This document is an unofficial English-language translation of the response document (note en réponse) which was approved by the French Autorité des marches financiers on June 21, 2022. In the event of any discrepancies between this unofficial English-language translation and the official French response document, the official French response document shall prevail.

DOCUMENT PREPARED BY THE COMPANY

ALBIOMA

IN RESPONSE

TO THE TENDER OFFER FOR THE SHARES AND WARRANTS OF ALBIOMA INITIATED BY THE COMPANY

KYOTO BIDCO SAS

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

Pursuant to Article L. 621-8 of the French Monetary and Financial Code and Article 231-26 of its general regulation, the *Autorité des marchés financiers* (the "**AMF**") has, following its clearance decision dated June 21, 2022, affixed the visa n°22-231 on this response document (the "**Response Document**"). This Response Document has been prepared by Albioma and engages the responsibility of its signatories.

In accordance with the provisions of Article L. 621-8-1 I of the French Monetary and Financial Code, the visa has been granted after the AMF has verified "*whether the document is complete and comprehensible and whether the information it contains is consistent*". It does not imply approval of the appropriateness of the transaction, nor authentication of the accounting and financial information presented.

IMPORTANT NOTICE

In accordance with Articles 231-19 and 261-1 of the AMF's general regulation, the report of Ledouble, acting as independent expert, is included in this Response Document.

The Response Document is available on the websites of the AMF (www.amf-france.org) and Albioma (www.albioma.com) and is available to the public free of charge at the registered office of Albioma (Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex).

Pursuant to Article 231-28 of the AMF's general regulation, a description of the legal, financial and accounting characteristics of Albioma will be filed with the AMF and made available to the public, in the same manner, no later than the day before the opening of the tender offer.

A press release will be issued, at the latest the day before the opening of the tender offer, to inform the public of the manner in which these documents will be made available.

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1. PRESENTATION OF THE OFFER

In accordance with Title III of Book II and more specifically Articles 232-1 and *seq*. of the general regulation of the AMF ("**AMF's General Regulation**"), Kyoto BidCo, a simplified joint stock company (*société par actions simplifiée*) having its registered office at 27 avenue de l'Opéra, 75001 Paris, registered with the Paris Trade and Companies Register under number 911 295 533 (hereafter, "**Kyoto BidCo**" or the "**Offeror**"), makes an irrevocable offer to the shareholders and holders of redeemable share subscription and/or acquisition warrants (*bons de souscription et/ou d'acquisition d'actions remboursables*) (the "**Warrants**") of Albioma, a French public limited company *(société anonyme*) with a board of directors, having its registered office at 77 Esplanade du Général de Gaulle – Tour Opus 12 - 92081 Paris la Défense, registered with the Nanterre Trade and Companies Register under number 775 667 538 (the "**Company**" or "**Albioma**" and together with its direct or indirect subsidiaries the "**Group**"), and whose shares are listed on compartment A of the Euronext Paris regulated market under ISIN code FR0000060402, mnemonic "ABIO" (the "**Shares**", together with the Warrants, the "**Securities**") and whose Warrants are listed Euronext Growth Paris under ISIN code FR0013368438, mnemonic "ABIBS", to acquire, in cash (i) all of their Shares (subject to the exceptions below) at a price of 50 euros per Share (dividend coupon detached[1]) (the "**Share Offer Price**"), and (ii) all of their Warrants at a price of 29.10 euros per Warrant (the "**Warrant Offer Price**" together with the Share Offer Price, the "**Offer Price**") through a tender offer (the "**Offer**"), the terms of which are described in the offer document prepared by the Offeror and approved by the AMF on June 21, 2022 under number 22-230 (the "**Offer Document**").

The Offeror has indicated in the Offer Document that, as of the date of the Offer Document, it does not hold any Shares or Warrants.

The Offer targets:

- all the Shares, which are:

    i. already issued, other than the Excluded Shares (as defined below), i.e. as of June 10, 2022, a number of 30,905,873 Shares[2];

    ii. may be issued before the closing of the Offer or the reopened Offer as a result of the exercise of the Warrants, i.e., as of June 10, 2022, a maximum of 551,478 new Shares;

- all of the Warrants issued by the Company and not yet exercised, i.e. as of June 10, 2022, a maximum total number of 551,478 Warrants.

It is specified that the Offer does not target:

- the Shares that Bpifrance has undertaken to contribute to the Offeror in the context of the Investment Agreement and which are subject to the BPI Lock-up Undertaking, as described in section 6.2 below and in section 1.3.2 of the Offer Document, i.e. 1,164,791 Shares,

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[1] The General Meeting held on May 25, 2022 approved the distribution of a dividend of 0.84 euro per Share for fiscal year 2021 (0.924 euro for Shares eligible for the bonus dividend) to be paid exclusively in cash. The dividend was detached from the Shares on June 9, 2022 and paid on June 13, 2022.

[2] On the basis of a capital composed of 32,420,226 Shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

- the Company's treasury Shares, i.e. 144,853 Shares as of June 10, 2022,
- the Unavailable Performance Shares (as defined below), i.e., as of June 10, 2022, a maximum of 948,145 Performance Shares (of which 204,709 have already been issued, i.e., 204,473 Performance Shares subject to a Retention Period and 236 Performance Shares subject to an Additional Retention Obligation, these Shares being legally and technically unavailable and therefore not being tenderable to the Offer). The situation of the beneficiaries of Performance Shares in the context of the Offer is described in section 2.2.3 below and in section 2.4 of the Offer Document,

(together the "**Excluded Shares"**).

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

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

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

The Offeror intends, if the required conditions are met, to implement the squeeze-out procedure pursuant to Articles L. 433-4, II of the French Monetary and Financial Code and 237-1 *et seq*. of the AMF’s General Regulation.

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

2. CONTEXT AND CHARACTERISTICS OF THE OFFER

2.1 Background and reasons for the Offer

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

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

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

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

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

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

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

Bpifrance, a shareholder of the Company since 2016, which holds 5.01% of the Company's share capital as at the date of this Response Document[3], intends to continue to support the Company by investing alongside Kyoto LuxCo 1, a company indirectly controlled by investment funds and separately managed accounts advised and/or managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates ("**Kyoto LuxCo 1**"), which indirectly owns the entire share capital of the Offeror according to the Offer Document, subject to the completion of the Offer. The investment by Bpifrance is to be made via the contribution of part of its Shares to the Offeror (or to any French entity, indirectly controlling the Offeror) at the Offer Price. The main terms of the Investment Agreement (as this term is defined hereafter) entered into with Bpifrance are described in section 6.2 below and in section 1.3.2 of the Offer Document.

The Chief Executive Officer and the Deputy Chief Executive Officer of the Company have also undertaken to contribute in kind at the Offer Price a number of Securities, corresponding to an investment amount of €2.5 million to the Holding (as defined below), indirectly holding the entire share capital of the Offeror, in exchange for securities of the Holding under the Managers' investment plan (as defined below) described in section 6.3 below and in section 1.3.3 of the Offer Document.

On April 27, 2022, the Company and the Offeror entered into the TOA under which the Offeror undertook to file the Offer submitted to the Company, and the Company undertook to cooperate with the Offeror in the context of the Offer. The main terms of the TOA are described in section 6.1 below and in section 1.3.1 of the Offer Document.

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

The table below summarizes the number of Shares tendered to the Offer or contributed to the Offeror or any other entity controlling the Offeror by Bpifrance:

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

On May 30, 2022, the Offeror also entered into a contribution agreement with Compagnie Financière Européenne Financière Européenne de Prises de Participation (COFEPP) for approximately 6.04% of the Company's share capital and voting rights. The main terms of this contribution agreement are described in section 6.4 below and in section 1.3.4 of the Offer Document.

In the event of success of the Offer, the Offeror will take control of the Company. In addition, according to the Offer Document, in the event of success of the Offer and upon completion of the contributions and the related transactions described in section 6 below and in section 1.3 of the Offer Document, the Offeror would remain controlled indirectly by investment funds and separately managed accounts advised and/or managed by KKR. Bpifrance and the Managers (as defined below) will become indirect minority shareholders of the Offeror.

2.2 Reminder of the terms of the Offer

2.2.1 Principal terms of the Offer

Pursuant to Article 231-13 of the AMF's General Regulation, Société Générale, acting on behalf of the Offeror, filed the proposed Offer with the AMF on May 13, 2022. On the same day, a notice of filing was published by the AMF on its website[4] .

The Offer is voluntary and will be carried out in accordance with the normal procedure pursuant to Articles 232-1 *et seq*. of the AMF's General Regulation.

In the context of the Offer, the Offeror irrevocably undertakes to acquire from the shareholders of the Company, (i) at a price of 50 euros per Share (ex-dividend[5]) and (ii) at a price of 29.10 euros per Warrant, subject to the adjustments described in section 2.2 of the Offer Document, all of the Shares and Warrants that will be tendered to the Offer during the Offer period.

[4] Opinion n°222C1123.

[5] The General Meeting held on May 25, 2022 approved the distribution of a dividend of 0.84 euro per Share for fiscal year 2021 (0.924 euro for Shares eligible for the bonus dividend) to be paid exclusively in cash. The dividend was detached from the Shares on June 9, 2022 and paid on June 13, 2022.

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

2.2.2 Modalities of the Offer

The proposed Offer was filed with the AMF on May 13, 2022. The draft offer document filed by the Offeror contains details of the terms of the Offer, the conditions to which it is subject and the expected timetable.

The Company filed the draft response document with the AMF on May 30, 2022. A notice of filing was published by the AMF on its website (www.amf-france.org)[6].

This draft response document, as filed with the AMF, is available to the public free of charge at the Company's registered office, as well as online on the websites of the AMF (www.amf-france.org) and the Company (www.albioma.com).

In accordance with the provisions of Article 231-26 of the AMF's General Regulation, the Company issued a press release containing the main elements of the draft response document on May 30, 2022.

The AMF declared the Offer compliant after verifying that the proposed Offer complies with applicable laws and regulations and published the clearance decision on its website (www.amf-france.org). This declaration of compliance constitutes the AMF's approval of the Response Document.

The Response Document approved by the AMF as well as the document concerning "Other Information" relating in particular to the legal, financial and accounting characteristics of the Company, will be made available to the public free of charge, in accordance with Articles 231-27 and 231-28 of the AMF's General Regulation, no later than the day before the opening of the Offer, at the Company's registered office. Such documents will also be available on the websites of the AMF (www.amf-france.org) and the Company (www.albioma.com).

A press release indicating how such documents are made available will be published no later than the day before the opening of the Offer, in accordance with Articles 231-27 and 231-28 of the AMF's General Regulation.

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

2.2.3 Situation of the beneficiaries of Performance Shares

The Company has set up several plans for the allocation of performance shares for certain employees and/or corporate officers of the Company and its group (the "**Performance Shares**").

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[6] Opinion n°222C1288.

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

Plans	2018 plan	2019 plan	2020 plan	2021 plan	2022 plan
Date of the General Meeting	May 30, 2018	May 30, 2018	May 30, 2018	May 29, 2020	May 29, 2020
Date of Board of Directors' meeting / Date of allocation	May 30, 2018	March 7, 2019	March 2, 2020	March 3, 2021	March 1, 2022
Total number of Performance Shares allocated	309,600	305,420	303,971	224,977	254,265
Including shares allocated to corporate officers	30,620	30,620	29,076	22,500	24,320
Date of final acquisition	May 30, 2021	March 7, 2022	March 2, 2023	March 3, 2024	March 1, 2025
Performance conditions	✓				
Attendance conditions	✓				
Number of shares acquired as of June 10, 2022	216,102	211,973[7]	2,581[8]	0	0
Number of rights cancelled as of June 10, 2022	93,498	66,027	21,636	14,780	780
End of the retention period	May 30, 2022	March 7, 2023	March 2, 2024	March 3, 2025	March 1, 2026
Number of shares in retention period as of June 10, 2022	0	204,473	0	N/A	N/A
Commitment to retain shares by corporate officers[9]	1% of the Performance Shares acquired by Frédéric Moyne, i.e. 236 Shares	1% of the Performance Shares acquired by Frédéric Moyne, i.e. 232 Shares	1% of the Performance Shares acquired by Frédéric Moyne	1% of the Performance Shares acquired by Frédéric Moyne	1% of the Performance Shares acquired by Frédéric Moyne
Number of shares that may be acquired as of June 10, 2022	0	0	279 ,754	210,197	253,485

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

8 Attributed on September 15, 2021, due to the death of a beneficiary.

9 As modified by the Company's Board of Directors on April 27, 2022.

Among these Performance Shares, as of June 10, 2022, a maximum of 948,145 Shares acquired or likely to be acquired under the Performance Share Plans which have not yet been issued or are unavailable and will remain so until the estimated closing date of the Offer (or reopened Offer, as the case may be) (the "**Unavailable Performance Shares**"), which will be treated as follows, subject to the cases of waiving of unavailability provided for by the applicable legal or regulatory provisions (such as the death or disability of the beneficiary) :

i. for a maximum number of 743,436 of them, Performance Shares issued under the 2020, 2021 and 2022 plans, whose vesting period will not have expired before the estimated closing date of the Offer (or of the reopened Offer, as the case may be) and which are therefore not targeted by the Offer (the "**Performance Shares in Vesting Period**");

ii. for a maximum number of 204,473 of them, Performance Shares issued under the 2019 plan whose retention period will not have expired before the estimated closing date of the Offer (or of the reopened Offer, as the case may be) and which are therefore not targeted by the Offer (the "**Performance Shares in Retention Period**") these Shares being legally and technically unavailable and therefore not being tenderable to the Offer; and

iii. for a maximum number of 236 of them, Performance Shares issued under the 2018 plan that are unavailable due to the provisions of Article L. 225-197-1, II of the French Commercial Code, pursuant to which the Board of Directors of the Company has imposed on the corporate officers of the Company an obligation to retain their Shares until the termination of their functions (the "**Additional Retention Obligations**") and which are therefore not targeted by the Offer, these Shares being legally and technically unavailable and therefore cannot be tendered to the Offer[10].

Thus, as of the date of the Response Document, and subject to the early vesting and transferability events provided for by the law, the Performance Shares in Vesting Period or in Retention Period and those subject to an Additional Retention Obligation will not be tendered to the Offer.

The Unavailable Performance Shares will be covered by the liquidity mechanism proposed by the Offeror and described in section 6.5 below and in section 1.3.5 of the Offer Document, subject to the execution of a Liquidity Agreement by the holders of the Unavailable Performance Shares.

2.3 Offer restrictions abroad

The Offer Document indicates that:

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

[10] In addition, Frédéric Moyne holds 503 Shares from a former performance share plan prior to the 2018 plan, and which are unavailable under the terms of Article L. 225-197-1, II of the French Commercial Code. These Shares are not included in the Performance Shares subject to Additional Retention Obligations and are therefore targeted by the Offer.

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

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

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

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

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

United States

The Offer will be made in the United States of America in accordance with Section 14(e) of the U.S. Securities Exchange Act of 1934 as amended (the "**1934 Act**"), the rules and regulations promulgated under that act, including Rule 14E after application of the exemptions provided for by Rule 14d-1(d) of the 1934 Act ("Tier II" exemptions) and the requirements of French law. As a result, the Offer will be subject to certain procedural rules, including those relating to notification of the reopening of the Offer, settlement-delivery, purchase of Securities outside of the Offer and payment dates, which are different from the U.S. rules and procedures relating to public offerings.

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

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

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

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

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

3. REASONED OPINION OF THE BOARD OF DIRECTORS OF THE COMPANY

3.1 Composition of the Board of Directors

As of the date of the Response Document, the Company's Board of Directors is composed as follows:

- Mr. Frédéric Moyne, Chairman and CEO,
- Mr. Jean-Carlos Angulo, independent Director,
- Mr. Pierre Bouchut, independent Director,
- Bpifrance, Director, represented by Mr. Sébastien Moynot,
- Ms. Marie-Claire Daveu, independent Director[11],
- Mr. Frank Lacroix, independent Director,
- Ms. Florence Lambert, independent Director, and
- Ms. Ulrike Steinhorst, independent Director.

3.2 Reasoned opinion of the Board of Directors

The Company's Board of Directors, at its meeting on May 30, 2022, unanimously rendered the following reasoned opinion:

*"The Board of Directors of Albioma SA ("**Albioma**" or the "**Company**") met on May 30, 2022 in order, in accordance with the provisions of Article 231-19 of the General Regulation of the Autorité des marchés financiers (the "**AMF**") to give a reasoned opinion on the interest and consequences for the Company, its shareholders and employees of the proposed tender offer (the "**Offer**") for the shares of the Company at a price of 50 euros per share (ex dividend of 0.84 per share, which will be detached from the share on June 9, 2022 "ex-date" and paid on June 13, 2022) and of 29.1 euros per warrant ("**Warrant**") of the Company, initiated by Kyoto BidCo SAS, a company indirectly controlled by investment funds and separately managed accounts advised and/or managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates ("**Kyoto BidCo**" or the "**Offeror**").*

All members of the Board of Directors were present by videoconference.

[11] Marie-Claire Daveu has resigned from her position as Director effective July 31, 2022.

The Chairman reminds that the terms of the Offer are described in the draft offer document of the Offeror which was filed with the AMF on May 13, 2022.

*The Chairman also reminds that, in accordance with the provisions of Article 261-1, III of the AMF's general regulation ("**AMF's General Regulation"**) and AMF recommendation no. 2006-15, the Board of Directors, at its meeting of March 10, 2022, set up an ad hoc committee (the "**Committee**") in charge of examining the terms and conditions of the proposed transaction, proposing to the Board of Directors the appointment of an independent expert under the terms of Article 261-1 of the AMF's General Regulation and supervising the work carried out by this expert, and preparing in due course the draft reasoned opinion of the Board of Directors.*

The Committee is composed of four members, a majority of whom are independent Directors: Mr. Frank Lacroix, Mr. Jean-Carlos Angulo, Mr. Pierre Bouchut, who was appointed Chairman of the Committee by the Board of Directors, and the Company's Chairman and Chief Executive Officer, Mr. Frédéric Moyne.

The Chairman also recalls that, at its meeting of April 27, 2022, the Board of Directors approved the principle of the proposed Offer, subject to an in-depth analysis of the Offer and the work of the independent expert.

Prior to today's meeting, the members of the Board of Directors were able to consult the following documents to enable them to have all the information they need to issue a reasoned opinion:

- *the draft offer document prepared by the Offeror and filed with the AMF on May 13, 2022, containing, inter alia, the background to and reasons for the Offer, the Offeror's intentions, the terms and conditions of the Offer, and the elements for assessing the Offer price that have been prepared by the presenting bank, Société Générale (this institution also being the guarantor);*
- *the report by Ledouble, acting as independent expert, which concludes that the financial terms of the offer, namely the price offered of €50 per share (€0.84 dividend coupon detached) and €29.1 per Warrant of the Company, are fair to the shareholders of the Company and the holders of Warrants of the Company whose securities are targeted by the Offer;*
- *the report of ECA, the chartered accountant appointed by the Group's Committee, issued on 24 May 2022;*
- *the opinion of the Group's Committee on the Offer issued on 24 May 2022; and*
- *the draft response document prepared by the Company to be filed with the AMF on May 30, 2022, which has yet to be completed with the reasoned opinion of the Board of Directors.*

1. Appointment of the independent expert

At its first meeting on March 15, 2022, the Committee interviewed two firms likely to meet the standard of skill and independence required by the applicable regulations. These two firms had submitted a presentation of their experience in this area and a remuneration proposal to the Committee members prior to the meeting.

Following the Committee's in-depth review of the detailed proposals of these two firms' and theirs interviews, the quality of which the Committee praised, Ledouble was selected by the Committee mainly on the basis of (i) the absence of any present or past link between it and the Company that could affect its independence, (ii) its recent experience in large-scale market transactions, (iii) the financial terms of its proposal, and (iv) more generally, its professional reputation and the human and material resources it has available to carry out its assignment.

Ledouble confirmed that it was not in conflict of interest with the various parties involved and that it had sufficient material resources and the necessary availability to carry out its mission during the period in question.

In view of the above, the Committee decided on March 15, 2022 to recommend the appointment of Ledouble to the Board of Directors to act as an independent expert if the proposed transaction were to be completed following discussions then in progress.

At its meeting of April 27, 2022, the Board of Directors of the Company, upon the recommendation of the Committee, appointed the firm Ledouble, represented by Ms. Agnès Piniot and Mr. Olivier Cretté, as independent expert pursuant to the provisions of Article 261-1, I 2°, 4° and 5° of the AMF's General Regulation, with the task of preparing a report on the financial terms of the Offer.

2. Work of the Committee and the Board and interactions with the independent expert

Mr. Pierre Bouchut, in his capacity as Chairman of the Committee, then reported on his mission and briefly summarized the work accomplished by the Committee in this context:

- *on March 15, 2022, the Committee met, with some members participating by videoconference, in the presence of Ms. Agnès Piniot and Mr. Olivier Cretté, who presented the Ledouble team to be involved in this independent appraisal assignment, the provisional timetable for its involvement, as well as the terms and methods for conducting the appraisal work, and decided to propose Ledouble as the independent appraiser, as mentioned above. The Committee also decided that information concerning the Company would be provided to the independent expert so that he could begin his initial work;*
- *on April 6, 2022, the Committee met, with some members participating by videoconference and without the presence of the independent expert, in order to study the structure of the Kyoto BidCo's proposed tender offer and the draft tender offer agreement, with particular attention to the points open to negotiations;*
- *on April 19, 2022, a first preliminary engagement letter was entered into with the firm Ledouble;*
- *on April 19, 2022, the Committee met, with some members participating by videoconference, to study the main terms and conditions of the investment plan to the benefit of certain executives and managers of the Company and outcome of the employee profit-sharing mechanisms in the context of the proposed transaction, and on this occasion the independent expert intervened to confirm that he had already received the documents necessary for the conduct of his preliminary work, and that the latter was carried-out properly;*
- *on April 27, 2022, the Committee met, with some members participating by videoconference, to review the final version of the support agreement for the Offer and to review the draft press release announcing the transaction, and decided to recommend to the Board of Directors that it approve the Offer. The Board of Directors then met and unanimously approved the proposed transaction and, following the Committee's recommendation, appointed the firm Ledouble as independent expert. On the same day, the Offeror and the Company entered into the Offer Support Agreement;*
- *on May 16, 2022, the Committee held a videoconference during which the independent expert presented the initial conclusions of his valuation report and discussed his work with the Committee members. In particular, the independent expert indicated that the offer price of €50.00 per share (€0.84 dividend coupon detached) and €29.1 per warrant of the Company was at the high end of all the valuation criteria that it had used;*
- *on May 23, 2022, the Committee met, with some members participating by videoconference, to discuss the draft report of the independent expert sent in advance of the meeting. The independent expert stated in particular that, subject to the completion of its work, its preliminary report concluded that the Offer was fair from a financial point of view;*

- *on May 30, 2022, the Committee held a videoconference prior to the Board of Directors' meeting in charge of giving its reasoned opinion on the Offer with the participation of the independent expert. The Committee reviewed the latter's final report, took note of and discussed the opinion of the Group's Committee issued on May 24 and finalized its recommendations to the Board of Directors regarding its opinion on the Offer;*
- *the Committee ensured in particular that the independent expert had in its possession all the information necessary for the performance of its assignment and that it had been able to carry out its work under satisfactory conditions; and*
- *the Committee noted that it had not received any questions or comments from shareholders that had been addressed to it or to the independent expert.*

The details of the interactions between the members of the Committee and the independent expert are set out in full in the report of the firm Ledouble.

The Committee also indicated that it had not been informed of or noted any factors that might call into question the proper performance of the independent expert's assignment.

The Committee noted that the business plan of the Albioma group transmitted to the independent expert is the one approved on December 29, 2021 by the Board of Directors, that it reflects the best possible estimate of the Company's forecasts and that there is no other relevant forecast data.

3. Conclusions of the independent expert's report

As indicated above, the Committee had several exchanges with the independent expert and monitored its work.

Ledouble, represented by Mrs Agnès Piniot and Mr Olivier Cretté, then summarised the conclusions of its assignment to the Board of Directors:

"In accordance with the scope of the Independent Expert's assignment (§ 1.1), we have mainly focused on verifying that :

- *the Offer Price of the Share and the Offer Price of the Warrant are fair to the Shareholders and the holders of the Warrants in the context of the Offer;*
- *the conditions of the Offer Price of the Share and the Offer Price of the Warrant are not such as to affect the equal treatment of the Shareholders or the holders of Warrants whose Securities are subject to the Offer;*
- *all of the Agreements and Related Transactions that we have identified in connection with the investment in the share capital of Kyoto TopCo are not of such a nature as to be prejudicial to the interests of the Shareholders and the holders of Warrants whose Securities are the subject of the Offer; we have in particular focused our attention, in the context of the investment in the share capital of Kyoto TopCo, on :*
    - *the conditions of contribution to the Offer and contribution to Kyoto TopCo of the Shares held by Bpifrance;*
    - *the principle of investing in the Mix Pari Passu, alongside Kyoto LuxCo 1, on the one hand, Bpifrance and, on the other hand, the Managers, remunerated in AO and ADPa ;*
    - *the principle and terms of granting to the Managers of the ADPb entitling them, according to IRR objectives, to a share of the Exit capital gain alongside the Investor.*

We note that, through the Offer:

- *the Shareholders benefit from a liquidity of their Shares at the Offer Price of the Share*[12] *, externalizing premiums with regard to :*
  - *the VWAP before rumors of negotiations between the Investor and the Company* [13] *, and before the announcement of the Offer;*
  - *all the central values resulting from the intrinsic valuation methods (SOTP, DCF, DDM), on a primary basis, and analogous by the Stock Market Comparables, on a secondary basis;*
- *the holders of Warrants benefit from a liquidity of their Securities by transparency with the Offer Price of the Share.*

We have not identified any provisions in the Agreements and Related Transactions that would be contrary to the interests of the Shareholders or the holders of Warrants.

