three members, all of whom are chosen from among the directors, at least two thirds of whom are independent directors as per Article 1.2 of the Board of Directors' internal regulations. In accordance with applicable legal provisions, Committee members must have particular expertise in financial, accounting or auditing matters.

The term of appointment of members of the Audit Committee corresponds to the term of their appointments as members of the Board of Directors. It may be renewed at the same time as the latter.

The chairman of the Audit Committee is appointed, after specific examination, by the Board of Directors further to a proposal from the Governance and CSR Committee, among the independent directors as per Article 1.2 of the Board of Directors' internal regulations. No executive officer may sit on the Audit Committee.

(B) Work of the Audit Committee in 2021

For details of the work of the Audit Committee in 2021, please refer to paragraph 6.2.2.3 (ii) of this document.

(ii) Governance and CSR Committee



GOVERNANCE AND CSR COMMITTEE

Sixto
Represented by Bertrand Dumazy ❁
Chairman of the Committee
• Helen Lee Bouygues ❁
• Jacques Veyrat

❁ Independent director

- Proposals on the appointment of (i) Board members in accordance with the director selection procedure, (ii) members of the Committees and (iii) the executive officers of the Company
- Annual assessment of the independence of the members of the Board
- Proposals to the Board concerning all terms and conditions of the compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer
- Determination of the general compensation policy for the other members of the Executive Committee
- Proposals to the Board concerning the method for allocating the overall annual remuneration budget for directors allocated by the shareholders' Meeting
- Review of the Group's commitments and policy on ethics, social, environmental and corporate social responsibility, their implementation and results

In 2021

2 meetings

3 members

67 % of independent directors

1/3

100 % average attendance of the Committee members

(A) Composition

The Governance and CSR Committee is composed of three members, the majority of whom are independent members of the Board of Directors within the meaning of Article 1.2 of the Board of Directors' internal regulations. They are appointed by the Board of Directors from among its members or from among the observer, and in view in particular of their independence and their competence in the selection or remuneration of executive officers of listed companies, as well as in the area of CSR. No executive officer may sit on the Governance and CSR Committee.

The term of office of the members of the Governance and CSR Committee coincides with their term of office as members of the Board of Directors or observers. It may be renewed at the same time as the latter.

The Chairman of the Governance and CSR Committee is appointed from among the independent members by the Board of Directors. The secretariat of the Committee's work is provided by any person appointed by or in agreement with the Chairman of the Committee.

(B) Work of the Governance and CSR Committee in 2021

For details of the work of the Governance and CSR Committee in 2021, please refer to paragraph 6.2.2.3 (ii) of this document.

6.2.2.5 SPECIAL ARRANGEMENTS FOR PARTICIPATION IN THE GENERAL SHAREHOLDERS' MEETING

General shareholders' meetings shall be called and held under the conditions laid down by law.

Meetings shall be held at the registered office or at any other place specified in the notice of meeting.

Any shareholder, regardless of the number of shares he/she owns, has the right to participate in the general shareholders' meetings, in accordance with applicable law and these bylaws, upon presentation of proof of identity or the name of the proxy registered on his/her behalf under the provisions laid down by the law.

Shareholders that are not attending in person at the general shareholders' meeting, may choose one of the three following options:

- give a proxy to another shareholder, his or her spouse or civil partner or any other person;
- vote by correspondence; or
- send a proxy to the Company without voting indication;

under the provisions laid down by the law and the regulations.

Under the conditions provided for by the law and regulations in force, the Board of Directors may organise shareholder participation and voting at the general shareholders' meetings by videoconference or by telecommunication means that allow them to be identified. If the Board of Directors decides to exercise this right for a given meeting, this decision shall be mentioned in the notice of meeting and/or notice of convocation. Shareholders participating in meetings by videoconference or by any of the other means of telecommunication referred to above, at the discretion of the Board of Directors, shall be deemed to be present for the calculation of quorum and majority.

Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a director specially appointed for this purpose by the Board of Directors. Failing this, the meeting appoints its own Chairman.

The functions of scrutineers shall be performed by the two members of the meeting present who have the largest number of votes, and who accept these functions. The committee appoints the secretary, who may be chosen from outside the shareholders. An attendance sheet shall be kept in accordance with the conditions laid down by law.

Ordinary general meetings shall only deliberate validly if the shareholders present or represented or voting by correspondence or by electronic means of telecommunication hold at least one fifth of the shares with voting rights on first call. No quorum is required on second call.

Resolutions of the ordinary shareholders meeting shall be taken by a majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained, or voted in blank or invalid.

An extraordinary general meeting shall only validly deliberate if the shareholders present, or represented, or who have voted by post or by electronic means of telecommunication hold at least one quarter and, on first call, one fifth of the shares with voting rights. Failing this last quorum, the second meeting may be postponed to a date two months after the one on which it was convened, with the same quorum requirement of one fifth.

Decisions of the extraordinary general meeting shall be taken by a two-thirds majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained, or voted in blank or invalid.

Copies or excerpts of the minutes of the meeting shall be validly certified by the Chairman of the Board of Directors, by a director performing the duties of Chief Executive Officer or by the secretary of the meeting.

Ordinary and extraordinary general meetings exercise their respective powers under the conditions provided for by law.

6.3 REMUNERATION OF ALL CORPORATE OFFICERS

6.3.1 REMUNERATION POLICY

In general, and in particular with regard to remuneration, the Company refers to the recommendations of the AFEP/MEDEF corporate governance code for listed companies, as interpreted by the High Committee on Corporate Governance (HCGE) in its Guide to the application of the AFEP/MEDEF Code, as well as its activity reports and to the recommendations of the AMF, which are set out, in particular, in its guide for the preparation of universal registration documents, in its 2012--02 recommendation, as well as in its most recent report on corporate governance and executive remuneration at listed companies.

In accordance with Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the remuneration policy for corporate officers established by the Board of Directors, on the proposal of the Governance and CSR Committee, is the subject of draft resolutions (8th to 10th resolutions) submitted for the approval of the combined general shareholders' meeting of May 25, 2022.

In accordance with the above provisions, the remuneration policy for corporate officers is subject to approval by the general shareholders' meeting each year, and whenever there is a significant change.

The corporate governance report was reviewed by the Governance and CSR Committee on March 3, 2021 and approved by the Board of Directors on March 14, 2022.

In accordance with applicable legal and regulatory requirements, the remuneration policy for corporate officers must include (i) information on all corporate officers and (ii) specific information for each category of corporate officer.

The information on the remuneration policy applied to all corporate officers is summarised in the table below:

Criteria defined in Article R. 22-10-14 I. of the French Commercial Code

Respect for the corporate interest, contribution to the Company's business strategy and sustainability	The remuneration policy for corporate officers respects the corporate interest and contributes to the business strategy (described in section 1.1.2 of this document) and the Company's sustainability by (i) providing for a periodic review to verify whether the level of remuneration remains in line with the performance achieved by both the Company and the person in question, and (ii) by seeking to remain attractive in relation to the remuneration practised on the market, mainly by comparable companies in the sector, with a view to attracting and retaining talent within its management bodies. In particular, for the executive officers, the performance conditions for their annual variable remuneration have been set in connection with the implementation of the Company's business strategy.
Decision-making process for its determination, revision and implementation	The remuneration policy is set by the Board of Directors in accordance with applicable legal and regulatory provisions, after having obtained prior proposals from the Governance and CSR Committee, composed mainly of independent directors and chaired by an independent director. Any revision and implementation of the remuneration policy shall be determined by the Board of Directors acting by a majority of its members present and represented. The directors endeavour to comply with the principles laid down in the AFEP-MEDEF Code and in the Board of Directors' internal regulations, particularly as regards the management of potential conflicts of interest. Deliberations relating to remuneration of executive officers shall take place without their presence.
Consideration of the Company's remuneration and employment conditions	Since the introduction and publication of the equity ratios in the corporate governance report under the global say on pay ex-post, the Company's Governance and CSR Committee and the Board of Directors have decided to take these ratios into account when determining and revising the remuneration policy for executive officers. These ratios are used to determine the level of remuneration paid to the Chairman of the Board of Directors, the Chief Executive Officer and, where applicable, each Deputy Chief Executive Officer, with respect to the average and median full-time equivalent remuneration of Company employees, other than corporate officers.
Evaluation methods - meeting performance criteria for variable remuneration and share-based remuneration	The proper achievement of performance criteria is examined by the Governance and CSR Committee, which provides the Board of Directors with any comments it may have before the Board decides whether or not the performance criteria have been met.

Criteria defined in Article R. 22-10-14 I. of the French Commercial Code	
Clarifications to be made in the event of a change to the remuneration policy	On March 14, 2022, the Board of Directors, at the proposal of the Governance and CSR Committee on March 7, 2022 and after reviewing the results of the votes of the last meeting on the remuneration policy for directors, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, as well as the information referred to in I of Article L. 22-10-9 of the French Commercial Code, decided to make the following main changes to the remuneration policies for corporate officers compared with those previously approved: • remuneration policy for directors: – increase in the amounts that may be granted to the Chairman and members of the Governance and CSR Committee and to the Lead Independent Director; – change in the method of calculating the variable portion of remuneration that may be granted in respect of the duties of director; • remuneration policy for the Chairman and Chief Executive Officer – regarding fixed remuneration: increase in the amounts compared to 2021; – regarding annual variable remuneration: › lowering of the threshold for the quantitative criterion related to EBITDA; › update of the qualitative criteria for 2022; • remuneration policy for the Deputy Chief Executive Officer – regarding fixed remuneration: increase in the amounts compared to 2021; – regarding annual variable remuneration: › lowering of the threshold for the quantitative criterion related to EBITDA; – update of the qualitative criteria for 2022.
Procedures for applying the provisions of the remuneration policy to newly appointed or reappointed corporate officers, pending, where applicable, approval by the general shareholders' meeting of significant changes to the remuneration policy	The provisions of the remuneration policy applicable to corporate officers are intended to apply to corporate officers newly appointed or whose term of office is renewed after the general shareholders' meeting, pending approval by the general shareholders' meeting of any significant changes to the remuneration policy referred to in Article L.22-10-8 of the French Commercial Code.
Exceptions to the application of the remuneration policy	In accordance with applicable legal and regulatory provisions, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, reserves the right to temporarily waive the application of the remuneration policy in the event of exceptional circumstances, provided that such waiver is in line with the Company's interests and is necessary to ensure the Company's sustainability or viability. This option for the Board of Directors to waive this requirement applies to any element of remuneration of any nature whatsoever. In such a case, the Board will decide on the recommendations of the Governance and CSR Committee and will verify whether the conditions necessary to be able to decide such a waiver are met and will justify its decision. Shareholders will be informed of these justifications in the next corporate governance report. It should be noted that the Chairman and Chief Executive Officer does not attend the deliberations on these issues.

6.3.2 REMUNERATION OF EXECUTIVE OFFICERS

6.3.2.1 DESCRIPTION OF REMUNERATION OF EXECUTIVE OFFICERS

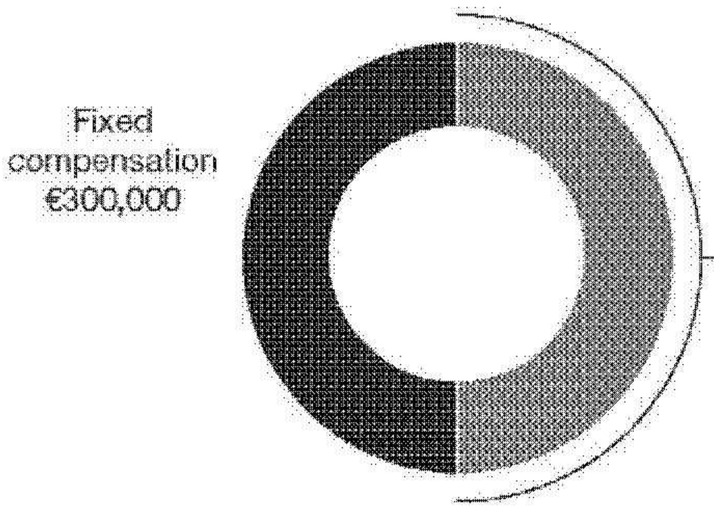
(i) Chairman and Chief Executive Officer

Xavier Barbaro was appointed director by a decision of the general shareholders' meeting of September 12, 2018, the date on which the Company changed its corporate form into that of a limited company (société anonyme) with a Board of Directors, and was appointed Chairman and CEO of the Company for the duration of his directorship by a decision of the Board of Directors of the same date.

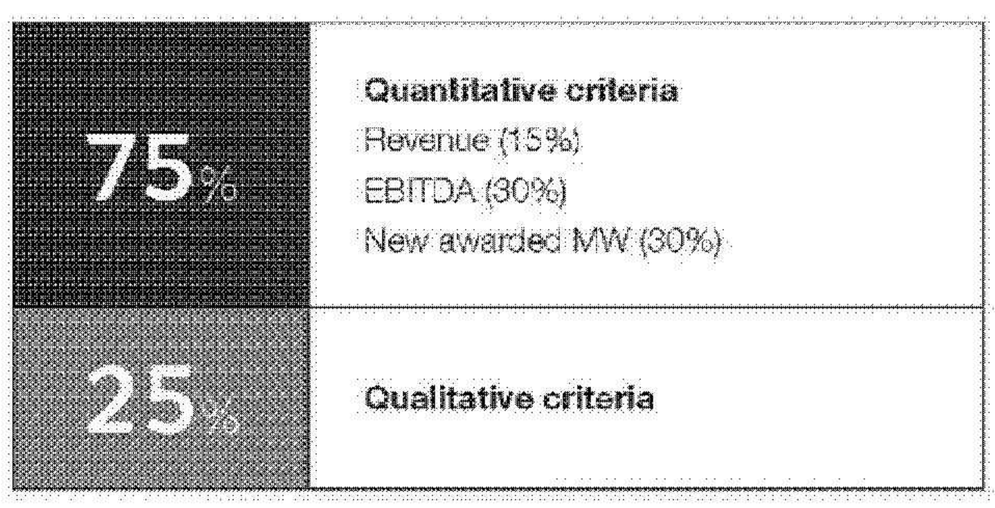
In respect of his term of office as Chairman and Chief Executive Officer of the Company, Xavier Barbaro's remuneration is determined in accordance with the principles set out below. These principles were reviewed by the Governance and CSR Committee on March 7, 2022 and decided by the Board of Directors on March 14, 2022.

In the chart below, all remuneration and amounts shown are expressed in gross amounts.

Fixed and variable compensation



Performance regarding the variable compensation



Remuneration

The remuneration of the Chairman and Chief Executive Officer includes a fixed component and an annual variable component, with the latter being determined in accordance with performance criteria set by the Board of Directors, after consultation with the Governance and CSR Committee, and these criteria are reviewed regularly by the Board.

The payment of variable and, where applicable, exceptional components of remuneration granted in respect of the last financial year is subject to the approval by an ordinary general shareholders' meeting of the components of remuneration paid during or granted in respect of the last financial year to the Chairman and Chief Executive Officer (individual say on pay ex post).

In the event that the functions of Chairman and Chief Executive Officer are separated, the remuneration provided for the Chief Executive Officer would be that currently provided for the Chairman and Chief Executive Officer, and the Chairman would receive a fixed remuneration of an amount determined in consideration of the importance of his duties, without being able to exceed the amount of the fixed remuneration of the Chairman and Chief Executive Officer.

Fixed remuneration

The amount of the fixed remuneration is determined by the Company's Board of Directors on the recommendation of the Governance and CSR Committee, taking into account market practices and remuneration observed for similar functions in French listed companies in the sector and of comparable size.

The Governance and CSR Committee reviews the remuneration of the Chairman and Chief Executive Officer once a year, without this review necessarily giving rise to a revision of the remuneration.

The gross annual fixed remuneration of the Chairman and Chief Executive Officer is increased to €300,000 as from June 1, 2022, compared to €250,000 for the 2021 financial year.

Annual variable remuneration

With respect to variable remuneration, it is proposed that 75% be based on quantitative criteria and 25% be based on qualitative criteria, assuming, with respect to the quantitative criteria, achievement of the target objectives set by reference to the Company's budget, as approved by the Board of Directors, or the EBITDA guidance as the case may be, and, with respect to the MW awarded criterion, on the basis of the target objective set by the Board of Directors. The proposed quantitative criteria make it possible to correlate the amount of the Chairman and Chief Executive Officer's annual variable remuneration with the Group's performance.

In accordance with the AFEP-MEDEF Code, the amount of the annual variable would be equal to 100% of the annual fixed remuneration if the quantitative and qualitative criteria set by the Board of Directors are met, it being specified that in the event of outperformance, the maximum amount of the annual variable remuneration may not exceed an amount corresponding to 200% of the annual fixed remuneration.

Concerning the quantitative criteria:

The quantitative criteria used would represent 75% of the gross annual variable remuneration if the target objectives were achieved and would be assessed with regard to the revenue criterion and the EBITDA criterion in light of the achievement of the budget set by the Board of Directors and the guidance, respectively.

For each criterion defined below (i) a trigger level in relation to the objective set is provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion will be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set is provided for.

These criteria are as follows:

- Revenue criterion:

  Up to 15% of the gross variable annual remuneration (this percentage being applicable in the event of achievement of the target objectives), taking into account the revenue level achieved (i.e. the sum of reported revenue and any penalties paid to compensate for the missed revenue), with a trigger level as from the achievement of 90% of the revenue provided for in the budget approved by the Board of Directors, as well as the following conditions for outperformance:

  – if the level of revenue is between 90% and 100% (inclusive) of the budgeted level of revenue, the achieved percentage will be taken into account linearly. Thus, for example, if 95% of the target revenue is reached, this criterion will enable the Chairman and Chief Executive Officer to be paid 50% of the annual gross variable remuneration target for this criterion (i.e., 7.5% of the amount of his annual fixed remuneration);

  – if the level of revenue exceeds 100% of the budgeted level of revenue, a multiplier coefficient of two applies to the percentage of outperformance achieved (i.e. the percentage between 100% and the level achieved). Thus, for example, if 120% of the target revenue is reached, this criterion will allow the Chairman and Chief Executive Officer to be paid 15% of 140% (i.e. 100% of the target amount plus the outperformance percentage (20%) multiplied by two) of his gross annual fixed remuneration. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 125% the budgeted level of revenue, such that the maximum amount likely to be due in the event of outperformance under this criterion cannot exceed 15% of 150% of his annual fixed remuneration.

- EBITDA criterion:

  Up to 30% of the annual gross variable remuneration (this percentage being applicable if the EBITDA level corresponding to the mid-point of the EBITDA guidance range is reached), taking into account the EBITDA level reached, with a trigger level as from the achievement of 80% of the amount corresponding to the middle of the EBITDA guidance range (with linear application to the target amount of the percentage reached between 80% and 100%) and identical conditions of outperformance *mutatis mutandis* to those provided for the revenue criterion, it being specified that the maximum amount likely to be due in the event of outperformance under this criterion cannot exceed 30% of 150% of his gross annual fixed remuneration;

- New MW awarded criterion:

  Up to 30% of the annual gross variable remuneration (this percentage being applicable if the target objectives are achieved), taking into account the number of new MW in the awarded phase (also including all new MW acquired in the context of any external growth operations as well as the new MW that have gone directly to the under construction phase without having gone through the awarded phase), new MW corresponding to incremental power under repowering projects and new MW corresponding to the change in capacity (the "New MW"), with a triggering level as of the achievement of 50% of the number of MW in the awarded phase target set by the Board of Directors (the "Annual Target Number of New MW Awarded" as described below) and the following performance conditions:

  – if the number of New MW is between 50% and 100% (inclusive) of the Annual Target Number of New MW Awarded for the financial year in question, the percentage achieved will be taken into account on a straight-line basis. Thus, for example, if the number of new MW reaches 70% of said Annual Target Number of New MW Awarded, this criterion will enable the Chairman and Chief Executive Officer to be paid 40% of the variable remuneration target for this criterion;

  – if the number of New MW exceeds 100% of the Annual Target Number of New MW Awarded for the financial year in question, a multiplier coefficient of two applies to the percentage of outperformance achieved (i.e., the percentage between 100% and the level reached). Thus, for example, if the number of New MW reaches 200% of the Annual Target Number of New MW Awarded, this criterion will enable the Chairman and Chief Executive Officer to be paid 30% of 300% (i.e. 100% added to the outperformance percentage (i.e. 100%) multiplied by two) of his annual fixed remuneration. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 250% of the Annual Target Number of New MW Awarded for the financial year in question, so that the maximum amount likely to be due in the event of outperformance of this criterion may not exceed 30% of 400% (i.e. 100% plus the maximum percentage of outperformance 150%) multiplied by two) of his annual fixed remuneration.

The Annual Target Number of New MW Awarded is defined by the Board of Directors. The Board of Directors will be able to adjust the objective of New MW Awarded to take into account the number of invitations to tender in which the Company was able to participate during the financial year, compared to the number of calls for tender taken into account in the year in question.

Regarding qualitative criteria:

The qualitative performance criteria used would represent 25% of the annual gross variable remuneration of the Chairman and Chief Executive Officer (this percentage being applicable if the target objectives are achieved) and take into account the following factors:

* Leadership and organization:
  - leading the senior management of Neoen and the whole of the Company and uniting them around a project of growth, achievement of financial objectives, innovation and internationalisation;
  - developing and retaining talents in all Neoen sites, particularly in key countries (Australia, France, Northern Europe);
  - supporting the regionalisation of Neoen (Australia, Europe, Americas) in order to speed up development and streamline execution, while supporting information sharing between regions.
* Growth:
  - continuing to ensure the growth of the advanced development, tender-ready, awarded, under construction and in operation portfolio, with a particular focus on the early-stage portfolio to form the basis of projects that will feed the portfolio after 2025;
  - ensuring development in France in accordance with the business plan;
  - working to identify and implement external growth opportunities.
* Representation: representing Neoen towards third parties, in particular to investors and analysts.
* Cross-functional issues:
  - continuing to improve HSE practices (halving the number of incidents) and implementing the CSR policy presented at the Capital Markets Day, and meeting the quantitative CSR commitments made under the syndicated facilities agreement (objective relating to corruption prevention training for Group employees and the Vigeo Eiris rating);
  - strengthening professionalism in the information systems (reporting, cybersecurity, etc.).

The Board of Directors may review the above performance criteria annually to take into account changes in the Company's situation, prospects and strategy.

For each criterion, the performance assessment of the Chairman and Chief Executive Officer results from a comparison between the target set and the result achieved.

The assessment of the achievement of the target, which will be carried out under the supervision of the Governance and CSR Committee, will take into account the competitive environment and the market context, which may require an adjustment to the measurement of certain criteria.

The aforementioned criteria contribute to the objectives of the remuneration policy aimed at respecting the corporate interest, contributing to the Company's sustainability and its business strategy, in particular through a periodic review to verify whether the level of remuneration remains in line with the performance achieved by both the Company and the person in question, and by seeking to remain attractive in relation to the remuneration practised on the market, mainly at the level of comparable companies in the sector, with a view to attracting and retaining talent within its management bodies.

Under the conditions set out below, the Board of Directors would have discretionary power in the application of the remuneration policy concerning the annual variable remuneration of the Chairman and Chief Executive Officer to ensure that it correctly reflects the Group's performance. Thus, in the event of new circumstances or events occurring during the financial year - unforeseeable at the time the remuneration policy is determined - that significantly impact, upwards or downwards, the level of achievement of the performance criteria attached to annual variable remuneration, the Board of Directors may decide, on the proposal of the Governance and CSR Committee, to use this discretionary power provided that it continues to comply with the principles set out in the remuneration policy and provides shareholders with a clear, precise and complete explanation of its choice. This discretionary power would apply only to a limited portion of the annual variable remuneration and could increase or reduce the amount of the variable remuneration theoretically achieved, in application of the performance criteria, for the financial year (with a maximum amplitude of plus or minus 20%), without this ever exceeding the overall ceiling of annual variable remuneration provided for by the remuneration policy.

Annual variable remuneration: payment terms and conditions

The payment of the variable remuneration components granted in respect of the previous financial year is subject to the approval by the ordinary general shareholders' meeting of the components of the remuneration and benefits of any kind of the Chairman and Chief Executive Officer paid during the previous financial year or granted in respect of said financial year (individual ex post vote).

Exceptional remuneration

No exceptional remuneration, except in specific circumstances linked to transactions that have a structuring effect on the Company, after the Governance and CSR Committee has given its opinion.

The amount of exceptional remuneration that may be granted in this way could not exceed 100% of the gross annual fixed remuneration.

The payment of exceptional remuneration components granted in respect of the most recently completed financial year is, in any event, subject to the approval by the ordinary general shareholders' meeting of the components of the remuneration and benefits of any kind paid to the Chairman and Chief Executive Officer during the previous financial year or granted in respect of said financial year (individual ex post vote).

Remuneration for directors' activities

The Chairman and Chief Executive Officer may receive remuneration for his duties as a director. However, the Chairman and Chief Executive Officer has indicated that he will not receive such remuneration for his participation in the work of the Company's Board of Directors in his capacity as director and Chairman, for as long as he performs the duties of Chief Executive Officer of the Company.

Benefits of any kind

The Chairman and Chief Executive Officer is provided with a company car, paid for by the Company up to a maximum value of €6,000 per year.

The Chairman and Chief Executive Officer benefits from an unemployment insurance plan that provides him with remuneration over a period of twelve months, equivalent to 70% of his gross annual remuneration.

Other collective benefits

The Chairman and Chief Executive Officer may also benefit from all collective rights and benefits enjoyed by the Company's managers (in particular pension plans, mutual insurance and provident schemes, employee savings plans where permitted by the regulations in force (including, in particular, profit-sharing and incentive schemes), CESU cheques and other benefits set up by the staff representative bodies, etc.).

Stock options, performance shares or any other element of long-term remuneration

The Company's long-term remuneration policy is part of a strategy of associating senior executives and key personnel with the Company's capital that is competitive in light of market practices, in accordance with the objectives of the remuneration policy established by the Board of Directors, i.e. respect for the corporate interest and contribution to the Group's strategy and sustainable development.

The grant of performance shares is decided by the Board of Directors under the terms of the authorisation granted to it by the extraordinary general shareholders' meeting.

The total number of shares that may be granted in this way may not exceed a specific percentage of the share capital provided for in the authorisation granted to the Board of Directors by the general shareholders' meeting. For information purposes, it is specified in this respect that the authorisation regarding the grant of free shares in progress, granted by the general shareholders' Meeting of May 25, 2021 provides that for each financial year the total number of existing shares or shares to be issued granted under this authorisation to the Company's executive officers may not represent more than 50% of the shares that may be granted free of charge under said authorisation.

The Board of Directors is committed to providing for long-term remuneration that is particularly motivating for executive officers, in particular the Chairman and Chief Executive Officer, whose recognised skills and expertise are essential for the Group.

The Company's practice is to award free performance shares to the Chairman and Chief Executive Officer once every three years. The value of the free shares granted (according to the accounting valuation method used for the consolidated financial statements) to the Chairman and Chief Executive Officer may not exceed an amount equal to the product of:

- a ceiling relative to one year: 200% of the maximum fixed and variable remuneration attributable to him/her it for the financial year in question;
- the number of years covered by the plan, i.e. three years.

Any grant of free shares to executive officers would thus be subject to a double cap, in volume and amount.

The number of shares definitively vested will be determined at the end of a period of at least three years, in application of performance conditions that will be assessed over the same period of at least three years, all shares thus allocated being subject to compliance with performance conditions, determined in view of the Company's quantitative objectives, and to a condition of effective presence in the Group at the end of the vesting period. The applicable performance conditions will be demanding and concern both the intrinsic financial and stock market performance of the Group. The conditions will include at least: the thresholds to be reached for EBITDA, new MW (growth criterion) and the rate of return (Total Shareholder Return, or TSR) of the Company's share compared with that of the companies included in the SBF 120 (by sextile).

The executive officers must undertake not to use transactions to hedge their risks on the performance shares allocated to them, until the end of any lock-in period set by the Board of Directors.

The Board of Directors may (i) decide that the shares allocated to executive officers may not be transferred by the interested parties before the termination of their duties, or (ii) set the number of performance shares that they are required to keep in registered form until the termination of their duties.

Supplementary pension scheme

The Chairman and Chief Executive Officer does not currently benefit from a supplementary pension plan. In respect of his corporate office within the Company, the Chairman and Chief Executive Officer may benefit from a defined contribution supplementary pension plan, in accordance with the Group's practices, for the benefit of its senior executives.

Severance pay

The Chairman and Chief Executive Officer is entitled to severance pay in the event of cessation or non-renewal of his term of office as Chief Executive Officer of the Company (excluding cases of gross negligence or serious misconduct). This severance pay will be an amount equivalent to six months of remuneration (one month being defined as the sum of (i) the average monthly fixed remuneration paid in the twelve months preceding the end of the term of office and (ii) the monthly average of the last two amounts of variable remuneration paid).

In accordance with the AFEP-MEDEF Code to which the Company refers, the total severance pay and non-competition remuneration may not exceed twenty-four months of total remuneration (annual fixed and variable remuneration).

Payment of the severance pay will be subject to the dual condition that (x) the sum of the Group's net profit for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is positive and that (y) the average achievement of the variable remuneration criterion of the number of new MW awarded for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is equal to or higher than the average of 50% of the targets for this same criterion and for the said two financial years.

Non-competition payment

The Chairman and Chief Executive Officer is entitled to a non-competition payment for the cessation of his term of office as Chief Executive of the Company in respect of his obligation not to undertake, on French soil, via any means whatsoever, any business competing with that of the Company and not to become involved, directly or indirectly, in any activity that could compete with those of the Company, for a period of twelve (12) months from the date of termination of said duties.

This severance pay will be paid monthly during the twelve months following the cessation of the said duties for an amount equal to 70% of his remuneration (a month of remuneration being defined as the sum of (i) the average monthly fixed remuneration paid in the twelve months preceding the end of the term of office and (ii) the monthly average of the last two amounts of variable remuneration paid).

This indemnity may not be paid if (i) the Chief Executive Officer asserts his pension rights; and/or (ii) he exceeds the age of 65.

The Company, through its Board of Directors, reserves the right, in particular in the event of gross misconduct or major financial difficulties, to unilaterally waive this non-competition commitment on the date of termination of the term of office of the executive officer, in which case he/she shall be free from any commitment and no compensation shall be owed to him/her.

This remuneration policy is subject to the approval of the general shareholders' meeting, pursuant to a resolution reproduced below:

"10th resolution (Approval of the remuneration policy applicable to the Chairman and Chief Executive Officer)

The general shareholders' meeting, deliberating under the conditions of quorum and majority required for ordinary general shareholders' meetings, having taken note of the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the remuneration policy applicable to the Chairman and Chief Executive Officer, as presented in paragraphs 6.3.1 and 6.3.2.1 (i) of the corporate governance report incorporated into the 2021 universal registration document in Chapter 6".

(ii) Deputy Chief Executive Officer

Romain Desrousseaux was appointed Deputy Chief Executive Officer by decision of the Board of Directors of April 17, 2019 on the proposal of the Chairman and Chief Executive Officer and after receiving the opinion of the Governance and CSR Committee. For more information, refer to paragraph 6.2.2.1 of this document.

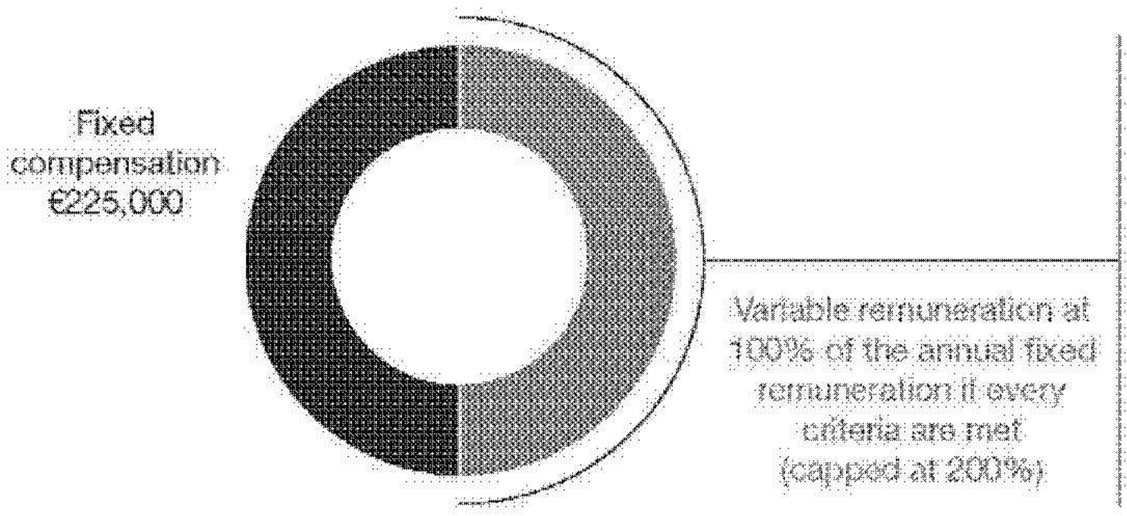
Romain Desrousseaux does not receive any remuneration or benefits for his mandate. He is paid exclusively under his employment contract signed with the Company before his appointment as Deputy Chief Executive Officer.

Article R. 22-10-14 of the French Commercial Code, by reference to Article L. 22-10-8, states that information relating to the remuneration policy relates to remuneration received for the mandate in question. This text therefore does not apply in principle to the Deputy Chief Executive Officer. Insofar as he does not receive any remuneration for his duties as Deputy Chief Executive Officer, it was nevertheless decided to submit, on a voluntary basis, the components of the remuneration of the Chief Operating Officer, as shown below, to a vote at the next general shareholders' meeting.

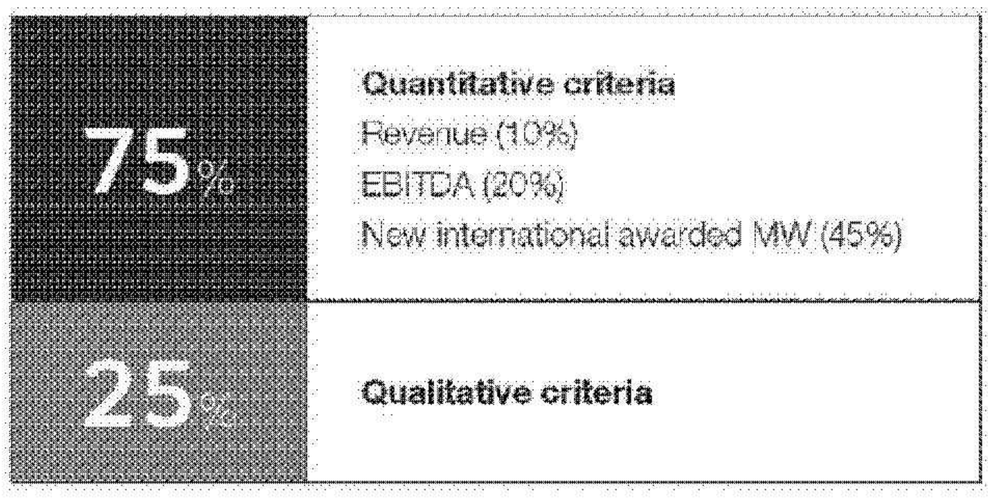
Article R. 22-10-14 of the French Commercial Code nevertheless specifies that the remuneration policy must include the duration of the mandate(s) and, where applicable, the employment or service contracts entered into with the Company, the notice periods and the conditions of revocation or termination applicable to them.

In the chart below, all remuneration and amounts shown are expressed in gross amounts.

Fixed and variable compensation



Performance regarding the variable compensation



Fixed remuneration

The Company pays the Deputy Chief Executive Officer a fixed remuneration under his employment contract. He therefore does not receive any fixed remuneration from the Company in his capacity as Deputy Chief Executive Officer.