Given its status as a pure holding company, the Investor does not anticipate the realization of cost or revenue synergies with the Company (§ 2.7). The Offer is in line with the logic of continuing the activity and development of the Company under the operational management of the Managers, supported by the means made available by the Investor.

Conclusion

After having analyzed the general economics of the Offer, and following our valuation of the Shares and the Warrants in view of the Offer, as well as the examination of the characteristics of the ADPa and the ADPb in the context of the investment in the capital of the Holding, and more generally of the Agreements and Related Transactions :

- *we are in a position to conclude, from a financial point of view, on the fairness, for the Shareholders as well as for the holders of Warrants likely to tender their Securities to the Offer which is of a voluntary nature, of the terms of the Offer covering :*
  - *the Offer Price of the Share of € 50.00 (ex-dividend);*
  - *the Offer Price of the Warrants of € 29.10;*
- *we did not identify :*
  - *in the Agreements and Related Transactions, of provisions likely to be prejudicial to the interests of the Shareholders, as well as the holders of Warrants whose Securities are subject to the Offer;*
  - *in the conditions for the determination of the Offer Price of the Share and the Offer Price of the Warrant, of provisions that may affect the equal treatment of the Shareholders or holders of Warrants whose Securities are subject to the Offer.".*

4. Conclusions and recommendations of the Committee

On May 30, 2022, the Committee finalized its recommendation to the Board of Directors in light of the final report of the independent expert, the opinion of the Group's Committee on the Offer and the report of the chartered accountant appointed by the Group's Committee.

[12] 50.84 dividend attached (€0.84), i.e. €50.0 ex-dividend.

[13] With reference to the date of March 7, 2022.

– *With regard to the interest of the Offer for the Company, the Committee notes that:*

  - *the Offer is of a friendly nature, which was acknowledged by the Board of Directors during its previous meetings. In this context, Kyoto BidCo has cooperated with the Company for the purposes of the proper understanding of the Offer and for the purposes of the works of the independent expert and the chartered accountant appointed by the Group's Committee;*

  - *the proposed transaction will provide Albioma with a leading renewable energy investor that supports its strategy, shares the same long-term investment horizons as Albioma, is committed to preserving the integrity of the group and will enable Albioma to accelerate its development through its network. In this regard, the Offeror has indicated that it intends "to maintain the Group's integrity, and, with the support of the current management team, to continue the main strategic orientations implemented by the Company and does not intend to modify, in case of success of the Offer, the operational model of the Company";*

  - *the Offeror stated that it "intends to support the improvement of the environmental, social and governance profile of the Company, the current conversion of assets into biomass and the maximization of the local sources of biomass in the Company's power generation mix in order to stimulate local economy and reduce CO2 footprint.";*

  - *the Offeror also stated that it "is prepared to maintain all of the Company's planned investments to convert existing power plants to biomass with the aim of achieving the Company's transition to 100% renewable energy by 2030 and supports the Company's plan to invest at least €1 billion between 2022 and 2026, in particular to support the overseas territories";*

  - *in the context of the TOA, the Offeror has undertaken not to, for a five-year period, roll over the acquisition debt to the Company, except in the context of a possible significant external growth transaction carried out by the Company or the group companies;*

  - *Bpifrance, a shareholder of Albioma since 2016, will continue to support Albioma by investing alongside Kyoto LuxCo 1 in Kyoto TopCo.*

In view of the above, the Committee considers that the Offer, which is of a friendly nature, is in the interest of the Company and the Albioma group.

– *With respect to the interest of the Offer for the shareholders, from a financial point of view, the Committee notes that:*

  - *the offered price of €50 per share (with a €0.84 dividend coupon detached) represents a premium of 51.6% over the closing share price on March 7 (the last trading day prior to the market rumors of a potential takeover bid) and 43.4%, 46.6% and 47.9% respectively over the volume weighted average share price for the month, three months and six months prior to that date, as set out in the Offeror's draft offer document;*

  - *the offered price of €29.1 per Warrant represents a premium of 142.5% over the closing share price on March 7 (the last trading day prior to the market rumours of a potential takeover bid) and of 123.3%, 127.1% and 133.7% respectively over the volume-weighted average share price for the month, three months and six months prior to that date, as set out in the Offeror's draft offer document;*

  - *the independent expert noted that the offer price represented a premium in relation to all of the valuation criteria that it retained and that this price was fair, from a financial point of view, for the shareholders of the Company who would choose to tender their shares to the Offer; and*

  - *with respect to dividends, the Offeror indicated that it "reserves the right to modify the Company's dividend policy following the Offer" but that "following the Offer, the Company's dividend policy and any modification thereof will continue to be determined by its corporate bodies in accordance with the Law and the Company's articles of association,* *and on the basis of the Company's distributive capacity, financial situation and financial needs";*

- *Kyoto BidCo does not hold any of the Company's securities and the Offer is voluntary. The Offer will only be successful if the securities tendered to the Offer and those contributed to the Offeror by Bpifrance and certain officers and employees enable the Offeror to hold 50.01% of the Company's capital and "theoretical" voting rights. The success of the Offer is therefore conditional upon its broad acceptance by the shareholders.*

In light of the foregoing, the Committee believes that the Offer is in the interest of the Company's shareholders, who will be able to benefit from immediate liquidity at a price offering a premium to the market price.

– *With regard to the interest of the Offer for the employees, the Committee notes that:*

  - *Kyoto BidCo is an investor controlled by KKR's infrastructure funds which states that it "[fully] supports the Company's current strategy and operations" and "[intends] to maintain and retain the Company's workforce to implement that strategy";*

  - *Kyoto BidCo states that it "does not contemplate any cost or employment synergies";*

  - *Kyoto BidCo states that "The Offer is part of the continuity of the Company's business and its success would not have any particular impact on the employees and the human resources management policy of the Company, nor on the working conditions of the employees or their collective or individual status";*

  - *Kyoto BidCo states that it intends to "rely on, preserve and develop the talent and know-how of the Company's local workforce in the French overseas territories in order to continue the Company's development and growth";*

  - *Kyoto BidCo also stated that it intends to "offer employees of Group companies the opportunity to make investments, consistent with the Company's past practice to acquire Shares of the Company or the Offeror or an entity controlling the Offeror through dedicated investment vehicles (FCPE)."*

  - *the interests of holders of performance shares granted free of charge will be preserved, including those during a vesting or retention period, through the implementation of liquidity agreements;*

  - *the Committee has heard the conclusions of the Group's Committee and has taken note of the fact that the Group's Committee issued a majority unfavorable opinion regarding the Offer on May 24, 2022.*

The Committee, after having taken note of the opinion of the Group Committee, nevertheless considers, and in light of all of the foregoing, that the Offer preserves the interests of the Company's employees and of the Albioma group.

– *Finally, the Committee notes that Kyoto BidCo intends to request the implementation of a squeeze-out procedure for the shares of Albioma, subject to reaching 90% of the share capital and voting rights of Albioma following the Offer.*

In conclusion:

– *the Committee has taken note of the elements resulting from the intentions and objectives declared by the Offeror in its draft offer document;*

– *the Committee has examined the interest of the proposed Offer for the Company, its shareholders and its employees and has considered that the proposed Offer, which is of a friendly nature, is in the interests of all;*

- *following its meeting on May 30, 2022, it recommends that the Board of Directors take a position in the same direction.*

Reasoned opinion of the Board of Directors

The Board of Directors takes note of the work of the Committee and its recommendations on the Offer as well as the conclusions of the independent expert and the opinion of the Group's Committee.

In view of the elements submitted and in particular (i) the objectives and intentions expressed by Kyoto BidCo, (ii) the valuation elements prepared by the presenting institution, (iii) the work of the Committee, (iv) the conclusions of the independent expert's report, (v) the report of the Group Committee's chartered accountant, (vi) the opinion of the Group's Committee and (vii) more generally, in view of the elements set out above and, in particular, of the fact that the Offer is in line with a perspective of maintaining the integrity of the Albioma group, its durability, its managerial continuity and the preservation of the interests of the employees, the Board of Directors decides unanimously after having deliberated:

- *to endorse in all respects the observations, conclusions and recommendations of the Committee;*
- *to issue, in light of the observations, conclusions and recommendations of the Committee, a favorable opinion on the proposed Offer as presented to it;*
- *to recommend accordingly to the shareholders of the Company to tender their securities to the Offer;*
- *to take note that the Company will not tender the treasury shares to the Offer (reopened if applicable);*
- *to approve the Company's draft response document;*
- *to authorize, as necessary, the Chairman and Chief Executive Officer to:*
  - *to finalise the draft response document relating to the Offer, as well as any document that may be necessary in the context of the Offer, and in particular the "Other Information" document relating to the legal, financial and accounting characteristics of the Company;*
  - *prepare, sign and file with the AMF all documentation required in connection with the Offer;*
  - *sign any certifications required in connection with the Offer; and*

more generally, to take all steps and measures necessary or useful for the completion of the Offer, including entering into and signing, in the name and on behalf of the Company, all transactions and documents necessary and related to the completion of the Offer, including any press release."

4. INTENTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

In accordance with Article 20 of the Company's Articles of Association, each Director must hold at least 400 registered Shares in the Company.

The Directors of the Company who attended the meeting at which the Board of Directors issued its reasoned opinion reproduced in section 3 above, stated their intentions as follows:

Name	Function	Number of Shares and Warrants held at the date of the reasoned opinion	Intention
Frédéric Moyne	Chairman and Chief Executive Officer	119,214 Shares and 103,256 Warrants	Contribution in kind to the Holding and contribution to the Offer of the balance of its shareholding, if any
Jean-Carlos Angulo	Independent Director	762 Shares	Contribution to the Offer[14]
Pierre Bouchut	Independent Director	407 Shares	Contribution to the Offer[15]
Bpifrance	Director	1,624,791 Shares	Contribution of 1,164,791 Shares in kind to the Holding and contribution of 460,000 Shares to the Offer
Frank Lacroix	Independent Director	400 Shares	Contribution to the Offer[16]
Marie-Claire Daveu	Independent Director	412 Shares	Contribution to the Offer
Florence Lambert	Independent Director	400 Shares	Contribution to the Offer[17]
Ulrike Steinhorst	Independent Director	409 Shares	Contribution to the Offer[18]

5. INTENTIONS OF THE COMPANY REGARDING TREASURY SHARES

As at the date of this Response Document, the Company holds 144,853 of its own Shares.

The Board of Directors decided on April 27, 2022 that the Company will not tender the said 144,853 Shares held in treasury by the Company to the Offer (including any extension or reopening of the Offer, if applicable).

It is specified that these treasury shares will be delivered to the beneficiaries of the Performance Shares under the 2020, 2021 and 2022 plans.

[14] Subject to the Shares that the Director would be required to continue to hold if he were to continue his office.

[15] Subject to the Shares that the Director would be required to continue to hold if he were to continue his office.

[16] Subject to the Shares that the Director would be required to continue to hold if he were to continue his office.

[17] Subject to the Shares that the Director would be required to continue to hold if she were to continue her office.

[18] Subject to the Shares that the Director would be required to continue to hold if she were to continue her office.

6. AGREEMENTS THAT MAY MATERIALLY AFFECT THE ASSESSMENT OF THE OFFER OR ITS OUTCOME

6.1 The Tender Offer Agreement entered into by the Company

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

In particular, the TOA provides for:

(i) an undertaking by the Offeror to promptly file the Offer at a price of 50 euros per Share (0.84 euro dividend coupon detached) and 29.1 euros per Warrant, and to proceed with the necessary filings with competent authorities in order to obtain merger control approval and foreign investment authorizations in France and Spain;

(ii) a no-shop undertaking of the Company, which prohibits it from seeking a competing offer, but which does not prohibit the Board of Directors of the Company, pursuant to its fiduciary duties, from holding discussions, for a short period of time, with the author of a better proposal and from investigating such proposal;

(iii) a commitment by the Offeror to provide the Company with a shareholder loan of up to €143 million in case of early repayment of some of its financing as a result of the success of the Offer, including in particular, sums owed by the Company to bondholders under the Sustainability-Linked Euro PP (issued by the Company on December 7, 2020 for a total amount of 100 million euros) which the Company has undertaken to repay early in the event of success of the Offer. This shareholder loan will have equivalent terms to the Euro PP. The Offeror will indemnify the Company for the exceptional costs incurred as a result of this early repayment. In addition, the Offeror has undertaken to provide the Company, as the case may be, with access to revolving credit facility for a minimum amount of 60 million euros and the Company has undertaken in return to repay its own revolving credit facility.

(iv) a commitment by the Offeror not to, for a five-year period, roll over the acquisition debt to the Company, except in the context of a possible significant external growth transaction carried out by the Company or the Group companies;

(v) reciprocal commitments by the Offeror and the Company to pay an amount of 10 million euros to the other party in certain limited circumstances (by the Company to the Offeror in the event of a successful competing offer; by the Offeror to the Company if the Offeror does not file the Offer or does not obtain the required regulatory approvals);

(vi) a commitment to conduct the Company's business in the ordinary course; and

(vii) more generally, reciprocal cooperation commitments customary in the context of the Offer.

6.2 Investment Agreement with Bpifrance

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

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

- that the Offer would be filed by Kyoto BidCo.

- that Bpifrance would (i) tender 460,000 Shares in the Offer and (ii) invest in the share capital of Kyoto TopCo, an entity controlling the Offeror (the "**Holding**"), *pari passu* with Kyoto LuxCo 1 through the contribution in kind at the Offer Price, of 1,164,791 Shares to the Offeror in exchange for securities of the Offeror (the "**Bpifrance Contribution**"), such securities would then be contributed again to Kyoto MidCo, a French entity controlling the Offeror, in exchange for Kyoto MidCo securities, which would finally be contributed to the Holding by Bpifrance in exchange for the Holding securities, it being specified that this structure may be adjusted by the parties in order to provide for a contribution of Bpifrance shares to the Holding (as defined below);

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

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

- that Bpifrance would invest *pari passu* with Kyoto LuxCo 1 in the Holding, directly or indirectly, and benefit from the same economic rights as a result of such investment;

- that Bpifrance should cooperate in good faith with Kyoto LuxCo 1 and use its best efforts not to take any action inconsistent with the Offer, in particular not to support a competing offer in any way whatsoever or tender its Shares to a competing offer, unless the Offer has lapsed or in the event of a superior offer recommended by the Board of Directors of the Company for which the Offeror would not have outbid, in which case Bpifrance shall have the right to tender its Shares to such competing Offer; and

- that Bpifrance is not acting in concert with Kyoto BidCo and/or as an actor of the Offer.

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

As indicated in the Offer Document, under the Investment Agreement, Kyoto LuxCo 1 and Bpifrance have agreed to enter into a shareholders' agreement to which the management and employee shareholders will also be party (the "**Shareholders' Agreement**"), in accordance with the main terms and conditions attached to the Investment Agreement, which are summarized below.

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

Governance of the Holding

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

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

- a majority of members appointed amongst candidates suggested by Kyoto LuxCo 1;

- one member appointed amongst candidates suggested by Bpifrance ("**BPI Representative**"); and

- independent members appointed amongst candidates suggested by Kyoto LuxCo 1.

Any decision of the Supervisory Committee shall be validly adopted on a simple majority of the voting rights held by the members (present or represented), providing that BPI Representative will benefit from specific veto rights relating to French sovereignty[19] and fundamental rights of a minority investor.

Transfers of the Holding securities

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

- *Right of preemption of Kyoto LuxCo 1*: Kyoto LuxCo 1 shall benefit from a right of preemption in the event of a transfer by Bpifrance of its Holding securities other than a customary free transfer.

- *Drag along right of Kyoto LuxCo 1*: in the event Kyoto LuxCo 1 receives an offer from a third party for the acquisition of a number of Holding securities resulting in a change of control of the Holding, Kyoto LuxCo 1 will have the right to cause Bpifrance to sell 100% of their Holding securities under the same terms and conditions as those provided for the transfer of the securities held by Kyoto LuxCo 1.

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

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

- *Other restrictions*: Bpifrance shall not transfer, directly or indirectly, any of its Holding securities to any third party that (i) is subject to national or international sanctions, or resident of a state subject to such sanctions (ii) is conducting competitive activities or (iii) is controlled by governmental authorities (other than pension funds).

Liquidity rights of Bpifrance:

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

In the event of an Exit (as such term is defined in section 6.3 below and in section 1.3.3 of the Offer Document) or exercise of the BPI Put option, Bpifrance would not benefit from any mechanism allowing it to obtain a guaranteed sale price. It is specified that no contractual mechanism is likely to (i) be analyzed as a price supplement, (ii) call into question the relevance of the Offer Price per share or the equal treatment of minority shareholders, or (iii) highlight a guaranteed minimal sale price clause in favor of Bpifrance.

6.3 Investment of the Managers in the Holding

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

(i) an investment by the Managers in ordinary shares and fixed yield preferred shares of the Holding, *pari passu* with the other shareholders of the Holding financed by the contribution of all or part of the proceeds of the sale of the Shares or Warrants tendered to the Offer or the contribution in kind of their Shares or Warrants at the Offer Price to the Holding or a cash contribution; and

(ii) the granting to certain Managers of free preference shares of the Holding, under the legal regime provided for in Articles L. 225-197-1 *et seq*. of the French Commercial Code, conferring to their holders a part of the capital gain realized by the shareholders of the Holding in the event of an Exit (as this term is defined below).

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

Pursuant to a contribution agreement dated May 19, 2022, the Chief Executive Officer and the Deputy Chief Executive Officer of the Company have committed (i) to contribute at the Offer Price a number of Securities corresponding to an investment amount of €2.5 million to the Holding in exchange for securities of the Holding and (ii) to tender the remainder of their Securities to the Offer, with the exception of the Unavailable Performance Shares (the "**Managers' Contribution**").

Transfers of the Holding securities

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

- *Right of approval*: except for any customary free transfer, any transfer by a Manager during the first 10 years after the closing of the Offer shall be subject to a right of approval of the Supervisory Committee of the Holding.

- *Right of preemption of the Managers and Kyoto LuxCo 1*: Managers and Kyoto LuxCo 1 shall respectively benefit from a first rank right of preemption and a second rank right of preemption in the event of a transfer by a Manager of his/her securities of the Holding other than a customary free transfer, after the expiration of the right of approval of the Supervisory Committee of the Holding.

- *Drag along right of Kyoto LuxCo 1*: in the event Kyoto LuxCo 1 receives an offer from a third party for the acquisition of all the securities held by Kyoto LuxCo 1 (without prejudice to its right to make a minority reinvestment) other than in connection with a customary free transfer, it will have the right to cause the Managers to sell 100% of their Holding securities under the same terms and conditions as the sale by Kyoto LuxCo 1 and conjointly with it.

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

Liquidity of the Managers

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

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

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

6.4 Contribution Agreement entered into with COFEPP

On May 30, 2022, the Offeror entered into a contribution agreement with the Compagnie Financière Européenne de Prises de Participation (« **COFEPP** ») pursuant to which COFEPP committed to contribute to the Offer the 1,956,831 Shares which it holds representing approximately 6.04% of the share capital and voting rights of the Company[20] (the "**COFEPP Contribution Undertaking**"). The COFEPP Contribution Undertaking was the subject of an addendum to the independent expert's report dated June 14, 2022 and is included in **Appendix 1** of the Response Document.

Under the COFEPP Contribution Undertaking, COFEPP has also undertaken not to directly or indirectly transfer or grant any security interest whatsoever in the Shares that are the subject of the COFEPP Contribution Undertaking to any third party, with the exception of its affiliates. COFFEP has furthermore undertaken not to take any action that would be likely to prevent, defer or affect the success of the Offer and in particular not to solicit, facilitate or encourage, directly or indirectly a competing offer.

The COFEPP Contribution Undertaking will automatically expire, without any formality being required, on the earliest of the following dates:

(i) the date on which the AMF declares the Offer to be non-compliant, without positive outcome or null and void pursuant to Articles 231-9 and 231-11 of the AMF's General Regulation or in the event that the Offeror withdraws from the Offer pursuant to Article 232-11 of the AMF's General Regulation; and

(ii) May 30, 2023.

This COFEPP Contribution Undertaking shall be null and void in the event of the filing by a third party of a competing tender offer at a higher price than the Offer and declared compliant by the AMF and in the absence of an improved offer filed by the Offeror. It will automatically apply to any improved offer filed by the Offeror and declared compliant by the AMF.

It is specified that as this is a commitment to contribute, the Shares tendered by COFEPP will be acquired at the Offer Price and this contribution agreement does not include any additional price to be paid by the Offeror.

6.5 Liquidity Agreement

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

[20] On the basis of a capital composed of 32,420,226 Shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

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

"**Insufficient Liquidity**" shall mean:

- a squeeze-out implemented by the Offeror with respect to the Shares and/or the Warrants pursuant to Articles 237-1 *et seq* of the AMF's General Regulation; or

- the Shares and the Warrants have been delisted from Euronext Paris and Euronext Growth; or

- the average volume of Shares traded each trading day over the past twenty (20) trading days preceding the date on which the liquidity assessment takes place is less than (or equal to) 0.10% of the Company's share capital on that date (on the basis of the information published by Euronext Paris).

The "**Date of Availability**" shall mean the day following the end of the period during which the beneficiary of the Options may not dispose of the Unavailable Performance Shares without triggering unfavorable tax or social security charge consequences corresponding to the applicable lock-up period pursuant to the relevant Performance Shares plans.

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

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

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

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

6.6 Contribution undertakings

As at the date of the Response Document and to the knowledge of the Company, there are no contribution undertakings other than the COFEPP Contribution Undertaking described in section 6.4 above, the Bpifrance Contribution described in section 6.2 above and the Managers' Contribution described in section 6.3 above.

7. ELEMENTS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A TENDER OFFER

7.1 Share capital structure and distribution

As of June 10, 2022, to the knowledge of the Company, the share capital of the Company amounted to 1,248,178.70 euros, divided into 32,420,226 ordinary Shares, all of which are of the same class and have a par value of 0.0385 euro. To the knowledge of the Company, these Shares were distributed as follows[21]:

Shareholders	Number of Shares and theoretical voting rights	Percentage of share capital and voting rights
Brown Capital Management	2,232,815	6.89%
COFEPP	1,956,831	6.04%
Impala	1,941,154	5.99%
Bpifrance Investissement	1,624,791	5.01%
CDC and affiliates	1,435,685	4.43%
Norges Bank Investment Management	1,299,531	4.01%
Société Générale	979,031	3.02%
Employees	946,269	2.92%
Treasury shares	144,853	0.45% [22]
Directors (excluding Bpifrance Investissement) and executives	122,004	0.38%
Free float	19,737,262	60.88%
Total	32,420,226	100%

[21] Only shareholders holding more than 3% of the capital are indicated in the table.

[22] Shares without voting rights.

7.2 Restrictions in the articles of association on the exercise of voting rights and the transfer of shares or clauses in agreements brought to the attention of the Company pursuant to Article L. 233-11 of the Commercial Code

7.2.1 Statutory restrictions on the exercise of voting rights or on transfers of shares

Disclosure requirements for the crossing of thresholds

The legal obligations provided for in Article L. 233-7 of the French Commercial Code are applicable.

In addition, Article 13 of the Company's articles of association provides for an additional disclosure requirement for any direct or indirect holder of a fraction of the Company's share capital equal to 1% or a multiple of this same percentage and less than 5%.

Transfer of Shares

There are no provisions in the Company's articles of association that restrict the transfer of Company Shares.

Double/multiple voting rights

There are no securities with multiple or special voting rights.

7.2.2 Clause in agreements providing for preferential conditions for the sale or acquisition of shares and relating to at least 0.5% of the Company's capital or voting rights

As of the date of the Response Document and to the Company's knowledge, no agreement provides for preferential conditions for the sale or acquisition of Shares representing at least 0.5% of the share capital or voting rights of the Company (with the exception as necessary of the Bpifrance Contribution described in section 6.2 section above).

7.2.3 Direct and indirect shareholdings in the Company's capital that have been reported as having crossed a threshold or been mentioned in a declaration of securities transactions

As of June 10, 2022 and to the Company's knowledge, the share capital is distributed as indicated in section 7.1 above.

The Company has not been notified of any direct or indirect shareholdings pursuant to Article L. 233-12 of the French Commercial Code.

Since January 1, 2021, the Company has received the following declarations of legal thresholds crossing pursuant to Article L. 233-7 of the Commercial Code:

- on February 25, 2021[23], Kabouter Management, acting on behalf of clients and funds under its management, declared that on February 19, 2021, it had crossed the thresholds of 5% of the

[23] AMF, D&I n°221C0434.

share capital and voting rights upwards and held, on behalf of said clients and funds, 1,596,011 Shares representing 5.04% of the share capital and 5.11% of the voting rights;

- on February 26, 2021[24], Caisse des Dépôts et Consignations (CDC) declared that on February 22, 2021, it had indirectly crossed the thresholds of 10% of the share capital and voting rights upwards and that it held 3,165,365 Shares, representing 10.004% of the share capital and 10.14% of the voting rights, through the companies CDC Croissance, Bpifrance Investissement (on behalf of the ETI 2020 fund which it manages) and CNP Assurances. By the same letter, the corresponding declaration of intent for the next six months was made in accordance with Article L. 233-7, VII of the French Commercial Code;

- on March 16, 2021[25], Caisse des Dépôts et Consignations (CDC) declared that on March 11, 2021, it had indirectly crossed the thresholds of 10% of the share capital and voting rights downwards and that it held 3,133,284 Shares, representing 9.90% of the share capital and 10.04% of the voting rights, through the companies CDC Croissance, Bpifrance Investissement (on behalf of the ETI 2020 fund which it manages) and CNP Assurances;

- on April 8, 2021[26], Kabouter International Opportunities Fund II declared that on April 1, 2021, it had individually crossed the thresholds of 5% of the share capital and voting rights upwards and held 1,583,496 Shares representing 5.004% of the share capital and 5.07% of the voting rights;

- on July 12, 2021[27], Kabouter International Opportunities Fund II declared that on July 9, 2021, it had individually crossed the thresholds of 5% of the share capital and voting rights downwards and that it held 1,583,496 Shares representing 4.97% of the share capital and 5.03% of the voting rights;

- on July 15, 2021[28], Kabouter International Opportunities Fund II declared that on July 12, 2021, it had individually crossed the thresholds of 5% of the share capital and voting rights upwards and that it individually held 1,602,931 Shares representing 5.03% of the share capital and 5.09% of the voting rights;

- on September 7, 2021[29], BlackRock, acting on behalf of clients and funds it manages, declared that on September 3, 2021, it had crossed the thresholds of 5% of the share capital and voting rights upwards and held, on behalf of said clients and funds, 1,609,175 Shares representing 5.02% of the share capital and 5.08% of the voting rights;

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24 AMF, D&I n°221C0447.

25 AMF, D&I n°221C0575.

26 AMF, D&I n°221C0735.

27 AMF, D&I n°221C1759.

28 AMF, D&I n°221C1771.

29 AMF, D&I n°221C2316.

- on September 8, 2021[30], BlackRock, acting on behalf of clients and funds under its management, declared that on September 6, 2021, it had crossed the thresholds of 5% of the share capital and voting rights downwards and held, on behalf of said clients and funds, 1,531,825 Shares representing 4.78% of the share capital and 4.83% of the voting rights;

- on October 15, 2021[31], Kabouter Management, acting on behalf of clients and funds under its management, declared that on October 14, 2021, it had crossed the thresholds of 5% of the share capital and voting rights downwards and held, on behalf of said clients and funds, 1,564,560 Shares representing 4.88% of the share capital and 4.94% of the voting rights;

- on December 9, 2021[32], Brown Capital Management, acting on behalf of funds and clients under its management, declared, for regularization purposes, that on January 11, 2021 it had crossed the thresholds of 5% of the share capital and voting rights upwards and that on that date it held 1,611,995 Shares representing 5.09% of the share capital and 5.16% of the voting rights on behalf of the said funds and clients;

- on May 13, 2022[33], Société Générale declared that on May 11, 2022, it had crossed the thresholds of 5% of the share capital and voting rights upwards and held 1,644,586 Shares representing the same number of voting rights, i.e. 5.09% of the share capital and voting rights;

- on May 13, 2022[34], Caisse des Dépôts et Consignations (CDC) declared that on May 9, 2022 it had indirectly (i) crossed the thresholds of 10% of the share capital and voting rights upwards following the receipt of shares held as collateral by CNP Assurances, and that on that date it held 3,428,656 Shares, representing the same number of voting rights, i.e. 10.62% of the share capital and voting rights and (ii) crossed downwards on May 12, 2022, as a result of the return of shares held as collateral by CNP Assurances, the thresholds of 10% of the share capital and voting rights, and held 3,060,476 Shares representing the same number of voting rights, i.e. 9.48% of the share capital and voting rights. By the same letter, the corresponding declaration of intent for the next six months was made in accordance with Article L. 233-7, VII of the French Commercial Code;

- on May 18, 2022[35], Société Générale declared that it had crossed the thresholds of 5% of the share capital and voting rights downwards on May 16, 2022;

- on May 25, 2022[36], Caisse des Dépôts et Consignations (CDC) declared that on May 23, 2022 it had indirectly (i) crossed the thresholds of 10% of the share capital and voting rights upwards

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30 AMF, D&I n°221C2328.

31 AMF, D&I n°221C2754.

32 AMF, D&I n°221C3453.

33 AMF, D&I n°222C1115.

34 AMF, D&I n°222C1124.

35 AMF, D&I n°222C1182.

36 AMF, D&I n°222C1258.

following the receipt of shares held as collateral by CNP Assurances, and held, at that date, 3,660,476 Shares representing the same number of voting rights, i.e. 11.34% of the share capital and voting rights, and (ii) crossed downwards on May 24, 2022, as a result of the return of shares held as collateral by CNP Assurances, the thresholds of 10% of the share capital and voting rights and held 3,060,476 Shares representing the same number of voting rights, i.e. 9.48% of the share capital and voting rights. By the same letter, the corresponding declaration of intent for the next six months was made in accordance with Article L. 233-7, VII of the French Commercial Code;

- on May 27, 2022[37], Société Générale declared that on May 25, 2022, it had crossed the thresholds of 5% of the company's capital and voting rights upwards and held 1,672,816 Shares representing the same number of voting rights, i.e. 5.18% of the company's capital and voting rights, and that on May 26, 2022, it had fallen below the thresholds of 5% of the Company's capital and voting rights;

- on June 15, 2022[38], Norges Bank declared that on June 14, 2022, it had crossed the thresholds of 5% of the capital and voting rights upwords and held 1,706,760 Shares representing the same number of voting rights, i.e. 5.27% of the capital and voting rights; and

- on June 17, 2022[39], Norges Bank declared that on June 15, 2022, it had crossed the thresholds of 5% of the capital and voting rights downwards and held 1,550,895 Shares representing the same number of voting rights, i.e. 4.79% of the capital and voting rights.

Lastly, it should be noted that, since 29 April 2022, several disclosures of purchases and sales made during a tender offer have been published by the AMF pursuant to Article 231-46 of the AMF's General Regulation.

7.3 List of holders of any securities of the Company with special control rights and description thereof

As of the date of the Response Document and to the Company's knowledge, no one holds any securities with special control rights.

7.4 Control mechanisms in a possible employee share ownership scheme when control rights are not exercised by employees

As of June 10, 2022 and to the best of the Company's knowledge, 432,975 Shares, representing 1.34% of the Company's share capital and theoretical voting rights[40] are held by the corporate mutual fund

37 AMF, D&I n°222C1278.

38 AMF, D&I n°222C1488.

39 AMF, D&I n°222C1521.

40 On the basis of a capital composed of 32,420,226 Shares representing an identical number of theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

(*fonds commun de placement d'entreprises* or FCPE) "FCPE Albioma" set up for the benefit of the Group's employees.

The FCPE is managed by a supervisory board, which is due to meet shortly to decide on the contribution of the Shares held by the FCPE to the Offer.

7.5 Agreements between shareholders of which the company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights

With the exception of (i) the agreements described in Section 6 "*Agreements that may materially affect the assessment of the offer or its outcome*" and in section 2.2.3 "*Situation of beneficiaries of Performance Shares*" above, the Company is not aware to date of any agreement in force that may result in restrictions on the transfer of shares and the exercise of the voting rights of the Company.

7.6 Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's articles of association

Appointment and replacement of members of the Board of Directors

Under the terms of Article 19 of the Company's articles of association, governance of the Company is entrusted to a Board of Directors composed of at least three and no more than twelve members, appointed by the general meeting of the Shareholders.

Directors are appointed by the ordinary general meeting, but the Board of Directors has the power, in the event of a vacancy in one or more members, to appoint replacements by co-option for the remaining duration of the predecessors' term of office and subject to ratification by the next ordinary general meeting.

The number of Directors over the age of seventy (70) must not exceed one third of the Directors in office. When this maximum is exceeded, the oldest Director who has not held or does not hold office as Chairman or who has not served as the Company's chief executive officer shall cease to hold office at the next general meeting.

The term of office of the Directors is of four (4) years. The ordinary general meeting may appoint certain Directors for a term shorter than four years or, depending on the circumstances, reduce the term of office of one or more Directors, to enable a staggered reappointment of the members of the Board of Directors. They may be reappointed. A Director's term of office shall expire at the end of the ordinary general meeting called to approve the financial statements for the previous financial year and held in the year in which his or her term of office expires. They may be dismissed at any time by the ordinary general meeting.

Directors must hold at least four hundred (400) Shares of the Company throughout their term of office.

The Board of Directors shall elect from among its members a Chairman who must have French nationality or be a citizen of a member state of the European Economic Area, for a term of office which may be equal to his term of office as a Director.

Amendment of the Company's articles of association

In accordance with Article 39 of the Company's articles of association, the extraordinary general meeting is the only one authorized to amend the articles of association in all their provisions.

7.7 Powers of the Board of Directors, in particular concerning the issue or repurchase of shares

The Board of Directors determines the orientations of the Company's business and supervises their implementation. Subject to the powers expressly granted to shareholders at general meetings and to the limits of the corporate purpose, it deals with all issues affecting the proper running of the Company and settles all matters concerning the Company in the course of its meetings. It shall define the Company's strategic orientations, and its prior authorization shall be required for any material transaction that falls outside the scope of the announced strategy, including major organic growth investments, internal restructuring operations or external acquisitions or sales.

The Board of Director carries out all the checks and controls it considers appropriate. It reviews the Company's financial position, cash flow situation and commitments on a regular basis.

The Board of Directors may create committees comprised of Directors, or managers, or of both Directors and managers of the Company. Members of the Committees are responsible for reviewing any matters referred to them by the Board or its Chairman.

The Directors receive all the information that is necessary for their mission and may obtain all the documents they deem useful.

In addition to the legal powers conferred on it by law, the Company's articles of association and internal regulations, the Board of Directors has the authorizations and delegations listed below.

Nature of the authorization or delegation granted	Date of the General Meeting (resolution number)	Maximum authorized amount	Duration (in months)	Use during the year
Issuance with preferential subscription rights	05/25/2021 (16)	30% of the share capital, 200 million euros in nominal value for debt securities	26	No
Increase of the amount of issuances carried out with preferential subscription rights	05/25/2021 (17)	15% of the initial issue [41]	26	No
Issuance of debt securities giving access to the share capital, without preferential	05/25/2021 (18)	200 million euros in nominal value	26	No

[41] Maximum amount to be deducted from the cap of 30% of the share capital (for equity securities) and 200 million euros (for debt securities) provided for by the 16th resolution of the General Meeting of 25 May 2021.

subscription rights, by way of an offer referred to in Article L. 411-2 (1°) of the French Monetary and Financial Code		for debt securities, 10% of the share capital[42]		
Issuance in consideration for contributions in kind	05/25/2021 (19)	10% of the share capital[43]	26	No
Issuance without preferential subscription rights to members of a company savings plan or group savings plan	05/25/2022 (15)	1.5% of the share capital [44]	26	No
Capital increase by incorporation of premiums, reserves, profits or other items whose capitalization would be allowed	05/25/2021 (21)	Total of the sums that may be incorporated into the share capital on the date of the Board of Directors' decision	26	No
Issuance of Warrants to employees and officers of the Company and its subsidiaries without preferential subscription rights	05/25/2022 (14)	3.5% of the share capital	18	N/A
Authorization for the Company to buy back its own shares as part of a share buyback program	05/25/2022 (12)	10% of the share capital at the date of purchase [45] Maximum cumulative amount of acquisitions, net of expenses: 35 million euros Maximum purchase price	18	- Repurchase with a view to implementing a liquidity contract operated by Rothschild Martin Maurel to ensure the liquidity of Albioma shares on Euronext Paris; - Repurchase to service outstanding

[42] Maximum amount to be deducted from the cap of 30% of the share capital (for equity securities) and 200 million euros (for debt securities) provided for by the 16th resolution of the General Meeting of 25 May 2021.

[43] Maximum amount to be deducted from the cap of 30% of the share capital (for equity securities) and 200 million euros (for debt securities) provided for in the 16th resolution of the General Meeting of May 25, 2021 and from the cap of 10% of the share capital (for equity securities) provided for in the 18th resolution of the General Meeting of May 25, 2021.

[44] Maximum amount to be deducted from the cap of 30% of the share capital (for equity securities) and 200 million euros (for debt securities) provided for in the 16th resolution of the General Meeting of May 25, 2021 and from the cap of 10% of the share capital (for equity securities) provided for in the 18th resolution of the General Meeting of May 25, 2021.

[45] 5% of the share capital in the case of shares that may be acquired with a view to their subsequent remittance in payment or exchange in the context of an external growth operation.

		per share: 60 euros		Performance Share plans; - Repurchase to service the Warrants issued in 2018.
Authorization to reduce the share capital by cancelling shares acquired by the Company under a share buyback program	05/25/2022 (13)	10% of the share capital per 24-month period	18	No
Authorization to grant free existing Performance Shares to employees and officers of the Company and its affiliates	05/29/2020 (13)	846,000 shares	38	Allocation by the Board of Directors of 224,977 Performance Shares on 03/03/2021 under the 2021 plan

7.8 Significant agreements entered into by the Company that are modified or terminated in the event of a change of control of the Company

The following agreements contain clauses allowing the contractor, under certain conditions, to terminate the contract in the event of a change of control of the Company:

- The Euro PP for a total amount due of €100 million for private placement by the Company in the course of the financial year 2020 contains provisions relating to a change of control of the Company allowing in particular the bondholders to demand early repayment of their securities. Under the terms of the TOA with the Offeror, the Company has undertaken to repay the Euro PP early if the Offer is successful. In return, the Offeror will provide the Company with a shareholder loan to meet such early repayment as described in section 6.1 of this Response Document on terms equivalent to those of the Euro PP.

- The 60 million revolving credit line maturing in 2024 implemented during the 2019 financial year could be terminated (for the undrawn portion) or become due for early repayment (for the drawn portion). In the context of the TOA, described in section 6.1 of this Response Document, the Company has undertaken to repay this credit line and the Offeror has undertaken in return to provide the Company with access to a revolving credit line of a maximum amount of €60 million.

With regard to the commitments entered into by the Group's subsidiaries, the only ones that may be called into question in the event of a change of control of the Company are:

- loan agreements entered into (or transferred) locally in connection with the acquisition of Rio Pardo Termoelétrica (now Albioma Rio Pardo Termoelétrica) in Brazil;

- an agreement for the provision of land used for the operation of photovoltaic facilities by one of the Company's subsidiaries in La Réunion;

- the loan agreement and the leasing agreement concluded in 2012 by Gümüsköy Jeotermal Enerji Üretim.

7.9 Agreements providing for indemnities for members of the Board of Directors or employees if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a tender offer

At its meeting of March 1, 2016, the Board of Directors set up for the benefit of Mr. Frédéric Moyne, in his capacity as Chief Executive Officer, a lump-sum severance payment that may be implemented as of the first day of the second year following the effective date of his appointment as Chief Executive Officer of the Company (i.e. June 1, 2017). This compensation mechanism was approved by the General Meeting of May 24, 2016. The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual compensation received in respect of the last twelve months prior to the termination of the term of office, plus the average gross variable compensation received in respect of the last three financial years preceding the termination of the term of office. The lump-sum severance payment will only be due and paid if the sums received by Mr. Frédéric Moyne or due to him in respect of the variable part of his remuneration for the two financial years preceding the date of termination of his term of office represent, on average, a percentage equal to or greater than 50% of the maximum amount of the variable part that may be awarded in respect of the said years.

At the same meeting, the Board of Directors, also put in place for the benefit of Mr. Frédéric Moyne, in his capacity as Chief Executive Officer, a compensation scheme for a non-compete commitment likely to be implemented as from the effective date of his appointment to the functions of Chief Executive Officer of the Company (i.e. June 1, 2016). This arrangement was approved by the General Meeting of May 24, 2016. In the event that the non-compete obligation, the duration of which has been set at 12 months, is imposed on Mr. Frédéric Moyne in the event of termination of his duties within the Company, he would benefit from a non-compete indemnity in this respect equal to six months of the gross fixed annual remuneration received over the last twelve months prior to the termination of the term of office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the termination of the term of office.

8. MEETING OF THE ALBIOMA GROUP COMMITTEE

The Company's Group Committee, at its meeting on May 24, 2022, issued the following unfavorable majority opinion*:*

"On the offer:

Having regard to the report of the Chartered Accountant to the Group Committee on the proposed tender offer initiated by KKR;

In view of the elements brought to light on the nature of the offer, in particular on the absence of commitment by KKR beyond 12 months on the sustainability of employment, on the application of collective agreements, on the organization of the structures of ALBIOMA's subsidiaries and therefore on the integrity of the Group;

Given the absence of KKR's financial investment program (excluding the 2022-2026 development plan as planned and financed prior to its offer) for any industrial project that could support ALBIOMA and its subsidiaries in the French overseas territories;

Considering the absence of any participation of KKR in ALBIOMA's projects since its listing on the stock exchange until today;

Given the absence of perspectives on the exit of KKR and in particular on the modalities of resale of the group, which legitimately worries the employees of the whole ALBIOMA Group;

Whereas, the KKR interview did not allow for the recording of any corporate commitments beyond 12 months, except for more than very rough intentions;

Appreciating KKR's offer as a purely financial and not industrial interest;

On the context of the tender offer:

Given the energy transition initiated by ALBIOMA accompanied by the CRE (Commission de Régulation de l'Énergie) on the basis of French public funds;

Given the importance of ALBIOMA's share of electricity production in the overseas territories;

Given the need to maintain energy sovereignty in the French Overseas Territories;

Given the importance of keeping our strategic industrial technologies under the French flag;

Given the project plan from 2022 to 2026 already financed by the ALBIOMA Group, which suggests significant natural growth for the Group without the presence of KKR;

In view of the fact that during the KKR interview, discussions were held between representatives of KKR and the two previous chairmen of the ALBIOMA Group;

Considering the irregular information / consultation started on May 02, 2022 but noting the dates of creation of companies :

- Kyoto Bidco as of March 7, 2022 with headquarters in France;
- Kyoto Topco as of March 21, 2022 with headquarters in France;
- Kyoto Midco as of March 21, 2022 with headquarters in France;
- Kyoto Luxco1 as of March 30, 2022 with its registered office in Luxembourg.

On the form in law of the Information / Consultation:

Having regard to the announcement of the tender offer by press release dated April 28, 2022;

In view of the tender offer agreement of the Board of Directors dated April 27, 2022, without prior information of the Group Committee;

In view of the absence of an invitation signed by the Chairman for the holding of the meeting of the Extraordinary Group Committee on May 02, 2022;

In view of the irregular agenda due to the absence of the signature of the President for the holding of the Group Committee in extraordinary session on May 02, 2022;

Considering the signature on May 12, 2022 of a term sheet of plan with Frédéric MOYNE Chairman and CEO and Julien GAUTHIER Deputy CEO of ALBIOMA, not indicated for information on May 02, 2022 during the 1st information meeting.

In view of the failure of the offeror of the tender offer to transmit to the Group Committee within the period of three days after the filing of its tender offer, its detailed offer document to the express address of the Group Committee;

BY THE ABOVE;

This May 24, 2022;

The elected representatives of the employees sitting on the ALBIOMA Group Committee give an UNFAVORABLE majority opinion to the tender offer of KKR as presented.

The elected representatives of the personnel sitting on the ALBIOMA Group Committee reserve the right to all legal challenges deemed useful under the reasons listed. To this end, the Secretary of the Group Committee will have a special mandate of representation in order to go to court. The elected representatives of the personnel sitting within the ALBIOMA Group Committee request the vote of this resolution.

The elected representatives of the employees sitting on the ALBIOMA Group Committee request that this opinion be attached to the response document to the KKR offer from ALBIOMA's General Management and that it be read out during the General Meeting of the ALBIOMA Group scheduled for May 25, 2022."

The report of the Chartered Accountant appointed by the Group Committee is reproduced in **Appendix 2** and forms an integral part of this Response Document.

9. INDEPENDENT EXPERT'S REPORT UNDER ARTICLE 261-1 OF THE AMF'S GENERAL REGULATION

Pursuant to Articles 261-1, I, 2°, 4° and 5° of the AMF's General Regulation, the firm Ledouble, represented by Mrs. Agnès Piniot and Mr. Olivier Cretté, was appointed as an independent expert by the Company's Board of Directors on April 27, 2022 in order to prepare a report on the financial conditions of the Offer.

That report, dated May 30, 2022, as well as its addendum, dated June 14, 2022, concerning the COFEPP Contribution Undertaking, are reproduced in their entirety in **Appendix 1** and form an integral part of this Response Document.

10. TERMS AND CONDITIONS FOR THE PROVISION OF OTHER INFORMATION ABOUT THE COMPANY

The other information relating to the characteristics, in particular the legal, financial and accounting characteristics of the Company will be filed with the AMF at the latest on the day before the opening of the Offer. In accordance with Article 231-28 of the AMF's General Regulation, this information will be available on Albioma's website (www.albioma.com) and on the AMF's website (www.amf-france.org) the day before the opening of the Offer and may be obtained free of charge from Albioma's registered office (Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex).

11. PERSONS RESPONSIBLE FOR THE RESPONSE DOCUMENT

"*In accordance with Article 231-19 of the AMF's General Regulation, to the best of my knowledge, the information contained in this response document is true and accurate and contains no omission likely to alter the interpretation thereof*."