The gross annual fixed remuneration of the Deputy Chief Executive Officer is increased to €225,000 as from June 1, 2022, compared to €180,000 for the 2021 financial year.

Annual variable remuneration

In accordance with the employment contract of the Deputy Chief Executive Officer, the variable portion is expressed as a percentage of the annual fixed remuneration. This variable part is calculated based on the degree of achievement of objectives. These are set according to different criteria. These criteria are, for 75%, quantitative criteria in the event that the target objectives set by reference to the Company's budget are achieved, as approved by the Board of Directors or the EBITDA guidance as the case may be, and, with regard to the MW «awarded» criterion, on the basis of the target objective set by the Governance and CSR Committee for the projects for which he has been given responsibility and, for 25%, qualitative criteria. Each year, the amount of the Deputy Chief Executive Officer's variable remuneration for the previous year is determined by the Governance and CSR Committee, which informs the Board of Directors.

In accordance with the AFEP-MEDEF Code, the amount of the annual variable remuneration is capped at 100% of the annual fixed remuneration if the quantitative and qualitative criteria are met, it being specified that in the event of outperformance, the maximum amount of the variable remuneration may not exceed an amount corresponding to 200% of his annual fixed remuneration.

For each criterion defined below (i) a trigger level in relation to the objective set would be provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion would be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set would be provided for.

The quantitative criteria would be as follows:

* Revenue criterion:

  Up to 10% of the gross variable annual remuneration (this percentage being applicable in the event of achievement of the target objectives), taking into account the revenue level achieved (i.e. the sum of reported revenue and any penalties paid to compensate for the missed revenue), with a trigger level as from the achievement of 90% of the revenue provided for in the budget approved by the Board of Directors, as well as the following conditions for outperformance:

  – if the level of revenue is between 90% and 100% (inclusive) of the budgeted level of revenue, the achieved percentage would be taken into account linearly. Thus, for example, if 95% of the target revenue is achieved, this criterion would allow the Deputy Chief Executive Officer to receive 50% of the target annual variable remuneration under this criterion;

  – if the level of revenue exceeds 100% of the budgeted level of revenue, a multiplier coefficient of two would apply to the percentage of outperformance achieved (i.e. the percentage between 100% and the level achieved). Thus, for example, if 120% of the target revenue is reached, this criterion will allow the Deputy Chief Executive Officer to be paid 10% of 140% (i.e. 100% of the target amount plus the outperformance percentage (20%) multiplied by two). It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 125% of the budgeted level of revenue.

* EBITDA criterion:

  Up to 20% of the annual variable remuneration (this percentage is applicable assuming the target objectives are achieved), taking into account the level of EBITDA achieved, with a trigger threshold as from the achievement of 80% of the amount corresponding to the middle of the EBITDA guidance range (applied linearly to the target amount of the percentage achieved between 80% and 100%) and performance conditions identical mutatis mutandis to those provided for the revenue criterion. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 125% of the amount corresponding to the middle of the EBITDA guidance range.

- New MW awarded criterion:

  Up to 45% of the annual variable remuneration (this percentage being applicable if the target objectives are achieved), taking into account the number of new MW in the awarded phase for the projects for which he has been given responsibility (also including all new MW acquired in the context of any external growth operations as well as the new MW that have gone directly to the under construction phase without having gone through the awarded phase), new MW corresponding to incremental power under repowering projects (the «New International MW»), with a triggering level as of the achievement of 50% of the number of MW awarded target set by the Governance and CSR Committee for the projects for which he has been given responsibility (the «Annual Target Number of New International MW Awarded» as described below) and the following performance conditions:

  - if the number of New International MW is between 50% and 100% (inclusive) of the Annual Target Number of New International MW Awarded for the financial year in question, the percentage achieved would be taken into account on a straight-line basis. Thus, for example, if the number of new MW reaches 70% of said Annual Target Number of New International MW Awarded, this criterion will allow the Deputy Chief Executive Officer to be paid 40% of the target amount of variable remuneration under this criterion;
  - if the number of New International MW exceeds 100% of the Annual Target Number of New International MW Awarded for the financial year in question, a multiplier coefficient of two would apply to the percentage of outperformance achieved (i.e., the percentage between 100% and the level reached). Thus, for example, if the number of New International MW reaches 200% of the Annual Target Number of New International MW Awarded, this criterion will enable the Deputy Chief Executive Officer to be paid 45% of 300% (i.e. 100% added to the outperformance percentage (i.e. 100%) multiplied by two) of his annual fixed remuneration. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 250% of the Annual Target Number of New International MW Awarded for the financial year concerned, so that the maximum amount likely to be due in the event of outperformance of this criterion may not exceed 45% of 400% (i.e. 100% of the target number plus the maximum percentage of outperformance (150%) multiplied by two) of his annual fixed remuneration.

  The Annual Target Number of New International MW Awarded is set by the Governance and CSR Committee. It will have the option of adjusting the Annual Target Number of New International MW Awarded to take into account the number of invitations to tender in which the Company was able to participate during the financial year, compared to the number of calls for tender taken into account in the budget for the year in question.

  The qualitative performance criterion used would represent 25% of the annual gross variable remuneration of the Deputy Chief Executive Officer (this percentage being applicable if the target objectives are achieved) and would take into account the following elements:

  - ensuring growth in at least half of the countries where Neoen is present, further accelerating development in Northern Europe and creating the conditions for a sustainable and substantial success in Italy;
  - identifying two new countries where the Group could launch development in 2022, which together could represent more than 1 additional GW in the medium term; and
  - materialising the Group's expertise in energy management by signing innovative contracts for energy production (with a non-intermittent profile) or storage (innovative services).

As the payment of the Deputy Chief Executive Officer's variable remuneration granted in respect of the previous financial year is exclusively linked to his employment contract, he is not subject to approval by the ordinary meeting of shareholders of the components of his remuneration and benefits of any kind, paid during the previous financial year or granted in respect of said financial year (individual ex post vote).

Variable remuneration: deferred method

Not applicable.

Exceptional remuneration

No exceptional remuneration, except in specific circumstances linked to transactions that have a structuring effect on the Company, after the Governance and CSR Committee has given its opinion. This type of remuneration would be linked to the employment contract.

As a result, the payment of components of exceptional remuneration granted in respect of the previous financial year would not, in any case, be conditional on the approval by the ordinary general shareholders' meeting of the components comprising its remuneration and benefits of any kind, paid during the past financial year or granted in respect of the said financial year (individual ex post vote).

Remuneration for directors' activities

Not applicable.

Other collective benefits

The Deputy Chief Executive Officer may also benefit from all collective rights and benefits enjoyed by the Company's managers (in particular pension plans, mutual insurance and provident schemes, employee savings plans where permitted by the regulations in force (including, in particular, profit-sharing and incentive schemes), CESU cheques and other benefits set up by the staff representative bodies, etc.).

Stock options, performance shares or any other element of long-term remuneration

The Company's long-term remuneration policy is part of a strategy of associating senior executives and key personnel with the Company's capital that is competitive in light of market practices, in accordance with the objectives of the remuneration policy, i.e. respect for the corporate interest and contribution to the Group's strategy and sustainable development.

The grant of performance shares is decided by the Board of Directors under the terms of the authorisation granted to it by the extraordinary general shareholders' meeting.

The total number of shares thus allocated may not exceed a specific percentage of the share capital provided for in the authorisation granted to the Board of Directors by the general shareholders' meeting. For information purposes, it is specified in this respect that the authorisation regarding the grant of free shares in progress, granted by the general shareholders' meeting of May 25, 2021 provides that the total number of existing shares or shares to be issued granted under this authorisation to the Company's executive officers may not represent more than 50% of the shares that may be granted free of charge under said authorisation.

The Company is committed to providing for long-term remuneration that is particularly motivating for executive officers, in particular the Deputy Chief Executive Officer(s), whose skills and expertise are essential for the Group.

The Company's practice is to award free performance shares to the Deputy Chief Executive Officer once every three years. The value of the free shares granted (according to the accounting valuation method used for the consolidated financial statements) to the Deputy Chief Executive Officer may not exceed an amount equal to the product of:

- a ceiling relative to one year: 200% of the maximum fixed and variable remuneration attributable to him/her it for the financial year in question;
- the number of years covered by the plan, i.e. three years.

Any grant of free shares to executive officers would thus be subject to a double cap, in volume and value.

The number of shares definitively vested will be determined at the end of a period of at least three years, in application of performance conditions that will be assessed over the same period of at least three years, all shares thus allocated being subject to compliance with performance conditions, determined in view of the Company's quantitative objective and to a condition of actual presence in the Group at the end of the vesting period. The applicable performance conditions will be demanding and concern both the intrinsic financial and stock market performance of the Group. The conditions will include at least: the thresholds to be reached for EBITDA, new MW (growth criterion) and the rate of return (Total Shareholder Return, or TSR) of the Company's share compared with that of the companies included in the SBF 120 (by sextile).

The executive officers must undertake not to use transactions to hedge their risks on the performance shares allocated to them, until the end of any lock-in period set by the Board of Directors.

The Board of Directors may (i) decide that the shares allocated to executive officers may not be transferred by the interested parties before the termination of their duties, or (ii) set the number of performance shares that they are required to keep in registered form until the termination of their duties.

Severance pay

The Deputy Chief Executive Officer is not entitled to any specific severance pay in the event of termination of his office or employment contract.

Employment contract notice periods

The Deputy Chief Executive Officer is subject to a three-month notice period in the event of resignation under his permanent employment contract.

Conditions for terminating the employment contract

The Deputy Chief Executive Officer may resign from his employment contract.

The Company may make a dismissal, provided that it has a reason, or a contractual termination.

Non-competition payment

The Deputy Chief Executive Officer is entitled to a non-competition payment upon termination of his employment contract with the Company in return for the application of the clause which has the consequence of limiting the free exercise of a professional activity. The Deputy Chief Executive Officer will receive a monthly financial compensation from the date of termination of his/her employment contract and throughout the application of the clause, calculated as follows:

- 33% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if he/she becomes unemployed; and
- 20% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if he has found a job.

Supplementary pension scheme

The Deputy Chief Executive Officer may be entitled to a supplementary defined contribution pension plan, in accordance with Group practices, in favour of its senior executives.

This remuneration policy for the Deputy Chief Executive Officer was submitted to the general shareholders' meeting of May 25, 2021 pursuant to the resolution reproduced below:

"10th resolution (Approval of the remuneration policy applicable to the Deputy Chief Executive Officer)

The general shareholders' meeting, deliberating under the conditions of quorum and majority required for ordinary general shareholders' meetings, having taken note of the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the remuneration policy applicable to the Deputy Chief Executive Officer, as presented in paragraphs 6.3.1 and 6.3.2.1 (ii) of the corporate governance report incorporated into the 2021 universal registration document in Chapter 6."

6.3.2.2 SUMMARY OF REMUNERATION FOR EXECUTIVE OFFICERS XAVIER BARBARO AND ROMAIN DESROUSSEAUX

The tables below follow the standardised presentation recommended in the AFEP/MEDEF Code and by the AMF.

Table 1 - Summary of remuneration and options and shares granted to each executive officer (AMF nomenclature)

(in euros)	2020[1]	2021[1]
Xavier Barbaro, Chairman & Chief Executive Officer		
Remuneration granted in respect of the financial year *(detailed in Table 2)*	470,159.23[2]	452,633.75[2]
Valuation of multi-year variable remuneration granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of free shares granted during the financial year	-	4,181,143.56
Valuation of other long-term remuneration plans	-	-
TOTAL	**470,159.23**	**4,633,777.31**
Romain Desrousseaux, Deputy Chief Executive Officer		
Remuneration granted in respect of the financial year *(detailed in Table 2)*	361,292.40	317,287.80[3]
Valuation of multi-year variable remuneration granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of free shares granted during the financial year	-	2,787,429.04
Valuation of other long-term remuneration plans	-	-
TOTAL	**361,292.40**	**3,104,716.84**

(1) On a gross basis (before social security contributions and taxes).

(2) For the purposes of this document, this amount does not include benefits in kind in the amount of €4,580.28 (corresponding to the company car) and €11,266.13 (corresponding to unemployment insurance premiums) taken into account in Table 2 below. This amount does not include the profit-sharing granted in 2021 in respect of 2020 in the amount of €18,000, nor the profit-sharing granted in 2022 in respect of 2021 in the amount of €19,000 (see paragraph 6.3.2.3, in the table relating to individual say on pay ex-post for executive officers).

(3) For the purposes of this table, this amount does not include the profit-sharing granted in 2021 in respect of 2020 in the amount of €15,000, nor the profit-sharing granted in 2022 in respect of 2021 in the amount of €19,000. Please refer to paragraph 6.3.2.4 (in the table on individual say on pay ex-post for executive officers).

Table 2 - Summary of remuneration of each executive officer (AMF nomenclature)

	2020[1]		2021[1]	
(in euros)	Amounts granted[3]	Amounts paid[3]	Amounts granted[3]	Amounts paid[3]
Xavier Barbaro, Chairman and Chief Executive Officer[5]				
Fixed remuneration	229,166.73	229,166.73	250,000.00	250,000.00
Annual variable remuneration[4]	240,992.50	240,992.50	202,693.75	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration granted based on the office of director	-	-	-	-
Benefits of any kind[2]	4,612.32 (company car) 7,083.36 (unemployment insurance)	11,695.68	4,580.28 (company car) 11,266.13 (unemployment insurance)	15,846.41
TOTAL	**481,854.91**	**481,854.91**	**468,480.16**	**265,846.41**
Romain Desrousseaux, Deputy Chief Executive Officer[5]				
Fixed remuneration	180,000.00	180,000.00	180,000.00	180,000.00
Annual variable remuneration[4]	181,292.40	181,292.40	137,287.80	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration granted based on the office of director	*N/A*	*N/A*	*N/A*	*N/A*
Benefits of any kind	-	-	-	-
TOTAL	**361,292.40**	**361,292.40**	**317,287.80**	**180,000.00**

(1) On a gross basis (before social security contributions and taxes).

(2) Xavier Barbaro has a company car and unemployment insurance (refer to paragraph 6.3.2.1 (i) of this document for more information on this unemployment insurance).

(3) For the above-mentioned financial year.

(4) The criteria for annual variable remuneration granted for the 2021 financial year and their level of achievement are detailed in paragraphs 6.3.2.3 and 6.3.2.4 (in the table relating to the individual say on pay ex post for executive officers).

(5) Xavier Barbaro and Romain Desrousseaux also benefited from a profit-sharing scheme for 2020, paid in 2021, in the amount of €13,000 each. The profit-sharing granted to each person in 2022 for 2021 amounts to €19,000 (see paragraphs 6.3.2.3 and 6.3.2.4 - table relating to individual say on pay ex-post for executive officers).

Equity ratios

In accordance with paragraphs 6 and 7 of I of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios between the level of remuneration of the Chairman and Chief Executive Officer and, on the one hand, the average remuneration on a full-time equivalent basis for employees other than corporate officers, and, on the other hand, the median remuneration on a full-time equivalent basis for employees other than corporate officers, as well as the annual change in the remuneration of the Chairman and Chief Executive Officer, the Company's performance, the average remuneration on a full-time equivalent basis for employees, other than executives, and the ratios mentioned above, during the 2021 financial year.

The remuneration of the Chairman and Chief Executive Officer used for the purposes of this calculation includes all components of fixed, variable and exceptional remuneration due or awarded in respect of the 2021, 2020 and 2019 financial years. The Company completed its IPO in the second half of 2018. Consequently, the presentation of ratios over a five-year period does not seem appropriate since the Company was not subject to the same level of legal requirements as that which it now faces as an entity whose shares are admitted to trading on the regulated market of Euronext Paris.

Insofar as the Deputy Chief Executive Officer received a free share grant in 2021 and this grant was made to him in respect of his corporate office, this grant being the first and only element of remuneration of the Deputy Chief Executive Officer in respect of his corporate office since his appointment as Deputy Chief Executive Officer, the Company has decided to calculate the same ratio between the level of remuneration of the Deputy Chief Executive Officer and, on the one hand, the average remuneration on a full-time equivalent basis of employees other than corporate officers, and on the other hand, the median remuneration on a full-time equivalent basis of employees other than corporate officers for the Deputy Chief Executive Officer for the first time in respect of the 2021 financial year. However, this calculation was not made for the 2019 and 2020 financial years, as the entire remuneration of the Deputy Chief Executive Officer

in respect of these financial years was paid to him solely under his employment contract.

The remuneration of the Deputy Chief Executive Officer used for the purposes of this calculation includes all components of fixed, variable and exceptional remuneration due or awarded in respect of the 2021 financial year.

The ratios were calculated on the basis of the median and average remuneration paid (including, where applicable, the bonus paid) to employees of the Company, the only French company in the Group that has employees in France. The ratios were therefore calculated on the basis of all Group employees in France.

The following methodological elements should be highlighted:

- for representativeness purposes, the scope used is that of the Company (representing 100% of the employees in France and 51.17% of the Group's employees), by retaining employees on permanent and fixed-term contracts present both on December 31 of the financial year in question and December 31 of the previous financial year. By way of illustration, on December 31, 2021, this workforce represented 72.55% of the permanent/fixed-term workforce in France;
- the following components were used in accordance with the AFEP guidelines on remuneration multiples published on December 19, 2019 and updated in February 2021 (the «Guidelines»): fixed remuneration, variable remuneration, profit-sharing and incentive schemes, performance shares awarded in respect of the financial year in question, exceptional bonus and any benefits in kind. Severance, non-competition benefits and supplementary pension plans were excluded. With regard to performance shares, in accordance with the Guidelines, the full valuation of the free shares was retained for the financial year in question, even though (x) their definitive grant is conditional on actual presence at the date of definitive grant and the achievement of performance criteria with a three-year vesting period, and (y) the Company's practice is to grant them to corporate officers once every three years.

Change

Insofar as the Company calculates the equity ratios in application of the Guidelines, according to which the remuneration actually paid (such as fixed remuneration) or granted (such as variable remuneration or profit-sharing) as well as benefits in kind and the valuation of performance shares granted free of charge must be added together, the latter must be taken into account in full for the financial year in question, even though it is subject to a three-year vesting period and to the condition of presence as well as to the achievement of performance conditions, and the Company's practice is to grant them once every three years. As a result, changes in the remuneration of the Chairman and Chief Executive Officer calculated in accordance with the Guidelines are strongly impacted by the valuation of the free shares granted once every three years, the vesting of which is uncertain and staggered over time.

The total remuneration paid or granted (in the case of free shares, the valuation of all of them was retained for the year in question) to the Chairman and Chief Executive Officer in 2021 was €4,668,623.72, 833.99% higher than that paid in 2020 and 989.42% higher than that paid in 2019[1] (excluding the valuation of free shares, it was €487,480.16, 2.48% lower than in 2020 and 13.75% higher than in 2019). This compares with an 11.04% increase in EBITDA and a 6.80% decrease in average employee remuneration (due to the scope effect[2] compared to 2020 and a 39.01% increase in EBITDA and a 15.43% decrease in average employee remuneration (due to the scope effect[3]) compared to 2019.

The Company is unable to present the change in the total remuneration paid or granted to the Deputy Chief Executive Officer in 2021 compared to previous financial years, as the equity ratios for the Deputy Chief Executive Officer are calculated for the first time in 2021 (see table below).

[1] Insofar as Xavier Barbaro received a free share grant in the 2021 financial year and the Company's practice is to grant shares to corporate officers once every three years, the addition of this remuneration component for the 2021 financial year is reflected in the percentage increase.

[2] This decrease is mainly explained by (x) the fact that the average remuneration of employees in 2020 includes the full remuneration of Mr Romain Desrousseaux, unlike the average remuneration in 2021, which excludes him, and (y) a number of internal transfers from France to other countries.

[3] This decrease is mainly explained by (x) the fact that the average remuneration of employees in 2019 includes the full remuneration of Mr Romain Desrousseaux, unlike the average remuneration in 2021, which excludes him, and (y) a number of internal transfers from France to other countries.

Tables - Comparison of the remuneration of executive officers with the Company's performance and the average and median remuneration of employees

	2019	2020	**2021**
Xavier Barbaro, Chairman and Chief Executive Officer[1]			
Remuneration (in euros)	428,543.35[2][3]	499,854.91[2][4]	4,668,623.72
Ratio in relation to average employee remuneration[5][12]	**3.47**[2][3]	**4.46**[2][4]	**44.70**[7][8]
Ratio in relation to median employee remuneration[6][12]	**5.23**[2][3]	**6.98**[2][4]	**65.80**[7][8]
EBITDA (in € million)	216.1[9][10]	270.4[9][11]	300.4[9][14]

(1) Xavier Barbaro's remuneration for 2019, 2020 and 2021 corresponds to the annual amount of remuneration set by the Board of Directors at the time of the Company's IPO on October 17, 2018, so that the information for 2019, 2020 and 2021 contained herein cannot be compared with previous financial years.

(2) When calculating the equity ratios for financial years 2019 and 2020, the Company adopted the approach consistent with the guidelines on remuneration multiples published by AFEP, which consisted in taking into account the items paid or granted during financial year N, which implied taking into account the variable remuneration paid during financial year N in respect of financial year N-1. This approach does not seem to be the most appropriate as it results in a comparison of remuneration with the company's performance over different financial years. This is why the Company has decided to change its approach to calculating remuneration on the basis of items due or granted in respect of financial year N.

(3) Remuneration calculated on the basis of items due or granted in respect of financial year N. Remuneration calculated on the basis of items paid or granted during financial year N in respect of financial year 2019 amounted to €417,197.66.

(4) Remuneration calculated on the basis of items due or granted in respect of financial year N. Remuneration calculated on the basis of items paid or granted during financial year N in respect of financial year 2020 amounted to €457,710.88.

(5) Ratio calculated on the basis of items due or granted in respect of financial year N. The ratio calculated on the basis of the items paid or granted in financial year N in respect of 2019 was 4.96.

(6) Ratio calculated on the basis of items due or granted in respect of financial year N. The ratio calculated on the basis of the items paid or granted in financial year N in respect of 2020 was 4.10.

(7) Insofar as Xavier Barbaro was not granted any free shares during the 2019 and 2020 financial years, the absence of this remuneration component is reflected in the ratios.

(8) Ratio calculated on the basis of items due or granted in respect of financial year N. The ratio calculated on the basis of the items paid or granted in financial year N in respect of 2019 was 7.07.

(9) Ratio calculated on the basis of items due or granted in respect of financial year N. The ratio calculated on the basis of the items paid or granted in financial year N in respect of 2020 was 6.22.

(10) €217.2 million at constant exchange rates.

(11) €274.8 million at constant exchange rates.

(12) The average and median remuneration of employees includes the remuneration that Romain Desrousseaux received under his employment contract in 2019 and 2020. However, the entire remuneration received by Romain Desrousseaux in 2021, including that received under his employment contract, was excluded from the average and median remuneration of employees (see paragraph 6.3.2.1 (ii) of this document).

(13) Insofar as Xavier Barbaro was granted free shares during the 2021 financial year, the addition of this remuneration component for the 2021 financial year is reflected in the ratios.

(14) €297.2 million at constant exchange rates.

	2021
Romain Desrousseaux, Deputy Chief Executive Officer[5]	
Remuneration (in euros)	3,123,716.84
Ratio in relation to average employee remuneration	**29.91**[2]
Ratio in relation to median employee remuneration	**44.03**[2]
EBITDA (in € million)	300.4[3]

(1) Insofar as Romain Desrousseaux's remuneration as Deputy Chief Executive Officer for the financial years prior to 2021 was paid to him in full under his employment contract, the Company did not calculate the equity ratios concerning him. Following the grant of free shares to Romain Desrousseaux in respect of his corporate office in 2021 (this grant being the first and only element of remuneration for the Deputy Chief Executive Officer in respect of his corporate office since his appointment as Deputy Chief Executive Officer in 2019), the Company decided to calculate the equity ratios for the Deputy Chief Executive Officer for the first time in respect of the 2021 financial year.

(2) Insofar as Romain Desrousseaux was granted free shares during the 2021 financial year, the presence of this remuneration component for the 2021 financial year is reflected in the ratios.

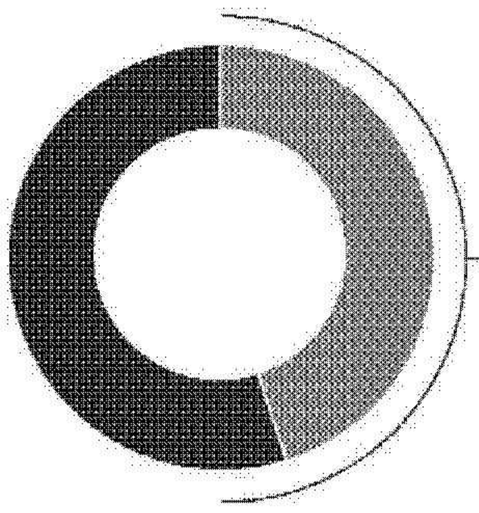
(3) €297.2 million at constant exchange rates.

6.3.2.3 FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE 2021 FINANCIAL YEAR OR GRANTED IN RESPECT OF THE SAME FINANCIAL YEAR TO XAVIER BARBARO, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SUBMITTED TO THE VOTE OF THE GENERAL SHAREHOLDERS' MEETING OF MAY 25, 2022 IN ITS 6TH RESOLUTION (INDIVIDUAL SAY ON PAY EX POST)

Summary tables of the remuneration of the Chairman and Chief Executive Officer granted for the 2021 financial year

In the chart below, all remuneration and amounts shown are expressed in gross amounts.

Summary of remuneration



Valuation of free shares granted during the year
€4,181,143.56

Performance regarding the variable compensation

75%	**Quantitative criteria** Revenue (15%) EBITDA (30%) New awarded MW (30%)	**Amount** €140,133.75
25%	**Quantitative criteria**	**Amount** €62,500

Remuneration for term of office as a director	Profit-sharing	Benefits of any kind	Exceptional remuneration	Supplementary pension scheme
€0	€19,000	€15,846.41	€0	None

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year	Amounts granted in respect of the past financial year or accounting valuation	Presentation
Fixed remuneration	€250,000.00	€250,000.00	The amount of the annual fixed remuneration of the Chairman and Chief Executive Officer paid during 2021 and granted for that financial year was **€250,000**.
Annual variable remuneration	€240,992.50[4]	€202,633.75	The amount of the Chairman and Chief Executive Officer's variable remuneration for his duties within the Company is set by the Company's Board of Directors, after consultation with the Governance and CSR Committee, and based on performance criteria. The variable portion of the Chairman and Chief Executive Officer's remuneration will amount to 100% of the gross amount of his fixed remuneration if the performance criteria are met, not to exceed 200% of the gross amount of his fixed remuneration. During its meeting of March 14, 2022, the Board of Directors, after receiving the opinion of the Governance and CSR Committee, noted the achievement of the variable remuneration performance criteria as follows: * **Revenue** criterion: **€336 million**, or 99.59% of budgeted revenue, or 95.83% of the 15% target; * **EBITDA** criterion: **€300.4 million**, or 96.90% of budgeted EBITDA, or 69.03% of the 30% target; * **New MW awarded** criterion: **690.4 MW**, or 84.95% of the annual target number of new MW awarded, or 69.90% of the 30% target. Regarding the **qualitative performance criteria,** the Board of Directors noted that: * Concerning leadership within Neoen: development of the Executive Committee with the arrival of Norbert Thouvenot, and direct reporting to the Chairman and CEO of development in France; achievement of financial objectives; and acceleration of internationalisation (opening up of Italy), continued internationalisation of the teams (now 36 nationalities for 299 employees, emergence of non-French management in key countries for Neoen such as Finland). * As for representing Neoen to the outside world: a major effort to be present with investors and analysts, not only during the capital increase, which was a success, but also throughout the year, and it is worth noting that the sharp fall in the share price was a sector-wide phenomenon. * Regarding the implementation of the 2025 strategic plan: despite the number of MW awarded in 2021 being below expectations (by around 15%), Neoen's development has accelerated (Neoen was no. 1 in the two government tenders of the year) and the farm-down has been perfectly executed. * Lastly, with regard to the continuous improvement of Health & Safety practices, the implementation of a CSR policy and the fulfilment of the quantitative commitments made in this area under the syndicated facility: recruitment in 2021 of HSE and CSR managers, improvement of HSE indicators (no fatal accidents on the sites), formalised and monitored CSR policy (first carbon footprint established, anti-corruption training attended by almost all the teams, recycling policy more advanced than expected, etc.) and achievement of the objectives under the syndicated facility well beyond those scheduled for 2021 (significant improvement in the Vigeo rating, exceeding the objective relating to anti-corruption training). Thus, in total, the amount of annual variable remuneration granted to Xavier Barbaro for the 2021 financial year is **€202,633.75.** The payment of the annual variable remuneration granted for 2021 is subject to approval by the next ordinary general shareholders' meeting of the resolution covered by this table.
Exceptional remuneration	None	None	No exceptional remuneration.
Remuneration for term of office as a director	None	None	The Chairman and Chief Executive Officer has indicated that he will not receive such remuneration for his participation in the work of the Company's Board of Directors as long as he holds the above-mentioned positions.
Profit-sharing	€18,000	€19,000	The profit-sharing scheme was put in place for the first time for the year 2019 and paid in 2020 and 2021.

[4] The payment of these remuneration components was approved by the general shareholders' meeting of May 25, 2021 under the fifth ordinary resolution.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year	Amounts granted in respect of the past financial year or accounting valuation	Presentation
Benefits of any kind	€15,846.41 (accounting valuation)	€4,580.28 (company car) €11,266.13 (unemployment insurance)	The Chairman and Chief Executive Officer is provided with a company car, paid for by the Company up to a maximum value of €6,000 per year. The Chairman and Chief Executive Officer benefits from an unemployment insurance plan that provides him with compensation over a period of twelve months, equivalent to 70% of his gross annual remuneration.
Stock options, free shares or any other element of long-term remuneration		Options: None Shares: €4,151,143.56[5]. (accounting valuation)	**No options to subscribe for or purchase shares** were granted to Xavier Barbaro during the 2021 financial year. 95,766 free shares were granted to Xavier Barbaro during the 2021 financial year[6] pursuant to the remuneration policy as described in paragraph 6.3.2.1(i) of the Company's 2020 universal registration document.
Severance pay	None	None	The Chairman and Chief Executive Officer is entitled to severance pay in the event of cessation or non-renewal of his term of office as Chief Executive Officer of the Company (excluding cases of gross negligence or serious misconduct). This severance pay will be an amount equivalent to six months of remuneration (one month being defined as the sum of (i) the average monthly fixed remuneration paid in the twelve months preceding the end of the term of office and (ii) the monthly average of the last two amounts of variable remuneration paid). Payment of the severance pay will be subject to the dual condition that (x) the sum of the Group's net profit for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is positive and that (y) the average achievement of the variable remuneration criterion of the number of new MW awarded for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is equal to or higher than the average of 50% of the targets for this same criterion and for the said two financial years.
Non-competition payment	None	None	The Chairman and Chief Executive Officer is entitled to a non-competition payment for the cessation of his term of office as Chief Executive within the Company in respect of his obligation not to undertake, on French soil, via any means whatsoever, any business competing with that of the Company and not to become involved, directly or indirectly, in any activity that could compete with those of the Company, for a period of twelve (12) months from the date of termination of said duties. This severance pay will be paid monthly during the twelve months following the cessation of the said duties for an amount equal to 70% of his remuneration (a month of remuneration being defined as the sum of (i) the average monthly fixed remuneration paid in the twelve months preceding the end of the term of office and (ii) the monthly average of the last two amounts of variable remuneration paid). This indemnity may not be paid if (i) the Chief Executive Officer asserts his pension rights; and/or (ii) he exceeds the age of 65.
Supplementary pension scheme	N/A		Xavier Barbaro does not benefit from a supplementary defined contribution pension plan.

[5] Based on the share closing price on March 10, 2021 (€43.66, adjusted to take into account the completion of the capital increase with preferential subscription rights in April 2021).

[6] 88,590 free shares were granted to Xavier Barbaro on March 10, 2021, this number having been adjusted to 95,766 free shares to take into account the completion of the capital increase with preferential subscription rights in April 2021.

6.3.2.4 FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE 2021 FINANCIAL YEAR OR GRANTED FOR THE SAME FINANCIAL YEAR TO ROMAIN DESROUSSEAUX, DEPUTY CHIEF EXECUTIVE OFFICER SUBMITTED TO THE VOTE OF THE GENERAL SHAREHOLDERS' MEETING OF MAY 25, 2022 IN ITS 7TH RESOLUTION (INDIVIDUAL SAY ON PAY EX POST)

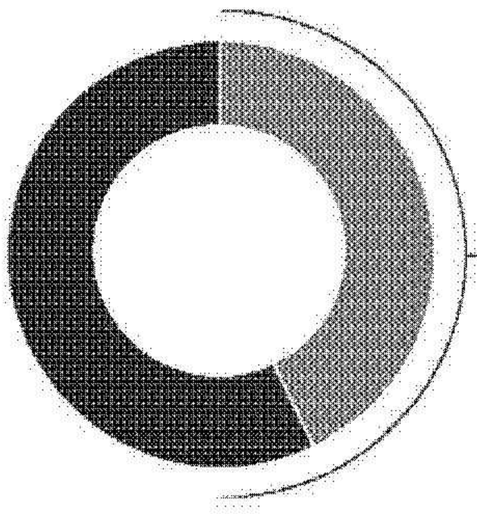
The payment of the variable and exceptional components granted to Romain Desrousseaux is not subject to approval by an ordinary general shareholders' meeting. However, they are submitted to it voluntarily.

The following information is provided for this purpose:

Summary table of the remuneration of the Deputy Chief Executive Officer granted for the 2021 financial year

In the chart below, all remuneration and amounts shown are expressed in gross amounts.

Summary of remuneration



Valuation of free shares granted during the year
€2,787,429.04

Performance regarding the variable compensation

75%	**Quantitative criteria** Revenue (10%) EBITDA (20%) New international awarded MW (45%)	**Amount** €92,287.80
25%	**Quantitative criteria**	**Amount** €45,000

Remuneration for term of office as a director	**Profit-sharing**	**Benefits of any kind**	**Exceptional remuneration**	**Supplementary pension scheme**
€0	€19,000	None	€0	None

First, it should be noted that Romain Desrousseaux, Deputy Chief Executive Officer, is remunerated exclusively under his employment contract (subject to the performance shares granted to him free of charge in 2021 in respect of his corporate office).

It was nevertheless decided to submit the table set out below to a vote at the next general shareholders' meeting (which recaps, for information purposes only, the components related to the employment contract in the column «Presentation»).

Accordingly, this table does not show any amount in the columns concerning the remuneration paid during 2021 or granted in respect of that financial year to Romain Desrousseaux in respect of his corporate office, other than the free shares granted to him on March 10, 2021 in respect of his corporate office in accordance with the remuneration policy as described in paragraph 6.3.2.1(ii) of the Company's 2020 universal registration document.