Frédéric Moyne

Chairman and Chief Executive Officer of Albioma

Appendix 1

Report and addendum to the report of the independent expert appointed by the Board of Directors

Ledouble

Albioma

Opus 12 Tower
77 Esplanade du Général de Gaulle
F 92081 Paris La Défense

TENDER OFFER

FAIRNESS OPINION

THIS DOCUMENT IS AN UNOFFICIAL ENGLISH LANGUAGE TRANSLATION OF THE DRAFT DOCUMENT IN RESPONSE (PROJET DE NOTE D'INFORMATION EN RÉPONSE) WHICH WAS FILED WITH THE FRENCH FINANCIAL MARKETS AUTHORITY (AUTORITÉ DES MARCHÉS FINANCIERS) ON MAY 30, 2022, AND WHICH REMAINS SUBJECT TO ITS REVIEW.
IN THE EVENT OF ANY DIFFERENCES BETWEEN THIS UNOFFICIAL ENGLISH-LANGUAGE TRANSLATION AND THE OFFICIAL FRENCH DOCUMENT, THE OFFICIAL FRENCH DOCUMENT SHALL PREVAIL.
WE DO NOT ACCEPT ANY RESPONSIBILITY FOR THIS COURTESY TRANSLATION

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Accounting and auditing company
Registered with the Order of Chartered Accountants and the Paris Society of Statutory Auditors
Simplified joint stock company with a capital of 438 360 €.
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GLOSSARY, ABBREVIATIONS AND ACRONYMS

Acceptance Threshold	Threshold of lapse of the Offer provided for in article 231-9 I 1° of the AMF's general regulation
Ad Hoc Committee	Committee within the Board of Directors in charge of monitoring the work of the Independent Expert and preparing the Reasoned Opinion
ADPa / PSa	Preferred shares with Fixed Return of the Holding included in the Pari Passu Mix
ADPb / PSb	Free preference shares of the Holding subscribed by the Managers conferring them a right to share the capital gain on the Exit with the Investor
Advisors	Financial and legal advisors
AMF	French Financial Markets Authority (Autorité des marchés financiers)
AO / OS	Common shares of the Holding
Board of Directors	Albioma Board of Directors
bp(s)	Basis point(s)
BPI Put Option	Put option in favor of Bpifrance on the Securities held within the Holding
Bpifrance	Bpifrance Investissement
Bpifrance Contribution	Pari passu investment of Bpifrance with Kyoto LuxCo 1 in the capital of the Holding
Call Liquidity Period	Liquidity period during which the holder of a Call Option may exercise it
Call Option	Call option whereby the holder irrevocably undertakes to sell to the Offeror his Unavailable Performance Shares at the Offeror's request
Call Option Manager	Call option on ADPb / PSb held by each Manager in case of departure
Capex	Capital expenditure
Company	Albioma
CRE	French Energy Regulation Commission
D&A	Depreciation and Amortization
DCF	Discounted Cash Flow
DCF 2026	DCF model built on the Explicit Period
DCF 2031	DCF model built on the Explicit Period and the Extrapolation Period
DCF Exit Multiple	DCF model integrating a terminal value calculated on the basis of an exit multiple for the year 2025
DDM	Dividend Discount Model
DDM 2026	DDM model built on the Explicit Period

DDM 2031	DDM model built on the Explicit Period and the Extrapolation Period
Development Capex	Capex required to maintain the plants, to extend the current Projects and to start up new Projects
Draft Document in Response	Draft document in response filed by the Company with the AMF on May 30,2022
Draft Offer Document	Draft offer document filed by the Offeror with the AMF on May 13, 2022
EBIT	Earnings Before Interests and Taxes
EBITDA	Earnings Before Interests, Taxes, Depreciation and Amortization
EBITDA Iso-Multiple	EBITDA multiple of 12.7x induced by the Share Offer Price
Excluded Shares	Securities not targeted by the Offer
Existing Perimeter	Assets included in the Long Series Business Plan
Exit	Transfer triggering a change of control of the Holding or listing of the Holding's securities on a European regulated market or on Euronext Growth
Explicit Period	Forecast period of the Group Business Plan 2022-2026
Extrapolation Period	Extrapolation period of the Explicit Period 2027-2031
Fairness opinion	Conclusion of the Report
FCF	Free Cash Flow
Financial advisors	JP Morgan (Albioma) Société Générale (KKR)
Geothermal energy	Energy production from heat drawn from underground
Group	Company and its subsidiaries
Group Business Plan 2022-2026	Medium-term budgetary and forecasting data for the Group
GW	Gigawatt
GWh	Gigawatt-hour
Holding	Kyoto TopCo
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Independent Expert	Ledouble
Initiator	Kyoto BidCo
Investment Agreement	Investment agreement signed on May 13, 2022 between Kyoto LuxCo 1 and ETI 2020 managed by Bpifrance
Investor	KKR
KKR	Kohlberg Kravis Roberts & Co L.P.
Ledouble	Ledouble SAS

Legal advisors	Darrois Villey Maillot Brochier (Albioma) Bredin Prat (KKR)
Long Series Business Plan	Projections underlying annual asset impairment tests
Management	Management of the Company
Managers	Certain executives and officers of the Company who are beneficiaries of the Plan
Manager Put Option	Put option on all the securities of the Holding held by each Manager
Mission	Independent expertise of Ledouble in the context of the Offer
MW	Megawatt
MWh	Megawatt-hour
MWp	Megawatt-peak
NAV	Net asset value
OAT	French Treasury Bonds *(Obligations assimilables du Trésor)*
Offer	Tender offer by Kyoto BidCo for the Securities
Offer Price	Offer Price for the Share and the Warrant
Operating Capex	Capex required to maintain existing facilities
Options	Call Option and Put Option
Pari Passu Mix	Pari passu investment in AO /OS and ADPa / PSa by the Holding's shareholders
Performance Shares	Performance shares granted by the Board of Directors in the context of free share allocation plans
Plan	Management package for Managers
Plan Term Sheet	Term Sheet concluded on May 12, 2022 with a view to setting up a management investment plan at the level of the Holding (management package)
Presenting Bank	Société Générale
Press Release	Joint press release from Albioma and KKR dated April 28, 2022 announcing the Offer
Projects	Projects identified in the Long Series Business Plan
PS	Performance Shares
Put Option	Put option whereby the Initiator undertakes to acquire from the holder the Unavailable Performance Shares
Put Option Period	Period subsequent to the Call Liquidity Period during which the Offeror undertakes to acquire from the holder the Unavailable Performance Shares
Q&A	Questions and Answers

Reasoned Opinion	Reasoned opinion of the Board of Directors on the Offer prior to the filing with the AMF of the Draft Document in Response
Reference Dates	March 7, 2022 and April 27, 2022
Reinvestment Term Sheet	Term Sheet concluded on April 20, 2022 between Kyoto LuxCo 1 and ETI 2020 managed by Bpifrance
Related Agreements and Transactions	Agreements and transactions related to the Offer falling under article 261-1 I 4° of the AMF's general regulation
Reopened Offer	Offer reopened in accordance with article 232-4 of the AMF's general regulation
Report	Expert report prepared by Ledouble
Reserve	Creation of a reserve of 10% of the Pari Passu Mix and ADPb / PSb concerning the Managers in order to allow Group employees to join the scheme from which the Managers benefit under the Plan
Sales	Revenues
SCRPS	Sales at constant exchange rates, fuel prices and consolidation scope
Securities	Shares and Warrants
Share(s)	Albioma share(s)
Share Offer Price	50,00 €
Shareholders	Albioma shareholders
Shareholders' Agreement	Agreement to be entered into pursuant to the Reinvestment Term Sheet and the Investment Agreement
Solar	Group operating sector corresponding to the production of energy from photovoltaic panels
SOTP	Sum of the parts
Stock Market Comparables / Listed Peers	Samples of companies built for the valuation of the Group and the Share by stock market multiples
Supervisory Committee	Supervisory Committee of the Holding
Target	Albioma
Thermal Biomass	The Group's operating sector encompassing thermal power plants providing biomass-based electricity and steam production
TOA	Tender Offer Agreement entered into on April 27, 2022 between the Company and the Offeror
Unavailable Performance Shares	Performance Shares in vesting period or retention period
URD	Universal registration document
USD	US dollars
Valuation	Multi-criteria valuation of the Share

VWAP	Volume-weighted average price
Waiver Threshold	Waiver threshold of 50.01% of the share capital and theoretical voting rights of the Company
Warrants	Redeemable share subscription and/or acquisition warrants issued by the Company
Warrant Offer Price	29,10 €

1. Introduction

Ledouble SAS ("**Ledouble**") was appointed on April 27, 2022 by the board of directors (the "**Board of Directors**") of Albioma (the "**Company**" or the "**Target**") as independent expert (the "**Independent Expert**") in connection with the proposed public tender offer (the "**Offer**") initiated by Kyoto BidCo (the "**Offeror**"), a company indirectly controlled by investment funds and separately managed accounts advised and/or managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates (together "**KKR**").

The Offeror filed its draft offer document (the "**Draft Offer Document**") with the French Financial Markets Authority / *Autorité des marchés financiers* (AMF) on May 13, 2022.

The independent valuation mission entrusted to Ledouble (the "**Mission**") consists in attesting to the fairness of the financial terms of the Offer (the "**Fairness Opinion**"), for the Shareholders as well as for the holders of redeemable share subscription and/or acquisition warrants (the "**Warrants**"), with regard to the financial terms of the Offer summarized in the joint press release of Albioma and KKR dated 28 April 2022 (the "**Press Release**"), *i.e.* with respect to the Offer Price proposed by KKR for the Albioma share (the "**Share**") and the Warrant (the "**Offer Price**"):

- 50.00 per Share (the "**Share Offer Price**"), ex-dividend;
- 29.10 per Warrant (the "**Warrant Offer Price**").

The Press Release follows the Company's announcement, dated March 9, 2022, of preliminary discussions with KKR.

1.1. Regulatory framework of Ledouble's assignment

This independent valuation report (the "**Report**"), including the Fairness Opinion as a conclusion, has been prepared in accordance with Article 262-1 of the AMF's general regulation, the AMF application instructions 2006-07[1] and 2006-08[2], as well as the AMF recommendation 2006-15[3].

As mentioned in the Press Release and in accordance with the provisions of article 261-1 III of the AMF's general regulation, Ledouble has been appointed by the Board of Directors on the proposal of an ad hoc committee (the "**Ad Hoc Committee**[4] ") in charge of monitoring the work of the Independent Expert and preparing a reasoned opinion of the Board of Directors on the Offer (the "**Reasoned Opinion**").

Following our appointment as Independent Expert by the Board of Directors on April 27, 2022, the Company sent us[5] an engagement letter dated May 3, 2022 specifying the regulatory basis for our appointment as well as any conflict of interest situations identified; this engagement letter, which is attached as **Appendix 1**, specifies that our appointment falls within the scope of:

[1] "Takeover Bids / *"Offres publiques d'acquisition"*.
[2] "Independent expertise" / *"Expertise indépendante"*.
[3] "Independent expertise in the context of financial transactions" / *"Expertise indépendante dans le cadre d'opérations financières"*.
[4] The Ad Hoc Committee is composed of a majority of independent directors, in the persons of Mr. Pierre Bouchut, who chairs it, Mr. Jean-Carlos Angulo and Mr. Frank Lacroix, who are joined by Mr. Frédéric Moyne, Chairman and Chief Executive Officer of the Company, in his capacity as director.
[5] Pursuant to Article 1 of AMF Instruction 2006-08.

- Article 261-1 I 2°[6] , 4°[7] and 5°[8] of the AMF's general regulation, as mentioned in the Press Release; and

- AMF application instruction 2006-08, itself supplemented by AMF recommendation 2006-15.

1.2. Independence and competence of Ledouble

Ledouble is independent of the parties to the Offer, in particular the Target, the Offeror and its shareholders, and their respective financial and legal advisors[9] (the "**Advisors**") and the Presenting Bank[10] of the Offer (the "**Presenting Bank**")[11].

We confirm our independence within the meaning of Articles 261-1 et seq. of the AMF's general regulation and, in accordance with the provisions of Article 261-4 of the AMF's general regulation, certify that we have no known past, present or future relationship with the legal entities or individuals involved in the Offer that could affect our independence and the objectivity of our judgment in the performance of the Mission.

In particular:

- we do not intervene repeatedly with the Presenting Bank[12];

- we do not find ourselves in any of the cases of conflicts of interest referred to in Article 1 of AMF Instruction 2006-08.

We were therefore able to carry out the Mission independently.

We also have the human and material resources necessary to carry out the Mission.

The qualifications of the team that carried out the Mission are listed in **Appendix 6**.

1.3. Diligences carried out

We have performed our procedures in accordance with the requirements of Articles 262-1 et seq. of the AMF's general regulation, the AMF Application Instructions 2006-07and 2006-08, and the AMF Recommendation 2006-15 (§ 1.1).

The work program implemented and the amount of fees received in the framework of the Mission are indicated in **Appendix 2** and the intervention schedule in **Appendix 3**.

The document base used to support our work is shown in **Appendix 5**.

---

[6] The Company's executives having entered into agreements with the Offeror that may affect their independence.
[7] Given the existence of agreements and transactions related to the Offer that could have a significant impact on the Offer Price.
[8] The Offer relates to financial instruments of different categories (Shares and Warrants).
[9] For Albioma: J.P. Morgan (financial advisor); Darrois Villey Maillot Brochier AARPI (legal advisor).
For KKR: Société Générale (financial advisor); Bredin Prat (legal advisor).
[10] Société Générale, which, as the presenting bank and guarantor, guarantees the content and irrevocable nature of the commitments made by the Offeror in connection with the Offer.
[11] The list of the main interlocutors met and/or contacted during the Mission is provided in **Appendix 4**.
[12] The public independent financial appraisals we have performed in recent years are listed with the names of the presenting banks in **Appendix 7**.

Our diligence consisted in:

- on the one hand, acquainting itself with the context and the legal framework of the Offer, the characteristics of the Offeror, the activity and the environment of the Company and its subsidiaries (the "**Group**") and, following a diagnosis based on this information, carrying out a multi-criteria valuation of the Share and the Warrants (the "**Securities**") as well as an analysis of the Share Offer Price and the Warrant Offer Price in relation to the results of this valuation, with a view to assessing their fairness in the context of the Offer;

- on the other hand, verifying the absence of elements in the agreements and transactions related to the Offer (the "**Related Agreements and Transactions**") that could be prejudicial to the interests of the Shareholders and the holders of Warrants.

These procedures, which were conducted in parallel with our interviews with the Company's management (the "**Management**"), the members of the Ad Hoc Committee and the Board of Directors, as well as representatives of the Offeror and the Boards[13] , focused in particular on:

- understanding the Group's business model, which is based on the coordination of project companies;

- the use of public and regulated information related to the Company;

- a review of the documentation made available to the statutory auditors and the Audit Committee in the context of the annual closing of the Company's consolidated accounts;

- a review of the deliberations of the Board of Directors as well as the decisions taken by the General Meeting of Shareholders;

- a review of the work performed by the Advisors for the purposes of the Offer;

- consultation of our sectoral documentation as well as extractions from our financial databases relating to the activities carried out by the Group in its competitive environment;

- a review of the Group's operational performance;

- reading the notes of equity research analysts and exploiting the consensus that emerges in the medium term[14];

- analysis of the liquidity and volume-weighted historical Share prices over a long period, as well as events and press releases issued by the Company that allow for the interpretation of trends;

[13] Including the Presenting Bank.
[14] We also contacted some of the equity research analysts, in order to understand their target prices.

- a review of the contribution of the operating segments[15] to the Group's business, profitability and balance sheet structure, with particular reference to the universal registration document including the financial report for the year 2021 ("URD 2021");

- an in-depth review, in conjunction with our contacts, of the Group's medium-term budgetary and forecasting data, and the comparison of these projections with the history of the consolidated financial statements and previous business plans, as well as market analyses related to renewable energies;

- the multi-criteria valuation of the Group and the Securities;

- a review of the work carried out by the Presenting Bank, which we compared with our multi-criteria valuation of the Securities;

- the study of the financing terms of the Offer and the related documentation;

- a review of Related Agreements and Transactions;

- the overall reading of the Draft Offer Document and the Draft Document in Response of the Company in the process of filing the draft Offer with the AMF;

- the assessment of the Offer Price and the financial terms of the Offer with regard to the multi-criteria valuation of the Securities, as well as the Related Agreements and Transactions.

1.4. Assertions obtained and limitations of the Mission

We have obtained from the Management and representatives of KKR (the "**Investor**") confirmation of the significant matters which we have considered in connection with the Report.

In accordance with the usual practice in independent appraisal, our work was not intended to validate the historical and forecast information provided to us, and we limited ourselves to verifying the reasonableness and consistency of such information. In this respect, we considered that all the information provided to us by our interlocutors was reliable and transmitted in good faith.

The Report does not constitute a recommendation for the completion of the Offer, the decision on which rests with the Board of Directors under the terms of the Reasoned Opinion that it will issue on the Offer. The Independent Expert cannot be held responsible for the entire content of the Document in Response in which the Report is inserted, which is his sole responsibility.

[15] "France - Biomass Thermal", "France - Solar", "Brazil", "Holding and Others".

1.5. Overview of the Report

We present, hereafter, successively:

- the parties to the Transaction as well as the context and terms of the Offer (§ 2);
- the Group's environment, activity and performance (§ 3);
- our valuation of the Securities (§ 4);
- the analysis of the valuation of the Securities by the Presenting Bank (§ 5);
- the analysis of Related Agreements and Transactions (§ 6);
- comments made by holders of Securities (§ 7);
- the summary of our due diligence (§ 8);
- the Fairness Opinion as a conclusion (§ 9).

1.6. Presentation Conventions

The amounts presented in the Report are expressed in:

- euros (€);
- thousand euros / *milliers d'euros* (K€);
- million euros / *millions d'euros* (M€);
- billion euros / *milliards d'euros* (Md€)[16].

Cross-references between parts and chapters are indicated in brackets by the § sign.

Any discrepancies that may be found in the arithmetic checks are due to rounding.

Hyperlinks can be activated in the electronic version of the Report.

[16] If so, billion dollars (Md$).

2. Presentation of the Offer

2.1. Companies taking part in the Offer

2.1.1. Target

Albioma is a limited company located at 77, Esplanade du Général de Gaulle, Tour Opus 12, Paris La Défense (F 92081) and registered with the Nanterre Trade and Companies Register / *Registre du Commerce et des Sociétés* (RCS) under number 775 667 538. Its share capital amounts to €1,246,040.68 and is composed of 32,364,693[17] shares with a par value of €0.0385 each, representing 32,364,693 theoretical voting rights[18].

The Albioma shares are listed on the Euronext Paris market (compartment A[19]); coverage of the share is provided by a limited number of analysts (§ 4.3.3). The Warrants, issued by the Company in 2018 and whose exercise and liquidity period opened on December 6, 2021, are listed on the Euronext Growth Paris market[20].

The Company's capital is relatively fragmented, insofar as, excluding the share of capital held by the public, which represents 60.6% of the total, shareholders' holdings do not exceed 6.9% (§ 2.3.1).

The Group, which has historically been active in the French Overseas Territories, Mauritius and Brazil in the production of renewable energy using thermal biomass and photovoltaics, acquired a majority stake in a geothermal power generation company in Turkey (Gümüsköy) in 2021, and a second geothermal power plant (in Kuyucak) in which it became the sole shareholder in 2022; it has an installed generating capacity of about 1.0 GW and a workforce of about 700 people.

2.1.2. Offeror

Kyoto BidCo is a simplified joint stock company *(société par actions simplifiée)* with a single shareholder[21], located at 27 avenue de l'Opéra, in Paris (F 75001) and registered since March 11, 2022 with the Paris Trade and Companies Registry under number 911 295 533; created for the purposes of the Offer and indirectly controlled by investment funds and separately managed accounts advised and/or managed by KKR, its capital is currently set at €1.

KKR[22] is a leading global investment firm with over 40 years of experience in asset management, capital markets and insurance.

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[17] Total number of shares and theoretical voting rights as of April 30, 2022 and May 6, 2022 (§ 2.3.1).
[18] Number of theoretical voting rights calculated in accordance with Article 223-11 of the AMF's general regulation.
[19] ISIN code: FR0000060402, mnemonic: ABIO.
[20] ISIN code: FR0013368438, mnemonic: ABIBS.
[21] The capital of Kyoto BidCo was initially subscribed as sole partner by KKR Global Infrastructure Investors IV (USD) SCSp, a special limited partnership with its registered office at 2, rue Edward Steichen in Luxembourg (L-2540), registered with the Luxembourg Trade and Companies Registry under number B246696, it being specified that:

- the sole shareholder of Kyoto BidCo is now Kyoto MidCo, a simplified joint stock company with a capital of €1, located at 27 avenue de l'Opéra in Paris (F 75001) and registered since March 30, 2022 with the Paris Trade and Companies Register under the number 911 971 471;
- the sole shareholder of Kyoto MidCo is Kyoto TopCo, a simplified joint stock company with a capital of €1, located at 27 avenue de l'Opéra in Paris (F 75001) and registered since March 30, 2022 with the Paris Trade and Companies Register under number 911 975 795;
- Kyoto TopCo is the umbrella entity of the Securities recovery structure in France (§ 2.8).

[22] U.S. investment company located at Suite 302, 4001 Kennett Pike, Wilmington, New Castle County, DE, 19807, registered with the State of Delaware under number 2125720.

2.2. Background and terms of the Offer

2.2.1. Context and objectives of the Offer

The Offer, the reasons for which are summarized in the Press Release and detailed in the Draft Offer Document, is part of KKR's strategy of investing in renewable energy infrastructure, particularly in France, through the acquisition of players in the energy transition.

2.2.2. Terms of the Offer

As stated in the Press Release (§ 1):

- the Offer will be fully paid in cash[23]:
  - at the Offer Price of € 50.00 per share, ex-dividend[24];
  - at the Warrant Offer Price of € 29.10[25];
- Bpifrance Investissement ("**Bpifrance**"), a shareholder of the Company since 2016 and holding 5.03% of its share capital, intends to contribute to the Offeror part of its Shares at the Offer Price[26]; the other part of the Shares held by Bpifrance will be contributed to the Offer (§ 2.8);
- Albioma and KKR[27] entered into an Offer Support Agreement (the "*Tender Offer Agreement*" or "**TOA**") on April 27, 2022 whereby KKR undertakes to tender the Offer to Albioma and Albioma undertakes to cooperate with KKR's Offer.

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

[24] The dividend of €0.84 per share for the year ended December 31, 2021 will be detached on June 9, 2022 and paid on June 13, 2022 (§ 4); it will be paid exclusively in cash, the option for payment in Shares that prevailed in respect of previous years being set aside, given the signature on April 27, 2022 of an agreement in support of the tender offer envisaged by KKR.

[25] The Warrant Offer Price (€29.10) is derived from the Share Offer Price (€50.00), less the exercise price of the Warrant (€20.90), it being specified that each Warrant gives the right to subscribe for one Share at the exercise price.

[26] Bpifrance's investment alongside KKR is subject, in particular, to the completion of KYC *("Know Your Customer")* procedures in a manner satisfactory to Bpifrance, the delivery by the Board of Directors of its Reasoned Opinion, and the publication of the results of the Offer by the AMF if on the basis of the results of the Offer and taking into account the Shares subject to the Bpifrance Contribution as being tendered to the Offeror, the Acceptance Threshold provided for in article 231-9 I of the AMF's general regulation and the Waiver Threshold (if not waived by the Offeror) are reached (§ 2.5 and § 6.2).

[27] *Via* Kyoto BidCo as Offeror.

In accordance with Articles 232-1 to 232-4 of the AMF's general regulation:

- the Offer will be carried out within the framework of the normal procedure and opened over a period of 25 trading days, it being specified that it will be followed, if the conditions are met, by the implementation of a squeeze-out procedure (§ 2.6);
- the Offer will be reopened in the event of its success, as evidenced by the crossing of the Acceptance Threshold and the Waiver Threshold as specified below (§ 2.5) (the "**Reopened Offer**").

2.3. Scope of the Offer[28]

2.3.1. Breakdown of capital and voting rights

The Draft Offer Document[29] sets out the following breakdown of the capital and theoretical voting rights, based on a capital composed of 32,285,221 Shares representing the same number of theoretical voting rights as at April 30, 2022:

Distribution of capital and theoretical voting rights

Shareholders	Number of shares	% of capital	% of theoretical voting rights
Brown Capital Management LLC	2 232 815	6.92%	6.92%
Impala SAS	1 941 154	6.01%	6.01%
Compagnie Financière Européenne de Prises de Participation	1 956 831	6.06%	6.06%
Bpifrance	1 624 791	5.03%	5.03%
Caisse des dépôts et des consignations (CDC) and affiliates	1 528 385	4.73%	4.73%
Kabouter Management LLC	979 414	3.03%	3.03%
Employees	865 543	2.68%	2.68%
BlackRock	850 576	2.63%	2.63%
Financière de l'Échiquier	474 301	1.47%	1.47%
Directors (excluding Bpifrance) and executives	122 004	0.38%	0.38%
Treasury Shares	144 853	0.45%	0.45%
Public	19 564 554	60.60%	60.60%
Total	32 285 221	100%	100%

The instruments giving access to the Company's capital include[30]:

- the Warrants issued in December 2018 to employees of the Company, its subsidiaries and the Chief Executive Officer, for which the exercise and liquidity period opened on December 6, 2021 (§ 2.1.1); out of a total of 1,071,731 Warrants issued for subscription:
  - 99,841 Warrants were exercised as of December 31, 2021, leaving a balance of 971,890 Warrants outstanding at the end of 2021;
  - 285,407 Warrants have been exercised since then, leaving a balance of 686,483 Warrants outstanding at April 30, 2022;

[28] By reference to the situation of the Company's capital and theoretical voting rights presented in the Draft Offer Document.
[29] Draft Offer Document, § 1.1.2 "Breakdown of the Company's capital and voting rights as at April 30, 2022", p. 8-9.
[30] Draft Offer Document, § 2.3 "Number and nature of the Securities targeted by the Offer", p. 18-21.

- the Shares granted by the Board of Directors, under five free performance share plans (the "**Performance Shares**" or "**PS**"), *i.e.* a total of 1,398,233 Performance Shares granted between 2018 and 2021[31] and in 2022[32]:
  - 743,436[33] Performance Shares in vesting period, and
  - 204,709 Performance Shares whose retention period will not have expired before the estimated closing date of the Offer.

As indicated in the Draft Document in Response of the Company[34], the exercise of Warrants since April 30, 2022 has increased the number of Shares and theoretical voting rights of the Company from 32,285,221 to 32,364,693, *i.e.*, as of May 23, 2022, a capital of €1,246,040.68 (§ 2.1.1).

2.3.2. Securities targeted by the Offer

The Offer targets:

- on the one hand, all the Shares:
  - already issued other than the **1,514,353 Excluded Shares**[35] already issued or to be issued at the closing of the Offer, as defined *below* (§ 2.3.3), *i.e.* **30,770,868 Shares**;
  - likely to be issued before the closing of the Offer or the Reopened Offer as a result of the exercise of the Warrants, *i.e.* a maximum number of **686,483 Shares**;
- on the other hand, all the outstanding Warrants, *i.e.* a maximum number of **686,483** Warrants.

2.3.3. Securities not targeted by the Offer

The Offer does not relate to:

- the **1,164,791 Shares** held by Bpifrance, intended to be contributed to the Offeror (2.8);
- the **144,853** Treasury **shares** (§ 2.3.1);
- Unavailable Performance Shares as defined *below* (§ 2.8), corresponding to the 743,436 Performance Shares in vesting period, and the 204,709 Performance Shares in retention period (§ 2.3.1), *i.e.* a maximum of **948,145 Shares**.

The Securities not targeted by the Offer therefore represent a maximum number of **2,257,789 Shares** issued or likely to be issued (the "**Excluded Shares**").

[31] 224,977 PS in 2021; 303,971 PS in 2020; 305,420 PS in 2019; 309,600 PS in 2018.
[32] 254,265 PS in 2022.
[33] 253,485 PS at March 1er 2025 (2022 plan); 210,197 PS at March 3, 2024 (2021 plan); 279,754 PS at March 2, 2023 (2020 plan).
[34] Draft Document in Response, § 1 "Overview of the Offer", p. 5.
[35] 1,164,791 Shares held by Bpifrance + 144,853 Treasury shares + 204,709 Performance Shares in retention period.

2.4. Financing of the Offer[36]

In the event that all of the Shares subject to the Offer are tendered to the Offer, the total amount of the cash consideration to be paid by the Offeror to the Shareholders and holders of Warrants having tendered their Securities to the Offer would amount to €1,558.5 million[37] (excluding expenses and commissions related to the Offer).

The Offer will be financed in part by contributions of capital and shareholder's current account by the subscription of acquisition debt of a maximum principal amount of €425.0 million, and for the balance by injection, by the Offeror's shareholder, of equity and shareholder's loans.

2.5. Conditions for the completion of the Offer

As mentioned in the Press Release:

- the completion of the Offer is subject, in addition to the mandatory minimum acceptance condition provided for in article 231-9 I 1° of the AMF's general regulation (the "**Acceptance Threshold**"), to a minimum acceptance condition according to which the Investor, *via* the Offeror, would obtain a number of Shares representing at least 50.01% of the share capital and theoretical voting rights (the "**Waiver Threshold**")[38] , the objective of the Offeror being the success of the Offer through the acquisition of a controlling interest in the Company;

- the completion of the Offer also remains subject to the approval of the European Commission under merger control, and the opening of the Offer to the obtaining of authorizations for the control of foreign investments in France and Spain;

- under the terms of the TOA, the Offeror has undertaken to pay Albioma the sum of €10 million in the event that the Offer is not filed or the required regulatory approvals are not obtained[39].

2.6. Squeeze-Out and Delisting of Securities[40]

As mentioned in the Press Release, the Offeror intends to request the implementation of a squeeze-out procedure for the Securities, subject to reaching 90% of the share capital and voting rights of the Company at the end of the Offer or, if applicable, the Reopened Offer; in the event of a squeeze-out, the Securities would be delisted from the Euronext Paris regulated market.

In the event that this threshold is not reached, the Offeror does not exclude increasing its stake in the Company after the end of the Offer or, if applicable, the Reopened Offer, prior to the filing of a new offer followed, if the conditions are met, by a squeeze-out, in accordance with the applicable legal and regulatory provisions.

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[36] Draft Offer Document, § 2.13 "Financing of the Offer", p. 28.
[37] Number of Securities targeted by the Offer: [30,770,868 Shares (§ 2.3.2) x Share Offer Price (ex-dividend): € 50.0] + [686,483 Warrants (§ 2.3.2) x Warrant Offer Price: € 29.10].
[38] Draft Offer Document, § 2.5 "Conditions of the Offer", p. 22-24.
[39] Reciprocally, Albioma undertakes to pay the Offeror the sum of €10 million in the event that a competing offer is made and is successful.
[40] Draft Offer Document, § 1.2.7 "Intentions regarding the squeeze-out", p. 11.

2.7. Synergies

In view of its financial profile and its status as a holding company whose sole purpose is the acquisition and management of the Company (§ 2.1.2), the Offeror does not anticipate the realization of cost or revenue synergies with the Company at the end of the Offer[41]; the Offer is ultimately in line with the logic of continuing the activity and development of the Company[42].

In support of the reasons for the Offer[43], the Investor declares to the Group:

- support its ambition to invest in the energy transition of the French Overseas Departments;
- provide its operational expertise[44] and financial resources to help accelerate its international expansion;
- collaborate with its teams to support it in the realization and acceleration of its strategy.

2.8. Related Agreements and Transactions

The Related Agreements and Transactions, which we have analyzed *below* (§ 6), relate to provisions concerning:

- liquidity on Performance Shares in vesting period or retention period (the "**Unavailable Performance Shares**");
- under the terms of an agreement between Kyoto LuxCo 1 and the ETI 2020 fund managed by Bpifrance, the contribution to the Offer by Bpifrance, on the one hand, and the investment of Bpifrance alongside the Investor *via* Kyoto LuxCo 1, on the other hand, relating to the 1,624,791 Shares held by Bpifrance (§ 2.3.1), respectively in the following proportions:
  - contribution to the Offer of 460,000 Shares at the Offer Price;
  - contribution to the Offeror, at the settlement-delivery of the Offer, of the remaining 1,164,791 Shares at the Offer Price, in exchange for securities of the Offeror (§ 2.2.2), as part of a *pari passu* investment with Kyoto LuxCo 1 in the capital of Kyoto TopCo[45] (the "**Holding**");
- the shareholders' agreement to be entered into between Kyoto LuxCo 1 and Bpifrance *via* ETI 2020 in the event of the success of the Offer;
- the management package at the level of the Holding and the mechanisms of profit-sharing for the Company's employees in the context of the Offer;
- commitments to tender to the Offer.

[41] Draft Offer Document, § 1.2.5 "Synergies - Economic gains", p. 10.
[42] Draft Offer Document, § 1.2.1 "Industrial, commercial and financial strategy", p. 9.
[43] Draft Offer Document, § 1.1.1 "Background and reasons for the Offer", p. 6-8.
[44] Given the presence of energy sector companies in its portfolio of investments (§ 2.2.1).
[45] The securities issued by Kyoto BidCo to Bpifrance will then be contributed to Kyoto MidCo, the intermediate entity controlling the Offeror, in exchange for Kyoto MidCo securities, which will in turn be contributed to Kyoto TopCo, the umbrella entity of the structure for the acquisition of the Securities in France, in exchange for Kyoto TopCo securities (it being understood that the order of the contributions may nevertheless be reversed).

No other Related Agreements and Transactions were reported to us, nor did our work identify any.

In accordance with the provisions of the TOA, there shall be further implemented by the Offeror:

- an intra-group loan of a maximum amount of €143 million in the event of the success of the Offer, in particular with a view to the repayment by the Company of the Sustainability-Linked Euro PP it issued in December 2020 in the amount of €100 million (§ 3.1.2.1);

- if necessary, a RCF line[46] for a minimum amount of €60 million to enable the Company to repay its own revolving credit facility (§ 3.1.2.10).

[46] Revolving Credit Facility.

3. Presentation of the Group and its market

We present below the history and activities of the Group (§ 3.1) in relation to the evolution of its environment and market trends (§ 3.2), as well as its historical performance (§ 3.3).

This information, supplemented by a SWOT analysis (§ 3.4), enables us to assess the main characteristics of the Group and its environment, which were taken into account in our valuation work.

3.1. History and activities of the Group

Albioma and its subsidiaries have historically been active in the French Overseas Territories (Reunion Island, Guadeloupe, Guyana, Martinique, Mayotte), Brazil, Mauritius and, to a lesser extent, in metropolitan France, Spain and Italy, in the production of renewable energy using **thermal biomass** (recovery of bagasse, the fibrous residue of sugar cane) and **solar energy** (operation of photovoltaic panels). The Group has also recently made two acquisitions in Turkey in the field of **geothermal energy** (transformation of heat from underground).

These activities, together with a holding structure, comprise several operating segments:

- **France - Thermal Biomass**: thermal power plants providing electrical energy and steam production in the French overseas departments;
- **France - Solar**: photovoltaic panel farms operated in France, Spain and Italy (Southern Europe), and sales of photovoltaic installations and panels to third parties or to joint ventures for the portion held by third parties;
- **Brazil**: development, holding and operation of thermal power plants;
- **Holding and Other**: Albioma's functional activities, thermal power plants providing electricity production in Mauritius and geothermal power plants providing electricity production in Turkey.

Albioma was formed in 2001 from the merger of Séchilienne (a subsidiary of Air Liquide) and Sidec. Renamed Albioma in 2013, the Company has become an independent power producer.

The milestones in the Group's development, punctuated over the past thirty years by the deployment of industrial facilities for the conversion of bagasse into energy, and over the past fifteen years by the development of photovoltaic power plants and installations[47], have been as follows[48]:

[47] Panels on roofs, agricultural and industrial sheds.
[48] URD 2021, p. 6.

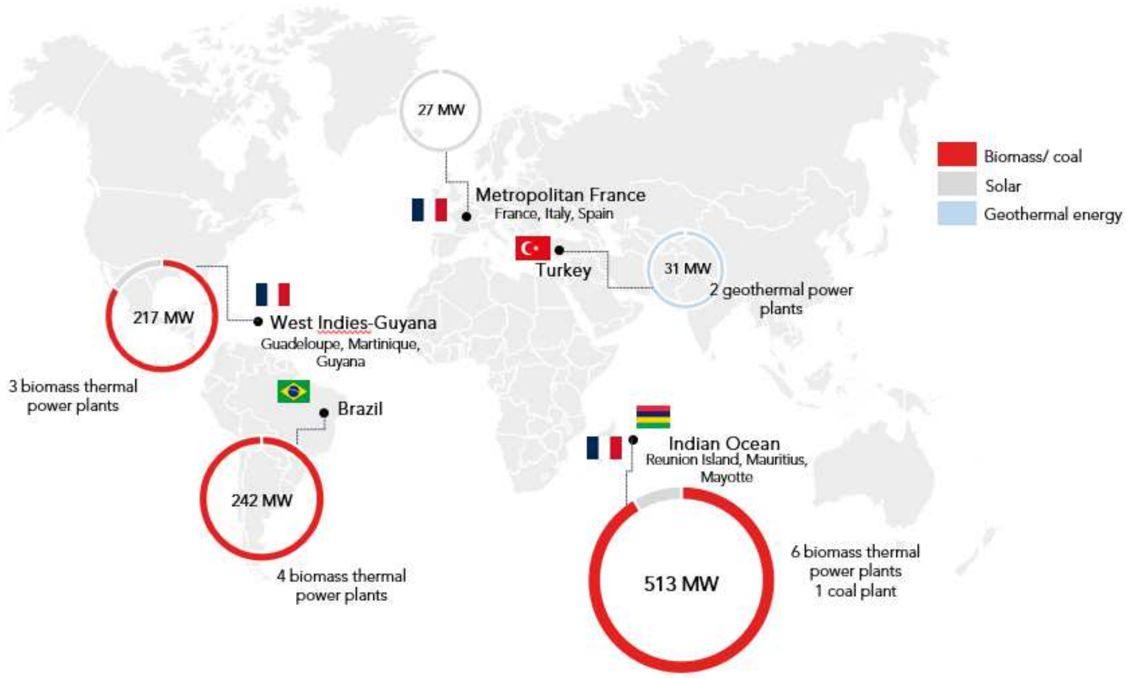
- 1982: Birth of Sidec;
- 1992: Creation of Albioma Bois-Rouge (Reunion Island) and launch of the bagasse valorization activity;
- 1994: Séchilienne, a subsidiary of Air Liquide, enters the capital;
- 1995: Creation of Albioma Le Gol (Reunion Island);
- 1998: Launch of Albioma Le Moule (Guadeloupe);
- 2000: Creation of Terragen (Mauritius);
- 2001: Séchilienne merges with Sidec ;
- 2004: First wind turbine installation;
- 2005: Air Liquide leaves the company and Financière Hélios (Apax Partners and Altamir) takes a stake in the capital;
- 2006: First photovoltaic installation;
- 2007: Inauguration of Galion 1 (Martinique);
- 2011: Construction of a new thermal unit in Guadeloupe;
- 2013: Sale of the wind power business - Séchilienne-Sidec becomes Albioma;
- 2014: Acquisition of the first power plant in Brazil (Rio Pardo);
- 2015: Acquisition of a majority stake in a second unit in Brazil (Codora) - Apax Partners exits the capital, Altamir becomes Albioma's largest shareholder;
- 2016: Launch of IED[49] compliance work;
- 2018: Altamir exits capital; Impala becomes Albioma shareholder - Acquisition of Eneco France, now Albioma Solaire France - Acquisition of Esplanada power plant (Brazil) - Commissioning of Galion 2 (Martinique);
- 2019: Commissioning of the TAC[50] Saint Pierre power plant running on bioethanol (Reunion Island);
- 2020: Start of the transition of the Bois-Rouge power plant to 100% biomass - Commissioning of the Vale do Paraná 100% biomass power plant (Brazil) - Issuance of the first Sustainability-Linked Euro PP loan (conditioned by the achievement of targets for the share of renewable production in the Group's total energy production) for an amount of €100 million - Albioma enters the SBF 120 index;
- 2021: Acquisition of the Gümüsköy geothermal power plant in Turkey;
- 2022: Acquisition of the Kuyucak geothermal power plant in Turkey - Acquisition of the La Granaudière wood pellet production plant in Canada in the province of Quebec (renamed Biomasse du Lac Taureau) to meet intra-Group fuel needs in the Caribbean.

[49] European Directive 2010/75/EU on industrial emissions.
[50] Combustion turbine.

3.1.1. Geographical breakdown of production capacity

With its development on several continents, and a workforce of nearly 700 people, the Group deploys a total gross production capacity (installed capacity) of 1,030 MW[51] concentrated geographically in the Indian Ocean, Brazil and the French West Indies-Guyana[52] and, in terms of activity, on biomass, which involves the use of coal outside of the sugar campaigns[53].

Geographical breakdown of the Group's production capacity



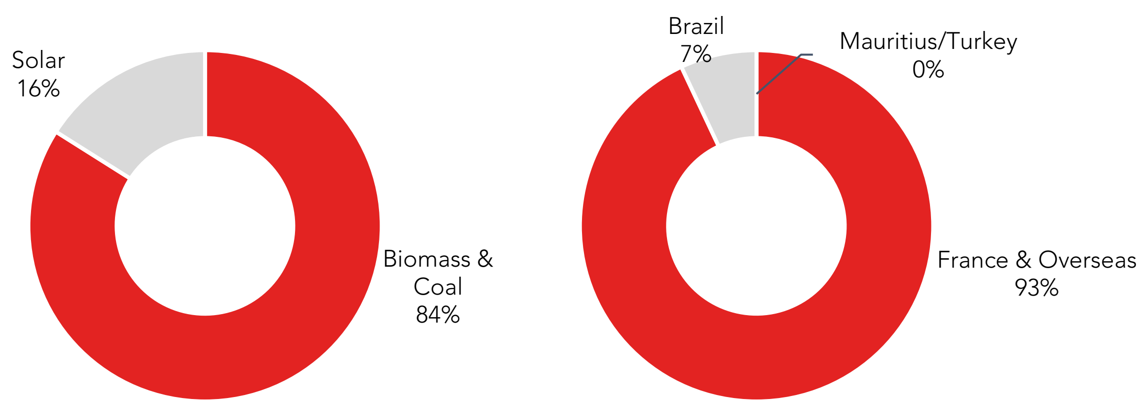
Source: Albioma, URD 2021

3.1.2. Energy mix

As an independent energy producer, Albioma combines the three above-mentioned activities, with geothermal energy operated in Turkey still contributing only marginally to the Group's revenues and profitability as measured by EBITDA, the bulk of which comes from the French overseas territories and secondarily from Brazil.

[51] URD 2021, p. 10 and p. 27.
[52] As an indication, the Group, in terms of market share, represents 40% of the electricity produced in Reunion, 29% in Guadeloupe, 18% in Martinique and 45% in Mauritius.
[53] In France and Mauritius, the duration of the sugar campaigns being only four to six months, during which the plants operate in cogeneration with bagasse as the main fuel, the use of coal is necessary for their operation in conventional condensation during the inter-campaign period; in Brazil, the longer duration of the sugar campaigns authorizes the operation of the plants with bagasse practically all year round (apart from the maintenance period of about one month).

Breakdown of EBITDA by activity and geographic area in 2021



Source: Albioma, URD 2021

3.1.2.1. Thermal biomass

Thermal biomass covers all renewable energy sources that depend on the cycle of living matter, plant or animal[54].

This core business of Abioma, launched in 1992 (§ 3.1), has a total installed capacity of **890 MW**[55], and positions the Group as the world's leading operator of biomass from bagasse energy recovery.

Its circular business model is the result of a partnership with the sugar industry:

- the Group receives bagasse deliveries from its sugar partners at its operating sites;
- bagasse is used as fuel for power plants generating steam and electricity, part of which is distributed to the sugar partners in exchange for their deliveries, and then used for the operation of the sugar mills;
- the plants are designed to use all the material received.

The current operation of power plants in the French overseas territories and Mauritius requires the use of coal for part of the production cycle[56] . Nevertheless, the Group has embarked on a strategic transition aimed at replacing all coal by biomass at its historical facilities in Reunion and Guadeloupe by 2025:

- conversion work on the first phase of the Albioma Le Moule power plant in Guadeloupe has already been completed, and work has begun on the Bois-Rouge power plant in Reunion, with total abandonment of coal planned for the end of 2023[57];

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[54] EDF, "What is biomass?", 2022.
[55] France (overseas): 453 MW; Brazil: 242 MW; Mauritius: 195 MW. Albioma, "Our Biomass Renewable Energies".
[56] Unlike Brazil, the sugar campaign in these areas is too short to ensure continuous operation (§ 3.1.1).
[57] Quarterly Financial Information as of March 31, 2022, p. 2.

- work on the conversion of the Albioma Le Gol power plant in Reunion will begin in 2022, following the publication of the decision of the French Energy Regulatory Commission (CRE) validating the amendment to the power purchase agreement and ruling on the cost of the entire project to convert the plant to biomass[58].

This conversion of the power plants to "100% biomass", the keystone of Albioma's strategy for the coming years, should ensure that the production of renewable energies reaches more than 90% by 2025 and nearly 100% by 2030[59]; it should be noted that the investments made to improve the energy mix have already enabled the Group to increase the share of renewable energy production in its total energy production from 31% in 2013 to 74% in 2021, with the remainder being fossil fuel production[60].

The objective of an energy mix close to 100% renewable energy by 2030 was sealed in 2017[61] and ratified in the €100 million Sustainability-Linked Euro PP issued by Albioma in December 2020, the characteristics of which are linked to the "greening" of the energy mix in proportion to 80% in 2023, 90% in 2025 and 100% in 2030[62]. It is also at the forefront of the Group's eight environmental commitments[63], social commitments[64] and societal commitments[65] ("ESG") materialized in its business model[66] and contributing to the quality of its extra-financial rating[67].

3.1.2.2. Solar

With a photovoltaic park with an installed capacity of **109 MWp**[68], Albioma is positioned as a leading player in **solar energy** production, which began in 2006 (§ 3.1), both in metropolitan France with the acquisition in 2018 of Eneco France, which became Albioma Solaire France, and as a *leader* in the French Overseas Departments and Regions[69]; the Group, which operates numerous installations there, is responsible for the construction of projects, some of which are equipped with battery energy storage technology optimizing the efficiency of solar panels, the maintenance of generators and the management of electricity sales.

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[58] Quarterly Financial Information as of March 31, 2022, p. 2.
[59] Albioma, "It's time to change energy! The essential 2021", p. 5.
[60] After the conversion to "100% biomass" of the first unit of the Le Moule power plant in Guadeloupe, and in view of the contribution to the improvement of the energy mix of the power plants in Brazil and the Gümüsköy geothermal power plant in Turkey.
[61] In accordance with the French government's Climate Plan.
[62] Albioma, "*Sustainability-linked financing framework 2020*," p. 18.
[63] Acting for the energy transition; Using resources sustainably; Preserving biodiversity.
[64] Guaranteeing health and safety in the workplace; Supporting and motivating employees in the transformation of their jobs; Promoting equal opportunities.
[65] Strengthening responsible purchasing practices; Increasing our involvement with local communities.
[66] URD 2021, pp. 7-8 and p. 50.
[67] ESG score 2021 by V.E (formerly VigeoEiris): 63/100, ranking Albioma 14th out of 66 companies in its sector evaluated in Europe; ESG score 2021 by CDP (formerly Carbon Disclosure Project): C, equivalent to the average for the renewable energy production sector; ESG score 2021 by Ethifinance (Gaïa index): 73/100, above the average of the national *benchmark* (390 SMEs and SMIs listed on the Paris stock exchange) evaluated at 59/100.
[68] Albioma, "It's time to change energy! Solar" 2021, p. 4-8:
- Indian Ocean: 40 MWp; 180 photovoltaic installations in operation;
- West Indies and Guyana: 35 MWp; 50 photovoltaic installations in operation;
- Metropolitan France: 32 MWp; 190 photovoltaic installations in operation and one hydroelectric plant (SECL): 1 MWp.

The Megawatt-peak (MWp) represents the maximum power that a solar panel can deliver in electricity.
[69] For the record, Albioma represents 18% of the installed photovoltaic capacity in the Indian Ocean region and 16% in the French West Indies-Guyana region.

Albioma is the first French solar production company to be triple certified in terms of Quality Safety Environment (QSE)[70], its activity meeting strict standards in terms of environment, health, safety at work and quality management.

3.1.2.3. Geothermal energy

With the acquisition of a 75% stake in a power generation company in Gümüsköy in January 2021, and the 100% acquisition of a second power plant at Kuyucak in February 2022 (§ 3.1), Albioma has been developing **geothermal** activity in Turkey for more than a year, with an installed capacity of **31 MW**[71] divided between 18 MW for Kuyucak and 13 MW for Gümüsköy. These high-energy geothermal power plants[72] produce electricity continuously[73], by transforming the heat coming from the subsoil, and do not require any combustion of raw material.

3.1.3. Regulatory and contractual framework

Albioma's business model is largely based on the France - Biomass Thermal segment, *i.e.* on long-term contracts for the sale of electricity to EDF, whose characteristics give the Group visibility on its forecasts by securing its production, making it relatively insensitive to cyclical events[74]; the industrial challenge ultimately lies in making available the capacities of the production tool[75], tested within the framework of the budgetary process, according to the needs expressed by the customers, but under constraints:

- various risk factors, particularly operational (operating incidents), environmental (weather conditions) and social (strikes);
- the "call rates" from the power plants and the "*merit order*"[76] which are likely to fluctuate.

The very limited customer base consists of electricity suppliers and network operators such as EDF in France[77] or the *Central Electricity Board* in Mauritius; the contracts in Brazil and Turkey have specific features mentioned below, it being further specified that unlike the French thermal biomass business, the activities in Brazil, as well as the solar and geothermal activities, are remunerated on the basis of the energy produced and delivered to the network, which constitutes the only performance obligation.

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[70] Albioma, "Our renewable energies Solar".
[71] Albioma, "Our renewable energies Geothermal".
[72] Heat above 150°C.
[73] As a source of electricity that can be controlled in this way, geothermal energy contributes to the security of electrical networks.
[74] For information purposes, the current tensions on energy supply are not likely to affect the Group's activities.
[75] The availability of a facility is measured by the ratio between the energy actually produced and the energy that could theoretically be produced during a given period, in this case a financial year: if the availability is higher than that provided for in the contract, the entity receives a "bonus" and, if not, a "malus"; the contracts concluded with EDF for thermal facilities located in the French overseas territories include availability objectives (§ 3.1.3.1).
[76] Given the problems of storing electrical energy, the "*merit order*" (or economic precedence) consists of calling on the various electrical production units, as and when they are needed, according to their increasing marginal costs; this results in a call rate per installation.
[77] Endesa in Spain, GSE in Italy.

In addition to the contractual indexation of the electricity selling price to the cost of fuel, the contracts between the thermal power plants in the French Overseas Departments and EDF provide for a monthly rebilling to EDF of the cost of purchasing carbon dioxide quotas (CO_2)[78]. In 2021, the combination of rising coal prices[79] and CO_2[80] have reduced the competitiveness of coal-fired electricity compared to other electricity sources that emit less CO_2 and, as a result, the call rate and efficiency of some power plants, particularly in Reunion Island.

The total production of the France - Biomass Thermal activity has thus risen from 1,940 GWh in 2020 to 1,892 GWh in 2021; that of the other activities, which is lower in view of the installed capacities (§ 3.1.1 and § 3.1.2)[81], turns out:

- stable at 123 GWh between 2020 and 2021 for photovoltaic electricity produced in France and Southern Europe;
- from 373 GWh in 2020 to 422 GWh in 2021 in Brazil;
- stable from 46 GWh in 2020 to 49 GWh in 2021 for the Gümüsköy plant in Turkey.

3.1.3.1. Biomass Thermal Activity[82]

The regulatory and contractual framework differs according to the geographical area:

- In **France's overseas territories**, the Group's companies have entered into long-term contracts with EDF, under which Albioma becomes the owner of the equipment used in the operation of the plant and retains control of the land on which the equipment is located. The contracts expire between 2030 (Le Gol in Reunion) and 2048 (Galion 2 in Martinique).
    - Since a ministerial order of April 6, 2020[83] , the rate of return on capital tied up in electricity generation facilities is set for each project[84] , through a cumulative system of premiums.
    - The entities are remunerated according to the annual availability rate of the plants. Under the contract, EDF, as the sole buyer, acquires the right to use the plant's production as it sees fit, and pays a fixed premium calculated annually on the basis of its annual availability[85], covering all fixed costs related to its financing, construction and maintenance[86], as well as the producer's margin.