As the variable annual cash remuneration granted in respect of 2021 is exclusively linked to his employment contract, its payment is not conditional on a favourable vote at the next ordinary general shareholders' meeting.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year in respect of the corporate office	Amounts granted in respect of the past financial year or accounting valuation in respect of the corporate office	Presentation (indicative)
Fixed remuneration	None	None	This remuneration is paid by the Company under the employment contract of the Deputy Chief Executive Officer. For information purposes, it amounts to **€180,000** for 2021. The Deputy Chief Executive Officer does not therefore receive any fixed remuneration paid by the Company in his capacity as Deputy Chief Executive Officer.
Annual variable remuneration	None	None	The variable remuneration of the Deputy Chief Executive Officer for 2021 was set by the Governance and CSR Committee on March 7, 2022, which noted the following performances in respect of the quantitative and qualitative performance criteria set by the Committee at its meeting of March 3, 2021 and whose principles are reflected in his employment contract: * **Revenue** criterion: **€336 million**, or 99.59% of budgeted revenue, or 95.83% of the 10% target; * **EBITDA** criterion: **€300.4 million**, or 96.90% of budgeted EBITDA, or 69.03% of the 20% target; * **New international MW awarded** criterion: **668.1 MW**, or 80.98% achievement of this criterion (based on the target number), or 61.96% of the 45% target; With regard to the qualitative performance criteria, the Committee noted that: * With regard to leadership within the development teams in the Australia, Europe and the Americas regions, and the representation of Neoen to our local counterparts: despite numerous logistical constraints in 2021, great investment remotely, and physically whenever possible. * Continued internationalisation of the Company with a focus on Europe: creation of a team in Italy, and acceleration in northern Europe, with real local teams. * With regard to the development of the Energy Management function: notwithstanding the absence of signature in 2021 of a first synthetic baseload contract (emulation of constant production by combining production, storage and trading): – preparing the ground to make it possible in the near future; – strengthening of the energy management function with the teams in Europe, with real success in Finland in particular. * Lastly, regarding external growth opportunities under the 2021-2025 business plan: securing advanced development projects in Ireland and Scandinavia (this is a good way for Neoen to grow faster while creating value). Thus, in total, the amount of annual variable remuneration granted to the Deputy Chief Executive Officer for the 2021 financial year will be €137,287.80. As the Deputy Chief Executive Officer's annual variable remuneration is exclusively granted under his employment contract, his payment is not subject to the approval by the general shareholders' meeting of remuneration and benefits of any kind paid during or granted in respect of the last financial year.
Exceptional remuneration	None	None	No exceptional remuneration.
Remuneration for term of office as a director	N/A	N/A	Not applicable.
Profit-sharing	None		An amount of €18,000.00 was paid in 2021 in respect of 2020. The profit-sharing granted in 2022 in respect of 2021 amounts to €19,000.
Benefits of any kind	None	None	The Deputy Chief Executive Officer did not receive any individual benefits of any kind in respect of the 2021 financial year.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year in respect of the corporate office	Amounts granted in respect of the past financial year or accounting valuation in respect of the corporate office	Presentation (indicative)
Stock options, free shares or any other element of long-term remuneration		Options: None Shares: €2,787,429.04[1] (accounting valuation)	**No options to subscribe for or purchase shares** were granted to the Deputy Chief Executive Officer during the 2021 financial year. 63,844 free shares were granted to the Deputy Chief Executive Officer during the 2021 financial year, pursuant to the remuneration policy as described in paragraph 6.3.2.1(ii) of the Company's 2020 universal registration document[2].
Severance pay	N/A		The Deputy Chief Executive Officer is not entitled to any specific severance pay in the event of termination of his office or employment contract.
Non-competition payment	None	None	The Deputy Chief Executive Officer is entitled to a non-competition payment upon termination of his employment contract with the Company in return for the application of the clause which has the consequence of limiting the free exercise of a professional activity. The Deputy Chief Executive Officer will receive a monthly financial compensation from the date of termination of his/her employment contract and throughout the application of the clause, calculated as follows: * 33% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if the employee becomes unemployed; and * 20% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if the employee has found a job.
Supplementary pension scheme	N/A		The Deputy Chief Executive Officer does not benefit from a supplementary defined contribution pension plan.

6.3.3 COMPENSATION OF NON-EXECUTIVE OFFICERS

(i) Remuneration policy for directors

In accordance with the law, the maximum amount of remuneration allocated to directors is set by the general shareholders' meeting.

The general shareholders' meeting of May 26, 2020 decided to set this amount at €300,000 per year for the current and subsequent periods, unless a new general shareholders' meeting in the future changes the annual amount. In addition, since the amount of remuneration allocated is granted on an annual basis, this amount is calculated prorata temporis in the event of the appointment or termination, for any reason whatsoever, of the term of office of member of the Board of Directors during the financial year.

Within the limit of the amount decided by the general shareholders' meeting and in accordance with the remuneration policy, the Board of Directors decides at the end of each year the amount of remuneration that will be allocated to its members for the financial year ended and at the beginning of each year their allocation rules as well as the methods for calculating the remuneration allocated for the current financial year.

Thus, in the context of the policy to be submitted to the vote of the general shareholders' meeting on May 25, 2022, the Board of Directors has decided to pay an additional amount of €2,500 in respect of amounts that may be granted to the members and Chairman of the Governance and CSR Committee and the Lead Independent Director in respect of their duties within the total annual amount set by the general shareholders' meeting (the total amount of which remains unchanged). It also proposed to change the calculation methods for remuneration that may be granted for the duties of director, and in particular to increase from 50% to 70% the threshold of absence at which remuneration will be reduced in proportion to the presence, so that the variable portion of the remuneration becomes preponderant in accordance with the recommendations of the AFEP/MEDEF Code, it being specified that in the event of absence from 20% of the meetings or less, no deduction will be applied.

[1] Based on the share closing price on March 10, 2021 (€43.66, adjusted to take into account the completion of the capital increase with preferential subscription rights in April 2021).

[2] 59,060 free shares were granted to Romain Desrousseaux on March 10, 2021, this number having been adjusted to 63,844 free shares to take into account the completion of the capital increase with preferential subscription rights in April 2021.

The criteria for distribution the fixed annual amount allocated by the general shareholders' meeting to the directors are as follows:

BOARD OF DIRECTORS

- A remuneration of €35,000 is due to each director, adjusted according to their actual attendance and time devoted to the work:
  - in case of absence from 20% of the meetings: the amount due is unchanged ;
  - in case of absence between 20% and 70% of the meetings: the amount due is reduced in proportion to the presence; and
  - in case of absence from more than 70% of the meetings: the amount due is reduced by 70%.
- An additional remuneration of €17,500 is due to the lead independent director
- The budget allocated to the directors is set at a maximum total amount of €300,000
- In the event of an increased workload, the Board may allocate the balance of the total annual remuneration remaining available to all or some of its members, depending on their participation in the Board's work
- In accordance with the provisions of Articles L. 22-10-15 and L. 225-46 of the French Commercial Code, exceptional remuneration may be granted to certain Board members for specific assignments or mandates. This remuneration would be charged to operating expenses and would be subject to the procedure for regulated agreements

MEMBERS OF BOARD COMMITTEES

- A remuneration of €17,500 is due to the Chairman of the Audit Committee and the Chairman of the Governance and CSR Committee
- A remuneration of €12,500 is due to each member of the Audit Committee and each member of the Governance and CSR Committee

(ii) Amount of remuneration granted in respect of and paid during 2021

In thousands of euros

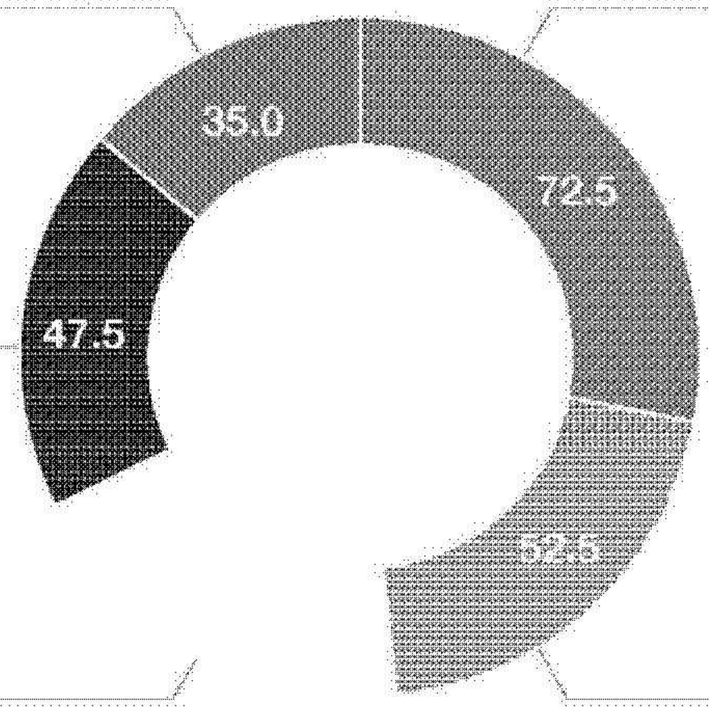


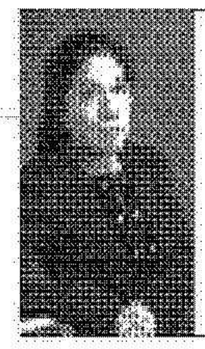
SIMON VEYRAT



STÉPHANIE LEVAN

Member of the Audit Committee





HELEN LEE BOUYGUES

Member of the Audit Committee and of the Governance and CSR Committee

Lead independent director



SIXTO

Represented by Bertrand Dumazy

Chairman of the Governance and CSR Committee



CHRISTOPHE GÉGOUT

Representative of the FSP

Chairman of the Audit Committee

Table 3 - Remuneration granted for the office of director and other remuneration received by non-executive corporate officers (AMF nomenclature)

Non-executive corporate officers *(in euros)*	2020[1] Amounts granted in respect of 2020	2020[1] Amounts paid during 2020	2021[1] Amounts granted in respect of 2021	2021[1] Amounts paid during 2021
Helen Lee Bouygues				
Remuneration (fixed, variable)	52,500.00	52,500.00	72,500.00	72,500.00
Other remuneration	N/A	N/A	N/A	N/A
Christophe Gégout, as permanent representative of the FSP[2]				
Remuneration (fixed, variable)	42,500.00	42,500.00	52,500.00	52,500.00
Other remuneration	N/A	N/A	N/A	N/A
Sixto, whose permanent representative is Bertrand Dumazy				
Remuneration (fixed, variable)	40,000.00	40,000.00	50,000.00	50,000.00
Other remuneration	N/A	N/A	N/A	N/A
Bpifrance Investissement, whose permanent representative is Vanessa Giraud[3]				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	N/A	N/A	N/A	N/A
Stéphanie Levan				
Remuneration (fixed, variable)	37,500.00	37,500.00	47,500.00	47,500.00
Other remuneration	N/A	N/A	N/A	N/A
Simon Veyrat				
Remuneration (fixed, variable)	30,000.00	30,000.00	35,000.00	35,000.00
Other remuneration	N/A	N/A	N/A	N/A
TOTAL	**202,500.00**	**202,500.00**	**257,500.00**	**257,500.00**

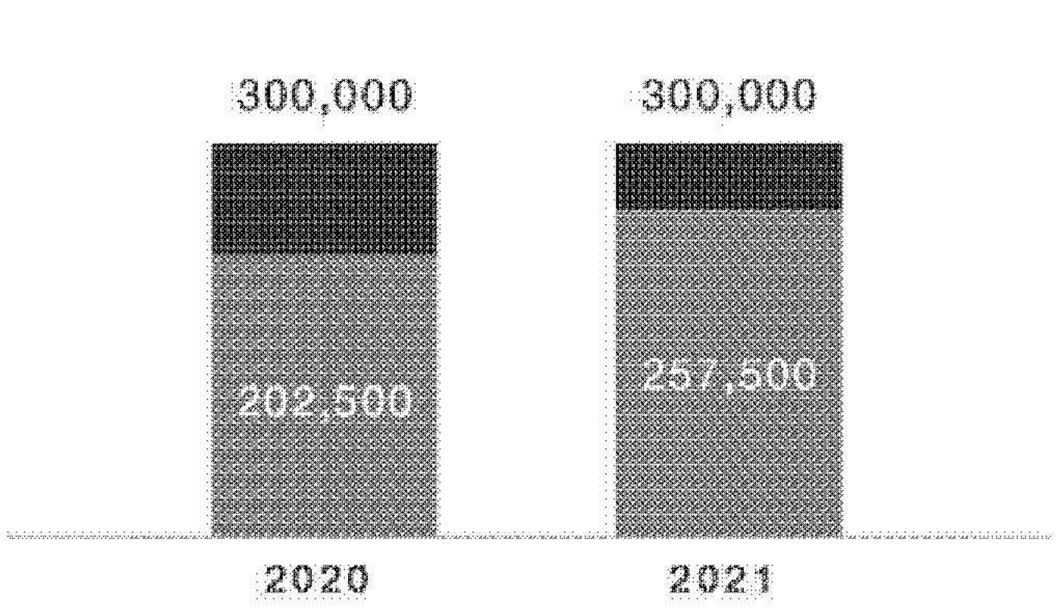
(1) The remuneration shown in the table above also includes the remuneration allocated for participation in the Audit Committee and the Governance and CSR Committee, and the remuneration of the Lead Independent Director.

(2) The remuneration is paid directly to Christophe Gégout as permanent representative.

(3) Bpifrance Investissement, represented by Céline André until September 22, 2021 and then by Vanessa Giraud as from that date, did not receive any remuneration in respect of the 2020 and 2021 financial years.

Global annual compensation budget allocated to directors

In euros



6.3.4 REPORT ON OPTIONS AND FREE SHARES

6.3.4.1 POLICY FOR THE GRANT OF OPTIONS AND FREE SHARES

The combined general shareholders' meeting of May 25, 2021, in its 16th resolution, granted authorisation to the Board of Directors, for a twenty-six-month term, to grant existing or new free shares to some or all employees and executive officers of the Group;

To this end, the general shareholders' meeting granted authority to the Board of Directors to set the conditions under which these shall be allocated. A ceiling is set for each of these delegations of authority, and may not represent more than 2% of the Company's share capital on the date of the Board of Directors' decision, it being specified that the total number of existing shares or shares to be issued granted under the 16th resolution to the Company's executive officers may not represent, for each financial year, more than 50% of the shares that may be granted free of charge under the said authorisation;

The 16th resolution on the granting of free shares provides for the Board of Directors to set the condition, in particular the ceilings referred to above, as well as the performance criteria applicable to them, if any, and for the Board of Directors to determine the list or categories of beneficiaries of the shares.

The definitive grant of free shares is subject to:

- a condition of presence of the beneficiary on the last day of the vesting period of the free shares, subject to exceptions provided for in the plan rules (in particular, retirement or early retirement, death or permanent disability of 2nd or 3rd category within the meaning of Article L. 341-4 of the French Social Security Code) or upon authorisation of the Chairman and Chief Executive Officer after consultation with the Governance and CSR Committee; and
- three performance conditions. The number of free shares definitively vested to the beneficiaries at the end of the vesting period will be determined based on the achievement of performance criteria set by the Board of Directors. For each criterion defined below (i) a trigger level in relation to the objective set is provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion will be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set is provided for. The performance conditions set out in the plans are as follows:
  - the definitive vesting of 40% of the free shares will depend on achieving an EBITDA level;
  - the definitive vesting of an additional 40% of free shares will depend on the achievement of growth objectives assessed in terms of new megawatts (MW) in the awarded phase (including those acquired as part of possible external growth operations, in accordance with the assessment conditions specified in the plan);
  - the definitive vesting of the remaining 20% of free shares will depend on the achievement of shareholder return objectives, assessed on the basis of Total Shareholder Return, or TSR, by reference to that of the companies included in the SBF 120 (by sextile).

The level of achievement of each of the three aforementioned performance conditions is recorded by the Board at the meeting during which it will approve the annual financial statements producing the performance criteria indicators used, under the following conditions:

- in the event that the objectives under one of the criteria are not met, such underperformance under one criterion may be offset by a possible outperformance under another criterion for the same financial year;
- the number of free shares definitively acquired by the beneficiaries will be determined by taking into account the average of the objectives achieved during the three financial years ended during the vesting period; and
- the number of free shares definitively granted to each beneficiary depending on the achievement of the performance conditions may not under any circumstances exceed the maximum number of free shares initially granted to the beneficiary in question on the granting date.

6.3.4.2 STOCK SUBSCRIPTION OR PURCHASE OPTIONS

(i) Stock subscription or purchase options awarded during the 2021 financial year to each executive officer by the Company and by any Group company

None.

(ii) Stock subscription or purchase options exercised during the 2021 financial year by each executive officer

None.

(iii) Stock subscription or purchase options granted to the top ten employees who are not corporate officers

Table 9 - (AMF nomenclature)

Share subscription or purchase options granted to the top ten employees who are not corporate officers and options exercised by them	Total number of options granted/shares subscribed or purchased	Average weighted price
Options granted during the 2021 financial year by the issuer and any company included in the scope of the grant of options to the top ten employees of the issuer and any company included in this scope with the highest number of options granted (overall information)	0	N/A
Options held on the issuer and the companies referred to above, exercised during the 2021 financial year by the top ten employees of the issuer and these companies with the highest number of options thus purchased or subscribed (overall information)	80,554	€6.56

(iv) History of stock subscription or purchase option grants

Table 8 - History of share subscription or purchase option grants (after consolidation of shares) (AMF nomenclature)

	2018 plan (III)	2018 plan (II)	2018 plan (I)	2016 plan
Date of the general shareholders' meeting	04/07/2018	29/05/2018	29/05/2018	17/03/2014[1]
Date of the Chairman's decision approving the list of beneficiaries	05/07/2018	30/05/2018	30/05/2018	23/12/2016
Total number of shares that may be subscribed or purchased (on the date of grant of stock subscription or purchase options), the number of which may be subscribed by:	65,000	5,000	40,000	235,000
Xavier Barbaro, Chairman & Chief Executive Officer	*0*	*0*	*0*	*0*
Romain Desrousseaux, Deputy Chief Executive Officer	*0*	*0*	*0*	*0*
Total number of shares that may be subscribed or purchased (after the adjustment to take into account the April 2021 capital increase), the number of which can be subscribed by:	67,835	5,405	42,836	238,173
Xavier Barbaro, Chairman & Chief Executive Officer	*0*	*0*	*0*	*0*
Romain Desrousseaux, Deputy Chief Executive Officer	*0*	*0*	*0*	*0*
Start of option exercise period[2]	06/10/2020	31/05/2021	31/05/2021	24/12/2019
End of option exercise period	05/07/2023	30/05/2023	30/05/2023	23/12/2021
Subscription or purchase price (before adjustment to take into account the April 2021 capital increase)	€10	€10	€10	€6
Subscription or purchase price (after adjustment to take into account the April 2021 capital increase)	€9.25	€9.25	€9.25	€5.55
Conditions of exercise (if the plan has more than one tranche)	-	-	-	-
Number of shares subscribed as of December 31, 2021	29,000	0	16,215	228,173
Aggregate number of stock options or share purchase options cancelled or lapsed (number before adjustment)	5,000	0	5,000	10,000
Remaining stock subscription or purchase options as of December 31, 2021 (number after adjustment to take into account the April 2021 capital increase)	33,835	5,405	21,620	0

(1) The authorisation granted by the general shareholders' meeting of March 17, 2014 was extended by a decision of the general shareholders' meeting of May 13, 2016 for a period of twelve (12) months.

(2) The 2018 (except the 2018 (III)) and 2016 plans presented have a vesting period of thirty-six (36) months. The 2018 plan (III) includes a vesting period of 2 years, 3 months and 1 day.

6.3.4.3 ALLOCATION OF FREE SHARES

(i) Conditions set by the Board of Directors relating to the sale of free shares granted to executives

Pursuant to Article L. 225-197-1 II paragraph 4 of the French Commercial Code, the beneficiary of the performance free share plan of March 10, 2021, if he/she is a corporate officer of the Company or an affiliated company, will be required to hold in registered form at least 15% of the free shares granted to him/her until the termination of his/her duties, it being specified that any shares subscribed for by the executive exercising the preferential subscription rights attached to the free shares thus held in registered form shall be freely transferable if the executive has paid for them.

In addition, in respect of the free share plans awarded for the 2018 financial year, Xavier Barbaro is required to retain 20% of the free shares allocated until the end of his term of office as Chief Executive Officer of the Company.

(ii) Performance shares granted free of charge to executive officers during the 2021 financial year

Table 6 - Free shares granted to each corporate officer (AMF nomenclature)

	Number of free shares granted	Value of the shares (according to the method used for the consolidated financial statements) *(in euros)*	Date of the granting decision
Free shares granted during the financial year to corporate officers by the Company and by companies affiliated with them by virtue of the offices they hold in the Company, of which number of shares granted to:			
Xavier Barbaro, Chairman & Chief Executive Officer	95,766	€4,161,143.56	March 10, 2021
Romain Desrousseaux, Deputy Chief Executive Officer	63,844	€2,787,429.04	March 10, 2021
Free shares granted during the financial year to corporate officers by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code in respect of the offices they hold in these companies	0	N/A	N/A

(iii) Perfonmance shares granted free of charge to each executive officer during the 2021 financial year

Table 7 - Free shares that became available during the financial year for each executive officer (AMF nomenclature)

Free shares definitively vested by each corporate officer	Plan number and date	Number of shares that became available during the year	Vesting conditions
Xavier Barbaro	N/A	N/A	N/A
Romain Desrousseaux	N/A	N/A	

(iv) History of free share grants

Table 10 - History of free share grants (AMF nomenclature)

	2021 plan	2020 plan	2019 plan	2018 plan
Date of the general shareholders' meeting	26/05/2020	26/05/2020	02/10/2018	29/05/2018
Date of decision to grant the shares by the Board of Directors or the Chairman	10/03/2021	02/07/2020	10/07/2019	30/05/2018
Total number of free shares granted (at the date of grant), of which number of shares granted to:	272,302	140,000	297,000	107,500
Xavier Barbaro, Chairman & Chief Executive Officer	88,590	0	0	0
Romain Desrousseaux, Deputy Chief Executive Officer	59,060	0	0	0
Total number of free shares granted (after adjustment to take into account the April 2021 capital increase), of which number of shares granted to:	294,360	151,354	321,066	116,213
Xavier Barbaro, Chairman & Chief Executive Officer	95,766	0	0	0
Romain Desrousseaux, Deputy Chief Executive Officer	63,844	0	0	0
Share vesting date	11/03/2024	03/07/2023	11/07/2022	31/05/2021
End of holding period	-	-	-	-
Number of shares vested as of December 31, 2021	0	0	0	113,510
Cumulative number of shares cancelled or lapsed (number after the adjustment is made)	9,108	5,406	25,621	2,703
Remaining free shares as of December 31, 2021 (number after adjustment to take into account the April 2021 capital increase)	285,252	145,948	295,445	0

6.3.5 OTHER INFORMATION ON EXECUTIVE OFFICERS

Table 11 (AMF nomenclature)

Executive officers	Employment contract		Supplementary pension scheme		Allowances or benefits due or likely to be due as a result of termination or change of position[1]		Compensation relating to a non-competition clause[1]	
	Yes	No	Yes	No	Yes	No	Yes	No
Xavier Barbaro Chairman and Chief Executive Officer Beginning of the term of office: September 12, 2018 Term of office expires: General shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year	-	X	-	X	X	-	X	-
Romain Desrousseaux Deputy Chief Executive Officer Beginning of the term of office: April 17, 2019 General shareholders' meeting to be held in 2022 to approve the financial statements for the previous financial year	X	-	-	X	-	X	X	-

(1). For more information on indemnities, see paragraphs 6.3.2.3 and 6.3.2.4 of this document.

6.3.6 AMOUNTS SET ASIDE OR ACCRUED BY THE COMPANY OR ITS SUBSIDIARIES FOR PENSION, RETIREMENT OR OTHER BENEFIT PAYMENTS

The Company has not set aside any provisions for payments of pensions, retirement or other similar benefits to its corporate officers.

6.4 OTHER INFORMATION

6.4.1 LIST OF VALID DELEGATIONS AND AUTHORISATIONS GRANTED BY THE GENERAL SHAREHOLDERS' MEETING IN THE AREA OF CAPITAL INCREASES (INCLUDING USES MADE IN 2020 AND 2021)

Securities concerned Date of the general shareholders' meeting (authorisation/delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/delegations
Issues with preferential subscription rights		
Delegation of authority to increase the Company's share capital by issuing shares and/or marketable securities giving immediate or future access to the capital (A) SM of May 26, 2020 17th resolution 26 months	**€85 million** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million Ceiling on debt securities: €300 million	**Use in the 2021 financial year:** Capital increase in the amount of €42,787,356
Delegation of authority to increase the share capital by capitalising premiums, reserves, profits or any other amounts (B) SM of May 26, 2020 21st resolution 26 months	**€60 million**	
Issues with or without preferential subscription rights		
Delegation of authority to increase the Company's share capital by issuing shares and/or marketable securities giving immediate or future access to the capital, by public offering (C) SM of May 26, 2020 18th resolution 26 months	**€60 million** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million **Determination of the price** Shares: at least equal to the minimum provided by the regulatory provisions applicable on the issue date (as of May 26, 2020, weighted average price over the last three trading sessions on the regulated Euronext Paris market prior to the start of the public offering minus 10%) Securities giving access to capital (price of the underlying share): at least equal to the minimum subscription price described above Ceiling on debt securities: €300 million	

Securities concerned Date of the general shareholders' meeting (authorisation/delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/delegations
Delegation of authority to increase the Company's share capital by issuing shares and/or marketable securities giving immediate or future access to the capital, by private placement (D) SM of May 26, 2020 19th resolution 26 months	***€60 million*** ***It being specified that this amount is deducted from the amount referred to in (C) above*** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million (in any case, limited to 20% of the share capital per year; legal limit) **Determination of the price** Shares: at least equal to the minimum provided by the regulatory provisions applicable on the issue date (on May 26, 2020, weighted average of the prices of the last three trading sessions on the regulated Euronext Paris market prior to the start of the public offering minus 10%) Securities giving access to capital (price of the underlying share): at least equal to the minimum subscription price described above Ceiling on debt securities: €300 million	Use during the 2020 financial year : - capital increase of a nominal amount of €7,359,306[1]; - issuance of debt securities of an amount of around €170 million
Delegation of authority to issue shares and/or marketable securities giving immediate or subsequent access to shares to be issued by the Company as consideration for contributions in kind consisting of equity securities or marketable securities giving access to the capital (E) SM of May 26, 2020 20th resolution 26 months	**10% of the share capital on the date of the transaction** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million Ceiling on debt securities: €300 million	
Delegation of authority to the Board of Directors to decide on a capital increase for the Company by issuing shares and/or securities giving immediate or future access to the capital, reserved for members of savings plans (F) SM of May 26, 2020 23rd resolution 26 months **This delegation is no longer in force since May 25, 2021. This delegation has been replaced by a new delegation of the same type, see F below.**	**2% of the share capital on the day of the Board's decision** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million **Determination of the price** Conditions provided for in Articles L. 3332--18 et seq. of the French Labour Code, i.e. a price at least equal to 70% or 60% of the average share price over the twenty trading days preceding the decision setting the subscription opening date, when the lock-in period is greater than or equal to 10 years provided for in the savings plan, respectively.	**Use in the 2021 financial year:** - capital increase in cash for an amount of €23,038 - capital increase by incorporating reserves in the amount of €23,038, i.e. approximately 0.022% on the day the capital increase is recorded
Delegation of authority to the Board of Directors to decide on a capital increase for the Company by issuing shares and/or securities giving immediate or future access to the capital, reserved for members of savings plans (F) SM of May 25, 2021 15th resolution 26 months	**2% of the share capital on the day of the Board's decision** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million **Determination of the price** Conditions provided for in Articles L. 3332-18 et seq. of the French Labour Code, i.e. a price at least equal to 70% (or 60% of the average share price over the twenty trading days preceding the decision setting the subscription opening date, when the lock-in period is greater than or equal to 10 years.	

Securities concerned Date of the general shareholders' meeting (authorisation/delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/delegations
Delegation of authority to the Board of Directors to decide on a capital increase of the Company by issuing shares and/or securities giving immediate or future access to the capital, reserved for Group employees abroad (G) SM of May 26, 2020 26th resolution 18 months **This delegation is no longer in force since May 25, 2021. This delegation has been replaced by a new delegation of the same type, see F below.**	**1% of the share capital on the day of the Board's decision it being specified that this amount shall be deducted from the amount referred to in (F) above** **Determination of the price** Average share price over the twenty trading days preceding the decision setting the subscription opening date, less a maximum discount of 30%. As part of a global employee share ownership plan set up in France and abroad, price determined under the 23rd resolution of the general shareholders' meeting of 26 May 2020.	
Delegation of authority to the Board of Directors to decide on a capital increase of the Company by issuing shares and/or securities giving immediate or future access to the capital, reserved for Group employees abroad (G) SM of May 25, 2021 13th resolution 18 months	**1% of the share capital on the date of the Board's decision** **it being specified that this amount is deducted from the amount referred to in (F) above** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million **Determination of the price** Average price quoted over the twenty trading sessions preceding the date of the decision setting the subscription opening date less a maximum discount of 30%. As part of a global employee share ownership plan set up in France and abroad, price determined under (F).	
Issues with or without preferential rights		
Authorisation to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights SM of May 26, 2020 22nd resolution 26 months **This delegation is no longer in force since May 25, 2021. This delegation has been replaced by a new delegation of the same type, see H below.**	**Ceiling equal to the limit provided by the applicable regulations (15% of the initial issue)**	
Authorisation to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights (H) SM of May 25, 2021 14th resolution 26 months	**Ceiling equal to the limit provided for by the applicable regulations (on May 25, 2021, 15% of the initial issue)** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million	
Grant of free shares or stock options		
Authorisation to grant free existing shares or shares to be issued to some or all of the Group's employees and corporate officers SM of May 26, 2020 24th resolution 26 months **This delegation is no longer in force since May 25, 2021. This delegation has been replaced by a new delegation of the same type, see I below.**	**2% of the share capital on the day of the Board's decision** **(A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)** is limited to €85 million	Use in the 2020 financial year: 140,000 shares granted, i.e. a €280,000 capital increase over time, or approximately 0.16% of the share capital on the grant date **Use in the 2021 financial year:** 272,302 shares granted, i.e. a €544,604 capital increase over time, or approximately 0.32% of the share capital on the grant date

Securities concerned Date of the general shareholders' meeting (authorisation/delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/delegations
Authorisation to grant free existing shares or shares to be issued to some or all of the Group's employees and corporate officers (1) SM of May 25, 2021 16th resolution 26 months	2% of the share capital of the Board's decision (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J) is limited to €85 million	
Authorisation to grant share subscription or purchase options to some or all of the Group's employees and corporate officers SM of May 26, 2020 25th resolution 26 months	2% of the share capital on the day of the Board's decision (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J) is limited to €85 million **Determination of the price** Subscription options: price at least equal to 80% of the average listed price over the twenty trading days preceding the granting decision Purchase options: price at least equal to 80% of the average share price over the twenty trading days preceding the granting decision, and at least equal to 80% of the average purchase price of treasury shares	

(1) Issue of convertible bonds ("OCEANE"), by decisions of the Board of Directors dated May 26, 2020 and of the Chairman and Chief Executive Officer dated May 27, 2020.
(2) If all 3,679,653 convertible bonds ("OCEANE") are exercised and subject to adjustments in accordance with the issue contract.

6.4.2 AGREEMENTS ENTERED INTO BY EXECUTIVES OR SHAREHOLDERS WITH COMPANIES CONTROLLED BY THE COMPANY

Pursuant to Article L. 225-37-4 of the French Commercial Code, the corporate governance report must mention, unless they are agreements relating to current operations and entered into under normal conditions, agreements entered into directly or through an intermediary between, on the one hand, the Chief Executive Officer, a director, or a shareholder holding more than 10% of the Company's voting rights and, on the other hand, another company controlled by the former within the meaning of Article L. 233-3 of the French Commercial Code.

The Company is not aware of any such agreements.

6.4.3 PROCEDURE FOR EVALUATING CURRENT AGREEMENTS

In accordance with Article L. 22-10-12 of the French Commercial Code, the Board of Directors adopted a procedure at its meeting of March 25, 2020 for regularly evaluating whether agreements relating to day-to-day transactions entered into under normal conditions meet these conditions, which was updated at its meeting of March 10, 2021.

This procedure aims to identify and qualify, by means of criteria, current agreements entered into under normal conditions to which the Company is a party. It provides for a regular review (at least once a year) by an ad hoc committee composed of the Group CFO and the Company Secretary and applies prior to the conclusion of an agreement and on the occasion of any modification, renewal or termination, including for agreements considered as current at the time of their conclusion to ensure that they continue to meet these conditions. At its last meeting before closing, the Board of Directors is informed of the implementation of the assessment procedure, its results and any comments.

The ad hoc committee has reviewed all the agreements for the 2021 financial year, the results of which will be communicated to the Board of Directors on March 14, 2022.

6.4.4 MAIN TRANSACTIONS WITH RELATED PARTIES

6.4.4.1 AGREEMENTS BETWEEN THE COMPANY AND ITS SHAREHOLDERS

Technical and administrative assistance agreement between the Company and Impala

On May 10, 2012, the Company and its reference shareholder, Impala SAS, entered into a technical and administrative assistance agreement, pursuant to which Impala SAS undertook to provide the following services to the Company:

- advising on the Group's financing and guarantee strategy and assisting with the negotiation of any financing and guarantee line with financial partners;
- representing the Company's interests with central governments and/or local authorities and regulatory authorities.

In consideration for these services, the agreement provides for the payment to Impala SAS of a fixed quarterly fee of **€25,000** before tax, which can be revised every year by agreement between the parties. During the financial year ended December 31, 2021, Impala SAS invoiced **€100,000** excluding tax to the Company for these fees.

Strategic management agreement between the Company and Impala

On January 2, 2017, the Company and its main shareholder, Impala SAS, entered into a strategic management agreement by which Impala SAS undertook to provide the following services of the Group's holding company:

- definition of the Group's general policy and organisational principles;
- definition of the Group's economic, commercial and financial strategy;
- definition of the Group's development policy and the resources to be implemented (external growth, diversification, creation of new establishment, opportunities for growth and equity investments, investments, etc.); and
- definition of the Group's communication policy (marketing, advertising, etc.).

Since the date of the agreement, these services have not been remunerated by the Company.

6.4.4.2 AGREEMENTS BETWEEN THE COMPANY AND ITS SUBSIDIARIES

Tax consolidation groups

The Company and some of its direct French subsidiaries, more than 95% owned, form a tax consolidation group set up pursuant to the provisions of Article 223 A et seq. of the French General Tax Code. Given that the Company is the Group's parent company, it is solely liable for the tax payable by all the companies belonging to the integrated group. The integrated subsidiaries pay the Company the tax for which they would be liable in the absence of tax consolidation, calculated according to the rules of law as they would apply in the absence of tax consolidation.

Nine other French tax consolidation groups have also been set up in France between each of the nine holding companies related to the Cestas project as the head company of the group and the project companies more than 95% owned by the development company in question. The creation of these groups gave rise to the signing of tax consolidation agreements under which the integrated subsidiaries pay the parent company the tax they would be liable for in the absence of tax consolidation, calculated on the rules of law as they would apply in the absence of tax consolidation.

In addition, the Group has also set up certain tax consolidation groups abroad, particularly in Australia, where the parent company is solely liable for the tax payable by all the companies of the group. The creation of these groups led to the conclusion of tax consolidation agreements between the parent company and each of the group's companies in order to regulate the subsidiaries' contribution to the overall tax based on a distribution key set in accordance with local regulations and on the principle of «equitable distribution».

The scope of the tax consolidation group is also detailed in note 12 to the annual financial statements.

Agreements between the Company and project companies

As part of its activities, the Company's intends to conclude, directly or through its intermediary holding companies and/or project companies, all the contracts necessary for the development, financing, construction and operation of the solar, wind and storage facilities carried by these facilities. These contracts generally provide for the provision of the following services:

- project development services and management of the design and construction of the facilities, which include assistance in obtaining land rights, planning and environmental permits, carrying out feasibility studies, diagnostics and impact studies, relations with the project's stakeholders (neighbourhood, local authorities, etc.), selection and management of relationships with suppliers and project company contractors (including the EPC contractor, the module supplier, the turbine manufacturer) or the monitoring of operations prior to the provisional and/or final acceptance of the facility;
- administrative and financial management services; and
- operation and maintenance management services of the facility, which include in particular the management and monitoring of relations with the O&M provider, the processing of information concerning the connection of the facility to the network or the performance of works and studies to improve the performance of the facility.