[78] Excluding any transaction fees and after retrocession of free allowances acquired in the context of the cogeneration activity. The balance of CO_2 emission allowances was therefore balanced at the end of the year.
[79] As an indication, the average price of a ton of coal has increased from €78 in 2020 to €123 in 2021.
[80] The price of a ton of CO_2 peaked at around €90 at the end of 2021, compared to around €30 at the end of 2020.
[81] Excluding production by equity-accounted entities in Brazil (Vale do Paraná, newly commissioned: 172 GWh in 2021) and in Mauritius (Terragen, OTEO Saint Aubin and OREO La Baraque) where production has increased from 1,128 GWh in 2020 to 1,213 GWh in 2021
[82] URD 2021, p. 13-15.
[83] Order of April 6, 2020 on the rate of return on tied-up capital for electricity generation facilities, for infrastructure aimed at controlling electricity demand, and for storage facilities controlled by the system operator in areas not interconnected to the continental metropolitan network / *zones non interconnectées au réseau métropolitain continental* (ZNI).
[84] By order of the Minister in charge of energy, on the proposal of the CRE.
[85] The fixed annual premium is accompanied by a "bonus" / "malus" system and penalties depending on the degree of adequacy of the plant's availability to EDF's needs, and is affected by an indexation mechanism based on indicators of variations in labor and equipment costs.
[86] The fixed long-term premium is therefore intended to be amortized for each of the plants.

- In addition to this fixed premium, there is a fixed remuneration that includes a variable calculated on the basis of a market price for coal and imported biomass supplies and a fixed price for bagasse supplies, plus an indexation for local biomass supplies.

- In Mauritius, the entities have entered into 20-year contracts with the *Central Electricity Board* (CEB), which can be extended by mutual agreement of the parties. The purchase price of electricity from the CEB is adjusted according to the availability of generating capacity at the plants and the price of fuel supplies.

- In Brazil, where the Group is simply an operator and does not have control over the land, consumption is divided between a regulated market (64% of consumption), where electricity is purchased through competitive tenders and contracts with a term of 15 to 30 years, on the one hand, and an open market (36% of consumption), where contracts are negotiated bilaterally with brokers and industrial and commercial customers[87], for a term of one to five years, depending on the price structure, on the other hand. The electricity produced can also be sold on the spot market as a raw material; the selling price then corresponds to the price of electricity on the day of sale, subject to the application of a threshold and a ceiling set annually by the federal government. In this context, the Group has to arbitrate between the need to secure its production on the regulated market or on the open market, and the interest of a moderate exposure on the spot market.

3.1.3.2. Solar activity[88]

Solar projects involve contracts lasting 20 to 25 years, depending on the country, where the electricity is sold within the framework of feed-in tariffs, where applicable following tendering procedures, requiring the distribution network operator to purchase all the electricity produced at a contractually determined price.

3.1.3.3. Geothermal activity[89]

In Turkey, geothermal electricity is sold under long-term electricity supply contracts with a feed-in tariff, guaranteed by law through a legal support system for renewable energies prioritizing their injection into the grid, and concluded with a private player (EPIAS), an electricity market operator:

- the Gümüşköy plant benefits from a dollarized feed-in tariff of approximately 105 USD/MWh until the end of 2023;

- the Kuyucak plant benefits from a dollarized feed-in tariff of approximately 118 USD/MWh until the end of 2022, then 105 USD/MWh until the end of 2027.

At the end of the feed-in-tariff period, the electricity from the geothermal power plants will be resold under new contracts with private or public third parties and/or on the electricity spot market.

[87] Distributor or industrial customers authorized as agents of official bodies (CCEE, ANEEL).
[88] URD 2021, p. 15-16.
[89] URD 2021, p. 9, p. 16, p. 154.

3.1.4. Perspectives

Benefiting from the relative stability of the regulatory and contractual framework for its activities, the Group is focusing its strategy on the following areas:

- the continuation of the conversion of power plants to "100% biomass";
- the development of solar activity;
- continued development in Brazil in order to reach critical size in view of the potential for expansion in this country (§ 3.2.4), as well as in Turkey given its importance in the geothermal sector (§ 3.2.5);
- the eventual opening up of new areas by deploying its expertise internationally, to support the growth of sugar partners in sugarcane-producing areas (Latin America and Asia) or with a view to developing other forms of renewable energy.

To achieve these ambitions, the Group, which has already invested €940 million in development between 2013 and 2021, expects to invest a total of €1.1 billion by 2026, of which €0.9 billion will be devoted to development investments.

The Group's investments must be seen in the context of the environmental objectives of the European taxonomy[90] applicable to its activities; in this respect, we note that:

- the proportion of revenues and investments eligible for the European taxonomy in the consolidated scope of consolidation were 65% and 86% respectively for the last financial year ending December 31, 2021;
- this regulation does not have a neutral impact on the financing of biomass-based thermal electricity generation projects, particularly in areas where the supply of financing is limited, and could therefore influence their progress; more generally, financing facilities are assessed according to the residual share of the carbon component in the emitters' energy mix.

[90] Targets for climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and biodiversity and ecosystem protection and restoration.

3.2. Environment and trends in the Group's markets

After a presentation of the renewable energy market (§ 3.2.1), and then more specifically of the segment corresponding to electricity produced from biomass and solar energy (§ 3.2.2), which underpins most of Albioma's activities, we will focus on the specificities of this market in the areas where the Group operates:

- Metropolitan France and Overseas (§ 3.2.3);
- Brazil (§ 3.2.4);
- Turkey (§ 3.2.5).

The summary highlights the Group's growth potential in the renewable energy market (§ 3.2.6), in line with the outlook and its investment program described above (§ 3.1.4).

3.2.1. Analysis of the renewable energy market

Energy is said to be renewable when it comes from sources that nature constantly renews, as opposed to non-renewable energy whose stocks are depleted[91]. The exploitation and widespread use of renewable energies are the fundamentals of the ecological transition, which brings together all the principles and practices aimed at reducing CO_2 emissions, and has become a major challenge for all public and private players in the economy.

3.2.1.1. Evolution of renewable energy consumption

The structural increase in global electricity consumption, linked to population growth, economic development and rising living standards, is accompanied by a very strong need to develop "green" energy. While the average annual growth rate of electricity production was 1.6% between 2014 and 2020, it was 5.8% for renewable energies, all sources combined[92].

In a medium and long-term perspective:

- according to the International Energy Agency (IEA)[93], renewable electricity capacity is expected to increase by more than 60% between 2020 and 2026, reaching 4,800 GW;
- total global investment in renewable energy production capacity in 2020 amounted to $266 billion[94], with a production of around 3 million MW[95], representing 12.6% of global energy consumption[96], on a high annual growth (+9.7%)[97]; by 2040, this consumption is expected to reach 23.5%[98].

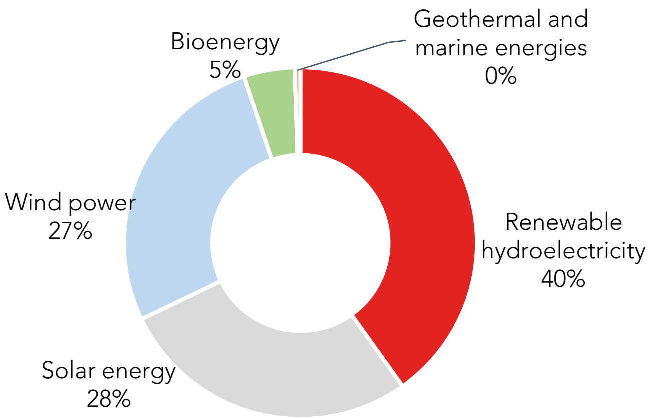
[91] EDF, "What is renewable energy?
[92] URD 2021, p. 19.
[93] IEA, "*Renewables 2021 - Analysis and Forecast to 2026*", p. 14.
[94] Xerfi, " *The Global Renewable Energy Industry*," September 2021, p. 17.
[95] IRENA, "*Renewable Capacity Statistics 2022*", p. 2.
[96] Xerfi, " *The Global Renewable Energy Industry*," September 2021, p. 45.
[97] Bp, *Bp Statistical Review of World Energy 2021*, p. 55.
[98] Xerfi, " *The Global Renewable Energy Industry*," September 2021, p. 46.

However, although the renewable energy market is growing rapidly, the saturation of potential locations (for hydroelectric installations in particular) and the criticism that some of these energies (solar and wind power for example) raise issues for public authorities and players in the sector.

3.2.1.2. Typology of renewable energy sources

The International Renewable Energy Agency (IRENA) differentiates six categories of renewable energy sources: hydroelectricity, solar, wind, bioenergy, marine and geothermal; hydroelectricity, as well as solar and wind energy, are the majority in the global energy mix and represent nearly 95% of renewable energy consumption, while the contribution of marine and geothermal energy is still very marginal.

Global distribution by type of renewable energy consumption in 2021



Source: IRENA, Renewable Capacity Statistics 2022

The level of maturity of the exploitation of these energy sources is asymmetric; for example, while the average annual growth rate of solar energy over 10 years is 38.3%, it is only 2.1% for hydroelectricity[99]. This observation is due to the saturation of the exploitation possibilities of certain energies on a global scale, and to the dynamics that can stimulate investment (profitability, windfall effects, government policies, etc.).

Similarly, while the cost of one energy source differs from that of another, technical progress and productivity gains lead to a reduction in the levelized cost (or discounted cost) of some electricity sources. For example, the levelized cost of solar energy has decreased by 85% over the past decade, while that of bioenergy has remained unchanged.

[99] Bp, BP Statistical Review of World Energy 2021, p. 53 and p. 58.

Levelized cost of electricity

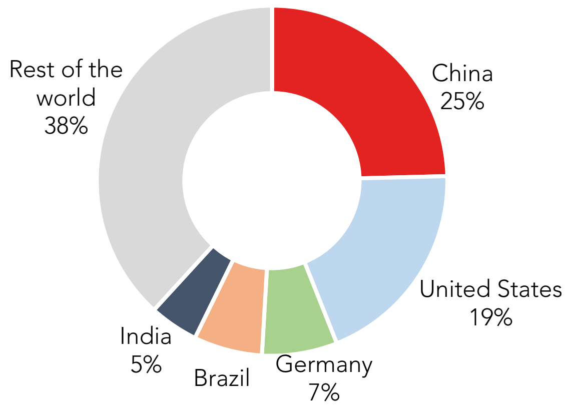
Energy	2020 $/kWh		
	2010	2020	Variation
Bioenergy	0.076	0.076	0%
Geothermal	0.049	0.071	45%
Hydroelectricity	0.038	0.044	16%
Solar	0.381	0.057	-85%
Onshore wind	0.089	0.039	-56%
Offshore wind	0.162	0.084	-48%

Source: IRENA, Renewable Power Generation costs in 2020

3.2.1.3. Main renewable energy consuming countries

China and the United States alone account for 44% of renewable energy consumption; the top five countries account for 62%.

Ranking of countries consuming renewable energy in 2021



Source: BP Statistical Review of World Energy, 2021 edition

3.2.1.4. Main players in renewable energy

The renewable energy sector brings together several players in the value chain:

- equipment manufacturers (for hydroelectric power plants, solar panels, onshore and offshore wind turbines, etc.), upstream of the sector, are generally specialized in a market segment, although some of them[100] have a generalist profile;
- site operators (generalists or specialists), at the heart of the sector, are sometimes involved in energy distribution;
- distributors, downstream of the sector.

[100] Such as *GE Renewable Energy* or *Siemens Gamesa.*

3.2.2. Characteristics of the biomass and solar market

3.2.2.1. The market for electricity generated from biomass

In 2020, biomass ranked fourth in global renewable electricity generation, with a 2.2% share[101] of total global electricity generation (602 TWh). According to IRENA[102], this share is expected to rise to 18% between 2031 and 2050, in support of the measures needed to keep global warming below 1.5°C. The ecological necessity of biomass development is also highlighted by IEA[103].

The global size of this market, estimated at $121.4 billion in 2021, is expected to grow at a compound annual growth rate of 6.0% from 2022 to 2030[104].

This growth will be supported by the planned phase-out of coal in the European Union, currently the world's largest player in biomass power generation (37% of market revenues)[105], and by the continued investments already made in North America.

3.2.2.2. The market for electricity generated from solar energy[106]

Solar power is now the second largest source of green electricity generation and the fastest growing segment of the renewable energy market. While installed capacity was 40 GWp in 2010, it has reached 707 GWp in 2020.

The market is expected to grow at an average of 13% per year between now and 2025, driven by government policies to encourage the development of large-scale solar power plants in many countries and the commercialization of more efficient solar panels. This growth is expected to be driven mainly by China, the United States and India.

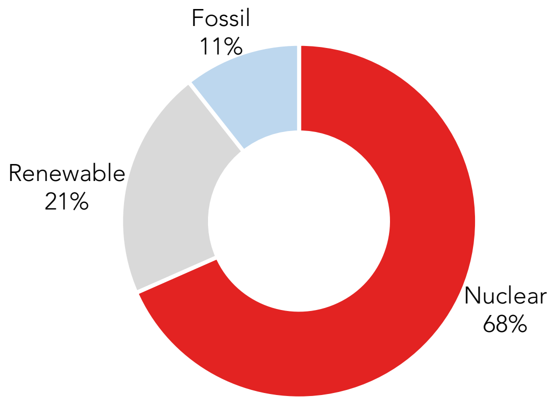
3.2.3. The renewable energy market in France and overseas

The French power generation market is relatively concentrated, due to high barriers to entry. EDF, Engie and Total largely dominate the sector. Nevertheless, France has many pure players in the production of renewable energies, such as Neoen or Voltalia (§ 4.4.4. and Appendix 8).

Energy consumption in France is characterized by the preponderance of nuclear power compared to renewable and carbon-based energies.

[101] URD 2021, p. 19.
[102] IRENA, "*World Energy, transition outlook*", p. 235.
[103] IEA, "*Renewables 2021, Analysis and forecast to 2026*, "p. 122.
[104] Grand View Research, *Biomass Power Market*.
[105] Grand View Research, *Biomass Power Market*.
[106] Xerfi, "*The Global Renewable Energy Industry,*" September 2021, p. 9.

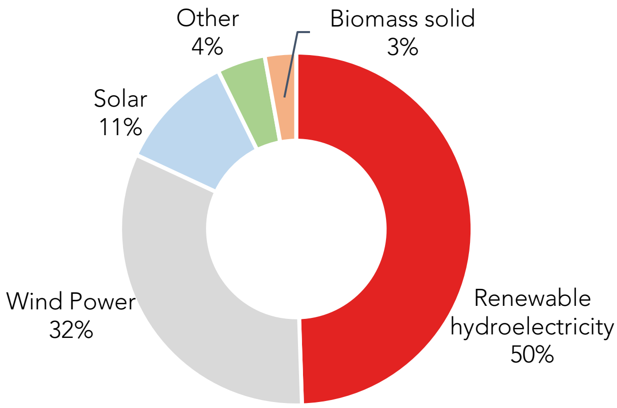
Consumption by energy source in France in 2020



Source: EDF, 2021

In 2020, renewable energy consumption in France represented 13.1% of national energy consumption, or 348 TWh[107]. The gross production of renewable electricity amounted to 126 TWh, concentrated on hydro and wind power. The production capacity of the photovoltaic market has also increased tenfold over the last decade.

Consumption by renewable energy source in France in 2020



Source: Ministry of Ecological Transition, Key figures for renewable energy 2021

In the French overseas territories, the energy mix favors renewable energies, despite a heavier cost structure than in metropolitan France.

- on **Reunion Island**, the production of renewable energies amounts to 31%[108] of the island's production in 2020, including 14% hydroelectricity, 9% photovoltaic and 8% bagasse. The Regional Council of Reunion Island is aiming for an electricity production entirely from renewable energies as of 2023[109].

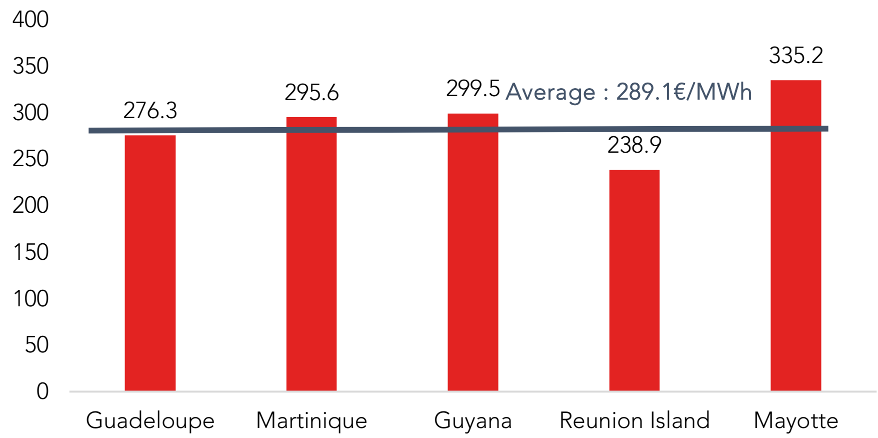
[107] Ministry of Ecological Transition, "Key figures for renewable energy 2021," p. 6.
[108] EDF, Forecast balance of electricity supply/demand in Reunion 2021, p. 5.
[109] Le Monde, "Reunion aims for '100% renewable' electricity production in 2023, "December 18, 2020.

- according to the French Environment and Energy Management Agency (ADEME), renewable energies could produce 100% of the electricity in **French Guyana** before 2028. In 2020, biomass is the third energy in the region (15%) and solar the fifth (4%)[110].

- In **Martinique**, renewable energy represents 24% of the energy mix, but should reach 100% by 2030. The solar park includes more than a thousand installations, with a production capacity of 62.5 MW. Albioma is the only biomass energy producer on the island, with a capacity of 40 MW, covering 15% of its electrical needs[111].

While the cost of producing electricity on the French residential market was €218/MWh in 2020, it averaged €289/MWh in the Group's overseas territories in the same year.

Production cost 2020 in €/MWh



Source: French Energy Regulation Commission, Energy transition in the ZNI, 2021

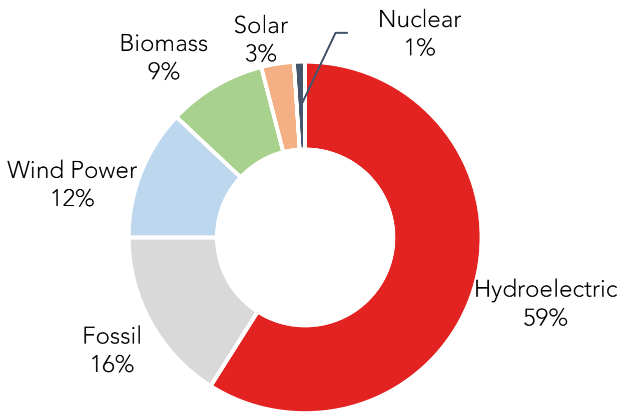
The impossibility of developing nuclear energy in the French overseas territories and the need for energy transition have led public authorities to encourage renewable electricity production activities within structures of a size adapted to the various geospatial, geological and topographical constraints that limit the number of available sites and impose *de facto* barriers to access to these territories, which the Group takes advantage of because of its historical presence; the production of electrical energy from biomass and solar energy is particularly consistent with the ecosystem of these areas. The French law 2015-992 of August 17, 2015 on the energy transition for green growth[112] in the overseas territories is a strong incentive for renewable energy producers to invest in these markets.

[110] ADEME, "Renewable energies: a response adapted to the Guyanese context", p. 8.
[111] Energy transition in Martinique, "renewable energies, what resources for our island?
[112] In particular, the Law on the Energy Transition for Green Growth created the Multi-Year Energy Plans / *Programmations pluriannuelles de l'énergie* (PPE), which are tools for steering energy policy, and concern metropolitan France and the ZNIs (§ 3.1.3.1), *i.e.*, Corsica, Reunion Island, French Guyana, Martinique, Guadeloupe, Wallis and Futuna, and Saint Pierre and Miquelon. The PPE for metropolitan France is drawn up by the Government, while the PPEs for the ZNIs are drawn up jointly with the local authorities. Source: Ministry of Ecological Transition, PPE.

3.2.4. The Brazilian renewable energy market

As the world's largest producer and exporter of sugar, Brazil is a prime location for the production of biofuel and biomass energy from the combustion of bagasse. The valorization of this fuel contributes up to about 10% of the national electricity production, ranking Brazil third in the world in terms of total biomass electricity generation capacity in 2020[113].

Consumption by energy source in Brazil in 2020



Source: Albioma, URD 2021

The Brazilian electricity market has a capacity of 183 TWh, which is greater than that of the French market (§ 3.2.3), but for a population three times larger, which gives it significant growth potential. The market share of renewable energies, all categories combined (hydro, wind, solar and biomass) is expected to increase by 7% between 2021 and 2031, reaching 94% of the national installed capacity in 2031[114].

However, there is a significant inflationary risk in the country, with inflation exceeding 10% in 2021, twice the upper limit of the government's forecast range (5.25%)[115]. The country's key interest rate is also high (10.75%)[116], which could slow investment in this market in the short term.

3.2.5. The Turkish geothermal market

Although solar and wind account for 80% of the country's renewable energy production in 2020[117], Turkey is the world's largest investor in geothermal energy and the fourth largest producer of electricity from this energy source[118]. In the same year, 48 geothermal plants were operating in the country, with a total production capacity of 1,515 MW[119].

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[113] REN21, "*Renewables 2021 Global Status report*, " p. 95.
[114] URD 2021, p. 20.
[115] Le Figaro with AFP, "*Brazil, inflation at its highest in six years in 2021*", January 11, 2022.
[116] Les Échos, "*Brazil raises its key rate above 10%, a first in five years*", February 3, 2022.
[117] IEA, "*Renewables 2021, Analysis and forecast to 2026*, " p. 62.
[118] REN21, "*Renewables 2021 Global Status report*", p. 101.
[119] Ekin Inal, *Geothermal electricity generation in Turkey: Large potential awaiting investors*, July 21, 2020.

The Turkish Constitution specifies that natural resources are the property of the State, which, within the framework of *Act No. 5686 on Geothermal Resources and Mineral Waters*, directly supervises exploitation operations and develops incentives such as the feed-in tariff system (§ 3.1.3.3).

The potential for geothermal energy is considered high in the country, but only if financing is available; the number of commercial-scale geothermal fields identified in Turkey to date is in the hundreds[120].

3.2.6. Synthesis

An analysis of the renewable energy market confirms, in the segments in which it operates (biomass, solar and geothermal energy) and in the areas where it is present:

- the Group's presence in the French overseas departments and regions, as well as in Mauritius; Albioma's contribution to the energy transition in the overseas departments and regions is included in the investment package planned for 2025, with the objective of a 100% renewable energy mix by 2030 (§ 3.1.4);

- its development capacity in solar and geothermal energy, where the operational risk appears to be lower than in thermal activities using renewable (bagasse) or fossil fuels (coal, oil);

- the potential of the Brazilian market.

Compared to the pure players, Albioma, in its current configuration, has a specific place and profitability in the renewable energy market, particularly with regard to its business model, which is characterized by:

- a favourable competitive situation in its areas of operation, particularly in the French overseas territories;

- the contractual specificities linked to the regulatory scheme, which gives its multi-year forecasts a satisfactory degree of reliability;

- maintaining a fossil fuel component in its energy mix, notwithstanding the eventual goal of "100% biomass";

- a remuneration method associated with the availability of thermal power plants, differentiating it from the production criteria of the solar or wind assets of pure players.

[120] Source: JESDER, *Turkish Geothermal Power Plant Investors Association*; Ruggero Bertani, *Geothermal Power Generation in the World 2010-2014 Update Report*, Proceedings World Geothermal Congress 2015, Melbourne, Australia, April 19-25, 2015, p. 11.

3.3. Historical analysis of the Group's performance

The Group's performance from 2017 to 2021[121], in terms of activity and profitability (§ 3.3.1), as well as its balance sheet structure at December 31, 2021 (§ 3.3.2), are presented below.

These data are derived from the Group's financial reports and consolidated financial statements prepared in accordance with IFRS, with an annual closing date of December 31.