As part of the implementation of the procedure for evaluating standard agreements, these agreements were considered by the Group to be standard agreements entered into under normal conditions.

In addition, as part of project financing, the Company (or one of its intermediate holding companies or development companies) generally grants shareholder loans to project companies. The related agreements generally provide for an interest rate of between 4% and 10% (with the exception of certain projects (Zambia or Argentina) for which interest rates are generally between 10% and 12%), in line with interest rates for bonds with an equivalent level of subordination. Shareholder loans are subordinated to senior financing and are repayable on demand at the Group's request, subject nevertheless to compliance with the financial covenants provided for in the financing agreements, for projects located in France or at maturity for international projects. In this second case, the agreements in questions include standard cases of accelerated repayment. They are, except in exceptional cases, considered by the Group to be standard agreements entered into under normal conditions, after analysis in light of the provisions of Article L. 225-38 of the French Commercial Code relating to regulated agreements.

6.4.5 INFORMATION LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

In accordance with Article L. 22-10-11 of the French Commercial Code, the Company must present and, where applicable, explain the factors likely to have an impact, in the event of a public tender offer or exchange offer. These include agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company. Accordingly, there are change of control clauses in the financing agreements, the OCEANE issue agreements and the syndicated facilities agreement.

To the Company's knowledge, the factors likely to have an impact in the event of a takeover bid or exchange offer are the following:

- the capital structure as well as the direct or indirect shareholdings known to the Company and all information in this regard are described in sections 2 and 7 of this document;
- there are no statutory restrictions on the exercise of voting rights, with the exception of the sanction provided for in Article 10 of the Company's by-laws in the event of failure to comply with the obligation to declare the crossing of statutory thresholds (1% of the Company's share capital or voting rights, or any multiple of this percentage, up to 50% of the share capital or voting rights);
- there are no statutory restrictions on share transfers. However, there are extra-statutory restrictions described in section 6.2.2.2 (ii) (Ethics - Conflicts of interest) of this document;
- to the Company's knowledge, there are no agreements or other commitments signed between shareholders;
- there are no securities with special control rights;
- There are no control mechanisms provided for in a possible employee shareholding system with control rights that are not exercised by employees;
- the rules for appointing and dismissing members of the Board of Directors are the legal and statutory rules provided for in Article 13 of the Company's by-laws;
- with regard to the powers of the Board of Directors, the current delegations (share buyback programme and capital increase delegations) are described in this document in paragraph 6.4.1 above;
- amendments to the by-laws of our company are made in accordance with legal and regulatory provisions;
- concerning agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, it is specified that there are change of control clauses in the financing agreements, the OCEANE bond issue agreements and the syndicated facility agreement;
- agreements providing for compensation in the event of the termination of the duties of members of the Board of Directors are described, concerning the Chairman and Chief Executive Officer, in paragraph 6.3.2.3 of this document. There is no agreement providing for compensation for employees if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a takeover bid or exchange offer.

CORPORATE GOVERNANCE REPORT 6

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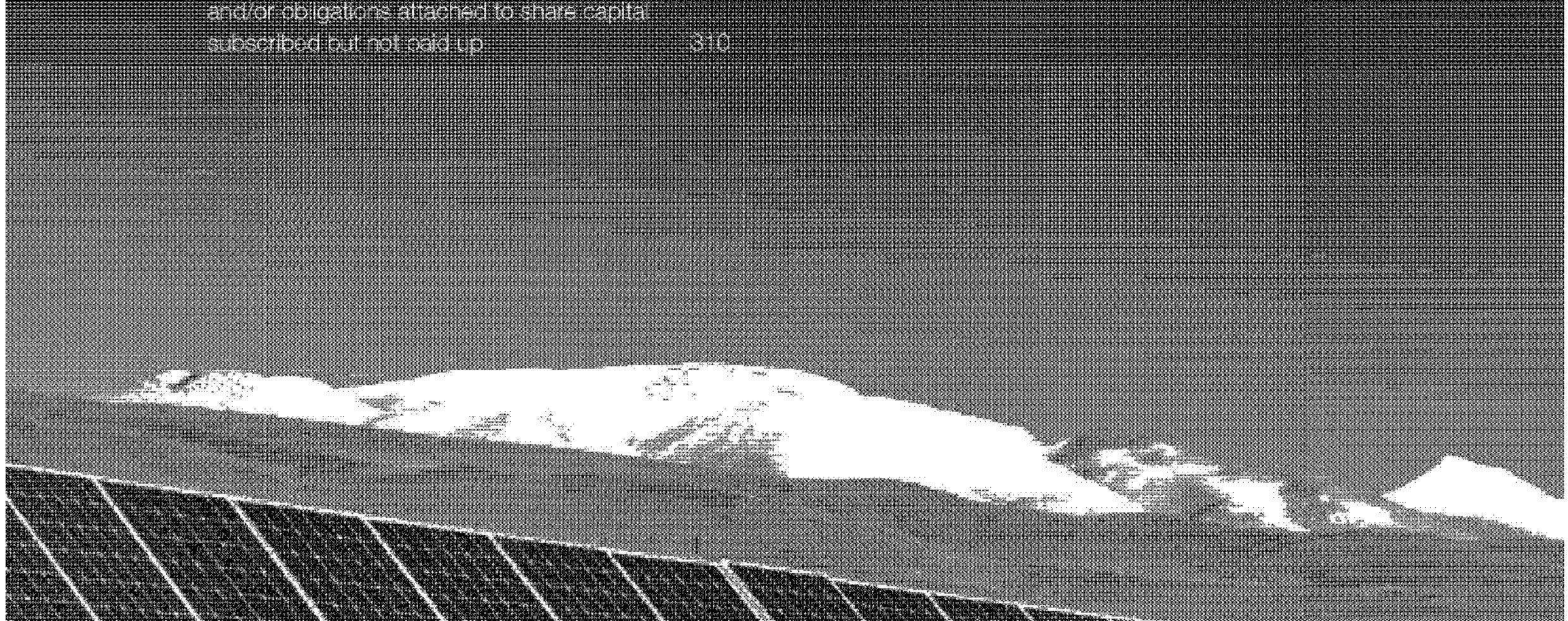


7.1 INFORMATION ON THE COMPANY

7.1.1 CORPORATE NAME

The Company's corporate name is "Neoen".

7.1.2 REGISTERED OFFICE

The company's registered office is located at 22 rue Bayard, 75008 Paris.

7.1.3 LEGAL FORM

As of the date hereof, the Company is a French limited company *(société anonyme)*, governed by all laws and regulations in force in France (and in particular, by the provisions of Book II of the French Commercial Code) as well as by its bylaws.

7.1.4 IDENTIFICATION OF THE COMPANY

The Company's registration number is specified in paragraph 7.1.8 of this document.

The Company's LEI code is 969500C0AIAGQWZGJO13.

7.1.5 LEGISLATION

A limited company *(société anonyme)* incorporated under French law.

7.1.6 TERM

The Company was registered on September 29, 2008. The Company was incorporated for a period of 99 years as from the date of its registration, i.e. until September 28, 2107 except in the event of extension or early dissolution.

7.1.7 CORPORATE PURPOSE

(See Article 2 of the bylaws)

The Company's corporate purpose includes the following activities, both in France and abroad:

- all activities relating to energy and the environment, and in particular to the electricity, natural gas, and water sectors, including, in particular, the production of electricity or other sources of energy, and the sale, distribution, marketing, and storage of all energy products and raw materials;
- all arbitrage, development and marketing services relating to derivative products and aggregate hedging products, and management of the balancing of such products; all management and advisory services relating to the energy or commodities sector;
- the acquisition, disposal, use, and licensing of any intellectual or industrial property rights related directly or indirectly to the corporate purpose;
- and, more generally, all industrial, commercial, financial, movable property or real estate transactions directly or indirectly related to the corporate purpose or intended to promote its expansion or development, including, but not limited to, the acquisition, holding, obtaining or use, in any form whatsoever, of licenses, patents, trademarks, and technical information.

The Company may act, both in France and abroad, on its own behalf or on behalf of third parties, and either alone or in partnerships, associations, economic interest groups or companies with any other companies or persons, and may carry out, directly or indirectly, in any form whatsoever, transactions that fall within its corporate purpose.

It may also acquire, in any form, any interests and investments in any companies or enterprises, whether French or foreign, whatever their purpose.

7.1.8 TRADE AND COMPANIES REGISTER

The Company is registered with the Paris trade and companies register under number 508 320 017.

7.1.9 LOCATION WHERE DOCUMENTS AND OTHER INFORMATION ON THE COMPANY MAY BE CONSULTED

Information concerning the Company and particularly its bylaws, balance sheets, income statements, reports by the Board of Directors to general shareholders' meetings and reports by the statutory auditors may be consulted on request at the Company's registered office.

Regulated information published by the Company is available on its website under "Regulated information" at the following address: https://www.neoen.com/en/investors#regulated-information.

7.1.10 FINANCIAL YEAR

The financial year begins on January 1 and ends on December 31 of each year.

7.1.11 STATUTORY DISTRIBUTION OF PROFITS

(See Article 24 of the bylaws)

Out of the fiscal year's profits, less, if applicable, any prior losses, a minimum of 5% shall be set aside to constitute the legal reserve required by law, until such reserve is equal to at least one-tenth of the share capital.

Distributable profits shall consist of the year's profit minus any prior losses and the amount set aside as provided for above, plus profits carried forward.

If the year's financial statements, as approved by the general shareholders' meeting, show a distributable profit, the general shareholders' meeting shall decide whether to record it in one or more reserve accounts of which it shall determine the allocation or use, to carry it forward in retained earnings, or to distribute it in the form of a dividend subject to the restrictions set out in the Company's syndicated credit facility agreement.

7.1.12 SHAREHLODERS' VOTING RIGHTS

(See Article 11 of the bylaws)

Each ordinary share gives its holder the right to one vote at general shareholders' meetings.

As an exception to Article L.22-10-46 of the French Commercial Code, Article 11 of the Company's bylaws stipulates that the Company's shares do not grant double voting rights in favor of the Company's shareholders.

7.1.13 DECLARATION OF INTENT

None.

7.2 CAPITAL

7.2.1 SHARE CAPITAL

On December 31, 2021 the Company's share capital was set at €214,113,370 and represented by 107,056,685 ordinary shares with a par value of €2 each, of the same class and fully paid up.

7.2.2 POTENTIAL SHARE CAPITAL

On December 31, 2021, the Company's potential share capital breaks down as follows:

- 726,645 shares under free share allocation plans;
- 60,860 shares under stock option plans;
- 11,081,909 convertible bonds and/or exchangeable for new or existing shares.

Thus, the potential dilutive impact of these instruments would be 11.09% of the Company's share capital at December 31, 2021.

7.2.3 SECURITIES NOT REPRESENTING SHARE CAPITAL

On December 31, 2021 the Company has not issued any securities not representing share capital.

7.2.4 SUMMARY STATEMENT OF TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR BY EXECUTIVES OR SIMILAR PERSONS ON THE COMPANY'S SECURITIES OR RELATED FINANCIAL INSTRUMENTS

Person	Financial Instrument	Transaction date	Unit price (euros)	Transaction type	Transaction Volume
Paul-François Croisille	Shares	04/01/2021	63.5000	Disposal	(1,000)
Paul-François Croisille	Shares	21/01/2021	64.4000	Disposal	(1,000)
Stéphanie Levan	Shares	27/01/2021	60.1059	Acquisition	510
Stéphanie Levan	Shares	28/01/2021	54.0000	Acquisition	100
Xavier Barbaro	Shares	16/03/2021	44.0000	Contribution to companies	(142,200)
Xavier Barbaro	Shares	16/03/2021	44.0000	Receipt of shares through a contribution	142,200
Xavier Barbaro	Preferential subscription rights (DPS)	16/03/2021	3.2000	DPS contribution to companies	(514,800)
Xavier Barbaro	DPS	16/03/2021	3.2000	Receipt of DPS through a contribution	514,800
Fonds Stratégique de Participations (FSP)	DPS	17/03/2021	3.1000	Disposal	(700,000)
Bpifrance Investissement	DPS	17/03/2021	3.1000	Disposal	(1,433,177)
Romain Desrousseaux	DPS	18/03/2021	2.8432	Disposal	(40,000)
Xavier Barbaro	DPS	18/03/2021	2.9604	Disposal	(20,000)
Xavier Barbaro	DPS	18/03/2021	2.9504	Disposal	(20,000)
Xavier Barbaro	DPS	18/03/2021	2.9504	Disposal	(20,000)
Xavier Barbaro	DPS	18/03/2021	2.9504	Disposal	(20,000)
Romain Desrousseaux	DPS	19/03/2021	2.7565	Disposal	(212,670)
Romain Desrousseaux	DPS	19/03/2021	2.7600	Disposal	(18,000)
Romain Desrousseaux	DPS	19/03/2021	2.7560	Disposal	(230,670)
Impala SAS	DPS	19/03/2021	3.1000	Disposal	(14,212,080)
Paul-François Croisille	DPS	22/03/2021	2.9122	Disposal	(261,000)
Romain Desrousseaux	DPS	22/03/2021	2.7800	Disposal	(60,000)
Bpifrance Investissement	DPS	23/03/2021	0.0000	Exercise	2,866,348
Xavier Barbaro	Shares	23/03/2021	39.4403	Disposal	(53,400)
Xavier Barbaro	Shares	23/03/2021	39.4436	Disposal	(63,200)
Romain Desrousseaux	DPS	23/03/2021	3.0890	Disposal	(40,002)
Romain Desrousseaux	DPS	24/03/2021	3.1927	Disposal	(36,417)
Paul-François Croisille	DPS	25/03/2021	2.6702	Disposal	(176,917)
Paul-François Croisille	DPS	29/03/2021	2.6761	Disposal	(14,750)
Paul-François Croisille	DPS	29/03/2021	2.6761	Disposal	(16,000)
Fonds Stratégique de Participations (FSP)	Shares	07/04/2021	28.0000	Subscription	1,250,000
Olga Kharitonova	Shares	09/04/2021	28.0000	Subscription	386
Olga Kharitonova	Shares	09/04/2021	28.0000	Subscription	327

[1] This table only identifies executive officers and related persons without specifying the identity of any of their related persons who carried out the transactions listed in this table.

Person[1]	Financial instrument	Transaction date	Unit price (euros)	Transaction type	Transaction Volume
Paul-François Croisille	Shares	09/04/2021	28.0000	Subscription	42,905
Paul-François Croisille	Shares	09/04/2021	28.0000	Subscription	1,125
Paul-François Croisille	Shares	09/04/2021	28.0000	Subscription	5,000
Paul-François Croisille	Shares	09/04/2021	28.0000	Subscription	5,000
Paul-François Croisille	Shares	09/04/2021	28.0000	Subscription	5,000
Paul-François Croisille	Shares	09/04/2021	28.0000	Subscription	5,000
Romain Desrousseaux	Shares	09/04/2021	28.0000	Subscription	26,038
Romain Desrousseaux	Shares	09/04/2021	28.0000	Subscription	1,758
Impala SAS	Shares	09/04/2021	28.0000	Subscription	7,160,020
Stéphanie Levan	Shares	09/04/2021	28.0000	Subscription	158
Xavier Barbaro	Shares	09/04/2021	28.0000	Subscription	251
Xavier Barbaro	Shares	09/04/2021	28.0000	Subscription	89,725
Xavier Barbaro	Shares	09/04/2021	28.0000	Subscription	75,771
Xavier Barbaro	Shares	09/04/2021	28.0000	Subscription	6,608
Cartusia SAS[2]	Shares	09/04/2021	28.0000	Subscription	181,366
Olga Kharitonova	Shares	12/05/2021	14.1250	Acquisition (employee shareholding transaction)	186
Paul-François Croisille	Shares	12/05/2021	14.1250	Acquisition (employee shareholding transaction)	186
Romain Desrousseaux	Shares	12/05/2021	14.1250	Acquisition (employee shareholding transaction)	186
Xavier Barbaro	Shares	12/05/2021	14.1250	Acquisition (employee shareholding transaction)	186
Stéphanie Levan	Shares	12/05/2021	32.7500	Acquisition	200
Stéphanie Levan	Shares	13/05/2021	32.0000	Acquisition	100
Olga Kharitonova	Shares	31/05/2021	0.0000	Acquisition of free shares	54,050
Xavier Barbaro	Shares	07/06/2021	39.6500	Contribution to a company	(84,500)
Xavier Barbaro	Shares	07/06/2021	39.6500	Contribution to a company	(1,251)
Cartusia SAS[2]	Shares	07/06/2021	39.6500	Receipt of shares through a contribution	84,500
Cartusia SAS[2]	Shares	07/06/2021	39.6500	Receipt of shares through a contribution	1,251
Xavier Barbaro	Shares	02/08/2021	35.3200	Donation	(68,000)
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a donation	34,000
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a donation	34,000
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a donation	34,000
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a donation	34,000

[2] Formerly known as Carthusiane.

Person	Financial Instrument	Transaction date	Unit price (euros)	Transaction type	Transaction Volume
Xavier Barbaro	Shares	02/08/2021	35.3200	Contribution to a company	(50,000)
Xavier Barbaro	Shares	02/08/2021	35.3200	Contribution to a company	(50,000)
Xavier Barbaro	Shares	02/08/2021	35.3200	Contribution to a company	(50,000)
Xavier Barbaro	Shares	02/08/2021	35.3200	Contribution to a company	(50,000)
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a contribution	50,000
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a contribution	50,000
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a contribution	50,000
Xavier Barbaro	Shares	02/08/2021	35.3200	Receipt of shares through a contribution	50,000
Romain Desrousseaux	Shares	02/08/2021	34.6739	Disposal	(17,000)
Romain Desrousseaux	Shares	04/08/2021	33.1800	Donation	(3,405)
Romain Desrousseaux	Shares	04/08/2021	33.1800	Receipt of shares through a donation	3,405
Romain Desrousseaux	Shares	04/08/2021	33.1800	Donation	(12,900)
Romain Desrousseaux	Shares	04/08/2021	33.1800	Receipt of shares through a donation	6,450
Romain Desrousseaux	Shares	04/08/2021	33.1800	Receipt of shares through a donation	6,450
Romain Desrousseaux	Shares	05/08/2021	32.5817	Disposal	(6,450)
Romain Desrousseaux	Shares	05/08/2021	32.5823	Disposal	(6,450)
Cartusia SAS[8]	Shares	12/11/2021	37.0000	Acquisition	12,969
Xavier Barbaro	Shares	12/11/2021	37.0000	Disposal	(12,969)
Xavier Barbaro	Shares	29/12/2021	37.7400	Donation	(100)

[8] Formerly known as Carthusiane.

7.2.5 TREASURY SHARES AND PURCHASE BY THE COMPANY OF ITS OWN SHARES

On December 31, 2021 none of the Company's subsidiaries or a third party acting on the Company's account held any of the Company's shares. On December 31, 2021 the Company held 204,510 of its own shares, representing 0.19% (on the basis of the share capital on December 31, 2021), of which 52,961 shares held under the Company's liquidity contract. These shares have no voting rights.

7.2.6 OTHER SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL

7.2.6.1 CAPITAL INCREASE

On April 7, 2021, Neoen announced the success of its capital increase with preferential subscription rights. This resulted in the issue on April 9, 2021 of 21,393,678 new shares, representing a total gross amount of approximately €599.0 million, of which €42.8 million in capital and €556.2 million in share premium. The proceeds of the capital increase will enable Neoen to finance the first investment cycle of its development plan to reach 10 GW of capacity in operation or under construction by the end of 2025.

7.2.6.2 STOCK OPTIONS

The general shareholders' meeting of the Company of May 26, 2020, in its 25th resolution authorised the Board of Directors, with the right to sub-delegate, to grant stock options or share purchase options to some or all employees and executive officers of the Group. This delegation was granted for a period of 26 months.

No options to subscribe for or purchase shares for the benefit of the Group's employees and corporate officers were granted under said authorisation of the general meeting.

Information on share subscription options granted or exercised by Neoen's executive officers is described in paragraph 6.3.4.2 of this document.

7.2.6.3 FREE SHARE ALLOCATIONS

The general shareholders' meeting of the Company of May 26, 2020, in its 24th resolution authorised the Board of Directors to carry out allocations of free shares, either existing or to be issued, for some or all employees and corporate officers of the Group. This delegation was granted for a period of 26 months.

On March 10, 2021, the Board of Directors decided to allocate 272,302 free shares of Neoen S.A. to certain employees and executive officers of the Group. The allocation of shares will only be final at the end of a three-year vesting period, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan regulations and relating in particular to the achievement of financial and development objectives, are met.

The delegation granted under the 24th resolution of the general shareholder's meeting of the Company of May 26, 2020 has been replaced by the delegation of the 16th resolution of the general shareholder's meeting of the Company of May 25, 2021, under which the general shareholder's meeting authorised the Board of Directors to make free allocations of existing shares or shares to be issued in favour of the Group's employees and executive officers or some of them. This delegation was granted for a period of 26 months.

Information concerning the history and terms of these allocations is described in paragraph 6.3.4.3 of this document.

7.2.6.4 CONVERTIBLE BONDS INTO NEW SHARES AND/OR EXCHANGEABLE FOR EXISTING SHARES

On October 7, 2019 the Company issued convertible bonds into new shares and/or exchangeable for existing shares ("OCEANE"), in a principal amount of about €200 million (gross amount of the issue) with a maturity set on October 7, 2024. The net amount of the issue (detailed in paragraph 2.5.4 "reconciliation of consolidated liabilities and net debt" of this document) has been allocated to the Group's general needs and is intended in particular to finance its development with a view to achieving the Group's targeted capacity by the end of 2021 (more than 5 GW under construction or operation) whilst at the same time optimizing its balance sheet in accordance with the objective defined in paragraph 2.2.2 "Information on trends and objectives".

The convertible bonds ("OCEANE") bear interest from their issue date at the annual rate of 1.875% payable semi-annually in arrears on April 7 and October 7.

The 6,629,101 convertible bonds ("OCEANE") issued have a par value per bond of €30.17 and may be converted, subject to the usual adjustments provided by the terms and conditions of the convertible bonds, on the basis of 1 ordinary share for each convertible bond converted.

Moreover, on June 2, 2020, the Company issued convertible bonds into new shares and/or exchangeable for existing shares ("OCEANE"), maturing on June 2, 2025, for a principal amount of approximately €170 million (gross amount of the issue). The net proceeds from the issue (detailed in paragraph 2.5.4 "reconciliation of consolidated liabilities and net debt" of this document) are allocated to the financing or refinancing of renewable energy generation projects (solar and wind energy) or energy storage projects, in accordance with the requirements of the European Union taxonomy and the Framework published and available on the Group's website, and, in particular, will be used to finance its development with a view to achieving its capacity target at the end of 2021 (more than 5 GW of capacity under construction or in operation) while optimising its balance sheet according to the objective set out in paragraph 2.2.2 "Information on trends and objectives" ("OCEANE Verte").

The convertible bonds ("OCEANE") bear interest from their issue date at the annual rate of 2% payable semi-annually in arrears on December 2 and June 2.

The 3,679,653 convertible bonds ("OCEANE") issued have a par value per bond of €46.20 and may be converted, subject to

the usual adjustments provided by the terms and conditions of the convertible bonds, on the basis of 1 ordinary share for each convertible bond converted.

In certain circumstances defined by the terms and conditions of the convertible bonds ("OCEANE"), in the event of a change of control of the Company or of a defined illiquidity incident (as defined therein) affecting the market for the Company's shares, the bondholders are entitled to request the early redemption of the bonds at their par value plus accrued interest. The bondholders may equally request early redemption in the event of certain events of default as set out in the terms and conditions of the convertible bonds ("OCEANE").

7.2.7 TERMS GOVERNING ANY ACQUISITION RIGHTS AND/OR OBLIGATIONS ATTACHED TO SHARE CAPITAL SUBSCRIBED BUT NOT PAID UP

None.

7.2.8 SHARE CAPITAL OF ANY GROUP COMPANY SUBJECT TO AN OPTION OR OPTION AGREEMENT

None.

7.2.9 PROGRAMME FOR NEOEN TO BUY BACK ITS OWN SHARES

Authorization given by the general shareholders' meeting of May 25, 2021

The general shareholders' meeting of May 25, 2021 authorized the board of directors to trade in the Company's own shares on the stock exchange. This authorization was given for eighteen months, until November 22, 2022 and terminates the authorization granted to the Board of Directors by the general shareholders' meeting of May 26, 2020 in its 16th ordinary resolution.

The maximum unit purchase price was set at €100 per share for a maximum amount of €50 million, as provided for in the 12th resolution adopted by the Company's combined general shareholders' meeting on May 25, 2021.

The objectives of this programme include:

- the allocation of free shares pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- the allocation or sale of shares to employees in respect of their participation in the benefits of the company's expansion or the implementation of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code as well as any other employee or executive shareholding plan of the Company and its subsidiaries;
- a capital reduction through the cancellation of all or part of the shares repurchased in this way; and
- stimulation of the secondary market or the liquidity of the Company's shares by an investment service provider acting within the framework of a liquidity contract in accordance with the ethical charter recognised by the AMF (French financial market authority).

Assessment of the share buyback program

(In number of treasury shares)	Stock market stabilization	Share buyback program[1]	Total
Positions at December 31, 2020	**10**	**10,629**	**10,639**
Repurchases	2,398,168	251,727	2,649,895
Sales/Transfers	(2,345,217)	(110,807)	(2,456,024)
Positions at December 31, 2021	**52,961**	**151,549**	**204,510**

(1) The Company acquires its own shares to cover its commitments to grant free shares to its employees.

In 2021, 2,649,895 shares were purchased at an average price of €37.39 per share and 2,456,024 shares were sold or granted in the context of free share plans at an average price of €35.51 per share.

On December 31, 2021, the Company directly or indirectly held 204,510 of its own shares, repreeenting a value of 7,752,957 euros based on book value.

7.2.10 EMPLOYEE SAVINGS PLANS

Discretionary profit-sharing agreement

To involve French employees in the Group's performance, an incentive plan was established in 2019 with the sole employee representative body. This agreement was filed with DIRECCTE. This agreement will apply for three financial years, i.e. 2019, 2020 and 2021.

Non-discretionary profit-sharing agreement

It is mandatory for companies with 50 employees or more to establish a profit-sharing agreement, pursuant to Article L. 3322-2 of the French Labour Code.

In 2021, the Company signed a new profit-sharing agreement with the social and economic committee, which was filed with DIRECCTE.

Company savings schemes and assimilated schemes

The creation of a company savings scheme is mandatory in companies having implemented a profit-sharing arrangement in application of Articles L.3323-2 and L.3323-3 of the French Labor Code. A company or group savings scheme is a collective savings scheme offering employees of member companies the option to build up a portfolio of securities with the help of their employer.

In 2014, the Company implemented a company savings scheme (PEE) and a collective retirement savings scheme (PERCO). In 2019, in line with employee savings reform in France, the Company signed a new collective retirement savings agreement (the PERCOL, replacing the PERCO) with the Company's employee representative body.

Any amounts generated under the Company's profit-sharing agreements, as well as contributions made by employees on a voluntary basis, eventually topped up by additional payments made by the employer, may be paid into the PEE and the PERCOL.

The arrangement for payment of top-ups by the employer in addition to voluntary payments made by employees up to the maximum limits defined by law has been in place in the Company to date and is revised on an annual basis.

All amounts invested in the PEE are then locked up for five years while amounts invested in the PERCOL remain locked up until the retirement of the beneficiary other than in the cases of early release defined by law. These plans are open to all employees on a permanent or fixed-term contract once they have been with the company for three months.

In accordance with Article L.3332-25 of the French Labor Code, the saver has the option to liquidate all assets held in the scheme in order to exercise share purchase options allocated as provided for by Articles L.22-10-56 et seq. of the French Commercial Code. Shares subscribed for or purchased in this manner by the saver are then paid into the savings scheme and are vested only after a period of five years starting from the payment.

On 31 December 2021, employees held shares in the Company under its employee savings plans (please refer to the paragraph 7.2.11 "employee shareholders" of this document).

7.2.11 EMPLOYEE SHAREHOLDERS

In 2021, the Company introduced an employee shareholding scheme for all its employees in France for the first time. This mechanism forms part of the framework defined by the employee savings plan.

The employee savings plan in force within the Company allows employees to have the amounts payable to them from the incentive plan or their personal employee savings converted to Company shares and to benefit from the employer contribution of shares. The employees' assets are blocked for five years in return for social and tax benefits, except in the event of early release provided for by law.

This operation is detailed in section 4.3 - notes 2 and 13 of this document.

On December 31, 2021, employees and corporate officers held 809,296 registered shares in the Company (representing 0.76% of the Company's share capital) resulting from employee shareholding operations, the definitive acquisition of free shares and the exercise of stock options granted by the Company.

7.2.12 CHANGE IN THE SHARE CAPITAL

The following table presents the history of the changes in the Company's share capital over the past three financial years:

Date	Type of transaction	Share capital prior to the transaction *(in euros)*	Number of shares prior to the transaction	Number of shares after the transaction	Par value *(in euros)*	Issue premium per share *(in euros)*	Share capital after the transaction *(in euros)*
28/06/2019	Share capital increase (exercise of stock options)	169,914,996	84,957,498	85,049,998	2	2.00	170,099,996
31/12/2019	Share capital increase (exercise of stock options)	170,099,996	85,049,998	85,088,748	2	2.00	170,177,496
10/04/2020	Share capital increase (exercise of stock options)	170,177,496	85,088,748	85,091,248	2	2.00	170,182,496
10/04/2020	Share capital increase (exercise of stock options)	170,182,496	85,091,248	85,188,540	2	4.00	170,377,080
10/04/2020	Share capital increase (free share award)	170,377,080	85,188,540	85,191,040	2	N/A	170,382,080
29/04/2020	Share capital increase (reserved for employees)	170,382,080	85,191,040	85,203,816	2	19.92	170,407,632
29/04/2020	Share capital increase (reserved for employees)	170,407,632	85,203,816	85,216,596	2	N/A	170,433,192
30/06/2020	Share capital increase (exercise of stock options)	170,433,192	85,216,596	85,252,638	2	4.00	170,505,276
06/10/2020	Share capital increase (free share award)	170,505,276	85,252,638	85,437,212	2	N/A	170,874,424
06/10/2020	Share capital increase (exercise of stock options)	170,874,424	85,437,212	85,462,212	2	2.00	170,924,424
06/10/2020	Share capital increase (exercise of stock options)	170,924,424	85,462,212	85,490,712	2	4.00	170,981,424
31/12/2020	Share capital increase (exercise of stock options)	170,981,424	85,490,712	85,525,712	2	2.00	171,051,424
31/12/2020	Share capital increase (exercise of stock options)	171,051,424	85,525,712	85,550,712	2	3.00	171,101,424
15/03/2021	Share capital increase (exercise of stock options)	171,101,424	85,550,712	85,574,712	2	4.00	171,149,424
09/04/2021	Share capital increase (issue of new shares with preferential subscription rights)	171,149,424	85,574,712	106,968,390	2	26.00	213,936,780
12/05/2021	Share capital increase (reserved for employees)	213,936,780	106,968,390	106,979,909	2	26.25	213,959,818
12/05/2021	Share capital increase (reserved for employees)	213,959,818	106,979,909	106,991,428	2	N/A	213,982,856

Date	Type of transaction	Share capital prior to the transaction *(in euros)*	Number of shares prior to the transaction	Number of shares after the transaction	Par value *(in euros)*	Issue premium per share *(in euros)*	Share capital after the transaction *(in euros)*
12/05/2021	Share capital increase (exercise of stock options)	213,982,856	106,991,428	106,995,752	2	3.55	213,991,504
31/05/2021	Share capital increase (free share award)	213,991,504	106,995,752	106,998,455	2	N/A	213,996,910
30/06/2021	Share capital increase (exercise of stock options)	213,996,910	106,998,455	107,011,665	2	7.25	214,023,330
31/12/2021	Share capital increase (exercise of stock options)	214,023,330	107,011,665	107,056,685	2	7.25 (7,005 shares) 3.55 (38,015 shares)	214,113,370

7.2.13 DISPOSAL OF SHARES

None.

7.2.14 PLEDGES

Please refer to paragraph 2.5.2 "project financing" of this document.

7.3 SHAREHOLDING STRUCTURE

7.3.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

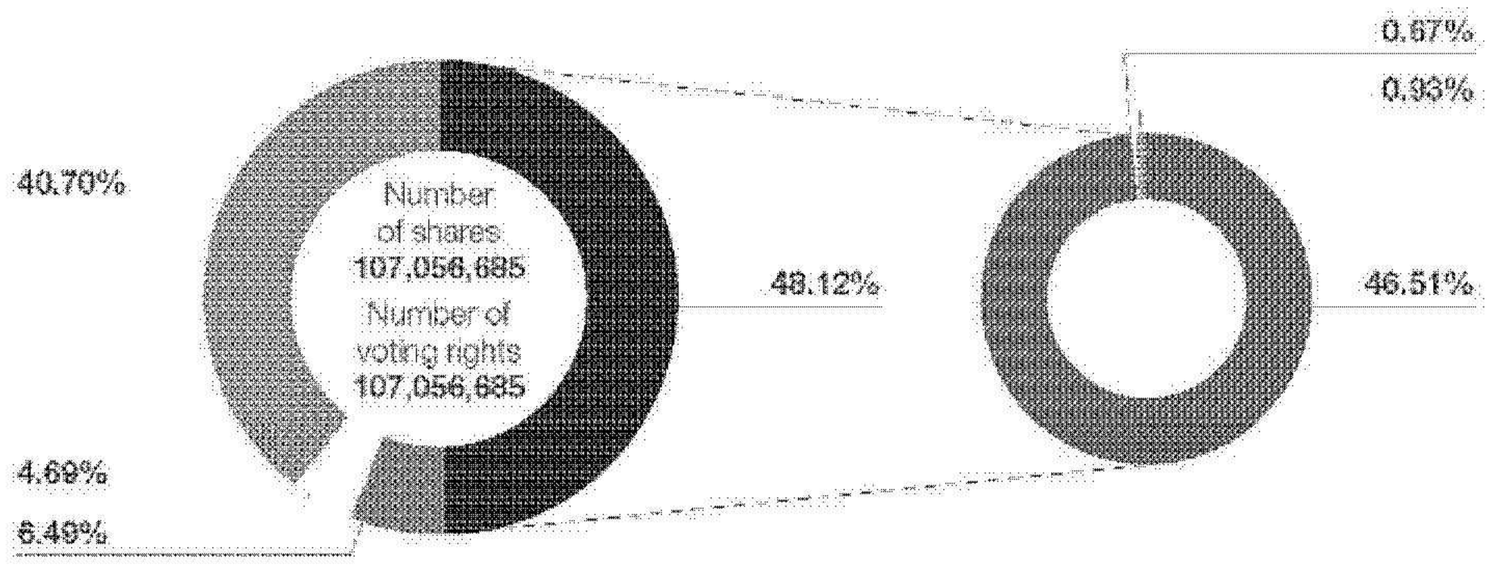
The table below shows the breakdown of share capital and voting rights in the Company as of December 31, 2021. This description reflects the Company's knowledge based on the information available to it as of December 31, 2021:

Shareholder	Number of shares	% of share capital	% of voting rights
Impala SAS	49,796,256	46.51%	46.51%
Cartusia SAS[1]	1,000,086	0.93%	0.93%
Xavier Barbaro and members of his family (directly or indirectly)	721,357	0.67%	0.67%
Total concert party[2]	**51,517,699**	**48.12%**	**48.12%**
Fonds Stratégique de Participations (FSP)	6,950,000	6.49%	6.49%
FPCI FONDS ETI 2020 *(represented by fund manager Bpifrance Investissement)*	5,016,112	4.69%	4.69%
Public	43,572,874	40.70%	40.70%
TOTAL	**107,056,685**	**100%**	**100%**

(1) Formerly known as Carthusiane.