3.3.1. Business and profitability analysis

The Group's activity and profitability have evolved as follows over the last five years:

Income statement

M€	2017	2018	2019	2020	2021
Sales	399.1	428.3	505.7	506.7	573.3
% change	*8.5%*	*7.3%*	*18.1%*	*0.2%*	*13.1%*
Purchases (including inventory changes)	(130.3)	(139.1)	(157.9)	(139.6)	(183.2)
Logistics costs	(10.8)	(9.9)	(10.9)	(13.1)	(15.0)
Personnel costs	(43.9)	(45.7)	(55.3)	(56.3)	(60.4)
Other operating income and expenses	(82.6)	(76.8)	(101.7)	(96.5)	(116.6)
Amortization of electricity supply contracts	(6.2)	(5.9)	(6.8)	(6.9)	(6.8)
Depreciation and provisions	(46.3)	(51.3)	(69.8)	(76.2)	(80.0)
Share of net income of associates	3.6	3.3	2.5	1.6	3.3
Current operating income	82.7	102.8	105.9	119.7	114.6
% of sales	*20.7%*	*24.0%*	*20.9%*	*23.6%*	*20.0%*
Other operating income and expenses	(1.6)	0.4	2.1	2.7	13.7
Operating Income	81.1	103.3	108.0	122.5	128.3
% of sales	*20.3%*	*24.1%*	*21.4%*	*24.2%*	*22.4%*
Cost of financial debt	(24.3)	(23.4)	(30.7)	(31.8)	(32.0)
Other financial income	1.9	4.2	1.1	0.5	0.7
Other financial expenses	(0.7)	(0.6)	(0.6)	(0.8)	(1.4)
Income before tax	58.1	83.5	77.9	90.4	95.5
% of sales	*14.5%*	*19.5%*	*15.4%*	*17.8%*	*16.7%*
Income tax expense	(11.9)	(29.9)	(23.7)	(26.1)	(24.2)
Net income of the consolidated group	44.3	53.6	54.2	64.4	71.3
% of sales	*11.1%*	*12.5%*	*10.7%*	*12.7%*	*12.4%*
Net income, group share	37.4	44.2	44.1	55.3	59.0
Net income attributable to minority interests	6.8	9.4	10.1	9.1	12.3

Source : Albioma financial reports

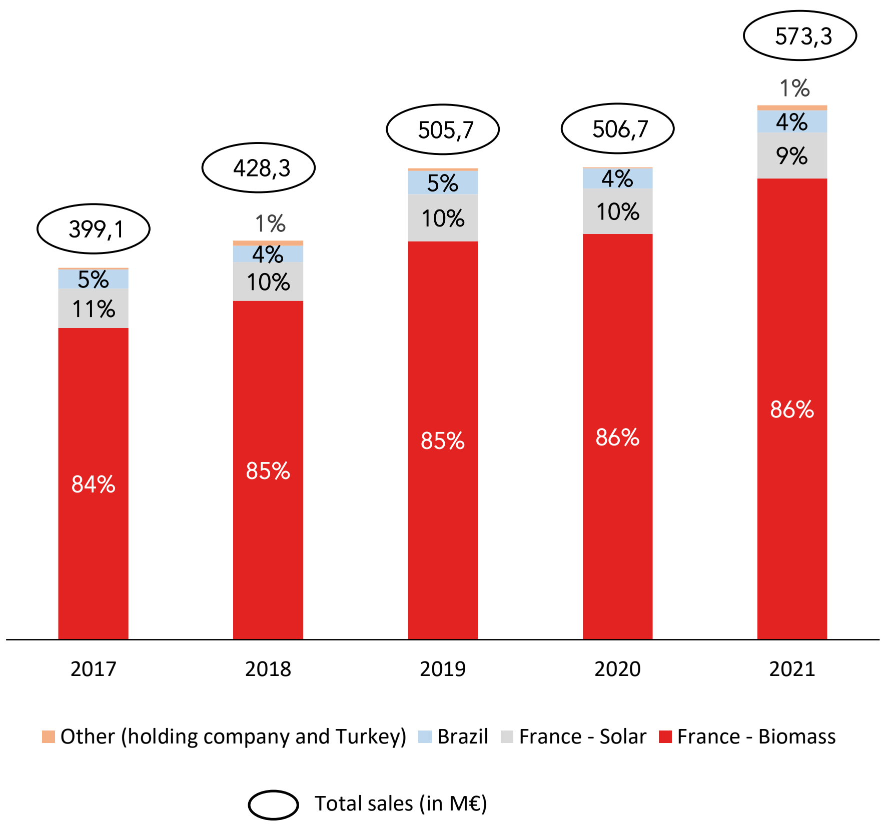
[121] Data restated on a historical basis, where applicable.

3.3.1.1. Evolution of the sales revenues

The multi-year evolution of revenues by operating sector, illustrated graphically below, highlights:

- an increase in activity driven by the implementation of new projects;
- the stability of the relative weight of each operating segment in the formation of revenues, as changes in the scope of consolidation[122] have not significantly affected this breakdown;
- the majority share of the "France Biomasse Thermique" sector: organizing its historical activities around the production of electricity from biomass, the Group still derives most of its revenues from the activity of its thermal power plants in the French overseas territories, operated through long-term partnerships with EDF in a regulated electricity market (§ 3.1.3.1); the revenues generated by the various projects depend on the contractual remuneration conditions[123].

Revenue growth by operating segment 2017-2021 (M€)



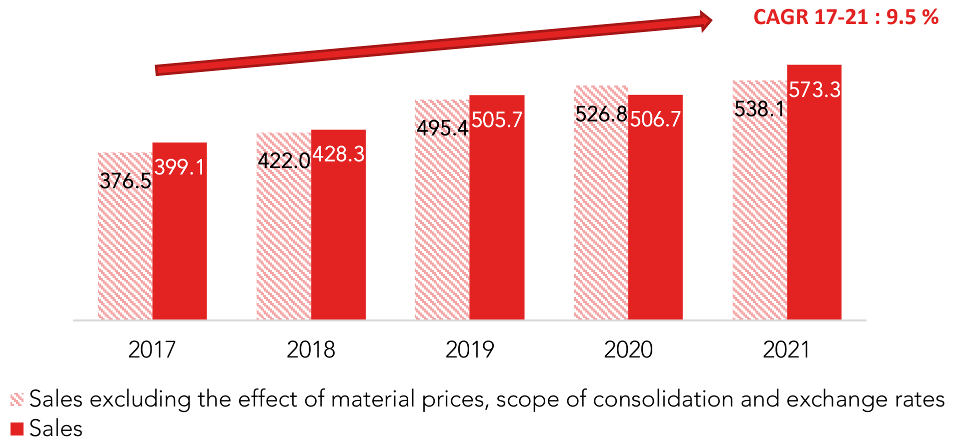
Source: Albioma financial reports

[122] Changes in the scope of consolidation mainly correspond to the acquisition of Eneco France (now Albioma Solaire France) and the Albioma Esplanada Energia plant in Brazil in 2018, and also the acquisition of the Gümüsköy geothermal production company in Turkey in 2021 (§ 3.1).

[123] The "implicit rate of return" is set for each project by order of the Minister in charge of energy on the proposal of the CRE (§ 3.1.3.1).

The data published by the Group on the impact of exchange rate fluctuations, fluctuations in the purchase price of fuels[124] and changes in the scope of consolidation on the level of activity enable sales to be reconstituted at constant exchange rates, fuel prices and scope of consolidation ("SCRPS").

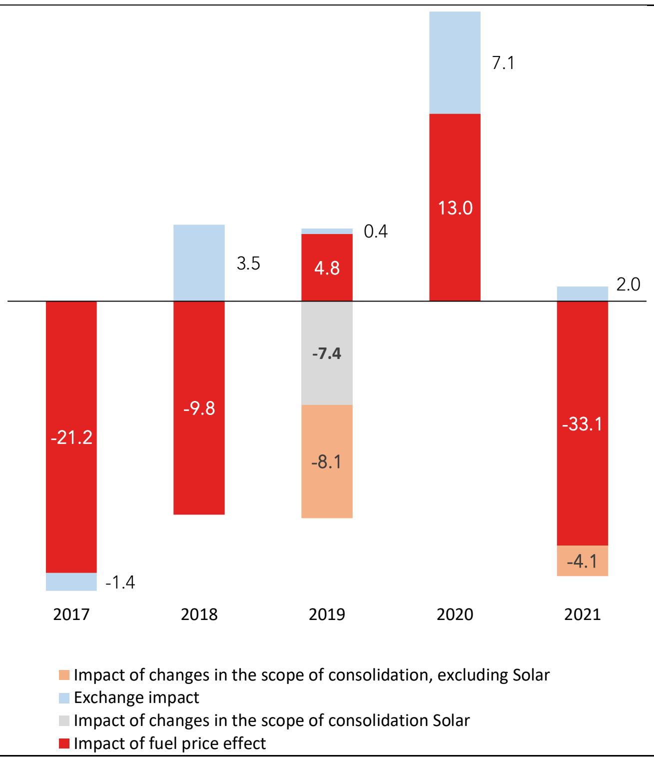
Evolution of Sales and SCRPS 2017-2021 (M€)



Source: Albioma financial reports

The graph below shows the significant impact of fluctuations in the purchase price of fuels on the evolution of revenues.

Impact of adjustments between SCRPS and Sales 2017-2021 (M€)



Source: Albioma financial reports

[124] As the contractual indexation of the electricity selling price to the cost of fuel leads to annual fluctuations in revenues without any direct effect on the margin (§ 3.1.3), we have analyzed this impact in the analysis of changes in revenues.

Over the past five years, revenues have grown at an average annual rate of 9.5% (versus SCRPS: 9.3%), driven mainly by the cogeneration activity of the thermal power plants in the French overseas departments:

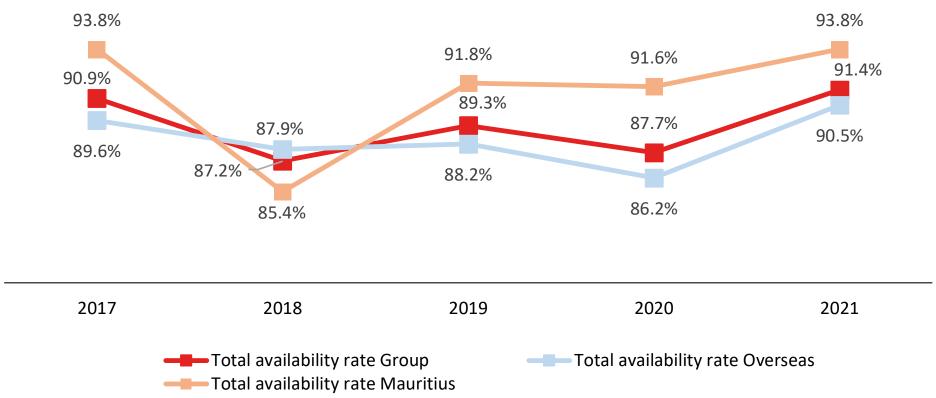
- increase in the fixed premiums received following the investments made to bring the installations into compliance with the IED directive[125] (§ 3.1) and the signing of endorsements with EDF;
- development of new projects, including the commissioning of two new power plants: Galion 2 (Martinique) in 2018 and Saint Pierre (Reunion) in 2019;
- overall plant availability rate of 91.4% in 2021, the highest level in 5 years, despite a drop in availability rates in the overseas territories of the Albioma Bois-Rouge and Le Gol plants in Reunion Island, and taking into account a level of production affected by the impact of the surge in the price of raw materials for combustion on call rates[126].

Availability rates

%	2017	2018	2019	2020	2021
Albioma Bois-Rouge	86.1%	80.5%	83.4%	88.3%	85.8%
Albioma Le Gol	88.2%	88.2%	90.3%	90.9%	89.1%
Albioma Le Moule	88.2%	94.0%	86.4%	70.3%	92.9%
Albioma Galion	92.6%	90.7%	92.2%	91.5%	92.1%
Albioma Saint-Pierre	-	-	92.0%	94.5%	96.8%
Total availability rate Overseas	89.6%	87.9%	88.2%	86.2%	90.5%
Terragen	95.7%	93.1%	92.0%	93.3%	95.6%
OTEO Saint-Aubin	92.4%	89.8%	91.7%	93.4%	93.0%
OTEO La Baraque	93.0%	77.6%	91.6%	89.6%	92.7%
Total availability rate Mauritius	93.8%	85.4%	91.8%	91.6%	93.8%
Total availability rate Group	90.9%	87.2%	89.3%	87.7%	91.4%

Source: Albioma financial reports

Evolution of availability rates 2017-2021



Source: Albioma financial reports

[125] The Directive 2010/75/EU of November 24, 2010 on industrial emissions (IED) defines an integrated approach to the prevention and reduction of pollution emitted by certain industrial installations (§ 3.1).
[126] The increase in the cost of fuel purchases is passed on to EDF on a contractual basis *via* an indexation mechanism making the price offered by Albioma *de facto* less competitive (§ 3.1.3).

As a reminder, Albioma reports in the quarterly financial information as of March 31, 2022:

- the good performance of its revenues (+4%[127] to date), the excellent performance of thermal installations in the French overseas territories[128] and the scope effect linked to the integration of the Kuyucak geothermal power plant (§ 3.1.2.3);
- in the France - Biomass Thermal segment:
  - availability rate of 90.5%;
  - the decrease in electricity production by thermal installations[129] taking into account the continued decrease in call rates in Reunion Island in connection with the high price of coal and CO_2 (§ 3.1.3).

3.3.1.2. Evolution of operating profitability

For segment comparability purposes, the Group reports EBITDA by operating segment, corresponding to operating income (OI)[130] restated for depreciation, amortization, provisions and other non-cash items recognized in other operating income and expenses.

The transition between operating income, which is understood to be after taking into account non-recurring income and expenses, and EBITDA is analyzed as follows from 2017 to 2021:

OI - EBITDA transition

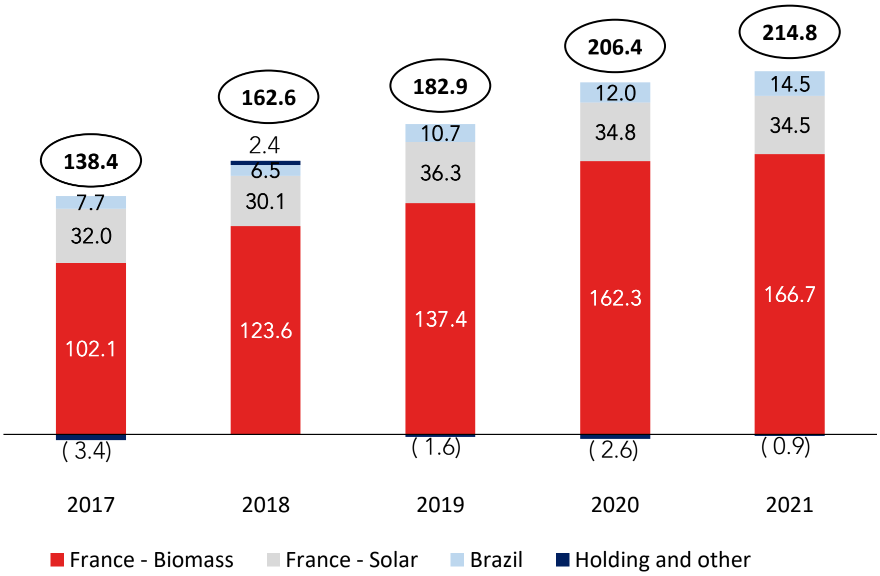
M€	2017	2018	2019	2020	2021
Operating income	81.1	103.3	108.0	122.5	128.3
Amortization of contracts	6.2	5.9	6.8	6.8	6.8
Depreciation of fixed assets	44.5	49.7	65.7	70.6	75.2
Amortization of rights of use	-	-	2.3	2.4	3.4
Allowances and reversals of provisions	1.8	1.6	1.8	3.1	1.5
Allowances, reversals of provisions and other items with no cash impact	4.9	2.1	(1.7)	1.0	(0.4)
EBITDA	138.4	162.6	182.9	206.4	214.8
% of sales	*34.7%*	*38.0%*	*36.2%*	*40.7%*	*37.5%*

Source: Albioma financial reports

[127] Excluding the effect of fuel prices, which have risen sharply in the post-Covid context and due to the reduction in supply since the start of the conflict in Ukraine.
[128] Operating segment France - Thermal Biomass.
[129] 399 GWh in the first quarter of 2022 *versus* 437 GWh in the first half of 2021.
[130] Including income from companies accounted for by the equity method.

The change in EBITDA between 2020 and 2021 is mainly due to the other operating income and expenses mentioned above[131] as well as the increase in fixed premiums, whose positive contribution is partly offset by the effect of lower call rates at coal-consuming plants, given the inflation in coal and CO_2 prices (§ 3.1.3), which has worsened the yields of the least called units.

EBITDA evolution by sector 2017-2021 (M€)



Source: Albioma financial reports

Compared to other players in the renewable energy sector[132], the Group's margin indicators are particularly affected by the cost of purchasing combustion materials[133], some of which are of fossil origin, which represents on average about one third of revenues between 2017 and 2021; the energy transition plan undertaken by the Group, involving the replacement of coal by biomass in French thermal power plants, has resulted in a significant increase in the share of renewables in the energy mix between 2018 and 2021, from 62%[134] to 74% (§ 3.1.2.1).

The relative stability of profitability indicators is related to the long-term projects undertaken by the Group in the context of industrial partnerships (§ 3.1.2.1), and to the contractual arrangements that help secure its production over a long period (§ 3.1.3) and ensure the implicit rate of return on projects[135]. It is in this context that the Board of Directors is asked to approve the five-year business plan drawn up annually (§ 4.4.2.2.i) as part of the Group's strategic plan.

[131] As a reminder, in 2021, non-recurring items represent net income of €13.4 million, corresponding mainly to:
- the retroactive effect of amendments to electricity sales contracts for two power plants in the French overseas territories (Galion 2 and Saint Pierre), which enabled the Group to benefit from retroactive tariff compensation for EDF's assumption of part of the additional costs of building the biomass unit in 2018 (Galion 2) and the combustion turbine in 2019 (TAC Saint Pierre): €6 million;
- income from the settlement of a dispute with a supplier related to the supply of a turbine: €6 million;
- the reversal of a provision that had become unnecessary following the expiry of a liability guarantee: €2.1 million.

[132] See analysis of the multiples of the Stock Market Comparables (§ 4.4.4.2).

[133] Purchases, which include the cost of materials consumed in the production of electricity, include in particular coal and fuel oil.

[134] *Versus* 31% in 2013.

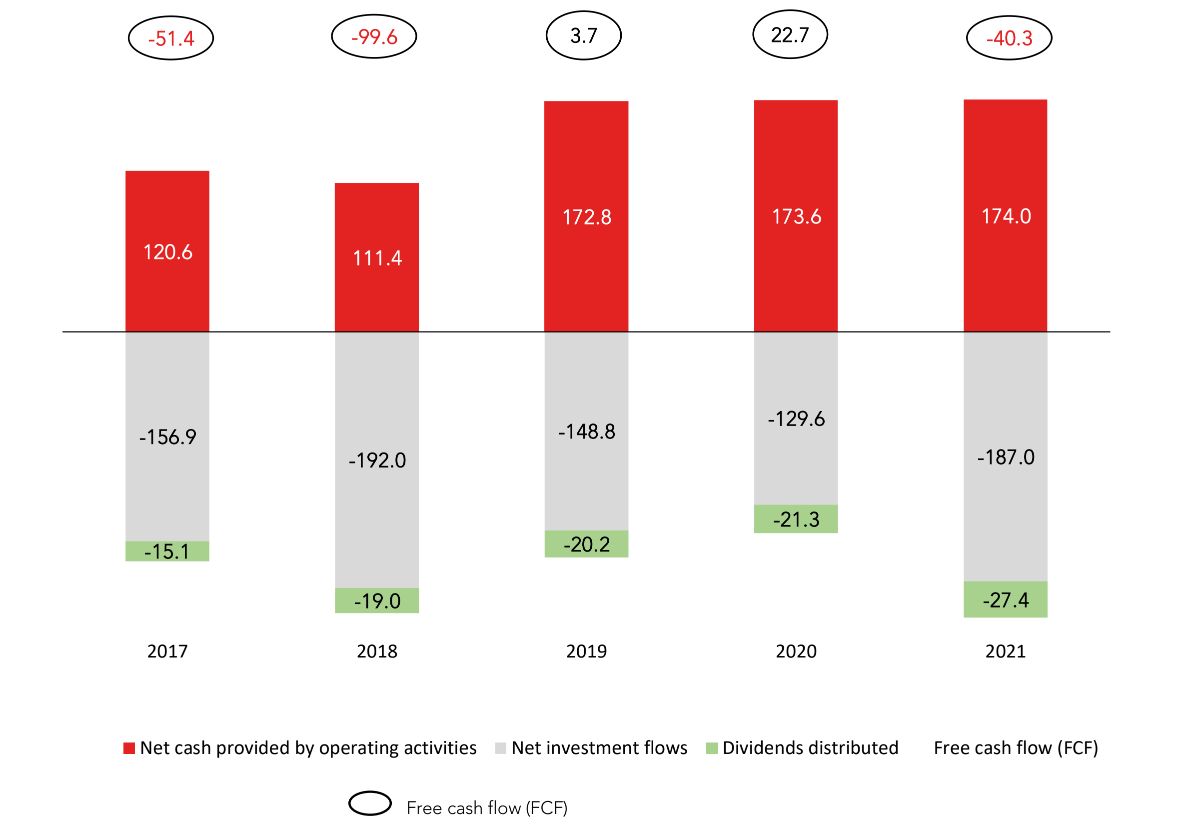
[135] Given the mechanism for indexing the price of electricity to the cost of fuel (§ 3.3.1.1).

3.3.1.3. Change in cash flow

In connection with the analysis of changes in the Group's revenues and profitability, we compared, over the period 2017-2021:

- net cash provided by operating activities; and
- free cash flow ("**FCF**"), corresponding to net cash flow from operating activities less net investment flows, also taking into account dividend distributions;

Change in FCF after dividend distribution 2017-2021 (M€)



Source: Albioma financial reports

Over the past five years, net cash flow from operating activities alone has systematically not covered the financing of investments and recurring dividend payments[136] (§ 4.4.3.2)[137]. This observation should be qualified, however, by the Group's ability to generate recurring cash flows, excluding development investments, which enable it to have the equity capital needed to obtain the agreement of its banking partners to raise the financing required to launch each project.

[136] Dividends paid to Albioma shareholders and minority interests.
[137] Dividend distributions are included in net cash provided by financing activities.

3.3.2. Balance sheet structure

At December 31, 2021, the Group's simplified balance sheet structure, which is characterized by the preponderance of tangible assets and net debt, is summarized as follows.

Simplified balance sheet

M€	Dec. 21	Var 2017-2021
Goodwill	15.6	3.9
Intangible assets	119.5	21.4
Property, plant and equipment	1 384.3	341.9
Investments in associates	25.7	2.3
Working capital requirement	51.5	36.6
Economic assets	1 596.6	406.0
Non-current financial assets	8.6	6.9
Financial liabilities	(32.5)	1.7
Other financial assets and liabilities	(24.0)	8.6
Deferred tax assets	2.4	(4.2)
Deferred tax liabilities	(23.0)	16.1
Deferred taxes	(20.5)	11.9
Provisions for employee benefits	(48.6)	(15.6)
Other provisions	(3.4)	9.1
Provisions	(52.0)	(6.5)
Cash and cash equivalents	107.9	15.8
Deposits related to finance lease transactions	4.5	2.0
Current and non-current financial debts	(1 013.0)	(305.7)
Net debt	(900.6)	(287.9)
Minority interests	(96.5)	(18.1)
Net book value (Group share)	502.9	114.2

Source: URD 2021

3.3.2.1. Goodwill

Goodwill (**€15.6 million**) consists mainly of goodwill recognized following the entries into the scope of consolidation in the Biomass Thermal France (**€7.3 million**) and Solar (**€5.9 million**) segments. The change in this item over the period 2017 to 2021 is mainly impacted by the acquisition of Eneco France (now Albioma Solaire France) in December 2018 (§ 3.1) intended to develop the Group's solar energy production capacities[138].

[138] Eneco France 's main activity is to develop, build and operate photovoltaic power plants on roofs and agricultural sheds for private individuals and industrial companies in the south of France. This acquisition of control generated the recognition of €13.3 million in goodwill in 2018, the allocation of which, which took place in the following year, allowed for its reclassification in the amount of €7.3 million (goodwill on electricity sales contracts in particular).

3.3.2.2. *Intangible assets*

Intangible assets (**€119.5 million**) mainly correspond to the fair value of energy delivery contracts entered into by the various Albioma subsidiaries in France overseas and in Brazil (**€90.5 million**).

The balance represents the rights of use in accordance with IFRS 16 "Leases" (€**29.1 million**), compared with the lease liability (§ 3.3.2.10).

3.3.2.3. *Property, plant and equipment*

Property, plant and equipment (**€1,384.3 million**), the volume and historical growth of which illustrate the capital-intensive nature of the business and the financial resources mobilized through debt, are broken down as follows:

- facilities in service (**€1,200.2 million**), including in particular power plants in operation on projects that have entered the operating phase; and

- assets under construction (**€184.0 million**) relating to projects under development by the Group.

In a phase of growth in its solar and international activities, and the intensification of its energy transition plan in the French overseas territories, the Group has committed nearly €940 million in investments between 2013 and 2021, which it plans to supplement with a cushion of €600 million to €800 million in development investments by 2025 (§ 3.1.4).

3.3.2.4. *Investments in associates*

Investments in associates (**€25.7 million**) correspond to entities under significant influence, essentially consisting of Albioma's minority interests in projects in Mauritius[139] and Brazil[140].

3.3.2.5. *Working capital requirement*

Working capital requirements (WCR), which amounted to **€51.5 million** at December 31, 2021, or approximately one month's sales, have changed as follows over the past five years:

[139] Terragen, OTEO Saint-Aubin, OTEO La Baraque.
[140] Vale do Parana.