(2) The concert party results from an agreement between shareholders Impala SAS and Cartusia SAS (formerly known as Carthusiane SAS), the latter being a long-term investment vehicle held by Mr Xavier Barbaro and the members of his family.

Share capital as of Decembre 31st, 2021



- Fonds Stratégique de Participations (FSP)
  FPCI FONDS ETI 2020 *(represented by fund manager Bpifrance Investissement)*
- Public
- Total concert party:
  - Impala SAS
  - Cartusia[1] SAS
    Mr. Xavier Barbaro and members of his family (directly or indirectly)

(1) Formerly known as Carthusiane.

Impala SAS

Impala, a group owned and managed by Mr Jacques Veyrat and his family, invests in projects with strong development potential, in different business sectors and with variable levels of participation: Energy (stakes in Neoen, Tag Energy, Albioma and Castleton Commodities International), Technologies (stakes in Technoplus Industries, Edgyn, Inexto),Cosmetics (stakes in Laboratoire Native, owner of the Roger&Gallet, Lierac, Phyto, stakes in P&B Group and Augustinus Bader), Culture, Entertainment and Fashion (stakes in Pullin, L'Exception, Rosa Bonheur and La Caserne), Finance (stakes in Eiffel Investment Group and in high-growth projects in China), Real estate projects and Hotels (residential real estate projects in the Paris region, Luxembourg and Spain and a hotel group in Portugal and France). Impala is a long-term investor.

Fonds Stratégique de Participations (FSP)

Fonds Stratégique de Participations (FSP) is an open-ended investment company (société d'investissement à capital variable) registered with the French financial markets authority (Autorité des Marchés Financiers - AMF), that promotes long-term equity investment. FSP's purpose is to acquire "strategic" equity stakes in the capital of French companies and participate in their governance by holding a seat on their board of directors and governance board. The fund is financed by seven major insurance companies seeking long term investments in French companies to help them with their development and transition projects. FSP's shareholders are BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Société Générale Assurances, Groupama, Natixis Assurances and Suravenir. On December 31, 2021, FSP held nine equity investments, Arkema, Seb, Safran, Eutelsat Communications, Tikehau Capital, Elior Group, Neoen, Valeo and Believe. FSP continues to study equity investment opportunities in French companies.

FSP is managed by ISALT (Investissements Stratégiques en Actions Long Terme), an independent management company which monitors the companies in which FSP invests and coordinates relations with the permanent representatives of FSP who sit on the boards of directors or supervisory boards of those companies. FSP has appointed Mr Christophe Gégout as its permanent representative on the Company's board of directors.

FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)

Bpifrance finances businesses at each stage of their development through loans, guarantees and equity. Bpifrance provides support with their innovation projects and international activities through a wide range of products and services. Bpifrance is particularly involved in the renewable energy sector, with more than €3 billion mobilised to finance and invest in the ecological and energy transition; it sees companies in this sector as genuine catalysts of competitiveness for the French economy, a sector that will receive increased support in the coming years via its climate plan.

7.3.2 COMMITMENTS BY SHAREHOLDERS TO RETAIN THEIR SHARES

As of the date of this document, there are no outstanding share retention commitments from the shareholders, as these commitments expired in 2021. As a reminder, they concerned:

- the commitment to retain the shares made on November 11, 2020 by the Fonds Stratégique de Participations (FSP) for a period of 90 calendar days as from November 13, 2020 following the sale of 0.8% of the Neoen shares it held at that date; and
- the commitments to retain the shares made by Impala SAS, the FSP and the FPCI Fonds ETI 2020 (represented by fund manager Bpifrance Investissement) for a period of 90 calendar days from the settlement-delivery of the new shares in the context of the capital increase with preferential subscription rights carried out on April 9, 2021 (as described in paragraphs 2.3.1.3 and 7.2.6.1 of this document).

7.3.3 OBLIGATION TO HOLD SHARES OF THE COMPANY

Pursuant to the internal regulations of the Board of Directors (Article 3.10), each member of the Board of Directors must own (directly or indirectly) at least 500 shares throughout his or her term of office and at the latest within six months after his or her appointment.

Furthermore, in accordance with the AFEP-MEDEF Corporate Governance Code to which the Company adheres, an obligation to retain nominative shares until the end of their terms of office has been set at 5,000 shares by the Board of Directors for the Company's executive officers.

7.3.4 EXCEEDING LEGAL AND/OR STATUTORY THRESHOLDS

On December 31, 2021, the following shareholders reported holding more than 1% of the voting rights in the Company (on the basis of their declarations of exceeding the applicable statutory thresholds):

Date reported	Date of the market transaction	Registered intermediaries or fund managers	Type of threshold crossing	Number of shares	% share Capital
07/01/2021	06/01/2021	BlackRock	↑	4,323,934	5.05%
10/02/2021	09/02/2021	BlackRock	↑	5,136,640	6.00%
24/02/2021	19/02/2021	Caisse des Dépôts	↑[4]	5,184,407	6.05%
18/03/2021	16/03/2021	AXA Investment Managers SA	↑	1,020,263	1.19%
16/03/2021	17/03/2021	BlackRock	↓	4,983,929	5.82%
22/03/2021	19/03/2021	Schroders Plc	↑	868,091[5]	1.01%
22/03/2021	19/03/2021	Invesco Ltd	↓	1,097,951	1.28%
30/03/2021	29/03/2021	Citigroup Inc.	↑	2,300,859[6]	2.69%
01/04/2021	31/03/2021	Norges Bank (the Central Bank of Norway)	↑	2,736,498	3.20%
06/04/2021	01/04/2021	Citigroup Inc	↓	1,595,191[7]	1.86%
07/04/2021	31/03/2021	La Financière de l'Echiquier	↑	2,588,387	3.02%
12/04/2021	09/04/2021	BlackRock	↑	6,001,914	7.01%
13/04/2021	09/04/2021	EPIC Bpifrance[8]	↓	5,016,112	4.69%
13/04/2021	09/04/2021	Caisse des Dépôts[8]	↓	6,306,438	5.89%
15/04/2021	13/04/2021	Norges Bank (the Central Bank of Norway)	↓	2,754,510	2.57%
14/04/2021	09/04/2021	Impala de concert avec la famille Barbaro[9]	↓	51,517,613	48.16%
20/04/2021	16/04/2021	BlackRock	↓	2,245,898	2.10%
25/06/2021	23/06/2021	Caisse des Dépôts	↑	6,423,378	6.00%
09/08/2021	05/08/2021	Norges Bank (the Central Bank of Norway)	↑	3,221,570	3.01%
24/08/2021	23/08/2021	La Financière de l'Echiquier	↑	4,296,960	4.02%

[4] Following the individual exceeding of the statutory threshold of 1% by CDC Croissance.

[5] Of which 6,784 contracts for difference.

[6] Of which 1,699,046 OTC derivatives.

[7] Of which 1,374,883 OTC derivatives.

[8] Exceeding of thresholds declared in respect of its holdings in the company *FCPI ETI 2020*.

[9] Exceeding of thresholds declared in respect of its holdings in Bpifrance Investissement, CDC croissance and CDC.

[10] Exceeding of thresholds resulting from the conclusion of a shareholders' agreement between Impala SAS and Cartusia SAS, the latter being controlled by Mr. Xavier Barbaro and his family. The Company's shares held directly by Xavier Barbaro and his family members are also taken into account for the purposes of calculating the thresholds. See paragraph 7.3.1 «Breakdown of capital and voting rights» of this document.

7.3.5 CHANGES IN SHAREHOLDING OVER THREE YEARS

The table below shows the breakdown of share capital and voting rights as of December 31, 2019, December 31, 2020 and December 31, 2021 on an undiluted basis:

Shareholder	Number of ordinary shares and voting rights	Percentage of capital (and theorical voting rights)	Percentage of potential voting rights
Impala SAS[1]	42,575,630	50.04%	50.15%
Fonds Stratégique de Participations (FSP)	6,400,000	7.52%	7.54%
FPCI FONDS ETI 2020 (Bpifrance Investissement)	4,983,683	5.86%	5.87%
Management	2,485,970	2.92%	2.93%
Public	28,643,465	33.66%	33.51%
Total at December 31, 2019	**85,088,748**	**100%**	**100%**
Impala SAS[1]	42,636,236	49.84%	49.84%
Cartusia SAS	720,000	0.84%	0.84%
Mr Xavier Barbaro and members of his family	764,236	0.89%	0.89%
Total concert party[2]	**44,120,472**	**51.57%**	**51.57%**
Fonds Stratégique de Participations (FSP)	5,700,000	6.66%	6.66%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	4,299,525	5.03%	5.03%
Public	31,430,715	36.74%	36.74%
Total at December 31, 2020	**85,550,712**	**100%**	**100%**
Impala SAS[1]	49,796,256	46.51%	46.51%
Cartusia SAS	1,000,086	0.93%	0.93%
Mr Xavier Barbaro and members of his family (directly or indirectly)	721,357	0.67%	0.67%
Total concert party[2]	**51,517,699**	**48.12%**	**48.12%**
Fonds Stratégique de Participations (FSP)	6,950,000	6.49%	6.49%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	5,016,112	4.69%	4.69%
Public	43,572,874	40.70%	40.70%
Total at December 31, 2021	**107,056,685[3]**	**100%**	**100%**

(1) Impala SAS is wholly owned, controlled and managed by Mr Jacques Veyrat and his family.

(2) The concert party results from an agreement between shareholders Impala SAS and Cartusia SAS (formerly known as Carthusiane SAS), the latter being a long-term investment vehicle held by Mr Xavier Barbaro and the members of his family.

(3) On April 9, 2021, the Group carried out a capital increase of €591.2 million after taking into account issue costs by issuing 21,393,676 new ordinary shares.

7.3.6 CONTROL STRUCTURE

On December 31, 2021, the Company is indirectly controlled by Mr Jacques Veyrat and his family who hold 46,51% of the share capital and voting rights via Impala SAS.

As a result, Impala SAS is the reference shareholder of the Company.

On December 21, 2020, Impala SAS entered into a concert party agreement with Cartusia SAS (formerly known as Carthusiane SAS), a long-term investment vehicle owned by Mr Xavier Barbaro and the members of his family.

On December 31, 2021, Impala SAS and Cartusia SAS (together with Mr Xavier Barbaro and his family members, directly or indirectly) jointly held the interest in the capital and voting rights of the Company that gives them control of the Company (their total interest in the capital and voting rights of the Company amounting to 48,12%).

In this context, the Company has taken following measures to prevent improper exercise of control:

- of the seven members of the board of directors, three directors (more than one third) are independent members, in accordance with the recommendations of the AFEP-MEDEF Code applicable to controlled companies;
- one director has been appointed Lead independent director;
- one director is a representative of Fonds Stratégique de Participations (FSP);
- one director is a representative of Bpifrance Investissement;
- three directors (less than half) are representatives of Impala SAS.

For further details, please see paragraph 6.2.1 "principles governing the composition of the Board of Directors" of this document.

7.3.7 AGREEMENTS THAT MAY LEAD TO A CHANGE OF CONTROL

To the best of the Company's knowledge, at the date of this document there are no agreements whose implementation might, at a later date, result in a change of control.

7.3.8 DIVIDENDS

7.3.8.1 DIVIDEND DISTRIBUTION POLICY

In accordance with the law and the bylaws of the Company, the general shareholders' meeting may decide, on the recommendation of the Board of Directors, the distribution of dividends.

The Company's dividend distribution policy takes into account, in particular, the Company's results, its financial position, the implementation of its objectives and its liquidity requirements.

Given its medium-term objectives mentioned in paragraph 2.2.2 "information on trends and objectives" of this document, the Group has announced the payment of a dividend, for the first time, in respect of the 2021 financial year, which would be payable in 2022.

At its Capital Markets Day on March 11, 2021, the Company also announced that it would be increasing dividends gradually and steadily. Dividend payments are subject to constraints imposed by commitments made by the Company in connection with its corporate financing.

7.3.8.2 DIVIDENDS DISTRIBUTED OVER THE PAST THREE YEARS

The financial year ending December 31, 2021 shows a net profit of €35.8 million.

A proposal will be made to the annual general shareholders' meeting in 2022 to pay a dividend of €0.10 per share for the first time, payable in shares or in cash.

The Group did not distribute dividends for the years ended on December 31, 2018, 2019 and 2020.

7.4 SECURITIES MARKET AND RELATIONS WITH SHAREHOLDERS

7.4.1 SECURITIES MARKET (STOCK MARKET INFORMATION)

Information sheet

The Company's shares are listed in France, on Euronext Paris, Compartment A:

- Sector: Energy and Basic Products;
- Indexes: CAC Mid 60, CAC All-share, CAC Mid & Small, CAC Utilities, SBF 120, Next 150, MSCI Small Cap France, S&P Global Clean Energy Index;
- DSS: Eligible;
- SSP: Eligible;
- ISIN code: FR0011675362;
- Date of initial listing: October 17, 2018.

Stock market data

Average price from initial listing until 28.02.2022	€31.00
Average volume from initial listing until 28.02.2022	128,976 shares
Highest price	€64.03 on 07.01.2021
Lowest price	€27.28 on 23.02.2022
Progress of the share from listing until 28.02.2022	+ 119.0%
Change between 01.01.2021 and 28.02.2022	- 40.3%
Market capitalisation at 28.02.2022	€3.7 billion

Change in the price and volume of transactions on the Neoen share

Dates	Highest price (in euros)	Lowest price (in euros)	Average volume of transaction
January 2021(1)	64.03	51.89	226,519
February 2021(2)	55.48	43.66	251,693
March 2021	46.19	37.60	495,309
April 2021	42.96	38.06	431,136
May 2021	38.48	32.26	227,759
June 2021	38.26	31.90	226,861
July 2021	38.54	35.10	150,179
August 2021	36.18	32.96	126,378
September 2021	36.78	33.26	144,211
October 2021	40.74	33.28	206,670
November 2021	40.50	36.58	154,560
December 2021	38.16	34.16	108,914
January 2022	37.98	30.88	151,559
February 2022	34.46	27.28	158,849

(1) Excluding the impact of the capital increase completed on April 9, 2021, the highest price was €69.60, the lowest price was €56.40, and the average number of shares was 201,052.

(2) Excluding the impact of the capital increase on April 9, 2021, the highest price was €60.30, the lowest price was €47.45, and the average number of shares was 231,569.

Change in the price of Neoen shares



7.4.2 RELATIONSHIP WITH SHAREHOLDERS

7.4.2.1 ACCESSIBILITY OF INFORMATION

All the financial information and financial communication media may be consulted, in digital format, on the Neoen website (www.neoen.com) under the heading Investors which particularly contains:

- the Universal Registration Document (including the annual financial report) filed with the AMF;
- all the financial press releases and financial communication media (publication of results, webcasts, Capital Markets Day, semestrial financial reports, investor presentations);
- documents relating to the general shareholders' meeting;
- the Company bylaws;
- the Board's internal regulations.

This information can also be sent by post by simply requesting it from the financial communications department.

The legal information (bylaws, meeting minutes of general shareholders' meetings, auditors' reports), are available for review at the head office.

7.4.2.2 RELATIONSHIP WITH INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

To ensure good relations with the financial community, the financial communications department regularly organises events enabling financial analysts and institutional investors to meet senior management.

With regard to financial year 2021, financial publications were presented by senior management at webcasts and conference calls during which it also replied to questions asked by financial analysts.

Furthermore, senior management and the financial communications and investor relations department joined in meetings with the financial community (financial analysts and institutional investors) in the form of sector conferences and digital roadshows. For the first year, the Group also launched a governance roadshow. These regular contacts contribute to building a relationship of trust.

The Neoen share is monitored by twelve financial analysis firms.

7.4.2.3 AGENDA

Financial agenda 2022

May 3, 2022	May 25, 2022	July 28, 2022	November 3, 2022
Publication of 1st quarter 2022 revenue	General shareholders' meeting	Publication of 1st semester 2022 financial results	Publication of nine-month 2022 revenue

7.4.2.4 FINANCIAL COMMUNICATION CONTACTS

Investor Relations Department

Delphine Deshayes

22, rue Bayard

75008 Paris

Email: communication@neoen.com



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GENERAL SHAREHOLDERS' MEETING

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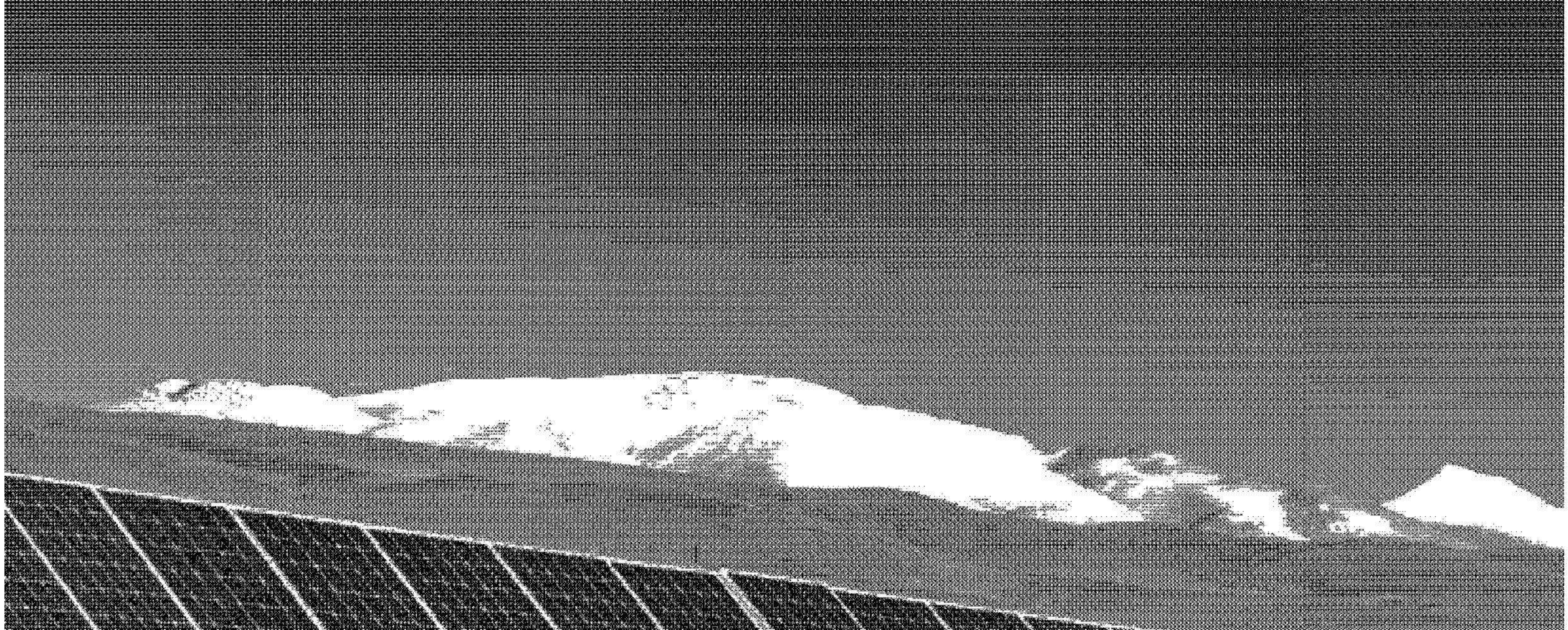


8.1 DRAFT RESOLUTIONS

8.1.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution (Approval of the 2021 Company financial statements and approval of expenses and charges that are not tax deductible)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, having familiarized itself with the report of the Board of Directors and with the report of the statutory auditors, approves as presented the Company financial statements for the 2021 fiscal year, including the balance sheet, income statement, and notes, showing a net profit of € 35,766,182.59, as well as the transactions reflected in those financial statements and summarized in those reports.

In particular, the general shareholders' meeting approves the overall amount of € 117,144.50 in expenses and charges referred to in Article 39 number 4 of the French General Tax Code, as well as the corresponding tax.

Second resolution (Approval of the 2021 consolidated financial statements)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, having familiarized itself with the report of the Board of Directors and with the report of the Statutory Auditors, approves as presented the consolidated financial statements for the 2021 fiscal year, including the balance sheet, income statement, and notes, showing a net profit, group share, of €40,995,493 as well as the transactions reflected in those financial statements and summarized in those reports.

Third resolution (Allocation of net income and determination of the dividend)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, and having noted that the Company financial statements as of December 31, 2021, and approved by this meeting show a net profit of €35,766,182.59:

- in accordance with applicable legal requirements, decides to allocate €1,788,309.13 of this profit to the legal reserve;
- notes that the balance of the remaining 2021 profit is €33,977,873.46; and
- decides to allocate the distributable profits, amounting to €33,977,873.46 as follows:
  - to distribute a total amount of €10,706,209 in dividends;
  - to allocate €23,271,664.46 to the "other reserves" account.

The general shareholders' meeting notes that the gross dividend per share is €0.10.

When it is paid to natural persons who are domiciled in France for tax purposes in respect of shares of the Company held other than through an equity savings plan (*plan d'épargne en actions* - PEA), the dividend will be subject either to a single withholding tax on the gross dividend at a flat rate of 12.8% (Article 200 A, 1., B. of the French General Tax Code), or, by express, irrevocable, and global election made annually by the taxpayer, to the progressive income tax, after application of a 40% allowance (Article 200A, 13, and 158, 3., 2° of of the French General Tax Code). The dividend is also subject to social security withholding at a rate of 17.2%.

The ex-dividend date will be June 1, 2022.

The dividend will be paid on June 23, 2022.

In the event of a change in the number of shares with dividend rights as against the 10,062,090 shares making up the share capital as of February 28, 2022, the total amount of the dividend will be adjusted accordingly, and the amount allocated to "other reserves" will be determined on the basis of the dividend actually paid.

In accordance with the law, the general shareholders' meeting takes note that the Company did not distribute any dividends or income during the three years preceding the 2021 fiscal year.

Fourth resolution (Option to receive dividend payment in cash or in shares)

The general shareholders' meeting, having familiarized itself with the report of the Board of Directors and in accordance with Article 24 of the Company's bylaws, noting that the share capital is fully paid up, decides to offer each shareholder, for the entirety of the net dividend in respect of the shares owned by such shareholder, an option to receive payment of the dividend in cash or in new shares.

The price of the shares delivered in payment of the dividend will be 90% of the average of the closing prices of the Company's shares over the twenty trading sessions preceding the date of this general shareholders' meeting, less the net amount of the dividend, if applicable rounded to two decimal places to the next higher euro cent, in accordance with Article L. 232-19 of the French Commercial Code.

If the amount of the net dividend for which the shareholder has exercised the option does not correspond to a whole number of shares, the shareholder may obtain the next lower whole number of shares and the remainder in cash.

Shareholders who wish to opt for payment of the dividend in shares will have from and including June 3, 2022, through and including June 17, 2022, to make the request to the financial intermediaries authorized to pay the dividend. As a result, any shareholder who has not opted for payment of the dividend in shares by the end of that period will receive payment of the dividend in cash.

For shareholders who opt for payment in cash, payment will take place on June 23, 2022. Delivery of the new shares to shareholders who have opted for payment of the dividend in shares will take place on the same day as payment of the cash dividend, namely, June 23, 2022.

Shares issued in payment of the dividend will bear immediate rights to dividends and will be assimilated with the existing shares.

The general shareholders' meeting gives all powers to the Board of Directors, with the right to subdelegate, in order to implement this resolution, to record the completion of the capital increase resulting from the exercise of the option to receive payment of the dividend in shares, to make corresponding changes to the bylaws, and to carry out the publicity formalities.

Fifth resolution (Approval of information referred to in Article L. 22-10-9 I of the French Commercial Code included in the corporate governance report (overall ex-post "say on pay"))

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having familiarized itself with the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code, as set forth in paragraphs 6.3.2.2 *et seq.* of the corporate governance report included in Chapter 6 of the 2021 universal registration document.

Sixth resolution (Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2021 or granted in respect of fiscal year 2021 to Xavier Barbaro, Chairman and CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having familiarized itself with the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid during 2021 or granted in respect of that fiscal year to Xavier Barbaro, Chairman and CEO, as presented in paragraph 6.3.2.3 of the corporate governance report included in Chapter 6 of the 2021 universal registration document.

Seventh resolution (Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2021 or granted in respect of fiscal year 2021 to Romain Desrousseaux, Deputy CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having familiarized itself with the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid during 2021 or granted in respect of that fiscal year to Romain Desrousseaux, Deputy CEO, as presented in paragraph 6.3.2.4 of the corporate governance report included in Chapter 6 of the 2021 universal registration document.

Eighth resolution (Approval of the compensation policy applicable to members of the Board of Directors)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having familiarized itself with the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy applicable to the members of the Board of Directors, as presented in paragraphs 6.3.1 and 6.3.3 (i) of the corporate governance report included in Chapter 6 of the 2021 universal registration document.

Ninth resolution (Approval of the compensation policy applicable to the Chairman and CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having familiarized itself with the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy applicable to the Chairman and CEO, as presented in paragraphs 6.3.1 and 6.3.2.1 (i) of the corporate governance report included in Chapter 6 of the 2021 universal registration document.

Tenth resolution (Approval of the compensation policy applicable to the Deputy CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having familiarized itself with the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy applicable to the Deputy CEO, as presented in paragraphs 6.3.1 and 6.3.2.1 (ii) of the corporate governance report included in Chapter 6 of the 2021 universal registration document.

Eleventh resolution (Renewal of Xavier Barbaro's directorship)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, having familiarized itself with the report of the Board of Directors, renews the directorship of Xavier Barbaro, expiring at the close of this meeting, for a period of four years to end at the close of the general shareholders' meeting held in 2026 to approve the financial statements for the prior fiscal year.

Twelfth resolution (Renewal of Sixto's directorship)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, having familiarized itself with the report of the Board of Directors, renews the directorship of Sixto, expiring at the close of this meeting, for a period of three years to end at the close of the general shareholders' meeting held in 2025 to approve the financial statements for the prior fiscal year.

Thirteenth resolution (Authorization to be given to the Board of Directors to trade in the Company's shares in accordance with the procedures set forth in Article L. 22-10-62 of the French Commercial Code, duration of the authorization, purposes, procedures, cap)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, having familiarized itself with the report of the Board of Directors, authorizes the Board of Directors, with the right to subdelegate as permitted by law, in accordance with Articles L. 225-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, to buy shares of the Company or to cause them to be bought, for the purposes of:

- Implementing any Company share purchase option plan pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan; or
- Allocating or selling shares to employees to enable them to share in the fruits of the Company's expansion or the introduction of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular, Articles L. 3332-1 *et seq.* of the French Labor Code, as well as any other shareholding plan for executives and employees of the Company and its subsidiaries; or
- Allocating free shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- Generally speaking, honoring obligations under stock option plans or other share allocations to Company employees or officers or those of an associated company; or
- Delivering shares when rights attached to transferable securities giving access to the share capital by redemption, conversion, exchange, or the presentation of warrants, or by any other means, are exercised; or
- Cancelling some or all of the shares thus acquired, in accordance with the authorization granted or to be granted by the extraordinary general shareholders' meeting; or
- Delivering shares (in exchange, as payment or otherwise) in connection with acquisitions, mergers, spin-offs, or contributions; or
- Stabilizing the secondary market or the liquidity of Company shares by an investment service provider under a liquidity agreement complying with market practices approved by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) (as amended, if applicable).

This program is also intended to enable any market practice that may be approved by the French Financial Markets Authority to be implemented and, more generally, any other transaction that complies with current regulations. Under such circumstances, the Company will inform its shareholders by means of a press release.

The Company will be able to purchase a number of shares such that, on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program (including those that are the subject of said buyback) is no more than 10% of the shares comprising the Company's share capital on that date (taking into consideration transactions affecting the share capital after the date of this general shareholders' meeting), namely, for informational purposes, as of December 31, 2021, a maximum buyback of 10,705,668 shares). It is specified that (i) the number of shares acquired with a view to retention and subsequent delivery as part of a merger, spin-off or contribution, may not be more than 5% of its share capital and (ii) where shares are bought back to boost liquidity under the conditions defined by the French Financial Markets Authority's general regulation, the number of shares taken into consideration when calculating the 10% cap provided for above, corresponds to the number of shares purchased, less the number of shares resold during the authorization period.

The acquisition, sale, or transfer of shares may be carried at any time decided by the Board of Directors, within the limits authorized by applicable laws and regulations.

During a tender offer initiated by a third party for the Company's shares and until the end of the offer period, the Board of Directors will not be able to use this authorization without the prior authorization of the general shareholders' meeting.

These transactions may be carried out by any means, including by block trades, or in any other manner (without any restriction on the percentage of the buybacks that may be made using any one method).

The Company reserves the right to use options or other derivatives in connection with applicable legislation.

The maximum share purchase price under this resolution will be €80 per share (or the equivalent of that amount, on the same date, in any other currency). This maximum price will apply only to acquisitions decided after the date of this general shareholders' meeting and not to future transactions concluded under an authorization granted by a previous general shareholders' meeting and providing for share acquisitions after the date of this meeting.

The general shareholders' meeting delegates to the Board of Directors, in the event of a change in the par value of shares, capital increases through the incorporation of reserves, free share grants, stock splits or reverse stock splits, the distribution of reserves or any other assets, redemption of capital, or any other transactions affecting the share capital or equity, the power to adjust the maximum share purchase price referred to above in order to take into account the effect of such transaction on the stock value.

The maximum funds designated for use by the buyback program is €50 million (or the equivalent of that amount on the buyback dates in any other currency).

The general shareholders' meeting gives the Board of Directors full authority, with the right to subdelegate in accordance with applicable law, to decide on and implement this authorization and, if necessary, to specify the terms and conditions thereof, to carry out the buyback program and, in particular, to place any trading orders, conclude any agreements, allocate or reallocate the shares acquired to the objectives set, in accordance with applicable legal and regulatory requirements, to set the terms under which the rights of holders of transferable securities giving access to the share capital or other rights giving access to the share capital, will be protected, if necessary, in accordance with legal and regulatory provisions and, where applicable, with contractual provisions providing for other adjustments, to make any declarations to the French Financial Markets Authority and any other competent authority and to complete any other formalities and, generally speaking, to do all that is necessary.

This authorization is granted for a period of 18 months from the date of this general shareholders' meeting.

This authorization terminates the authorization given to the Board of Directors by the twelfth resolution of the general shareholders' meeting held on May 25, 2021, acting within the remit of the ordinary shareholders' meeting.

Fourteenth resolution (Ratification of the transfer of the registered office from 6 rue Ménars - 75002 Paris to 22 rue Bayard - 75008 Paris)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for ordinary shareholders' meetings, after reviewing the Board of Directors' report, expressly ratifies the decision reached by the Board of Directors at its meeting on December 15, 2021, to transfer the registered office from 6 rue Ménars, 75002 Paris to 22 rue Bayard, 75008 Paris, effective as of February 28, 2022.

8.1.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

Fifteenth resolution (Authorization to be given to the Board of Directors to decrease the share capital by cancelling treasury shares, duration of the authorization, cap)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors to decrease the share capital, on one or more occasions, in the proportions and at the times that it sees fits, by cancelling any quantity of treasury shares, to the extent permitted by law, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code.

On each cancellation date, the maximum number of shares cancelled by the Company during the twenty-four month period prior to such cancellation, including the shares cancelled on such date, may not exceed 10% of the shares comprising the Company's share capital on that date, namely, for informational purposes, based on the share capital of €214,113,370 as of December 31, 2021, a maximum of 10,705,668 shares, it being noted that this maximum is applied to a share capital amount that will, where applicable, be adjusted in recognition of transactions affecting the share capital after this general shareholders' meeting.

The general shareholders' meeting gives the Board of Directors full authorization, with the right to subdelegate in accordance with applicable law, to implement the cancellation(s) and reduction(s) of share capital permitted under this authorization, to deduct the difference between the buyback value and the par value of the cancelled shares from available premiums and reserves, at its discretion, to allocate the portion of the legal reserve freed up as a result of the capital decrease, and to amend the by-laws accordingly and to carry out any formalities.

This authorization is granted for a period of twenty-six months from the date hereof and cancels, as from the date of this general shareholders' meeting, the unused portion of any prior authorization granted for the same purpose.

Sixteenth resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with preferential subscription rights, duration of the delegation, maximum nominal amount of the capital increase, right to offer the unsubscribed securities to the public)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, and in particular Articles L. 225-129, L. 225-129-2, L. 225-132 to L. 225-134, L. 22-10-49, and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, with preferential subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established in reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital and/or to debt securities of the Company, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means;
2. Decides that subscriptions may be paid up either in cash or by set-off against claims;

3. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of immediate or future capital increases that may be carried out under this authorization is €90 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies;
- This amount is independent of the amount of the capital increases that may result from the use of the other resolutions submitted to this shareholders' meeting;
- Where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital;

4. In the event that the Board of Directors uses this delegation of authority:

- Decides that the issuance or issuances shall be reserved preferentially for the shareholders, who may subscribe proportionally, on an irreducible basis, for the number of shares that they hold at that time;
- Notes that the Board of Directors will have the option to provide a subscription right on a reducible basis;
- Recognizes that the decision to issue securities giving access to the share capital in accordance with this delegation of authority will result, without further notice and for the benefit of the holders of such securities, in the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right, immediately or in the future;
- Recognizes that, in accordance with Article L. 225-134 of the French Commercial Code, if subscriptions on an irreducible basis and, if applicable, on a reducible basis have not absorbed the entire capital increase, the Board of Directors may use, as provided for by law and in the order that it shall determine, one or more of the options below:
  - To freely distribute some or all of the unsubscribed shares;
  - To offer to the public some or all of the unsubscribed shares; and/or
  - Generally, to limit the amount of the issuance to the amount of the subscriptions, within the limits provided for by regulations;
- Decides that the Company may also issue share subscription warrants by means of free grants to the owners of existing shares, it being specified that the Board of Directors will have the right to decide that fractional rights will not be negotiable and that the corresponding shares will be sold in accordance with applicable laws and regulations;

5. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, within the limits set forth above, in particular, in order to:

- Decide to issue the securities referred to in 1. above;
- Decide on the amount and price of the issuance and the amount of the premium that may be required on issuance;
- Determine the dates and terms of the issuance, and the type, number, and characteristics of the securities to be created;
- In the case of debt securities, decide whether they will be subordinated or not (and, where applicable, their subordination rank, in accordance with Article L. 228-97 of the French Commercial Code), set their interest rate (in particular whether it will be a fixed or floating rate, zero coupon, or indexed) and the terms that would apply to any mandatory or optional payment suspensions or non-payment of interest, determine their term (closed-ended or open-ended), the possibility of decreasing or increasing the nominal amount of the securities and the other terms of the issuance (including the granting of guarantees or sureties) and of redemption (including repayment by delivery of Company assets); where applicable, such securities may include the option for the Company to issue debt securities (whether having equity characteristics or not) in payment of interest for which the Company has suspended payments, or may take the form of complex debt instruments as defined by the stock market authorities (for example, due to their repayment or payment terms or other rights such as indexation or options); modify, while the securities in question are outstanding, the terms referred to above, in compliance with applicable rules;
- Determine the method of payment for the securities to be issued immediately or in the future;
- Where applicable, set terms for the exercise of rights (where applicable, rights of conversion, exchange, or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to share capital and, in particular, setting the date, which may be retrospective, from which the new shares will rank for dividend, as well as any other terms and conditions applicable to capital increases;
- Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;
- Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
- At its sole discretion, charge the costs of a capital increase to related premiums and deduct the amounts needed for the legal reserve from such amount;
- Determine and make any adjustments intended to reflect the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock

splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities giving access to the share capital or other rights giving access to share capital are protected (including via cash adjustments);

- Record the completion of each capital increase and amend the by-laws accordingly;
- Generally speaking, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;

6. Takes note that if the Board of Directors uses the delegation of authority granted to it in this resolution, the Board of Directors must report to the next ordinary shareholders' meeting, in accordance with laws and regulations, on the use that it has made of the authorizations granted in this resolution;

7. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

8. Takes note that this delegation cancels, as from the date of this general shareholders' meeting, the unused portion of any prior authorization granted for the same purpose.

Seventeenth resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by offering to the public excluding the offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code and/or in consideration of securities in connection with an exchange offer, duration of the delegation, maximum nominal amount of the capital increase, issuance price, right to limit the offering to the amount of subscriptions or to distribute the unsubscribed securities to the public)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, and in particular Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52, L. 22-10-54, and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, with cancellation of preferential subscription rights, by an offering to the public other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established in reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital and/or to debt securities of the Company, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means.

Such securities may be issued in consideration of securities contributed to the Company in connection with a public exchange offer carried out in France or abroad in accordance with local rules (for example, in connection with a reverse merger of the Anglo-American type) for shares meeting the conditions set forth in Article L. 22-10-54 of the French Commercial Code.

2. Decides that subscriptions may be paid up either in cash or by set-off against claims;

3. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of immediate, or future, capital increases that may be carried out under this authorization is €65 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this amount will be included in the overall cap referred to in the 25th resolution of this meeting, or, where applicable, in any overall cap that may be provided for by a resolution of the same type that may replace such resolution during the period of validity of this delegation;
- Where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities or of other rights giving access to the share capital;

4. Decides to cancel the preferential subscription right of the shareholders to the securities that are the subject of this resolution, while nevertheless granting the Board of Directors the option to grant to the shareholders, for a duration and in accordance with terms that it shall set in compliance with applicable laws and regulations and for all or part of a given issuance, a priority subscription period not giving rise to the creation of negotiable rights and that must be exercised in proportion to the number of shares held by each shareholder, and may be accompanied by a subscription on a reducible basis, it being specified that securities not thus subscribed for will be offered to the public in France or abroad;

5. Decides that if subscriptions, including any subscriptions by shareholders, do not cover the entire issuance, the Board of Directors may choose from the following options:

   - To limit the amount of the issuance to the amount of subscriptions received, within any limits provided for by regulations; or
   - To freely distribute some or all of the unsubscribed shares;

6. Takes note that the decision to issue securities giving access to the share capital in accordance with this delegation of authority will result, as of right and for the benefit of the holders of such securities, in the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right immediately or in the future;

7. Recognizes that, in accordance with Article L. 22-10-52, paragraph 1, of the French Commercial Code:

   - The issuance price for the shares issued directly shall be at least equal to the minimum allowed under applicable regulations on the date of the issuance (namely, for informational purposes as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering, minus a maximum discount of 10%), after taking into account, in the case of an issuance of stand-alone share subscription warrants, the issuance price of such warrants;
   - The issuance price for securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital may give a right, shall be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph;

8. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, in particular, in order to:

   - Decide to issue the securities referred to in 1. above;
   - Decide on the amount and price of the issuance and the amount of the premium that may be required on issuance;
   - Determine the dates and terms of the issuance, and the type, number, and characteristics of the securities to be created;
   - In the case of debt securities, decide whether they will be subordinated or not (and, where applicable, their subordination rank, in accordance with Article L. 228-97 of the French Commercial Code), set their interest rate (in particular whether it will be a fixed or floating rate, zero coupon, or indexed) and the terms that would apply to any mandatory or optional payment suspensions or non-payment of interest, determine their term (closed-ended or open-ended), the possibility of decreasing or increasing the nominal amount of the securities and the other terms of the issuance (including the granting of guarantees or sureties) and of redemption (including repayment by delivery of Company assets); where applicable, such securities may include the option for the Company to issue debt securities (whether having equity characteristics or not) in payment of interest for which the Company has suspended payments, or may take the form of complex debt instruments as defined by the stock market authorities (for example, due to their repayment or payment terms or other rights such as indexation or options); modify, while the securities in question are outstanding, the terms referred to above, in compliance with applicable rules;
   - Determine the method of payment for the securities to be issued immediately or in the future;
   - Where applicable, set terms for the exercise of rights (where applicable, rights of conversion, exchange, or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to share capital and, in particular, setting the date, which may be retrospective, from which the new shares will rank for dividend, as well as any other terms and conditions applicable to capital increases;
   - Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;
   - Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
   - In the case of an issuance of securities in consideration for other securities contributed in connection with a public tender offer having an exchange offer component (public exchange offer), establish the list of securities contributed to the exchange and determine the terms of the issuance, the exchange ratio, and, if applicable, the amount of the cash balance to be paid, provided, that the procedures for determining the price provided for in this resolution shall not apply, and determine the terms of the issuance in connection either with a public exchange offer, an alternative tender or exchange offer, or with a simple tender or exchange offer for the securities in question in consideration of a payment in securities and cash, or of a principal public tender or exchange offer with an alternate public exchange or tender offer in accordance with the laws and regulations applicable to such public tender offer;
   - At its sole discretion, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
   - Determine and make any adjustments intended to recognize the impact of transactions in the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or equity (including in the event of a public tender offer and/or change of control), and set any other terms ensuring, in accordance with laws and

regulations and, where applicable, with contractual provisions providing for other adjustments, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);

- Record the completion of each capital increase and amend the by-laws accordingly;
- Generally speaking, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;

9. Takes note that if the Board of Directors uses the delegation of authority granted to it in this resolution, the Board of Directors must report to the next ordinary shareholders' meeting, in accordance with laws and regulations, on the use that it has made of the authorizations granted in this resolution;

10. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

11. Takes note that this authorization cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Eighteenth resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by offering of the type referred to in Article L. 411-2 1° of the French Monetary and Financial Code, duration of the delegation, maximum nominal amount of the capital increase, issuance price, right to limit the offering to the amount of subscriptions or to distribute the unsubscribed securities to the public)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, and in particular Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-52, and L. 228-91 *et seq.* of the French Commercial Code and Article L. 411-2, 1° of the French Monetary and Financial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, with cancellation of preferential subscription rights, by an offering to the public of the type referred to in Article L. 411-2 1° of the France, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established in reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital and/or to debt securities of the Company, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means;

2. Decides that subscriptions may be paid up either in cash or by set-off against claims;

3. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of immediate or future capital increases that may be carried out under this authorization is €65 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this amount will be included in the overall cap referred to in the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may replace such resolution during the period of validity of this delegation of power;
- In any event, issuances of equity securities carried out pursuant to this delegation shall not exceed the limits provided for by applicable regulations on the date of the issuance (as of the date hereof, 20% of the share capital per year); and
- Where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital;

4. Decides to cancel the shareholders' preferential subscription rights to the securities referred to in this resolution;

5. Decides that if subscriptions, including any subscriptions by shareholders, do not cover the entire issuance, the Board of Directors may use the following options:

- To limit the amount of the transaction to the amount of subscriptions received, within any limits provided for by regulations; or
- To freely distribute some or all of the unsubscribed shares;

6. Recognizes that the decision to issue securities giving access to the share capital in accordance with this delegation will imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which the securities shall give a right immediately or in the future;

7. Recognizes that, in accordance with Article L. 22-10-52, paragraph 1, of the French Commercial Code:

- The issuance price for the shares issued directly shall be at least equal to the minimum allowed under applicable regulations on the date of the issuance (namely, for informational purposes as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering, minus a maximum discount of 10%), after taking into account, in the case of an issuance of stand-alone share subscription warrants, the issuance price of such warrants;
- The issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital may give a right, shall be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph;

8. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, in particular, in order to:

- Decide to issue the securities referred to in 1. above;
- Decide the amount and price of the issuance and the amount of the premium that may be required on issuance;
- Determine the dates and terms of the issuance, and the type, number, and characteristics of the securities to be created;
- In the case of an issuance of debt securities, decide whether they will be subordinated or not (and, where applicable, their subordination rank, in accordance with Article L. 228-97 of the French Commercial Code), set their interest rate (in particular whether it will be a fixed or floating rate, zero coupon, or indexed) and the terms that would apply to any mandatory or optional payment suspensions or non-payment of interest, determine their term (closed-ended or open-ended), the possibility of decreasing or increasing the nominal amount of the securities and the other terms of the issuance (including the granting of guarantees or sureties) and of redemption (including repayment by delivery of Company assets); where applicable, such securities may include the option for the Company to issue debt securities (whether having equity characteristics or not) in payment of interest for which the Company has suspended payments, or may take the form of complex debt instruments as defined by the stock market authorities (for example, due to their repayment or payment terms or other rights such as indexation or options); and modify, while the securities in question are outstanding, the terms referred to above, in compliance with applicable rules;
- Determine the method of payment for the securities to be issued immediately or in the future;
- Where applicable, to set terms for the exercise of rights (where applicable, rights of conversion, exchange or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to share capital to be issued and, in particular, to set the date, which may be retrospective, from which the new shares will rank for dividend, as well as any other terms and conditions applicable to capital increases;
- Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;
- Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
- At its sole discretion, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
- Determine and make any adjustments intended to reflect the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities giving access to the share capital or other rights giving access to share capital are protected (including via cash adjustments);
- Record the completion of each capital increase and amend the by-laws accordingly;
- Generally speaking, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;

9. Takes note that if the Board of Directors uses the delegation of authority granted to it in this resolution, the Board of Directors must report to the next ordinary shareholders' meeting, in accordance with laws and regulations, on the use that it has made of the authorizations granted in this resolution;

10. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

11. Takes note that this authorization cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Nineteenth resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, with cancellation of the preferential subscription right, reserved for Group employees outside France, duration of the delegation, maximum nominal amount of the capital increase, issuance price, right to limit to the amount of subscriptions or to distribute unsubscribed securities)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary general shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129-2, L. 225-138, and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to carry out the capital increase, with cancellation of preferential subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established in reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital (including equity securities giving rights to a grant of debt securities);

2. Decides that the issuance or issuances shall be reserved for the following categories of recipients: (i) employees, pre-retirement or retired, and corporate officers of the foreign companies of the Neoen group, related to the Company pursuant to Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, in order to enable them to subscribe for the Company's share capital ("the "Overseas Employees") and/or (ii) UCITs or other entities, whether or not legal entities, of employee shareholders invested in shares of the Company of which the shareholders shall consist of Overseas Employees; and/or (iii) any banking institutions or entities controlled by such institutions within the meaning of Article L. 233-3 of the French Commercial Code, acting at the Company's request to put in place a structured offer to Overseas Employees;

3. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

   - The maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation is 1% of the share capital on the date of the Board of Directors' decision; it is specified that this amount will be included in (i) the overall cap provided for in the 25th resolution of this general shareholders' meeting, as well as in (ii) the cap provided for in the 23rd resolution of this general shareholders' meeting, or, if applicable, in the caps that may be provided for by resolutions of the same nature that may replace such resolutions during the period of validity of this delegation;
   - Where applicable, these caps will also include the nominal amount of the capital increase carried out to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital;

4. Decides to cancel the shareholders' preferential subscription rights to the securities referred to in this resolution for the benefit of the above-mentioned recipients;

5. Decides that the issuance price of the shares to be issued pursuant to this authorization will be set by the Board of Directors on the basis of the Company's stock price on the Euronext Paris regulated market. This price will be equal to (i) the average closing price of the Company's shares over the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under this resolution, less a maximum discount of 30%; or (ii) in the alternative, for a transaction carried out as part of an overall employee share ownership plan set up in France and abroad, the price set by the Board of Directors or its delegate on the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under the 23rd resolution of this general shareholders' meeting;

6. Decides that the issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital may give a right, shall be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph;

7. Decides that if subscriptions do not cover the entire issuance referred to in 1. above, the Board of Directors may use one or more of the following options, in the order that it chooses:

   - To limit the amount of the issuance to the amount of the subscriptions, within any limits provided for by regulations; or
   - To freely distribute some or all of the unsubscribed shares among the categories of persons defined above;

8. Decides that the Board of Directors, with the right to subdelegate in accordance with applicable law, will have full authority to implement this delegation of authority, in particular in order to:

   - Decide to conduct an issuance on the basis of this delegation, and to determine its terms;
   - Draw up a list of the beneficiary or beneficiaries of the cancellation of the preferential subscription right within the categories defined above, as well as the number of securities to be subscribed for by each of them;
   - Where applicable, set terms for the exercise of rights (where applicable, rights of conversion, exchange, or redemption, including by the delivery of Company assets

such as existing treasury shares or transferable securities) attached to the securities issued or to be issued and, in particular, to set the date, which may be retrospective, from which the new shares will rank for dividend, as well as any other terms and conditions applicable to the issuance;

- Provide for the option to suspend any exercise of rights attached to such securities in accordance with legal and regulatory provisions, for a maximum period of three months;
- Set the amounts of the issuances to be carried out pursuant to this delegation, and in particular to set the issuance price and the amount of the premium that may be required on issuance;
- Determine the dates, time periods, issuance procedures, nature, and form and features of the securities to be created, which may, in particular, take the form of subordinated or unsubordinated securities, with a fixed term or not, and the terms and conditions concerning the subscription, payment, delivery, and dividend date (which may be retrospective) of the securities, the reduction rules applicable in the event of oversubscription, as well as the other terms and conditions of the issuances, within applicable legal or regulatory limits;
- Determine and make any adjustments intended to reflect the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
- Record capital increases and amend the by-laws accordingly;
- Where applicable, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
- Generally speaking, enter into any agreement necessary to carry out the proposed issuances successfully, to take any measures and decisions and carry out any formalities required for the issuance, listing and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto or subsequent to the issuances carried out and, more generally, do whatever is necessary;

9. Decides that the delegation of authority that is the subject of this resolution will be 18 months from the date of this meeting;

10. Takes note that this authorization cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the unused portion.

Twentieth resolution (Authorization to be given to the Board of Directors to increase the number of shares to be issued in a capital increase, with or without cancellation of the preferential subscription right)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for extraordinary general shareholders' meetings, having familiarized itself with the report of the Board of Directors and with the special report of the statutory auditors, in accordance with Article L. 225-135-1 of the French Commercial Code:

1. Authorizes the Board of Directors, with the right to subdelegate as permitted by law, to decide to increase the number of shares to be issued in the event of a capital increase of the Company, with or without preferential subscription rights, at the same price as that of the initial issuance, within the time periods and limits provided for by applicable regulations on the date of the issuance (as of the date hereof, within 30 days following the close of the subscription period and up to a maximum of 15% of the initial issuance), to grant an over-allotment option in accordance with market practice and within the limit of the caps set by the general shareholders' meeting;

2. Decides that the duration of the delegation of authority that is the subject of this resolution will be 26 months from the date of this meeting;

3. Takes note that this authorization cancels, as from the date of this meeting, any prior authorization having the same purpose.

Twenty-first resolution (Authorization to be given to the Board of Directors to issue shares and/or transferable securities giving immediate or future access to the Company's share capital in consideration of contributions in kind consisting of equity securities or transferable securities giving access to share capital)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-147, L. 22-10-53, and L. 228-91 *et seq.* of the French Commercial Code:

1. Authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, to increase the share capital, on one or more occasions, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate, or future, access, at any time, or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants or any other means, to the Company's share capital, to be used as consideration for contributions in kind made to the Company and consisting of equity securities or securities giving access to the share capital, where Article L. 22-10-54 of the French Commercial Code does not apply;

2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this authorization:

- The maximum nominal amount of immediate, or future, capital increases that may be carried out under this authorization is 10% of the share capital on the date of the transaction; it is specified that this amount will be included in the overall cap provided for by the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by resolutions of the same type that may replace such resolution during the period of validity of this authorization;
- In any event, issuances of shares and securities giving access to the share capital carried out pursuant to this authorization shall not exceed the limits provided for by applicable regulations on the date of the issuance (as of the date hereof, 10% of the share capital); and
- Where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital;

3. Recognizes that the decision to issue securities giving access to the share capital in accordance with this authorization will imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right immediately or in the future;

4. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this resolution, in particular, in order to:

- Decide to issue shares and/or transferable securities giving immediate, or future, access to the Company's share capital, in consideration of contributions;
- Establish the list of equity and other securities giving access to the share capital that are contributed, approve the valuation of the contributions, determine the terms of the issuance of the shares and/or other securities in consideration of the contributions, as well as, if applicable, the amount of the cash balance to be paid, approve the granting of specific benefits, and decrease, if the contributors consent, the valuation of the contributions or the consideration for specific benefits;
- Determine the terms and characteristics of the shares and/or other securities to be issued in consideration of the contributions and modify, while such securities are outstanding, such terms and characteristics in compliance with applicable rules;
- Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;
- At its sole discretion, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
- Determine and make any adjustments intended to reflect the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities giving access to the share capital or other rights giving access to share capital are protected (including via cash adjustments);
- Record the completion of each capital increase and amend the by-laws accordingly;
- Generally speaking, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this authorization, as well as for the exercise of the rights attached thereto;

5. Sets the period of validity of the authorization referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

6. Takes note that if the Board of Directors uses the authorization granted to it in this resolution, the report of the statutory auditor, if one is prepared in accordance with Article L. 225-147 of the French Commercial Code, must be brought to its attention at the next general shareholders' meeting;

7. Takes note that this authorization cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Twenty-second resolution (Delegation of authority to be given to the Board of Directors to decide to increase the Company's share capital by incorporation of premiums, reserves, profits, or any other amounts, duration of the delegation, maximum nominal amount of the capital increase, procedure for fractional shares)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for ordinary shareholders' meetings, after reviewing the Board of Directors' report and in accordance with the provisions of Articles L. 225-129-2, L. 225-130, and L. 22-10-50 of the French Commercial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, on one or more occasions, in the proportion and at the times that it shall

decide, by incorporation into the share capital of premiums, reserves, profits, or any other amounts the incorporation of which into the share capital is possible under the law and the by-laws, in the form of an issuance of new equity securities or of an increase in the par value of the existing equity securities, or by the combined use of both procedures;

2. Decides that if the Board of Directors uses this delegation, in accordance with Articles L. 225-130 and L. 22-10-50 of the French Commercial Code, in the case of a capital increase by free grant of shares, rights forming fractional shares will not be negotiable or assignable and that the corresponding shares will be sold; the proceeds of the sale will be allocated to the holders of the rights within the time period provided for by regulations;

3. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of capital increases that may be carried out under this delegation may not exceed €60 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this maximum amount is autonomous and shall not be included in the overall cap referred to in the other resolutions of this shareholders' meeting;
- Where applicable, this cap will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital;

4. In the event that the Board of Directors uses this delegation of authority, delegates all powers to it, with the right to subdelegate in accordance with applicable law, to implement this delegation, in particular in order to:

- Determine the total and the type of amounts to be incorporated into the share capital, set the number of new shares to be issued and/or the amount by which the par value of existing shares will be increased, set the date (which may be retrospective) as from which the new shares will bear dividend rights or on which the increase in the par value of existing shares will be effective;
- Decide, in the event of a free grant of shares, that rights forming fractional shares will be non-negotiable and non-transferable, and that the corresponding shares will be sold pursuant to terms determined by the Board of Directors, it being noted that the sale and distribution of amounts resulting from the sale must occur within the time period and in accordance with the procedures provided for by regulations;
- Make any adjustments intended to recognize the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or equity (including in the event of a public tender offer and/or change of control);
- Determine any procedures for protecting, where applicable, the rights of the holders of securities giving access to the share capital or other rights giving access to the share capital (including by a cash adjustment);
- Record the completion of each capital increase and amend the by-laws accordingly;
- Generally speaking, enter into any agreement, take any measures, and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;

5. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

6. Takes note that this delegation cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Twenty-third resolution (Delegation of authority to be given to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, with cancellation of the preferential subscription right, reserved for participants in company savings plans pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, maximum nominal amount of the capital increase, issuance price, right to grant free shares pursuant to Article L. 3332-21 of the French Labor Code)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary general shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with, on the one hand, the provisions of Articles L. 225-129-2, L. 225-129-6, L. 225-138-1 and L. 228-91 *et seq.* of the French Commercial Code and, on the other, of Articles L. 3332-18 to L. 3332-24 of the French Labor Code:

1. Authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, to decide to increase the capital, without preferential subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euros or in any other currency or monetary unit established by reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) ordinary shares of the Company and/or (ii) securities giving immediate or future access to the Company's share capital, reserved for participants in one or more employee savings plans (or any other plan with participants for whom Articles L. 3332-1 *et seq.* of the French Labor Code or any similar

law or regulation permits a capital increase to be reserved under the same conditions) put in place within a company or group of companies, French or foreign, within the scope of consolidation or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code, it being specified that this resolution could be used for purposes of implementing leverage formulas;

2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation is 2% of the share capital on the date of the Board of Directors' decision; it is specified that this amount will be included in the overall cap provided for in the 25th resolution of this shareholders' meeting, or, if applicable, in any overall cap provided for by a resolution of the same nature that may replace such resolution during the period of validity of this delegation;
- Where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital;

3. Decides that the issuance price for the new shares or securities giving access to the share capital, determined pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, will be at least 70% of the Reference Price (as such expression is defined below) or 60% of the Reference Price (as such term is defined below) where the retention period provided for by the plan, under Articles L. 3332-25 and L. 3332-26 of the French Labor Code, is ten years or more. For the purposes of this paragraph, the "Reference Price" means the average of the closing prices of the Company's shares on the Euronext Paris regulated market over the twenty trading sessions prior to the date of the decision being taken by the Board of Directors or its delegate, setting the opening date of the subscription period for members of a company or group savings plan (or similar plan);

4. Authorizes the Board of Directors to carry out free grants to the beneficiaries indicated above, in addition to the shares or securities giving access to the share capital, of shares or securities giving access to the share capital to be issued or already issued, as a replacement for all or part of the discount from the Reference Price and/or as a top-up, it being understood that the benefit resulting from such grant may not exceed applicable legal or regulatory limits;

5. Decides to cancel the shareholders' preferential subscription right to the securities that are the subject of this resolution for the benefit of the recipients indicated above; in the event of a free grant to the recipients indicated above of shares or securities giving access to the share capital, the shareholders would also waive any right to such shares or securities giving access to the share capital, including the portion of reserves, profits, or premiums incorporated into the share capital, by reason of the free grant of such securities carried out on the basis of this resolution;

6. Authorizes the Board of Directors, pursuant to the terms of this delegation, to sell shares to the participants in a company or group savings plan (or similar plan) as provided for in Article L. 3332-24 of the French Labor Code, it being specified that sales of shares carried out at a discount to participants in one or more employee savings plans as referred to in this resolution will be included, up to the amount of the nominal value of the shares so sold, in the caps referred to in paragraph 2 above;

7. Decides that the Board of Directors, with the right to subdelegate in accordance with applicable law, will have full authority to implement this delegation of power, in particular in order to:

- Decide to issue shares and/or transferable securities giving immediate or future access to the Company's share capital;
- Establish, in accordance with applicable law, the list of beneficiaries indicated above who may subscribe for the shares or securities giving access to the share capital so issued, and who may receive, if applicable, free grants of shares or securities giving access to the share capital;
- Decide that beneficiaries, members of a company or group savings plan (or similar plan) may subscribe directly or via an employees' mutual fund or other structures or entities permitted by applicable laws and regulations;
- Determine the requirements, particularly in terms of length of service, that must be met by beneficiaries of capital increases;
- Where applicable, set terms for the exercise of rights (where applicable, rights of conversion, exchange, or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to share capital and, in particular, setting the date, which may be retrospective, from which the new shares will rank for dividend, as well as any other terms and conditions applicable to capital increases;
- Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
- Determine the amounts of issuances to be carried out under this authorization and determine, in particular, issuance prices, dates, time limits, terms and conditions of subscription, settlement, delivery and vesting (which may be retrospective), rules on reducing amounts in the event of oversubscription, as well as other terms and conditions of issuances, in accordance with current legal or regulatory constraints;
- Determine and make any adjustments intended to reflect the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public offer and/or change of control), and set any other terms ensuring,

where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);

- In the event of the award of free shares or transferable securities giving access to the share capital, set the type and number of shares or transferable securities giving access to the share capital to be issued, as well as related terms and characteristics, the number to be awarded to each beneficiary, and set the dates, time limits and terms and conditions for the award of these shares or transferable securities giving access to the share capital, in accordance with current legal and regulatory constraints and, in particular, choose whether to fully or partially replace the award of these shares or transferable securities with the discounts on the Reference Price provided for above, or to deduct the equivalent value of these shares or transferable securities from the total employer's top-up contribution, or to combine these two options;
- In the event of new shares being issued, deducting the sums needed to pay up such shares from reserves, profits, or issue premiums;
- Record capital increases and amend the by-laws accordingly;
- At its sole discretion, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
- Generally speaking, enter into any agreement necessary to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto and, more generally, do whatever is necessary;

8. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

9. Takes note that this authorization cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Twenty-fourth resolution (Authorization to be given to the Board of Directors to grant share subscription and/or purchase options to employees and/or certain officers of the Company or of related companies or economic interest groups or to certain of them, duration of the authorization, cap, exercise price, maximum duration of the option)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with Articles L. 225-177 to L. 225-185, L. 22-10-56, and L. 22-10-57 of the French Commercial Code;

1. Authorizes the Board of Directors, with the right to subdelegate to the extent permitted by law, to carry out, on one or more occasions, for the benefit of the persons that it shall determine from among the employees of the Company and of related companies or groups as provided for by Article L. 225-180 of the French Commercial Code and the corporate officers meeting the criteria set forth in Article L. 225-185 of the French Commercial Code, or to certain of them, options giving the right to subscribe for new shares of the Company to be issued in a capital increase, as well as options giving the right to the purchase of existing shares of the Company resulting from buybacks by the Company as permitted by law;

2. Decides that the total number of subscription and purchase options granted pursuant to this authorization may not give the right to subscribe for or purchase a number of shares that is greater than 2% of the share capital on the date of the Board's decision to grant, and that the maximum nominal amount of the capital increases resulting from the exercise of share subscription options granted pursuant to this authorization will be included in the overall cap provided for by the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may supersede such resolution during the period of validity of this delegation of power. Where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of option holders in the event of a transaction in the Company's share capital;

3. Decides that the total number of existing or future shares to be granted pursuant to this authorization to the executive officers of the Company may not give the right to subscribe for or purchase a number of shares that is greater than 50% of the options that may be subscribed for or purchased pursuant to this delegation;

4. Decides that the price to be paid upon exercise of the subscription or purchase options shall be determined on the date on which the options are granted in the following manner: (i) in the case of a grant of subscription options, such price may not be less than 80% of the average closing price of the Company's shares on the Euronext Paris regulated market over the 20 trading sessions prior to the date on which the subscription options are granted, and (ii) in the case of a grant of purchase options, such price may not be less than either the amount indicated in (i) above or 80% of the average purchase price for shares held by the Company pursuant to Articles L. 225-208 and L. 22-10-62 of the French Commercial Code. If the Company carries out one of the transactions provided for in Article L. 225-181 of the French Commercial Code or in Article R. 22-10-37 of the French Commercial Code, the Company shall, in accordance with regulations in effect at that time, take all necessary measures to protect the interests of the recipients, including, where applicable, by adjusting the number of shares that may be obtained through the exercise of the options granted to the recipients to take into account the effect of such transaction;

5. Recognizes that this authorization shall result, for the benefit of the recipients of the subscription options, in an express waiver by the shareholders of their preferential subscription rights to the shares that will be issued as the subscription options are exercised. The capital increase resulting from the exercise of subscription options shall be definitively completed by the mere declaration of the option exercise, accompanied by the subscription forms and payments that may be made in cash or by setoff with claims against the Company;

6. Decides that each option grant must provide that the exercise of the options shall be subject to the satisfaction or one or more performance conditions determined by the Board of Directors;

7. Grants full authority to the Board of Directors, to implement this resolution, in particular in order to:

- Determine whether the options granted are subscription and/or purchase options, and, if applicable, to modify its choice prior to the opening of the option exercise period;
- Determine the identity of the recipients or of the category or categories of recipients of the options granted and the number of options allocated to each of them;
- Set, where applicable, the seniority and performance conditions that the recipients must satisfy; decide on the conditions under which the price and number of shares must be adjusted, in particular in the situations provided for in Articles R. 225-137 to R. 225-142 of the French Commercial Code;
- Determine the terms and conditions of the options, and in particular:
  - The period of validity of the options, it being understood that the options must be exercised within a maximum of six years as from their grant date;
  - The option exercise dates or periods, it being understood that the Board of Directors may (a) move up the exercise dates or periods for the options; (b) maintain the benefit of the options; or (c) modify the dates or periods on or during which the shares obtained through the exercise of the options may not be transferred or converted into bearer form;
  - Any provisions restricting the immediate resale of some or all of the shares, provided, that the required retention period for the shares may not exceed three years following the exercise date of the option, it being noted that with respect to options granted to company officers, the Board of Directors must either (a) decide that the options may not be exercised while the recipients remain in their positions, or (b) set the number of shares that they are required to retain in registered form while they remain in their positions;
- Where applicable, limit, suspend, restrict, or prohibit the exercise of the options or the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or following certain events; its decision may apply to some or all of the options or shares and may apply to some or all of the recipients;
- Determine the dividend date (which may be retrospective) for the new shares resulting from the exercise of subscription options;

8. Decides that the Board of Directors will also have all powers, with the right to subdelegate in accordance with applicable law, to record the completion of the capital increases in the amount of the shares subscribed for through the exercise of subscription options, to amend the by-laws accordingly, and, at its sole discretion and if it deems it advisable, to deduct the costs of the capital increases from the amount of the premiums relating to such transactions and to allocate from such amount the necessary amounts to bring the legal reserve to one-tenth of the new share capital after each increase, and to perform all necessary formalities for the listing of the shares so issued, to make all filings with regulatory authorities, and to do whatever else is necessary;

9. Sets the period of validity of the authorization referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

10. Takes note that this authorization cancels, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Twenty-fifth resolution (Overall cap on the delegations provided for in the 17th through 19th, 21st, and 23rd through 24th resolutions of this meeting, as well as in the 16th resolution of the general shareholders' meeting of May 25, 2021)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report, decides to set a cap of €65 million on the overall nominal amount of the shares that may be issued, immediately or in the future, pursuant to the 17th through 19th, 21st, and 23rd through 24th resolutions of this meeting, as well as pursuant to the 16th resolution of the general shareholders' meeting of May 25, 2021, it being noted that, if applicable, the nominal amount of the capital increase necessary to preserve the rights of the holders of securities giving access to the share capital or of other rights giving access to the share capital in accordance with laws and regulations shall be added to that amount.

8.1.3 RESOLUTION WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

Twenty-sixth resolution (Powers to carry out formalities)

The general shareholders' meeting, voting pursuant to the quorum and majority required for ordinary shareholders' meetings, grants all powers to the bearer of an original, copy or extract of the minutes of its deliberations to make any filings or carry out any formalities required by law.

8.2 BOARD OF DIRECTORS' REPORT ON THE DRAFT RESOLUTIONS

Update on the Company's Business

An overview of the financial position, business activity and results of the Company and its Group over the past year, as well as the various disclosures required by current legal and regulatory provisions, appear in the Board of Directors' 2021 management report, which is included in the 2021 universal registration document available on the Company website (www.neoen.com), and which you are invited to consult.

Since the beginning of 2022, the Company has continued to pursue its activities within the normal course of its business. Post-closing events are described in Note 25 (Post-closing events) to the consolidated financial statements as of December 31, 2021, included in the universal registration document referred to above.

The documents required by law and by the by-laws were sent out and/or made available to you within the deadlines set.

It is specified that the Board of Directors approves all the resolutions brought before the general shareholders' meeting.

8.2.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

The 1st through 14th and 26th resolutions are within the remit of the ordinary shareholders' meeting.

Approval of the 2021 Company financial statements and consolidated financial statements; allocation of net income (1st, 2nd, and 3rd resolutions).

The draft 1st and 2nd resolutions concern the approval of the 2021 Company and consolidated financial statements, approved by the Board of Directors on March 14, 2022, which show, respectively, net income of €35,766,182.59, and net income, Group share, of €40,995,493.

You are also asked to approve the overall amount of €117,144.50 in expenses and charges referred to in Article 39 number 4 of the French General Tax Code, as well as the corresponding tax.

You are asked in the 3rd resolution to allocate the 2021 net income, amounting to €35,766,182.59, as follows:

- In accordance with applicable legal requirements, to allocate €1,788,309.13 of this profit to the legal reserve;
- To note that the balance of the remaining 2021 profit is €33,977,873.46; and
- To allocate the distributable profits, amounting to €33,977,873.46, as follows:
  - to distribute a total amount of €10,706,209 in dividends;
  - to allocate an amount of €23,271,664.46 to the "other reserves" account.

Thus, the gross dividend per share would be €0.10.

When paid to natural persons who are domiciled in France for tax purposes, the dividend is subject either to a single withholding tax on the gross dividend at a flat rate of 12.8% (Article 200 A of the French General Tax Code), or, by the taxpayer's express, irrevocable, and global election, to the progressive income tax, after application of a 40% allowance (Article 200A, 13, and 158 of the French General Tax Code). The dividend is also subject to social security withholding at a rate of 17.2%.

This dividend would be payable on June 23, 2022, and the ex-dividend date would be June 1, 2022.

In accordance with the law, it is noted that the Company did not distribute any dividends or income during the three years preceding the 2021 fiscal year.

Option to receive dividend payment in cash or in shares (4th resolution)

In the 4th resolution, the general shareholders' meeting is asked to offer shareholders the option to receive payment of the dividend in cash or in new shares, in accordance with Article 24 of the Company's bylaws.

If the general shareholders' meeting were to approve this resolution, each shareholder would have, for the entirety of the dividend net of any mandatory withholding and in respect of the shares owned by such shareholder, an option to receive payment of the dividend in cash or in new shares.

The price of the shares delivered in payment of the dividend would be 90% of the average of the closing prices of the Company's shares over the twenty trading sessions preceding May 25, 2022 (the date of this general shareholders' meeting), less the net amount of the dividend, if applicable rounded to two decimal places to the next higher euro cent, in accordance with Article L. 232-19 of the French Commercial Code.

This issuance price would be communicated to the shareholders by press release to be issued by the Company on May 25, 2022, after the close of trading (and which would be available on its website). The press release would also reiterate the timetable for the transactions.

If the amount of the net dividend for which the shareholder exercised the option did not correspond to a whole number of shares, the shareholder would be able to obtain the next lower whole number of shares and the remainder in cash.

Shareholders who wished to opt for payment of the dividend in shares would have from and including June 3, 2022, through and including June 17, 2022, to make the request to the financial intermediaries authorized to pay the dividend. As a result, any shareholder who did not opt for payment of the dividend in

shares by the end of that period would receive payment of the dividend in cash.

For shareholders who wished to opt for payment in cash, payment would take place on June 23, 2022. Delivery of the new shares to shareholders who opted for payment of the dividend in shares would take place on the same day as payment of the cash dividend, namely, June 23, 2022.

The Shares issued in payment of the dividend would bear immediate rights to dividends and would be assimilated with the existing shares.

The results of the option to receive payment of the dividend in shares, including the number of new shares thus created and the amount of the dividend paid in cash, would be communicated in a press release to be issued by the Company on June 20, 2022, after the close of trading, and which would be available on its website.

Approval of information referred to in Article L. 22-10-9 I of the French Commercial Code included in the corporate governance report (overall ex-post "say on pay") (5th resolution)

In accordance with Article L. 22-10-34 of the French Commercial Code, in the 5th resolution we are submitting for your approval the information referred to in Article L. 22-10-9 I of the French Commercial Code, as set forth in paragraphs 6.3.2.2 *et seq.* of corporate governance report included in chapter 6 of the 2021 universal registration document.

Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2021 or granted in respect of fiscal year 2021 to Xavier Barbaro, Chairman and CEO (6th resolution)

In the 6th resolution, you are asked, in accordance with Article L. 22-10-34 II of the French Commercial Code, on the basis of the corporate governance report, to approve the fixed, variable, and exception items comprising the total compensation and benefits of any kind paid in fiscal year 2021 or granted in respect of fiscal year 2021 to Xavier Barbaro, Chairman and CEO, as set forth in paragraph 6.3.2.3 of the corporate governance report included in chapter 6 of the 2021 universal registration document.

It is noted that the components of the compensation paid to Xavier Barbaro, Chairman and CEO, in respect of the 2021 fiscal year comply with the compensation policy applicable to him, which was approved by the general shareholders' meeting held on May 25, 2021, in its 8th resolution.

It is also noted that payment of Mr. Barbaro's annual variable compensation in respect of the 2021 fiscal year is subject to the approval of this resolution by the general shareholders' meeting.

Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2021 or granted in respect of fiscal year 2021 to Romain Desrousseaux, Deputy CEO (7th resolution)

In the 7th resolution, you are asked, in accordance with Article L. 22-10-34 II of the French Commercial Code, on the basis of the corporate governance report, to approve the fixed, variable, and exception items comprising the total compensation and benefits of any kind paid in fiscal year 2021 or granted in respect of fiscal year 2021 to Romain Desrousseaux, Deputy CEO, as set forth in paragraph 6.3.2.4 of the corporate governance report included in chapter 6 of the 2021 universal registration document.

In that regard, it is noted that Mr. Desrousseaux is compensated solely pursuant to his employment agreement.

Therefore, the items presented in the table included in the paragraph referred to above do not contain any amounts in the columns showing compensation paid to Mr. Desrousseaux in 2021 or granted to him in respect of that fiscal year by reason of his corporate office, with the exception of the free shares granted to the Deputy CEO during the 2021 fiscal year. As a result, the payment of Mr. Desrousseaux's variable compensation granted in respect of the 2021 fiscal year is not subject to the general shareholders' meeting's approval of this resolution.

However, it was decided to voluntarily submit the items set forth in the table included in the paragraph referred to above (which notes, purely for informational purposes, compensation under the employment agreement in the column entitled "Presentation (indicative)").

Approval of the compensation policy applicable to members of the Board of Directors (8th resolution)

In the 8th resolution, you are asked, in accordance with Article L. 22-10-8 II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation policy applicable to members of the Board of Directors, as set forth in paragraphs 6.3.1 and 6.3.3(i) of the corporate governance report included in chapter 6 of the 2021 universal registration document.

Approval of the compensation policy applicable to the Chairman and CEO (9th resolution)

In the 9th resolution, you are asked, in accordance with Article L. 22-10-8 II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation policy applicable to the Chairman and CEO, as set forth in paragraphs 6.3.1 and 6.3.2.1(i) of the corporate governance report included in chapter 6 of the 2021 universal registration document.

Approval of the compensation policy applicable to the Deputy CEO (10th resolution)

In the 10th resolution, you are asked, in accordance with Article L. 22-10-8 II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation policy applicable to the Deputy CEO, as set forth in paragraphs 6.3.1 and 6.3.2.1(ii) of the corporate governance report included in chapter 6 of the 2021 universal registration document.

Renewal of Xavier Barbaro's directorship (11th resolution)

In the 11th resolution, you are asked to renew Xavier Barbaro's directorship for a period of four years to end at the close of the general shareholders' meeting held in 2026 to approve the financial statements for the prior fiscal year.

We note that on December 15, 2021, after receiving the opinion of the Nomination and Compensation Committee (now called Governance and CSR Committee), the Board of Directors decided that Xavier Barbaro could not, as of that date, be considered an independent director, as he is an executive officer of the Company.

Information about Mr. Barbaro's expertise and experience provided in paragraphs 6.1.1 and 6.2.1.5 of the corporate governance report included in chapter 6 of the 2021 universal registration document.

Renewal of Sixto's directorship (12th resolution)

In the 12th resolution, you are asked to renew Sixto's directorship for a period of three years to end at the close of the general shareholders' meeting held in 2025 to approve the financial statements for the prior fiscal year.

We note that Sixto meets the independence criteria defined in the AFEP-MEDEF Code, which the Company follows. On December 15, 2021, after receiving the opinion of the Nomination and Compensation Committee (now called Governance and CSR Committee), the Board of Directors confirmed its independence.

In addition, it is noted that Sixto also serves as Chairman of the Nomination and Compensation Committee (now called Governance and CSR Committee). The Board of Directors, on the proposal of the Nomination and Compensation Committee (now called Governance and CSR Committee), has decided to renew this appointment, subject to the condition precedent that its directorship is renewed and as from such time, for a term to coincide with such directorship.

Information about Sixto's expertise and experience is provided in paragraph 6.1.1 of the corporate governance report included in chapter 6 of the 2021 universal registration document.

For purely informational purposes, it is specified that Bertrand Dumazy currently serves as Sixto's permanent representative. Information about his expertise and experience is provided in paragraphs 6.1.1 and 6.2.1.5 of the corporate governance report included in chapter 6 of the 2021 universal registration document.

If the two proposed directorship renewals were approved, the composition of the Board of Directors would remain unchanged. The proportion of independent directors would remain at 42%, and the Company would remain in compliance with legal rules on gender parity.

Authorization to be given to the Board of Directors to trade in the Company's shares in accordance with the procedures set forth in Article L. 22-10-62 of the French Commercial Code (13th resolution)

In the 13th resolution, you are asked to authorize the Board of Directors to buy shares of the Company or to cause them to be bought, in accordance with Articles L. 225-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code.

Objectives of the program

Such purchases could be made for the following purposes:

- Implementing any Company stock option purchase plan under Articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan; or
- Allocating or selling shares to employees to enable them to share in the fruits of the Company's expansion or the introduction of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular, Articles L. 3332-1 *et seq.* of the French Labor Code, as well as any other shareholding plan for executives and employees of the Company and its subsidiaries; or
- Granting free shares in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- Generally speaking, honoring obligations under stock option plans or other share allocations to Company employees or officers or those of an associated company; or
- Delivering shares when rights attached to transferable securities giving access to the share capital by redemption, conversion, exchange or the presentation of warrants, or by any other means, are exercised; or
- Canceling some or all of the shares thus acquired, in accordance with the authorization granted or to be granted by the extraordinary general shareholders' meeting; or
- Delivering shares (in exchange, as payment or otherwise) in connection with acquisitions, mergers, spin-offs or contributions; or
- Stabilizing the secondary market or the liquidity of Company shares by an investment service provider under a liquidity agreement complying with market practices approved by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) (as amended, if applicable).

This program would also be intended to enable any market practice that may be approved by the French Financial Markets Authority to be implemented and, more generally, any other transaction that complies with current regulations. Under such circumstances, the Company would inform its shareholders by means of a press release.

Maximum buyback

The Company would be able to purchase a number of shares such that, on the date of each buyback, the total number of

shares purchased by the Company since the start of the buyback program (including those that are the subject of said buyback) would be no more than 10% of the shares comprising the Company's share capital on that date (taking into consideration transactions affecting the share capital after the date of this general shareholders' meeting), namely, for informational purposes, as of December 31, 2021, a maximum buyback of 10,705,668 shares). It is specified that (i) the number of shares acquired with a view to retention and subsequent delivery as part of a merger, spin-off or contribution, may not be more than 5% of its share capital and (ii) where shares are bought back to boost liquidity under the conditions defined by the French Financial Markets Authority's general regulation, the number of shares taken into consideration when calculating the 10% cap provided for above, corresponds to the number of shares purchased, less the number of shares resold during the authorization period.

Buyback procedures

The acquisition, sale, or transfer of shares may be carried at any time decided by the Board of Directors, within the limits authorized by applicable laws and regulations.

During a tender offer initiated by a third party for the Company's shares and until the end of the offer period, the Board of Directors would not be able to use this authorization without the prior authorization of the general shareholders' meeting.

These transactions could be carried out by any means, including by block trades, or in any other manner (without any restriction on the percentage of the buybacks that could be made using any one method).

The Company would reserve the right to use options or other derivatives in connection with applicable legislation.

Maximum price per share and maximum amount of the program

The maximum share purchase price under this resolution would be €80 per share (or the equivalent of that amount, on the same date, in any other currency). This maximum price will apply only to acquisitions decided after the date of this general shareholders' meeting and not to future transactions concluded under an authorization granted by a previous general shareholders' meeting and providing for share acquisitions after the date of this meeting.

The general shareholders' meeting would delegate to the Board of Directors, in the event of changes to the par value of shares, capital increases through the incorporation of reserves, free share grants, stock splits or reverse stock splits, the distribution of reserves or any other assets, redemption of capital, or any other transactions affecting the share capital or equity, the power to adjust the maximum share purchase price referred to above in order to take into account the effect of such transaction on the stock value.

The maximum funds designated for use by the buyback program would be €50 million (or the equivalent of that amount on the buyback dates in any other currency).

Duration

This authorization would be given for a period of 18 months as from the date of this general shareholders' meeting and would terminate the authorization given to the Board of Directors by the twelfth resolution of the general shareholders' meeting held on May 25, 2021, acting within the remit of the ordinary shareholders' meeting.

Ratification of the transfer of the registered office from 6 rue Ménars, 75002 Paris to 22 rue Bayard, 75008 Paris (14th resolution)

In the 14th resolution, you are asked to expressly ratify the decision reached by the Board of Directors at its meeting on December 15, 2021, to transfer the registered office from 6 rue Ménars, 75002 Paris to 22 rue Bayard, 75008 Paris, effective as of February 28, 2022.

Powers to carry out formalities (26th resolution)

In the 26th resolution, you are asked to grant all powers to the bearer of originals, copies or extracts of the minutes of your deliberations to make any filings or carry out any formalities required by law.

8.2.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

The 15th through 25th resolutions are within the remit of the extraordinary shareholders' meeting.

Authorization to be given to the Board of Directors to decrease the share capital by cancelling treasury shares (15th resolution)

In light of the cancellation objective provided for in the 13th resolution, we ask you in the 15th resolution to authorize the Board of Directors to decrease the share capital, on one or more occasions, in the proportions and at the times that it sees fits, by cancelling any quantity of treasury shares, to the extent permitted by law, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code.

On each cancellation date, the maximum number of shares cancelled by the Company during the twenty-four month period prior to such cancellation, including the shares cancelled on such date, could not exceed 10% of the shares comprising the Company's share capital on that date, namely, for informational purposes, based on the share capital of €214,113,370 as of December 31, 2021, a maximum of 10,705,668 shares, it being noted that this maximum is applied to a share capital amount that would, where applicable, be adjusted in recognition of transactions affecting the share capital after this general shareholders' meeting.

The Board of Directors would thus have the necessary powers to do the necessary in such situations.

This authorization would be granted for a period of twenty-six months from the date hereof and would cancel, as from the date of this general shareholders' meeting, the unused portion of any prior authorization granted for the same purpose.

Financial delegations and authorizations relating to employee shareholding (16th to 25th resolutions)

The Board of Directors wishes to have the necessary delegations to carry out, if it so chooses, any issuance that may prove necessary in connection with the development of the Company's business, as well as any authorizations necessary to provide it with the tools to maintain an incentive employee shareholding plan and to reinforce the Company's development.

For that reason, you are asked to renew the delegation of power to increase the share capital, with or without cancellation of the preferential subscription right, since that delegation is expiring, as well as the authorization relating to stock subscription and/or purchase options, which is also expiring.

In addition, in light of the authorizations that may in the future result in a capital increase in cash, you are asked to vote on a delegation of power to increase the share capital for the benefit of the participants in a company savings plan, in accordance with applicable regulations.

With respect to current authorizations, you will find the table of delegations and authorizations granted by the general shareholders' meeting to the Board of Directors that are currently in effect and the status of their use in paragraph 6.4.1 of the corporate governance report in chapter 6 of the 2021 universal registration document.

Delegation of authority to the Board of Directors to decide to increase the share capital of the Company by issuing shares and/or transferable securities giving immediate or future access to the share capital, with preferential subscription rights (16th resolution)

In the 16th resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, with preferential subscription rights, on one or more occasions, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital and/or to debt securities of the Company, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means.

The maximum nominal amount of immediate, or future, capital increases that could be carried out under this authorization would be €90 million (or the equivalent). This amount would be independent of the amount of the capital increases that could result from the use of the other resolutions submitted to this shareholders' meeting.

Where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital.

In accordance with Article L. 225-134 of the French Commercial Code, if subscriptions on an irreducible basis and, if applicable, on a reducible basis have not absorbed the entire capital increase, the Board of Directors may use, as provided for by law and in the order that it shall determine, one or more of the options below:

- To freely distribute some or all of the unsubscribed shares;
- To offer to the public some or all of the unsubscribed shares; and/or
- Generally, to limit the amount of the issuance to the amount of the subscriptions, within the limits provided for by regulations.

The Company would also be able to issue share subscription warrants by means of free grants to the owners of existing shares, it being specified that the Board of Directors would have the right to decide that fractional rights would not be negotiable and that the corresponding shares would be sold in accordance with applicable laws and regulations.

The Board of Directors would have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, within the limits set forth above, in particular, in order to determine the issuance price as well as the amount of the issuance premium.

This delegation would be given for a period of twenty-six months from the date of this shareholders' meeting.

It would cancel, as from the date of this general shareholders' meeting, the unused portion of any prior authorization granted for the same purpose.

Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by an offering to the public excluding the offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code and/or in consideration of securities in connection with an exchange offer (17th resolution)

In the 17th resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, with cancellation of the preferential subscription right, by an offering to the public excluding the offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code, on one or more occasions, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital and/or to debt securities of the Company.

Such securities could be issued in consideration of securities contributed to the Company in connection with a public exchange offer carried out in France or abroad in accordance with local rules (for example, in connection with a reverse merger of the Anglo-American type) for shares meeting the conditions set forth in Article L. 22-10-54 of the French Commercial Code.

The maximum nominal amount of immediate, or future, capital increases that could be carried out under this authorization would be €65 million (or the equivalent), it being noted that this

amount will be included in the overall cap referred to in the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may replace such resolution during the period of validity of this delegation of power.

Where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities or of other rights giving access to the share capital.

The preferential subscription right of the shareholders to the securities that are the subject of this resolution would be cancelled, while nevertheless granting the Board of Directors the option to grant to the shareholders, for a duration and in accordance with terms that it would set in compliance with applicable laws and regulations and for all or part of a given issuance, a priority subscription period not giving rise to the creation of negotiable rights and that would be required to be exercised in proportion to the number of shares held by each shareholder, and could be accompanied by a subscription on a reducible basis, it being specified that securities not thus subscribed for would be offered to the public in France or abroad.

If subscriptions, including any subscriptions by shareholders, did not cover the entire issuance, the Board of Directors would be able to choose from the following options:

- To limit the amount of the issuance to the amount of subscriptions received, within any limits provided for by regulations; or
- To freely distribute some or all of the unsubscribed shares;

The decision to issue securities giving access to the share capital in accordance with this delegation of authority would imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right immediately or in the future.

Depending on market conditions, the type of investors involved, and the type of securities issued, it may be preferable or even necessary to cancel the preferential subscription right in order to place securities pursuant to the most advantageous terms, in particular where speed is essential to the transaction's success or where the securities are issued on financial markets outside of France. Your Board of Directors wishes to have a certain amount of flexibility in selecting possible issuances and to have the ability to quickly and easily obtain the necessary financial resources for the Company to grow.

As a result, you are asked to grant the Board of Directors full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, in particular in order to determine the issuance price in accordance with the procedures set forth below, as well as the amount of any issuance premium.

In accordance with Article L. 22-10-52, paragraph 1, of the French Commercial Code:

- The issuance price for the shares issued directly would be at least equal to the minimum allowed under applicable regulations on the date of the issuance (namely, for informational purposes as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering, minus a maximum discount of 10%), after taking into account, in the case of an issuance of stand-alone share subscription warrants, the issuance price of such warrants;
- The issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital could give a right, would be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph.

The Board of Directors would have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation.

This authorization would be granted for a period of twenty-six months from the date of this meeting and would cause the unused portion of any prior authorization granted for the same purpose to lapse.

Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by an offering referred to in Article L. 411-2 1° of the French Monetary and Financial Code (18th resolution)

In the 18th resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, with cancellation of preferential subscription rights, by offering to the public of the type referred to in Article L. 411-2 1° of the French Monetary and Financial Code (private placement) on one or more occasions, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital and/or to debt securities of the Company, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means.

This resolution would allow the Company to optimize its access to capital and to obtain the best market terms, since this type of financing is faster and simpler than a capital increase through a public offering pursuant to the prior authorization.

The maximum nominal amount of immediate, or future, capital increases that may be carried out under this authorization would be €65 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this amount would be included in the overall cap referred to in the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may replace such resolution during the period of validity of this delegation of power.

In any event, issuances of equity securities under this authorization would not exceed the caps provided for by applicable regulations on the date of the issuance (currently 20% of the share capital per year); where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital.

The decision to issue securities giving access to the share capital in accordance with this delegation would imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which the securities shall give a right immediately or in the future.

In accordance with Article L. 22-10-52, paragraph 1, of the French Commercial Code:

- The issuance price for the shares issued directly would be at least equal to the minimum allowed under applicable regulations on the date of the issuance (namely, for informational purposes as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering, minus a maximum discount of 10%), after taking into account, in the case of an issuance of stand-alone share subscription warrants, the issuance price of such warrants;
- The issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital could give a right, would be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph.

The Board of Directors, with the right to subdelegate in accordance with applicable law, would have full authority to implement this delegation of power, in particular in order to determine the issuance price as well as the amount of any issuance premium.

This authorization would be granted for a period of twenty-six months from the date of this meeting and would cause the unused portion of any prior authorization granted for the same purpose to lapse.

Authorization of the Board of Directors to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the capital, without preferential subscription rights, reserved for group employees outside France (19th resolution)

In the 19th resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital (including equity securities giving rights to a grant of debt securities).

Issuances under this resolution would be carried out with cancellation of the preferential subscription right for the benefit of the following categories of recipients:

(i) employees, pre-retirement or retired, and officers of the foreign companies of the Neoen group, related to the Company pursuant to Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, in order to enable them to subscribe for the Company's share capital; and/or

(ii) UCITs or other entities, whether or not they are legal entities, existing for the purpose of employee investment in the Company's shares and the members or shareholders of which consist of Overseas Employees; and/or

(iii) any banking institution or entity controlled by such an establishment, within the meaning of Article L. 233-3 of the French Commercial Code, acting at the Company's request to set up a structured offer to Overseas Employees.

This resolution would enable the Company to include some overseas employees and corporate officers in its success by developing an employee share ownership plan.

The maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation is 1% of the share capital on the date of the Board of Directors' decision; it is specified that this amount will be included in:

- The overall cap provided for in the 25th resolution of this general shareholders' meeting, as well as in
- The cap provided for in the 23rd resolution of this general shareholders' meeting (delegation to carry out issuances for the benefit of employees who are participants in the company savings plan), or, if applicable, in
- The caps that may be provided for by resolutions of the same nature that may replace such resolutions during the period of validity of this delegation.

Where applicable, these caps would also include the nominal amount of the capital increase carried out to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital.

The issuance price of the new shares to be issued under this delegation would be set by the Board of Directors on the basis of the Company's stock price on the Euronext Paris regulated market. This price would be equal to:

- The average closing price of the Company's shares over the twenty trading sessions preceding the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under this resolution, less a maximum discount of 30%; or
- In the alternative, for a transaction carried out as part of an overall employee share ownership plan set up in France and abroad, the price set by the Board of Directors or its delegate on the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under the 23rd resolution of this general shareholders' meeting (delegation to carry out

issuances for the benefit of employees who are participants in the company savings plan).

If subscriptions do not cover an entire issuance referred above, the Board of Directors could use one or more of the following options, in order that it chooses:

- To limit the amount of the issuance to the amount of the subscriptions, within any limits provided for by regulations; or
- To freely distribute some or all of the unsubscribed shares among the categories of persons defined above.

The duration of this delegation of authority would be eighteen months as from the date of this meeting.

It would cancel, as from the date of this general shareholders' meeting, any prior authorization having the same purpose, up to the amount of the portion that had not been used.

Authorization to be given to the Board of Directors to increase the number of shares to be issued in a capital increase, with or without cancellation of the preferential subscription right (20th resolution)

In the 20th resolution, you are asked to authorize the Board of Directors to decide to increase the number of shares to be issued in the event of a capital increase of the Company, with or without preferential subscription rights, at the same price as that of the initial issuance, within the time periods and limits provided for by applicable regulations on the date of the issuance (as of the date hereof, within 30 days following the close of the subscription period and up to a maximum of 15% of the initial issuance), to grant an over-allotment option in accordance with market practice and within the limit of the caps set by the general shareholders' meeting.

This resolution would make it possible to reopen a capital increase at the same price as the initially planned transaction in the event of over-subscription (known as a "greenshoe" clause).

The duration of this authorization would be twenty-six months as from the date of this meeting.

This authorization would cancel, as from the date of this meeting, any prior authorization having the same purpose.

Authorization to be given to the Board of Directors to issue shares and/or transferable securities giving immediate or future access to the Company's share capital in consideration of contributions in kind consisting of equity securities or transferable securities giving access to share capital (21st resolution)

In the 21st resolution, you are asked to authorize the Board of Directors, to increase the share capital, on one or more occasions, by issuing (i) ordinary shares of the Company, and/or (ii) transferable securities giving immediate, or future, access, at any time, or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants or any other means, to the Company's share capital, to be used as consideration for contributions in kind made to the Company and consisting of equity securities or securities giving access to the share capital, where Article L. 22-10-54 of the French Commercial Code does not apply.

The maximum nominal amount of immediate, or future, capital increases that may be carried out under this authorization would be 10% of the share capital on the date of the transaction; it is specified that this amount would be included in the overall cap provided for by the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by resolutions of the same type that may supersede such resolution during the period of validity of this authorization.

In any event, issuances of shares and securities giving access to the share capital under this authorization would not exceed the caps provided for by applicable regulations on the date of the issuance (currently 10% of the share capital); where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other types of adjustment, the rights of holders of transferable securities, or other rights giving access to the share capital.

The decision to issue securities giving access to the share capital in accordance with this authorization would imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right immediately or in the future.

The Board of Directors would have full authority, with the right to subdelegate in accordance with applicable law, to implement this resolution.

This authorization would be granted for a period of twenty-six months from the date of this meeting and will cause the unused portion of any prior authorization granted for the same purpose to lapse.

Delegation of authority to the Board of Directors to decide to increase the Company's share capital by incorporation of premiums, reserves, profits, or any other amounts (22nd resolution)

In the 22nd resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, on one or more occasions, in the proportion and at the times that it shall decide, by incorporation into the share capital of premiums, reserves, profits, or any other amounts the incorporation of which into the share capital is possible under the law and the by-laws, in the form of an issuance of new equity securities or of an increase in the par value of the existing equity securities, or by the combined use of both procedures.

If the Board of Directors used this delegation, in accordance with Articles L. 225-130 and L. 22-10-50 of the French Commercial Code, in the case of a capital increase by free grant of shares, rights forming fractional shares would not be negotiable or assignable and the corresponding shares would be sold; the proceeds of the sale would be allocated to the holders of the rights within the time period provided for by regulations.

The maximum nominal amount of capital increases that could be carried out under this delegation could not exceed €60 million (or the equivalent), it being noted that this maximum amount would be autonomous and would not be included in the overall cap referred to in the other resolutions of this shareholders' meeting.

Where applicable, this cap would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital.

The Board of Directors would have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation.

This authorization would be granted for a period of twenty-six months from the date of this meeting and would cause the unused portion of any prior authorization granted for the same purpose to lapse.

Authorization to be given to the Board of Directors to increase the Company's capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, reserved for members of company savings plans (*plan d'épargne d'entreprise*, or "PEE") pursuant to Articles L. 3332-18 et seq. of the French Labor Code (23rd resolution)

In the 23rd resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, with cancellation of the preferential subscription right, by issuing:

(i) Ordinary shares of the Company; and/or

(ii) Transferable securities giving immediate or future access to the Company's share capital,

reserved for participants in one or more employee savings plans (or any other plan with participants for whom Articles L. 3332-1 et seq. of the French Labor Code or any similar law or regulation permits a capital increase to be reserved under the same conditions) put in place within a company or group of companies, French or foreign, within the scope of consolidation or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code, it being specified that this resolution could be used for purposes of implementing leverage formulas.

This resolution would enable the Company to include some employees and corporate officers in its success by developing an employee share ownership plan.

The maximum nominal amount of the capital increases that could be carried out immediately or in the future pursuant to this delegation would be 2% of the share capital on the date of the Board of Directors' decision; it is specified that this amount would be included in the overall cap provided for in the 25th resolution of this meeting, or, if applicable, in any overall cap provided for by a resolution of the same nature that may replace such resolution during the period of validity of this delegation.

Where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital.

The issuance price for the new shares or securities giving access to the share capital, determined pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, would be at least 70% of the Reference Price (as such expression is defined below) or 60% of the Reference Price (as such term is defined below) where the retention period provided for by the plan, under Articles L. 3332-25 and L. 3332-26 of the French Labor Code, is ten years or more. For the purposes of this paragraph, the "Reference Price" means the average of the closing prices of the Company's shares on the Euronext Paris regulated market over the twenty trading sessions prior to the date of the decision being taken by the Board of Directors or its delegate, setting the opening date of the subscription period for members of a company or group savings plan (or similar plan).

However, the Board of Directors, would be able to reduce or cancel the aforementioned discount on the Reference Price, within legal and regulatory limits.

The Board of Directors would be authorized to carry out free grants to the beneficiaries indicated above, in addition to the shares or securities giving access to the share capital, of shares or securities giving access to the share capital to be issued or already issued, as a replacement for all or part of the discount from the Reference Price and/or as a top-up, it being understood that the benefit resulting from such grant could not exceed applicable legal or regulatory limits.

The shareholders' preferential subscription right to the securities that are the subject of this resolution would be cancelled for the benefit of the recipients indicated above; in the event of a free grant to the recipients indicated above of shares or securities giving access to the share capital, the shareholders would also waive any right to such shares or securities giving access to the share capital, including the portion of reserves, profits, or premiums incorporated into the share capital, by reason of the free grant of such securities carried out on the basis of this resolution.

The Board of Directors would also be authorized, pursuant to the terms of this delegation, to sell shares to the participants in a company or group savings plan (or similar plan) as provided for in Article L. 3332-24 of the French Labor Code, it being specified that sales of shares carried out at a discount to participants in one or more employee savings plans as referred to in this resolution would be included, up to the amount of the nominal value of the shares so sold, in the caps referred to above.

The duration of this delegation of authority would be twenty-six months as from the date of this meeting.

This authorization would cancel, as from the date of this meeting, any prior authorization having the same purpose, up to the amount of the portion that has not been used.

Authorization to be given to the Board of Directors to grant share subscription and/or purchase options (stock options) to employees and/or certain officers of the Company or of related companies or economic interest groups or to certain of them (24th resolution)

In the 24th resolution, you are asked to authorize the Board of Directors, with the right to subdelegate, to carry out, on one or more occasions, for the benefit of the persons that it shall determine from among the employees of the Company and of related companies or groups as provided for by Article L. 225-180 of the French Commercial Code and the corporate officers meeting the criteria set forth in Article L. 225-185 of the French Commercial Code, or to certain of them, options giving the right to subscribe for new shares of the Company to be issued in a capital increase, as well as options giving the right to the purchase of existing shares of the Company resulting from buybacks by the Company as permitted by law.

The total number of subscription and purchase options granted pursuant to this authorization could not give the right to subscribe for or purchase a number of shares greater than 2% of the share capital on the date of the Board's decision to grant, and that the maximum nominal amount of the capital increases resulting from the exercise of share subscription options granted pursuant to this authorization would be included in the overall cap provided for by the 25th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may replace such resolution during the period of validity of this delegation of power. Where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of option holders in the event of a transaction in the Company's share capital.

The total number of existing or future shares to be granted pursuant to this authorization to the executive officers of the Company could not give the right to subscribe for or purchase a number of shares greater than 50% of the options that could be subscribed for or purchased pursuant to this delegation.

The price to be paid upon exercise of the subscription or purchase options would be determined on the date on which the options were granted in the following manner: (i) in the case of a grant of subscription options, such price could not be less than 80% of the average closing price of the Company's shares on the Euronext Paris regulated market over the 20 trading sessions prior to the date on which the subscription options were granted, and (ii) in the case of a grant of purchase options, such price could not be less than either the amount indicated in (i) above or 80% of the average purchase price for shares held by the Company pursuant to Articles L. 225-208 and L. 22-10-62 of the French Commercial Code. If the Company were to carry out out one of the transactions provided for in Article L. 225-181 of the French Commercial Code or in Article R. 22-10-37 of the French Commercial Code, the Company could, in accordance with regulations in effect at that time, take all necessary measures to protect the interests of the recipients, including, where applicable, by adjusting the number of shares that may be obtained through the exercise of the options granted to the recipients to take into account the effect of such transaction.

This authorization would result, for the benefit of the recipients of the subscription options, in an express waiver by the shareholders of their preferential subscription rights to the shares that would be issued as the subscription options were exercised. The capital increase resulting from the exercise of subscription options would be definitively completed by the mere declaration of the option exercise, accompanied by the subscription forms and payments, which would be made in cash or by setoff against claims against the Company.

Each option grant would provide that the exercise of the options would be subject to the satisfaction or one or more performance conditions determined by the Board of Directors.

The Board of Directors would have all powers to implement this authorization, in particular in order to determine the period of validity of the options, it being understood that the options must be exercised within a maximum of six years as from their grant date.

This authorization would be granted for a period of twenty-six months from the date of this meeting and would cause the unused portion of any prior authorization granted for the same purpose to lapse.

Overall limit on delegations provided for in the 17th through 19th, 21st, and 23rd through 24th resolutions of this meeting, as well as in the 16th resolution of the general shareholders' meeting of May 25, 2021 (25th resolution)

In the 25th resolution, you are asked to set a cap of €65 million on the overall nominal amount of the shares that could be issued, immediately or in the future, pursuant to the 17th through 19th, 21st, and 23rd through 24th resolutions of this meeting, as well as in the 16th resolution of the general shareholders' meeting of May 25, 2021, namely:

- Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by an **offering to the public** excluding the offerings referred to in Article L. 411-2 of the French Monetary and Financial Code and/or in consideration of securities in connection with an exchange offer (17th resolution of the 2022 general shareholders' meeting);
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by an offering referred to in Article L. 411-2 1° of the French Monetary and Financial Code (**private placement**) (18th resolution of the 2022 general shareholders' meeting);
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the capital and/or debt securities, without preferential

subscription rights, **reserved for group employees outside France** (19th resolution of the 2022 general shareholders' meeting);

- Authorization to be given to the Board of Directors to issue shares and/or transferable securities giving immediate or future access to the Company's share capital in consideration of **contributions in kind** consisting of equity securities or transferable securities giving access to share capital (21st resolution of the 2022 general shareholders' meeting);
- Delegation of authority to be given to the Board of Directors to increase the Company's capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, **reserved for members of company savings plans** (*plan d'épargne d'entreprise*, or "PEE") pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code (23rd resolution of the 2022 general shareholders' meeting);
- Authorization to be given to the Board of Directors to grant **share subscription and/or purchase options** to employees and/or certain officers of the Company or of related companies or economic interest groups or to certain of them (24th resolution of the 2022 general shareholders' meeting);
- Authorization to be given to the Board of Directors to carry out **free grants of** existing **shares** or future shares to employees and officers of the Group, or to certain of them (16th resolution of the 2021 general shareholders' meeting).

Where applicable, this amount would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities or of other rights giving access to the share capital.

8.3 STATUTORY AUDITORS' REPORTS ON SECURITIES TRADING

8.3.1 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL DECREASE

Combined Shareholders' Meeting of May 25, 2022 - 15th resolution

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

To the Shareholders of NEOEN SA,

In our capacity as Statutory Auditors of your Company and pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code (*code de commerce*) concerning share capital decreases by cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital decrease.

Shareholders are requested to confer all necessary powers on the Board of Directors, during a period of 26 months commencing the date of this Shareholders' Meeting, to cancel, up to a maximum of 10% of its share capital by 24-month period prior to such cancellation, the shares purchased by the Company pursuant to the authorization to purchase its own shares, as part of the provisions of the aforementioned article.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed decrease in share capital, which does not undermine shareholder equality.

We have no matters to report on the reasons for or terms and conditions of the proposed share capital decrease.

Paris and Paris-La Défense, March 31, 2022

The Statutory Auditors

RSM PARIS	**Deloitte & Associés**
Etienne de Bryas	Benoit Pimont

8.3.2 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND VARIOUS MARKETABLE SECURITIES WITH OR WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

Combined Shareholders' Meeting of May 25, 2022 - 16th to 19th and 21st resolutions

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

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the provisions of Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*code de commerce*), we hereby present our report on the proposed delegations of authority to the Board of Directors to perform various issues of shares and/or marketable securities, transactions on which you are asked to vote.

Based on its report, the Board of Directors asks that you delegate to it, with the option to subdelegate under the conditions set by law, for periods of 26 months (16th, 17th, 18th and 21st resolutions) and 18 months (19th resolution), the authority to decide the following transactions, set the final issue terms and conditions and cancel, where necessary, your preferential subscription rights:

- Issue of shares and/or marketable securities granting immediate or future access to share capital, with retention of preferential subscription rights, for a maximum par value amount of €90 million, or its equivalent in any other currency or currency unit established by reference to more than one currency, it being specified that the total maximum par value amount of share capital increases that may be performed under this delegation is separate from the amount of share capital increases that could result from the use of the other resolutions submitted to this Shareholders' Meeting (16th resolution);
- Issue of ordinary shares and/or marketable securities granting immediate or future access to share capital and/or debt securities, with cancellation of preferential subscription rights, through a public offering other those mentioned in Article L. 411-2 1 of the French Monetary and Financial Code (*code monétaire et financier*) and/or in consideration for securities in the context of a public exchange offer; the maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at €65 million or its equivalent in any other currency or currency unit established by reference to more than one currency, it being specified that this amount shall be deducted from the overall limit set in the 25th resolution of this Shareholders' Meeting (17th resolution);
- Issue of shares and/or marketable securities granting immediate or future access to share capital and/or debt securities, with cancellation of preferential subscription rights, through an offering referred to in Article L. 411-2 1 of the French Monetary and Financial Code; the maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at €65 million or its equivalent in any other currency or currency unit established by reference to more than one currency, it being specified that this amount shall be deducted from the overall limit set in the 25th resolution of this Shareholders' Meeting (18th resolution);
- Issues of ordinary shares and/or marketable securities granting immediate or future access to the Company's share capital (including equity securities granting entitlement to the allocation of debt securities), with cancellation of preferential subscription rights, reserved for group employees abroad, in the proportions and at the times it shall see fit, either in euros or in any other currency or currency unit established by reference to more than one currency; the maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at 1% of the share capital on the date of the Board of Directors' decision, it being specified that this amount shall be deducted from (i) the overall limit set in the 25th resolution of this Shareholders' Meeting as well as (ii) the limit set in the 23rd resolution of this Shareholders' Meeting (19th resolution);
- Issue of (i) ordinary shares of the Company and/or (ii) marketable securities granting immediate or future access, at any time or on a fixed date, by subscription, conversion, swap, redemption or presentation of a warrant or any other means, to the Company's share capital to remunerate contributions in kind transferred to the Company and comprised of equity securities or marketable securities granting access to share capital; the maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at 10% of the share capital existing on the date of the transaction, it being specified that this amount shall be deducted from the overall limit set in the 25th resolution of this Shareholders' Meeting (21st resolution).

The maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to the 17th, 18th, 19th, 21st, 23rd and 24th resolutions of this Shareholders' Meeting and the 18th resolution of the Shareholders' Meeting of May 25, 2021 is set at €65 million.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the financial statements, on the proposed cancellations of preferential subscription rights and on certain other information concerning these transactions, contained in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the information presented in the Board of Directors' report on the reasons for the proposed cancellation of preferential subscription rights, the justification of the items used to calculate the issue price of the future equity securities and its amount and the fair presentation of the

quantified information extracted from the consolidated financial statements approved by the Board of Directors. These financial statements were audited by us in accordance with professional standards applicable in France.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments on the methods used to determine the issue price of the future equity securities, as presented in the Board of Directors' report pursuant to the 16th, 17th, 18th, 19th et 21st resolutions.

As the final terms and conditions of the share capital increases have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellations of preferential subscription rights.

Pursuant to Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, should these delegations be used by your Board of Directors, in the event of the issue of marketable securities which are equity securities granting access to other equity securities or entitlement to the allocation of debt securities, the issue of marketable securities granting access to future equity securities, or the issue of shares with cancellation of preferential subscription rights.

Paris and Paris-La Défense, March 31, 2022

The Statutory Auditors

RSM PARIS — Etienne de Bryas

Deloitte & Associés — Benoit Pimont

8.3.3 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR VARIOUS MARKETABLE SECURITIES OF THE COMPANY RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN

Combined Shareholders' Meeting of May 25, 2022 - 23rd resolution

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

To the Shareholders of NEOEN SA,

In our capacity as Statutory Auditors of your Company and pursuant to the provisions of Articles L.228-92, L.225-135 *et seq.* and L.22-10-52 of the French Commercial Code (*code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to decide, on one or more occasions, in France or abroad, in the proportions and at the times it shall see fit, either in euros or in any other currency or currency unit established by reference to more than one currency, with or without a premium, against payment or for no consideration, via the issue of (i) ordinary shares of the Company and/or (ii) marketable securities granting immediate or future access to the Company's share capital, reserved for members of one or more company savings plans (or any other plan in which a share capital increase could be reserved under equivalent conditions in accordance with Articles L. 3332-1 *et seq.* of the French Labor Code (*code du travail*) or any equivalent law or regulation), set up within a French or foreign company or group of companies, included within the scope of consolidation or combination of the Company's accounts in accordance with Article L. 3344-1 of the French Labor Code, it being specified that this resolution may be used to implement leverage formulas, a transaction on which you are asked to vote.

The maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this authorization is set at 2% of the share capital on the date of the Board of Directors' decision, it being specified that this amount shall be deducted from the overall limit set in the 25th resolution of this Shareholders' Meeting or, where applicable, the overall limit that may be set in a resolution of the same type that may supersede this resolution during the validity of this delegation.

Shareholders are asked to approve this share capital increase pursuant to Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code.

Based on its report, your Board of Directors proposes that you delegate to it, with the option to subdelegate, for a period of 26 months, the authority to decide on the issue, and cancel your preferential subscription rights to the marketable securities to be issued. If applicable, the Board of Directors will set the final terms and conditions of this transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information pertaining to the issue, contained in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods used to determine the issue price of equity securities to be issued.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments on the methods used to determine the issue price of the future equity securities, as presented in the Board of Directors' report.

As the final terms and conditions of the issue have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights.

Pursuant to Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, should this delegation be used by your Board of Directors.

Paris and Paris-La Défense, March 31, 2022

The Statutory Auditors

RSM PARIS — Etienne de Bryas

Deloitte & Associés — Benoît Pimont

8.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2021

This is a free translation into English of the statutory auditors' special report on regulated agreements issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the NEOEN Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the Shareholders' Meeting

Agreements authorized and entered into during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements already approved by the Shareholders' Meeting

Previously approved agreements that remained in force during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreement, already approved in previous years by Shareholders' Meetings, has remained in force during the year.

Person concerned:

Romain Desrousseaux, Deputy Chief Executive Officer of the Company

Nature and purpose:

Following the appointment by the Board of Directors' meeting of April 17, 2019 of Romain Desrousseaux as Deputy Chief Executive Officer of the Company, his employment contract was amended on July 11, 2019 to introduce, in particular, the principle of variable compensation based on quantitative and qualitative objectives.

Terms and conditions:

The Board of Directors' meeting of July 10, 2019 previously authorized the signing of this amendment to the employment contract.

Pursuant to this amendment, variable compensation is equal to a maximum of 100% of gross annual compensation paid in respect of the reference year if quantitative (representing 75% of the maximum amount) and qualitative (representing 25% of the maximum amount) objectives are attained, as determined each year by the Appointments and Compensation Committee.

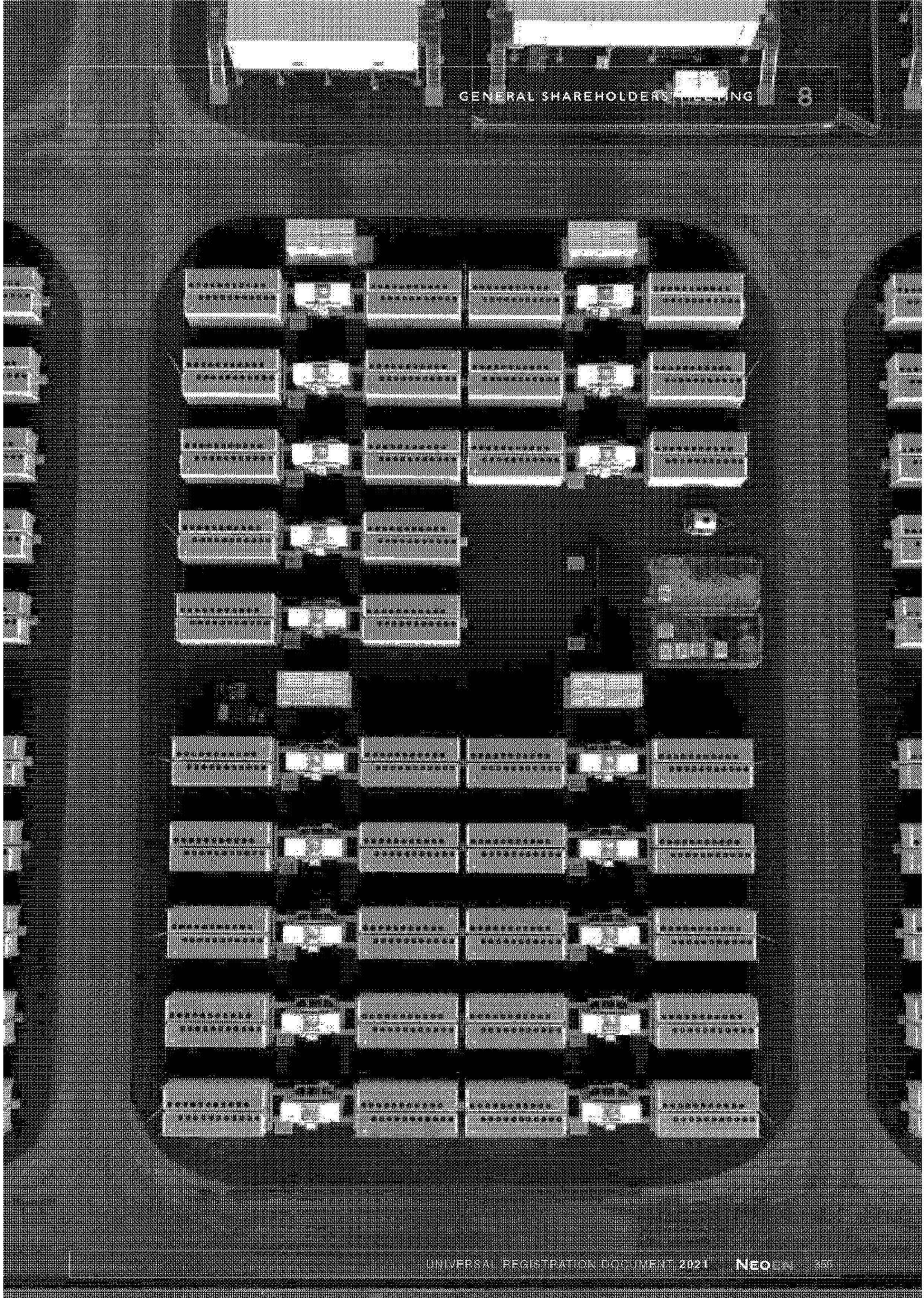
A trigger threshold is set with respect to the above objectives under which no compensation will be payable. In the event of outperformance, variable compensation may represent a maximum of 200% of gross annual fixed compensation.

Variable compensation of €137,287.80 was awarded to Romain Desrousseaux in respect of the year ended December 31, 2021.

Paris and Paris-La Défense, March 31, 2022

The Statutory Auditors

RSM PARIS	**Deloitte & Associés**
Etienne de Bryas	Benoit Pimont



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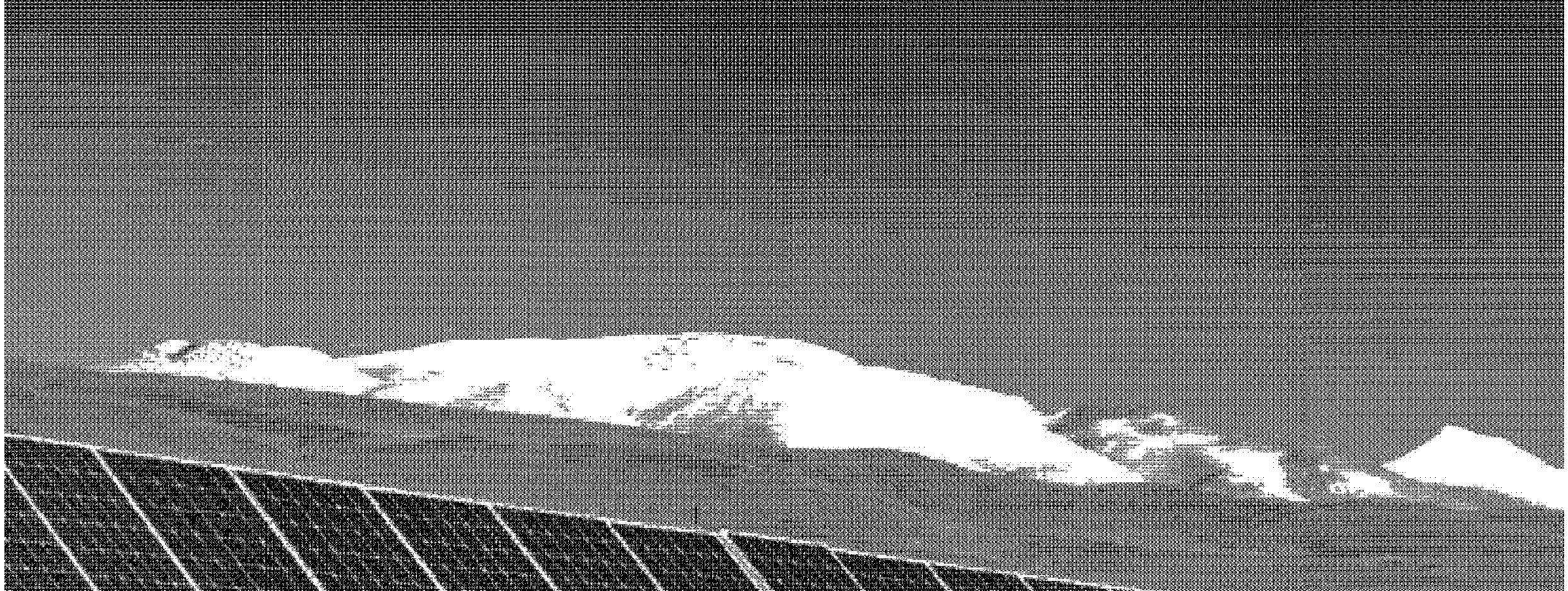

9.1 PERSONS RESPONSIBLE

9.1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Xavier Barbaro, Chairman and Chief Executive Officer of Neoen S.A.

9.1.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I certify that the information contained in this universal registration document is, to the best of my knowledge, true and accurate, and does not contain any omission likely to affect its scope or significance.

I certify, to my knowledge, that the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all the other companies included in the scope of consolidation, and that the elements of the Management Report included in this document, present a fair review of the development and performance of the business and financial position of the Company and all the other companies included in the scope of consolidation, together as well as a description of the main risks and uncertainties that they face."

Paris, March 31, 2022

Xavier Barbaro

Chairman and Chief Executive Officer of Neoen S.A.

9.1.3 PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Xavier Barbaro

Chairman and Chief Executive Officer of Neoen S.A.

22 Rue Bayard – 75008, Paris

9.2 STATUTORY AUDITORS

9.2.1 AUDITORS

Auditors	Date of first appointment	Date of appointment/ renewal	Term of office	Expiry date
Deloitte & Associés Statutory auditor Member of the *Compagnie régionale de Versailles et du Centre* Represented by Mr. Benoit Pimont Tour Majunga, 6 place de la Pyramide 92908 Paris-La Défense	15.04.2014	26.05.2020	6 financial years	General shareholders' meeting called to approve the financial statements for the financial year ended 31.12.2025
RSM Paris Statutory auditor Member of the *Compagnie régionale de Paris* Represented by Mr. Etienne de Bryas 26 rue Cambacérès 75008 Paris	12.09.2018	12.09.2018	6 financial years	General shareholders' meeting called to approve the financial statements for the financial year ended 31.12.2023

9.2.2 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.

9.2.3 FEES PAID TO STATUTORY AUDITORS

The table of fees of the statutory auditors of the Company is shown in note 24 to the consolidated financial statements for the financial year ended December 31, 2021 contained in section 4.1 of this document.

9.3 HISTORICAL FINANCIAL INFORMATION INCLUDED BY REFERENCE

In accordance with article 19 of regulation (EU) no. 2017/1129 of June 14, 2017, this 2021 universal registration document includes by reference:

- the consolidated financial statements for the financial year ended December 31, 2020 established in accordance with IFRS reference as adopted by the European Union, and the statutory auditors' report presented in sections 4.1 and 4.2 respectively to the 2020 universal registration document filed with the *Autorité des Marchés Financiers* on April 12, 2021 under number D. 21-0291, as well as the information extracted from the 2020 management report in chapters 1, 2, 3, 5 and 7 of the 2020 universal registration document;
- the consolidated financial statements for the financial year ended December 31, 2019 established in accordance with IFRS reference as adopted by the European Union, and the statutory auditors' report presented in sections 4.1 and 4.2 respectively to the 2019 registration document filed with the *Autorité des Marchés Financiers* on April 28, 2020 under number D. 20-0386, as well as the information extracted from the 2020 management report in chapters 1, 2, 3, 5 and 7 of the 2019 registration document;
- parts of these documents not included are either irrelevant to the investor or covered elsewhere in the universal registration document.

9.4 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.neoen.com, a copy may also be obtained from the registered office of the Company located at 22 rue Bayard, 75008 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.

9.5 CROSS-REFERENCES TABLES

9.5.1 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

In order to facilitate the reading of this Universal Registration Document, the cross-reference table hereafter enables to identify the information, required in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the general regulations of the French Financial Markets Authority, which constitute the Annual Financial Report.

Information required	Section
2021 consolidated financial statements (IFRS)	4.1
2021 annual financial statements (French GAAP)	4.3
Management report	Dedicated Table – 9.5.2
Corporate governance report	Dedicated Table – 9.5.3
Declaration by the person responsible	9.1.2
Report by the statutory auditors on the 2021 consolidated financial statements	4.2
Report by the statutory auditors on the 2021 annual financial statements	4.4
Statutory auditors' fees	Note 24 - 4.1

9.5.2 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP

This universal registration document includes all elements of the management report.

In order to review the elements of the management report, the cross-reference table hereafter enables to identify the main information provided for by Articles L. 225-100 et seq., L. 22-10-35 et L. 22-10-36, L. 232-1 and R. 225-102 et seq. of the French Commercial Code. The specific sections of the management report related to the corporate governance pursuant to Articles L. 225-37, al 6 et seq., L. 22-10-8 et seq. of the French Commercial Code are detailed in paragraph 9.5.3.

Information required	Section/ Paragraphe
Situation and activity	
Analysis of the change in business, profits or losses and in the financial position of the Company	2.3 and 2.4
Activity and results of the Group, of subsidiaries and of controlled companies by branch of activity	2.3 and 2.5.2
Key performance indicators of a financial nature and any non-financial performance indicators	2.1
Main risks and uncertainties	3
Financial risks resulting from the effects of the climate change and measures undertaken by the Company	3.1.5
Procedures of internal control and risk management relating to the preparation and handling of accounting and financial information	3.2.2
Company's objectives, hedging policy and exposure to price, credit, liquidity and cash flows risks	3.1.1, 3.1.3 and 3.2.2
Add-back of operating expenses and extravagant expenses (Art. 39.4 and 223 quater, Art. 39.5 and 223 quinquies of the General Tax Code)	2.8.2.6, 2.8.2.7 and 2.8.2.8
Research and development activities	1.4
Major events occurred since the close of the fiscal year	2.6.1
Company and Group foreseeable trends and outlook	2.2
Equity investment in or takeover of companies having their registered office in France	2.8.2.4 - Nothingness
Activities of the Company's subsidiaries	1.3.3
Table on the Company's financial results over the last five years	2.8.2.3
Information relating to suppliers and clients' terms of payment	2.8.2.5
Legal information and information related to shareholding	
Employee shareholdings at the year-end	7.2.10 and 7.2.11
Identity of shareholders holding more than 5%	7.3
Name of companies controlled directly or indirectly by the company and the share of the company's capital that they hold (treasury shares)	7.2.5
Information on share buybacks	7.2.9
Dividends distributed for the last three fiscal years	7.3.8.2
Summary of transactions by corporate officers on Company securities	7.2.4
Information on loans granted to other companies	N/A
Existing Company branches	N/A
Extra-financial performance	
Consolidated declaration of extra-financial performance (DEFP)	Dedicated Table – 5.10
Vigilance plan	5.9

9.5.3 CROSS-REFERENCE TABLE FOR THE CORPORATE GOVERNANCE REPORT

Information required	Section/ Paragraphe
Missions, composition, preparation and modus operandi of the Board of Directors	6.2.1
List of all terms of office and functions held in any company by each Director and Corporate Officer during the fiscal year	6.1.1
Procedures for exercising the General Management	6.2.2.1
Description of the diversity policy, objectives and results applied to Board members (including gender diversity)	6.2.1.5
Limits provided by the Board of Directors on Chief Executive Officer's powers	6.1.3.1 and 6.2.2.1 (i)
Reference to of the AFEP-MEDEF Corporate Governance Code and application of the comply or explain principle	6.2.1.3
Description and implementation of the evaluation procedure of non-regulated agreements	6.4.3
Review of the independence of its members and of potential conflicts of interest	6.2.1.4
Agreements between an Executive Officer or a major shareholder of the Company and a subsidiary	6.4.2
Remuneration policy of the Directors and Corporate Officers	6.3.1, 6.3.2 and 6.3.3
Compensation and benefits of any kinds paid to Corporate Officers	6.3.2, 6.3.3, 6.3.4 and 6.3.5
Use of the "claw back" possibility to claim the return of variable remuneration	N/A
Remuneration paid or granted by a company included in the scope of consolidation pursuant to Article L.233-16 of the French Commercial Code	N/A
Remuneration ratios between the remuneration of each Corporate Officer and the average and median remunerations of the Company employees	6.3.2.2
Annual change in the remuneration, the Company's performances, the average remuneration of the Company employees and the abovementioned ratios over the five past fiscal years	6.3.2.2
Explanation on how the total remuneration complies with the remuneration policy adopted, including the way it contributes to long term performances of the Company and the way the performance criteria has been applied	6.3.2.3 and 6.3.2.4
Manner in which the vote of the last ordinary general meeting has been taken into account	6.3.2.3 and 6.3.2.4
Deviation from the procedure for the implementation of the remuneration policy and any derogations	N/A
Application of Article L. 225-45 al. 2 of the French Commercial Code (suspension of payment of directors' remuneration in the event of failure to comply with the Board of Directors' gender diversity)	N/A
Attribution and retention of stock-options by Directors and Corporate Officers	N/A
Attribution and retention of free share grants to Corporate Officers	6.3.4.3
Special terms for the participation of the shareholders in the General Meeting	6.2.2.5
Information that may have an impact in the event of a takeover bid or exchange offer	6.4.5
Summary table of the status of valid delegations of powers and powers granted by the General Meeting to the Board of Directors with regard to capital increases and the use made of these delegations during the past year	6.4.1

9.5.4 CROSS-REFERENCE TABLE FOR THE PROVISIONS OF ANNEXES 1 AND 2 OF THE 2019/980 DELEGATED REGULATION OF THE EUROPEAN COMMISSION

This cross-reference table identifies the main information required by Annexes I and 2 of the 2019/980 Delegated Regulation of the European Commission dated March 14, 2019. This table refers to the sections of this universal registration document on which the information related to each item is indicated.

Information required		Section/ Paragraphe
Section 1	**Persons responsible, third party information, expert's reports and competent authority approval**	
1.1	Identity of the person responsible	9.1.1 and 9.1.3
1.2	Statement of the person responsible	9.1.2
1.3	Identity of the person participating as an expert whose statement or report is included in the Universal Registration Document	N/A
1.4	Statement on the information provided by a third party	N/A
1.5	Statement on the competent authority	AMF insert
Section 2	**Statutory auditors**	
2.1	Identity	9.2
2.2	Change	N/A
Section 3	**Risk factors**	**3**
Section 4	**Information about the issuer**	
4.1	Legal and commercial name	7.1
4.2	Registration place and number, legal entity identifier (LEI)	7.1 and 4.1 – note 2.1
4.3	Incorporation date and term	7.1
4.4	Registered office, legal form, applicable legislation, country of incorporation, address and telephone number of the registered office, website	7.1
Section 5	**Business overview**	
5.1	Principal activities	1.3
5.1.1	Nature of operations and principal activities	1.3
5.1.2	Development of new products and/or services	1.3
5.2	Principal Markets	1.3.3
5.3	Important events in the development of the business	1.1.1, 2.3.1, 4.1 – note 2.2 and 4.3 – note 2
5.4	Strategy and objectives	1.1.2
5.5	Dependence of the issuer with regards to patents, licenses, contracts and manufacturing processes	N/A
5.6	Competitive position of the issuer	1.2.4
5.7	Investments	2.5.8
5.7.1	Material investments made	2.5.8.2
5.7.2	Material investments in progress	2.5.8.3
5.7.3	Information relating to the joint ventures and undertakings likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	2.8.2.4
5.7.4	Environmental issues that may affect the use of the tangible fixed assets	2.5.8.5
Section 6	**Organizational structure**	
6.1	Brief description of the Group	2.8.2.4
6.2	List of the significant subsidiaries	4.3 – note 18

Section 7	**Operating and financial review**	
7.1	Financial position	2.1, 2.3, 2.8, 4.1 and 4.2
7.2	Operating results	2.3, 2.8, 4.1.1 and 4.2.1
Section 8	**Capital resources**	
8.1	Issuer's capital resources	2.5
8.2	Sources and amounts of the cash flows	2.5
8.3	Borrowing requirements and funding structure	2.5
8.4	Restrictions on the use of capital resources	2.5
8.5	Anticipated sources of funds	2.5
Section 9	**Regulatory environment**	
9.1	Description of the regulatory environment and external factors materially influencing the operations	1.3.3
Section 10	**Trend information**	**2.2**
Section 11	**Profit forecasts or estimates**	**2.2**
Section 12	**Administrative, management and supervisory bodies and senior management**	
12.1	Information on the members of the administrative and management bodies	6.1
12.1	Conflicts of interests	6.3.1 and 6.2.2
Section 13	**Compensation and benefits**	
13.1	Compensation paid and benefits in kind	6.3
13.2	Provisions for pension and retirement obligations	6.3
13.3	Securities giving access to the Company's capital awarded to corporate officers	6.3
Section 14	**Board practices**	
14.1	Expiration date of the current terms of office	6.1
14.2	Service contracts between members of the administrative or management bodies and the issuer or one of its subsidiaries	6.2
14.3	Information on the Board committees	6.1 and 6.2
14.4	Statement of compliance with the corporate governance rules applicable to the issuer	6.2.1.3
14.5	Potential material changes on the corporate governance	N/A
Section 15	**Employees**	
15.1	Number of employees	5.3
15.2	Equity interests and stock options of corporate officers	6.3.4
15.3	Agreements involving the employees in the capital of the issuer	7.2.10
Section 16	**Major shareholders**	
16.1	Identification of the major shareholders	7.3.1
16.2	Voting rights	7.3.1
16.3	Control of the issuer	7.3.1, 7.3.6
16.4	Arrangements that may result in a change of control	7.3.7
Section 17	**Related party transactions**	
17.1	Details of related party agreements	4.1 – note 23 and 4.2 – note 19

Section 18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
18.1	Historical financial information	
18.1.1	Audited historical financial information and audit report	Chapter 4
18.1.2	Change of accounting reference date	N/A
18.1.3	Accounting standards	4.1 and 4.2
18.1.4	Change of accounting framework	N/A
18.1.5	Financial statements	4.2
18.1.6	Consolidated financial statements	4.1
18.1.7	Date of latest financial information	4.1 and 4.2
18.2	Interim and other financial information	
18.2.1	Half yearly and quarterly financial information and interim financial information	N/A
18.3	Auditing of historical annual financial information	
18.3.1	Audit report on the historical financial information	4.1
18.3.2	Other information audited by the auditors	5.8 and 6.4
18.3.3	Financial information not extracted from audited financial statements of the issuer	N/A
18.4	Pro forma financial information	N/A
18.5	Dividend policy	7.3.8
18.6	Legal and arbitration proceedings	2.6
18.7	Significant change in the issuer's financial position	2.7
Section 19	**Additional information**	
19.1	Share capital	7.2
19.2	Memorandum and Articles of Association	
19.2.1	Trade and Companies Register, purposes of the issuer	7.1
19.2.2	Rights, preferences and restrictions attaching to shares	7.1
19.2.3	Provisions that may delay, defer or prevent a change of control	7.3
Section 20	**Material contracts**	
20.1	Material contracts of the issuer or any member of the group	1.3.4.4
Section 21	**Documents available**	
21.1	Statement regarding the available documents	9.4

9.6 GLOSSARY

Average availability	Ratio between the energy actually produced by a solar or wind asset during a given period and the energy that could theoretically be produced by the asset during the same period.
Certificados de Energías Limpias ("CELs")	Green-energy certificate system issued by the CRE (Comisión Reguladora de Energía, energy regulating commission in Mexico) to accredit electrical power generated from clean sources, and to enable users to meet their obligations under the energy transition.
Commercial operation date ("COD")	Date at which a solar or wind asset is connected to the grid and all its equipment is commissioned, or, in the case of a storage facility, the date at which it is connected to the grid and begins to operate.
Contract for difference ("CFD")	A contract structure pursuant to which a buyer of electricity (usually a state or state-backed entity) undertakes to pay the electricity producer the difference between a reference tariff and the actual price at which the producer sells the electricity on the market via an aggregator.
EPC contract ("Engineering, Procurement and Construction")	Design, supply and installation contracts for solar, wind and storage assets. These contracts generally include the supply of photovoltaic panels or wind turbines and other system components (BOS or BOP components).
EPC Full Wrap	Turnkey contract including design (engineering), procurement, construction, installation, commissioning (reception) of works required for energy generation of a given asset, within a specified timeframe and in compliance with the permits for the project (building permits, environmental permits, leases, rights of way, grid connection contracts, etc.) and the law. This includes labor and all consumable supplies, technical means and associated equipment (photovoltaic modules, inverters, transformers, structures, wind turbines, foundations, batteries... - non-exhaustive list).
Feed-in-tariff ("FIT")	A legal and regulatory structure under which the purchase price of electricity produced by a generating unit is mandated for a given buyer under long-term contracts.
Financial closing	Closing of the financing operation, following which the facilities are made available to the project (subject to recurring availability conditions for each drawdown of the facilities, usual in the context of non-recourse project financing).
Grid	The combined energy infrastructures used to transport electrical energy from electrical production units to consumers.
Grid curtailment	Situation when an electricity producer is forced to reduce its energy production to a level below its regular production capacity, for reasons beyond its control, usually at the request of the grid operator.
Grid parity	Situation in which the discounted cost of production (levelised cost of electricity – "LCOE") of solar or wind energy is less than or equal to the purchase price of electricity on the grid.
Installed power	Level of peak power watts or watts, as applicable, for a given solar, wind or storage asset, respectively.
Interconnection agreement	Agreement setting forth the mutual obligations and the technical, legal and financial conditions that the electricity producer and the grid operator must respectively fulfil for the connection of an electricity production installation to a given electrical grid.
Internal rate of return of a project ("IRR")	Discount rate for project cash flows ensuring a net present value of zero.
Inverter	Device for converting a direct current ("DC") produced by a solar, or wind asset into an alternating current ("AC") compatible with electricity transmission and distribution networks.
Irradiation	The level of exposure of a point on the earth's surface to the sun's radiation, which determines the level of electricity that a solar power plant can produce.
Kilowatt ("kW")	Standard unit measuring electrical power, equivalent to 1,000 watts.
Kilowatt-hour ("kWh")	Standard unit measuring the electrical power generated or consumed (power expressed in kW multiplied by a period expressed in hours).

Levelized cost of energy ("LCOE")	An indicator for comparing the competitiveness of different energy sources, calculated by comparing the total cost of electricity production (including development, financing, construction, operation and maintenance costs) for a given plant with the actual electricity production of that installation (expressed in kWh) over its entire lifetime.
Load factor	The load factor is the equivalent time (as a percentage of the period observed) during which grid injection at maximum power would produce the same quantity of energy as that supplied by the facility.
Megawatt ("MW")	Standard unit measuring electrical power, equivalent to 1,000 kW or one million watts.
Megawatt-hour ("MWh")	Standard unit measuring the electrical power generated or consumed (power expressed in MW multiplied by a period expressed in hours).
Monocrystalline silicon	Basic material composing photovoltaic cells, produced by melting polycrystalline silicon refined at very high temperatures, then solidifying it into a single large cylindrical crystal.
O&M contract ("Operation and Maintenance")	Operation and Maintenance contract for a solar, wind or storage asset. Generally, the EPC contractor for the construction of the asset is the O&M service provider for at least the first two years of operation.
Other components of the system ("balance of system" or "BOS" components for solar parks and "balance of plant" or "BOP" components for wind parks)	All equipment and components necessary for the construction of a solar power plant other than photovoltaic panels, or of a wind park other than wind turbines, including inverters, transformers, electrical protection devices, wiring and control equipment, and also structural elements such as mounting frames, or of a storage facility other than batteries and inverters.
Peak power	Maximum power produced by a photovoltaic panel under standard test conditions.
Performance ratio ("PR")	Ratio expressed as a percentage between actual electricity production and theoretical production over a reference period.
Photovoltaic	Process for producing an electric current by exposing semiconductor materials to light.
Photovoltaic (or solar) panel	The main component of a solar park, consisting of a set of photovoltaic cells electrically connected to each other, encapsulated in a plastic or glass envelope and supported by supporting materials, usually an aluminium structure.
Polycrystalline silicon	Basic material composing photovoltaic cells, produced by re-melting refined silicon pieces and then solidifying them in a cuboid crucible and cutting them into rectangular ingots consisting of multiple small crystals of different sizes and shapes. Each ingot is then cut into very thin wafers. This technology is less efficient than monocrystalline silicon.
Power Purchase Agreement ("PPA")	Contract by which an electricity producer sells, for a fixed price, all or part of its electricity production to a purchaser of electricity.
Projects in "early stage" phase	Projects (i) located on land with respect to which the owner has confirmed his or her intention to agree a contract with the Group for the applicable land rights, (ii) in proximity to an electric grid to which the project may be connected and (iii) for which technical studies have been initiated but not yet finalized.
Projects in "advanced development" phase	Projects for which the following elements must be achieved: • real-estate: signature of a contract validating the use of the land; • access to the electricity grid: preliminary grid connection; • technical: completed pre-design engineering.

	Projects where either: * a building permit has been obtained and all the conditions precedent to the signing of an electricity sales contract have been fulfilled in a country which: – has a renewable energy development program through recurrent tenders, or – has a liquid market for electricity sales contracts with private companies. * feed-in tariffs are available and a building permit application has been submitted.
Projects in "tender-ready" phase	Based on such criteria, once a project reaches the tender-ready stage, it will not be reclassified to a less advanced stage as long as: * the market dynamics of renewable energies in the country in question remain unchanged; and * the requirements for obtaining an electricity sales contract remain the same. Projects in "advanced development" phase and projects in "tender-ready" phase constitute the "advanced pipeline". Projects in "advanced development" that win a tender through a competitive auction process are classified as "awarded" projects without being first classified as tender-ready.
Projects in "awarded" phase	A: The primary authorisation request for the project has resulted in a positive outcome and is no longer subject to an appeal, and there is a guaranteed off-take once the project is built; or B: the project was won through a competitive auction process or a long-term PPA was signed. At this stage, certain additional licenses may be required as long as the Group judges them to be secondary to the applicable primary authorisation. Depending on what could be achieved during the initial development phase, land procurement and additional studies may also be underway. Discussion and contracting with an EPC, as well as project financing negotiations, are usually advanced during this stage.
Projects in "under construction" phase	For these projects the notice to proceed ("NTP") has been given to the relevant EPC contractor. The asset remains in this category until it enters operation in accordance with the requirements specified below.
Projects in "in operation" phase	All the equipment in a solar or wind power plant or a storage facility is installed, commissioned and connected, and the facility is authorised to operate at full power. Performance tests and/or the production of the documentation provided for in the EPC contract may still be in progress up to the provisional acceptance date. Projects in "awarded" phase, projects "under construction" and projects "in operation" form the "secured portfolio".
Provisional acceptance date	The date on which the Group's EPC provider reaches a contractually defined level of completion of the construction of a solar, wind or storage asset and obtains the necessary certifications and performance to meet the "provisional acceptance" criteria under EPC contracts and other agreements relating to that asset.
PV	Abbreviation of "photovoltaic".
Special purpose vehicle ("SPV")	Company specifically created or, to a lesser extent, acquired by the Group for the sole purpose of holding a solar, wind or storage asset of the Group while carrying the debt (usually without recourse to the Company) relating to the energy-producing asset.
Standard test conditions	Standardised test conditions for measuring the nominal capacity produced by photovoltaic cells or panels corresponding to (i) an irradiation level of 1,000 W/m2, (ii) an air mass level of 1.5 units, and (iii) a cell or panel temperature of 25°C.
Supervisory Control and Data Acquisition ("SCADA")	Information system used to evaluate, optimize and control energy production, performance, safety and, more generally, the proper operation of a solar, wind or storage asset in real time.
Transformer	Conversion device for changing the voltage and intensity of an electric current into an electric current of different voltage and intensity.
Turbine Supply Agreement ("TSA")	Contract pursuant to which a supplier provides, transports, installs and commissions turbines.
Watt ("W")	Standard unit measuring (for the Group) the electrical power of a solar, wind or storage asset, established under standard test conditions.
Wind kinetic energy	Energy generated by moving air, depending on its mass and speed.
Wind power	Process to transform the kinetic energy of the wind into mechanical energy and then into electrical energy through the use of wind turbines.

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