Working capital requirement

M€	2017	2018	2019	2020	2021
Stocks	54.5	62.2	55.0	60.3	75.8
Trade and other receivables	44.5	62.5	59.3	67.5	95.8
Other non-current assets	-	-	0.2	0.1	-
Other current assets	41.0	51.7	49.3	44.4	36.7
Suppliers	(62.7)	(66.4)	(76.8)	(71.1)	(91.3)
Tax and social security liabilities	(30.5)	(35.9)	(32.9)	(42.9)	(43.0)
Other current liabilities	(31.9)	(49.0)	(33.7)	(31.0)	(22.4)
Working capital requirement	15.0	25.2	20.3	27.3	51.5
Sales	399.1	428.3	505.7	506.7	573.3
WCR as % of revenues	*4%*	*6%*	*4%*	*5%*	*9%*
WCR in days of sales	*13.7*	*21.4*	*14.7*	*19.6*	*32.8*

Source: Analysis Ledouble

Given the conditions under which Albioma conducts most of its activities, in the context of long-term partnerships with key players with a solid presence in its markets, working capital and its variations are under control, as the Group has historically managed to keep the financing needs of its operating cycle below 30 days[141] of revenues.

3.3.2.6. Other financial assets and liabilities

Other non-current financial assets and liabilities (€24.0 million), which exclude deposits related to finance leases, restated from net debt (§ 3.3.2.10), mainly comprise derivative assets (€3.1 million) and liabilities (€32.5 million) relating to hedges[142] of variable-rate debt by interest rate swaps.

3.3.2.7. Deferred taxes

Deferred taxes resulted in a net liability of €20.5 million, mainly due to the difference between the book value and the tax value of finance leases.

The tax loss carryforwards activated at the end of 2021 are not significant; no unactivated tax loss carryforwards have been identified as of December 31, 2021.

3.3.2.8. Provisions

Provisions (€52.0 million) mainly cover commitments to employees (€48.6 million) and the costs of refurbishing and dismantling certain power plants (€1.3 million).

3.3.2.9. Cash and cash equivalents

As of December 31, 2021, the Group had a cash position of €107.9 million, broken down as follows

- available cash (€93.2 million);
- cash equivalents (€14.7 million) representing money market funds and term deposits.

[141] The period of time usually allowed for the payment of a commercial debt.
[142] Future interest expense excluded from net debt.

3.3.2.10. Net debt

Current and non-current financial liabilities of **€1,013.0 million** at December 31, 2021 break down as follows:

- bank loans and other similar financial debts, amounting to €961.2 million, including:
  - project liabilities: €818.6 million[143];
  - *corporate* debt[144]: €142.5 million;
- IFRS 16 rental debt[145]: €42.0 million;
- leasing debt: €9.8 million.

The fair value of the debt at December 31 (**€1,157.9 million**) was €144.9 million higher than the book value (€1,013.0 million).

After taking into account cash and cash equivalents of €107.9 million (§ 3.1.2.9) and deposits related to finance leases of €4.5 million, net financial debt at the end of 2021 reported by the Group amounts to **€900,6 million**.

The significant increase in net debt over the last five years (+€287.9 million, +47%) is linked to the financing of the significant volume of investments undertaken by the Group[146] and to the use of project debt[147], an integral part of Albioma's business model[148].

[143] Project debt is essentially non-recourse to the shareholder, with the exception of a portion of the Brazilian debt and projects under construction, for which the Company has granted guarantees as parent company; loan issue costs (€22.2 million) are recorded as a reduction in debt.
[144] Including the debt contracted with institutional investors as part of the Sustainability linked Euro PP fund raising subscribed in December 2020 for an amount of €100 million (§ 3.1.2.1) and the drawing of a short term credit line (RCF) of €19 million.
[145] IFRS 16 results in a treatment of operating leases similar to that of finance leases, implying the recognition of a lease liability in the balance sheet.
[146] This includes the conversion of thermal power plants to "100% biomass" (§ 3.1.2.1 and § 3.3.2.3).
[147] The covenants are housed at the project level.
[148] Approximately 75% of the Group 's investment projects are financed by project debt and the remainder by equity and minority partners.

3.4. SWOT Matrix

Forces

- Resilient business model based on long-term contracts with little sensitivity to economic factors
- World leadership in bagasse recovery and a strong presence in the French overseas territories
- Barriers to entry in key markets and areas of implementation
- Mature and recurrent business history based on long-term partnerships, upstream and downstream, with the sugar industry, contributing to the stability and sustainability of profitability
- Growing asset base and ability to raise financing in line with the investment program
- Quality of the extra-financial performance rating

Weaknesses

- Limited growth opportunities in historical markets (French overseas territories)
- Dependence on the French overseas market and still limited diversification (significant share of revenues and EBITDA generated by the French thermal biomass sector)
- Capital intensity associated with a high level of debt
- Production cost of energy from biomass structurally stable, while that of other renewable energies tends to decrease
- Investment policy conditioned by external financing
- Progressive erosion of fixed premiums over the life of the contracts
- Activity sensitive to weather conditions

Opportunities

- Full expansion of energy consumption Renewable energy on a global scale
- Conversion of all Biomass Thermal power plants to "100% biomass" and transition to near-exclusive renewable energy production by 2030
- Development prospects in Brazil
- Diversification into growth sectors (solar and geothermal)
- International development potential with the search for new markets and sources of biomass supply, possibly relying on the growth of sugar partners in sugarcane-producing areas (Latin America and Asia)
- Positive and attractive perception of renewable energy favorable to investments

Threats

- Operational risks (technical incidents), environmental risks (weather conditions), social risks (strikes)
- Instability of the Brazilian money market, highly inflationary
- Relatively precarious operator status in Brazil in the absence of land control
- Context of rising coal prices and CO_2 emission quotas leading to higher production costs and lower call rates for EDF's plants
- Regulatory risk

4. Valuation of Securities

We have carried out a multi-criteria valuation of the Share (the "**Valuation**") and the Warrants, the various components of which are set out below, presenting successively:

- the data structuring the valuation (§ 4.1);
- the valuation methods used (§ 4.2);
- stock market references (§ 4.3);
- the valuation methods used (§ 4.4);
- the summary of the Valuation and the premiums induced by the Share Offer Price (§ 4.5);
- the valuation of the Warrants (§ 4.6).

The Share Offer Price is presented hereafter, dividend attached (€0.84); the detachment of the coupon will take place on June 9, 2022 and its payment on June 13, 2022[149].

4.1. Data structuring the Valuation

4.1.1. Accounting standards

Albioma prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), which are mandatory for listed companies.

The consolidated financial statements and the annual financial statements of Albioma for the last fiscal year ended December 31, 2021 have been certified without qualification by the statutory auditors.

4.1.2. Valuation date

The consolidated financial statements for the year ended December 31, 2021, which are the latest published consolidated financial statements, serve as a reference for the historical financial data used for the valuation of the Share, in particular with regard to net financial debt (§ 4.1.4).

The reference dates used for the analysis of the Share price (the "**Reference Dates**") are the following:

- March 7, 2022: date preceding significant movements in the share price following rumors of KKR's interest in acquiring Albioma, which were confirmed on March 9, 2022 by the announcement of preliminary discussions with KKR (§ 1);
- April 27, 2022: last day of trading before the announcement of the Offer on April 28, 2022.

The financial parameters such as the discount rate (§ 4.4.1.3) and the aggregates and market capitalizations of the Listed Peers (§ 4.4.4) have been determined as of May 20, 2022.

[149] Albioma, press release of May 25, 2022.

4.1.3. Diluted number of Shares

We have used for the valuation the total number of Shares on a diluted basis as of December 31, 2021, which amounts to 32,993,142 Shares:

Diluted number of Shares

	31-Dec-21
Common Shares	32 052 047
Treasury Shares	(401 759)
Performance Shares	770 501
Warrants	572 353
Number of diluted Shares	32 993 142

Source: Company

- the number of outstanding Shares and the number of treasury Shares deducted from the number of outstanding Shares amount to 32,052,047 Shares and 401,759 Shares respectively;

- the impact of the Performance Shares on the Share value has been assessed *via* the diluted number of Shares;

- the number of potential Shares to be issued upon exercise of the Warrants has been calculated according to the Treasury method, which consists in using the proceeds from the exercise of the Warrants for the repurchase of Shares on the market, in this case at the Offering Price of the Share:
  - number of Warrants at December 31, 2021: 971,890 (§ 2.3.1);
  - proceeds from the exercise of the Warrants: € 20,312,501[150];
  - number of Shares potentially bought back on the market: 399,537[151];
  - residual number of Warrants: 572,353[152].

The subsequent change in the diluted number of Shares is not likely to increase the Share value that we present at the end of the valuation (§ 4.5).

4.1.4. Net financial debt

The Valuation is based on a net financial debt as of December 31, 2021, which lies between the enterprise value and the equity value of the Group. We have differentiated the net financial debt according to the characteristics of the valuation methods used.

Minority interests are added to net financial debt in the transition from enterprise value to Group equity value:

- we have estimated the present value of the minority interests on the basis of the Long Series Business Plan underlying the Share value in SOTP (§ 4.4.1.2.i);

- the relative weight of minority interests in relation to the equity value in SOTP has been duplicated in the equity value resulting from the other valuation methods.

[150] Number of Warrants at December 31, 2021: 971,890 x Exercise price of the Warrant: €20.9.
[151] Proceeds from the exercise of the Warrants: € 20,312,501 / Share Offer Price (dividend attached): € 50.84.
[152] Number of Warrants as of December 31, 2021: 971,890 - Number of Shares potentially bought back on the market: 399,537.

The companies accounted for by the equity method are included for their share in the projections of the Long Series Business Plan (4.4.1.2.i) and the Group Business Plan 2022-2026 (§ 4.4.2.2.i).

4.1.4.1. Net financial debt in DCF valuation

The net financial debt excluding minority interests used for the DCF valuation of the Group (§ 4.4.2), amounting to **€903.6 million**, is made up of the net book debt, amounting to €900.6 million (§ 3.3.2.10), adjusted by:

- provisions for liabilities and charges other than provisions for employee benefits[153] (€3.4 million);
- loans and other financial assets (€0.4 million).

Net financial debt - Intrinsic

M€	Dec-21
Current and non-current financial debts	1 013.0
Cash and cash equivalents	(107.9)
Deposits related to finance leases	(4.5)
Net book debt	*900.6*
Provisions for risks	3.4
Loans and other financial assets	(0.4)
Net financial debt excluding minority interests	903.6

Source: Analysis Ledouble

The rental debt is included in the Group Business Plan 2022-2026, which includes the impact of IFRS 16 "Leases", from which the cash flow forecasts are derived (§ 4.4.2.2).

Minority interests in the Group's DCF valuation are valued at an amount between **€199 million** and **€225 million.**

4.1.4.2. Net financial debt in SOTP valuation

Since the "Long Series" business plan used for the Group's "sum of the parts" valuation (§ 4.4.1.2) excludes by construction the impact of IFRS 16 "Leases", we have deducted the IFRS 16 lease liability from the net financial debt in DCF valuation.

The net financial debt calculated in this way, used for the valuation of the Group in SOTP, amounts to **€862 million**[154].

Minority interests in the Group's SOTP valuation are valued at **€194 million.**

[153] The 2022-2026 Group Business Plan underlying the calculation of the enterprise value using the DCF method includes expenses corresponding to employee benefits.
[154] Net financial debt based on DCF valuation: €903.6 million - IFRS 16 rental debt: €42.0 million (§ 3.3.2.10).

4.1.4.3. *Net financial debt in valuation by Listed Peers*

In order to make a consistent calculation with the one in our databases, we have used a net financial debt corresponding to the accounting net debt of **€900.6 million** for the valuation of the Group by Listed Peers (§ 4.1.4.1).

Minority interests in the valuation of the Group by Listed Peers are valued at an amount between **€209 million** and **€267 million** (§ 4.4.4.3).

4.2. Discarded valuation methods

4.2.1. Net asset value

The net asset value (NAV) method has not been used, as all the assets held are used for operating purposes and do not contain any significant unrealized capital gains.

4.2.2. Comparable transactions

The transactional multiples method was not considered relevant, either:

- at the Group's level, in the absence of transactions on targets with a similar business model;
- by operating segment, due to an insufficient number of exploitable transactions[155].

4.2.3. Capacity multiples

Capacity multiples have not been applied, given the generation of *cash flows* mainly by the French thermal biomass business, whose value is based more on the availability of the power plants than on their production capacity[156] (§ 3.1.3 and § 3.3.1.1).

4.3. Stock market references

The reference to the stock market value of the Share is discussed below from the point of view of its history (§ 4.3.1), an asset analysis for shareholders (§ 4.3.2) and the target prices of the equity research analysts (§ 4.3.3).

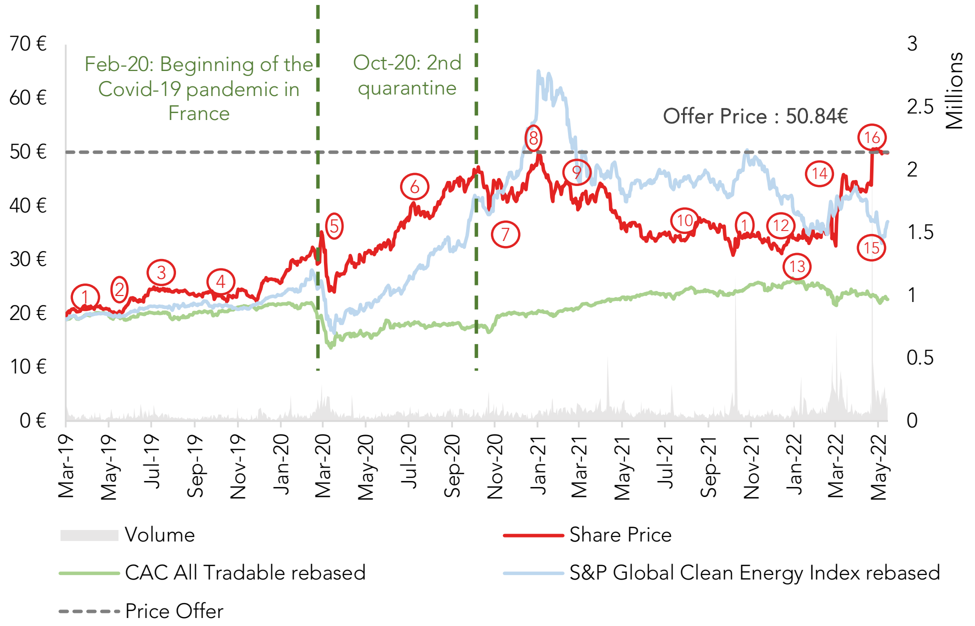
[155] With the exception of the solar business, which is not a major part of the Group's activities (§ 3.1.2.2).
[156] In any event, the application of the capacity multiples available to us to all of the Group's installed capacity does not call into question our assessment of the Share Offer Price.

4.3.1. Stock price analysis

The Shares are listed on compartment A of the regulated market Euronext Paris[157].

We present below the evolution of the Share price[158] over the 24 months prior to March 7, 2022, the last quotation before the disruption of the Share price, by reference to the *CAC All Tradable* and the sectorial index *S&P Global Energy Index* rebased on the Share price; given the effect of the rumors on the Share price, the date of March 7, 2022 appears to be the most relevant date in terms of stock market references (§ 1):

Evolution of the Share price



Source: Company

The Share price outperformed *the CAC All Tradable index over the* entire period.

Two distinct periods emerge from the analysis of the Share price by reference to the rebased *S&P Global Energy* Index, it being specified that the renewable energy sector has benefited from strong investor interest during the year 2020:

- an evolution of the Share price in the trend of the sector index over the period of recovery of renewable energies;
- a decline in the *S&P Global Energy* Index as of January 2021 and a lag in the performance of the Share compared to the stocks in the sector.

[157] Under the ISIN code FR0000060402, mnemonic ABIO (§ 2.1.1).
[158] Daily prices adjusted for capital transactions.

We have listed the events that occurred within the Group in relation to the evolution of the Share price over these two periods:

Milestones

N°	Date	Comments
1	08-Mar-19	Publication of 2018 annual results, EBITDA: +18%, Net income, Group share: +18%
2	29-May-19	Option for payment of the dividend in new shares of the Company, up to 50% of the dividend to be distributed (€0.35 per Share)
3	24-Jul-19	Publication of H1 2019 results, Sales: +19%, EBITDA: +17%
4	23-Oct-19	Q3 2019 revenue released, 2019 earnings guidance confirmed at top end of range
5	03-Mar-20	Publication of 2019 annual results, Sales: +18%, EBITDA: +12%.
6	30-Jul-20	Publication of H1 2020 results, Sales: +4%, EBITDA: +19%.
7	07-Dec-20	Issuance of the Sustainability-Linked Euro PP for an amount of €100 million at 7 and 8 years
8	27-Jan-21	Announcement of the acquisition of Gümüsköy, a geothermal power plant in Turkey
9	04-Mar-21	Publication of 2020 annual results, stable sales, EBITDA: +13%.
10	28-Jul-21	Publication of H1 2021 results, Sales: +7%, EBITDA: (1%)
11	21-Dec-21	Entry into exclusive negotiations for the acquisition of a geothermal power plant in Turkey
12	24-Dec-21	Announcement of the acquisition of a second geothermal power plant in Turkey at Kuyucak
13	27-Dec-21	Announcement of the acquisition in Quebec of La Granaudière, a wood pellet production plant
14	02-Mar-22	Publication of annual results 2021, Sales: +13%, EBITDA: +4
15	09-Mar-22	Press release from the Company confirming preliminary discussions with KKR (6% increase in stock price compared to the previous day)
16	28-Apr-22	Publication of a press release confirming the strategic agreement between the Company and KKR for a tender offer at an offer price of €50 per Share, excluding dividends

We present below an analysis of the volume-weighted average prices[159] ("VWAP") of the Share at the Reference Dates (§ 4.1.2) on the basis of adjusted prices:

Adjusted VWAP analysis

€	Before rumors	Before announcement
	7-Mar-22	21-Apr-22
Spot (closing)	33,5	43,7
20 sessions	35,5	43,7
60 sessions	34,7	39,3
120 sessions	34,3	37,6
180 sessions	34,5	36,7
250 sessions	35,7	36,3
12 months	35,9	36,3
Min 12 months	31,1	31,1
Max 12 months	44,5	46,0
Min 24 months	23,7	30,0
Max 24 months	50,0	50,0

Source: Bloomberg

[159] The closing prices on March 7, 2022 and April 27, 2022 and the minimum and maximum prices are expressed as *spot* prices; the VWAPs are expressed as *intraday* prices.

- the VWAPs are lower than the Share Offer Price;
- during the last 12 months preceding the Reference Dates, all volumes were traded at a price lower than the Share Offer Price;
- during the last 24 months preceding the Reference Dates, the Share price reached a peak of € 50.00[160].

For information, the turnover of the Share, expressed in relation to the free float over the last 12 months counted to April 30, 2022, is calculated as follows at 122%, illustrating a relative fluidity of exchanges:

Free float turnover	April-22
Volume traded 12 months	22 845 530
Floating	18 759 618
Free float turnover (%)	122%

Sources: Bloomberg, Company, Ledouble analysis

4.3.2. Asset analysis

We have examined the evolution of the Share price over a long period of time, which, together with the dividends paid out, reflects the vision of a shareholder who acquired a stake in the capital on a given date. Since the Share price reached a high point in June 2007, we have recorded the history of the Share price over a long period of time up to mid-2001[161].

Evolution of the patrimonial value for a shareholder who joined the capital in June 2001

Source: Company

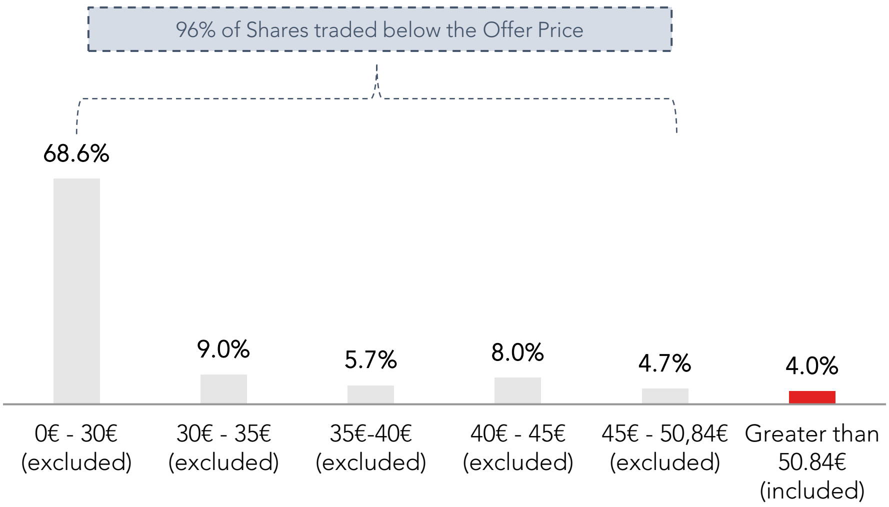
[160] Closing price. Source: Bloomberg.
[161] The year 2001 marked the merger of Séchilienne and Sidec, which led to the creation of Albioma (§ 3.1).

Based on this analysis, and for information purposes only, shareholders likely to tender their Securities to the Offer could realize a nominal gain calculated as the difference between:

- the Share Offer Price plus the cumulative dividends not reinvested since the date of their entry into the capital of the Company; and
- the Share price at the date of acquisition.

Also for information only, since 1992[162], 96% of the Shares have traded below the Share Offer Price.

Volume of Shares traded since 1992



Sources: Company, Bloomberg

4.3.3. Analysts' target price

We have identified the target prices of the equity research analysts[163]:

- before the rumors and announcement of the Offer;
- after the announcement of the Offer.

[162] Until March 7, 2022 (last day of trading before rumors); trading volumes and associated stock prices are available until 1992 on the Bloomberg database.
[163] The shaded target prices in the table, not updated by analysts, are not included in the calculation of the median and the average (for the record, Société Générale suspended its target price after the first rumors).

Analysts' target price

Analyst	Before rumors		Before announcement		After announcement	
	Date	Target Price	Date	Target Price	Date	Target Price
TP ICAP Midcap	2-Mar-22	54.0 €	2-Mar-22	54.0 €	28-Apr-22	50.0 €
Société Générale	2-Mar-22	50.0 €	2-Mar-22	50.0 €	2-Mar-22	50.0 €
Oddo BHF	2-Mar-22	57.0 €	14-Apr-22	55.0 €	22-Apr-22	55.0 €
Portzamparc	3-Mar-22	40.0 €	3-Mar-22	40.0 €	28-Apr-22	50.8 €
CIC Market Solutions	3-Mar-22	59.0 €	8-Mar-22	59.0 €	28-Apr-22	59.0 €
Gilbert Dupont	3-Mar-22	50.4 €	8-Mar-22	50.4 €	28-Apr-22	50.0 €
ID MidCaps			9-Mar-22	50.0 €	9-Mar-22	50.0 €
Kepler Cheuvreux	2-Mar-22	45.0 €	11-Mar-22	50.0 €	29-Apr-22	50.0 €
Jefferson Research					6-May-22	50.0 €
Median		50.4 €		50.4 €		50.0 €
Average		50.8 €		52.9 €		51.6 €

Source: Bloomberg, Analysts' Notes

Analyst target prices before the rumors ranged from €40.0 to €59.0, with a median of **€50.4** and an average of **€50.8**.

The target prices after the announcement of the Offer have been adjusted to the Share Offer Price, except for those of CIC Market Solutions (€59.0) and Oddo BHF (€55.0).

4.4. Valuation method used

In order to assess the Share Offer Price, we refer, primarily, to the valuations obtained by:

- a Sum of the parts ("**SOTP**") (§ 4.4.1);
- discounting the forecasted cash flows or Discounted Cash Flow ("**DCF**") at the Group level (§ 4.4.2);
- discounting the forecast dividend flows or Dividend Discount Model ("**DDM**") at the Group level (§ 4.4.3).

As a cross-check, we have implemented an valuation by reference to EBITDA multiples, usually used in the sector, calculated on a panel of listed companies considered comparable to the Group (§ 4.4.4).

4.4.1. Valuation SOTP

4.4.1.1. Principles of the method

This method consists of aggregating the value of the Group's various assets.

SOTP valuations are based on the contribution of each of the existing assets and projects identified within the Group as a whole; they are not indicative of their stand-alone value, nor of the price at which they could isolated be sold.

In order to determine the value of the Group's equity, we have deducted from the sum of the values of the assets and projects the net financial debt, and restated the minority interests which have been apprehended directly at the level of the assets concerned[164] (§ 4.1.4.2).

4.4.1.2. Presentation of the business plan

(i) Long Series

We referred to the projections underlying the annual asset impairment tests provided to us by the Management (the "**Long Series Business Plan** ").

The Long Series Business Plan is based on long-term cash flow forecasts for each existing asset (the "**Existing Scope**") and each identified project (the "**Projects**")[165], in the form of "Long Series" with a horizon, for certain assets, extending to 2051, including:

- the initial maturity of the contract; and
- an extension that assumes renewal of contracts on less favorable terms than those in effect[166].

(ii) Terminal value

The Long Series Business Plan includes a terminal value for all assets except:

- solar installations whose life is considered to be coming to an end at the end of the Long Series Business Plan forecasts;
- activities for which the Company does not own the assets, but only has the right to operate them (§ 3.1.3.1).

Terminal values are determined based on two approaches, depending on the underlying asset:

- a Gordon-Shapiro model based on the EBITDA of the last year of forecasts from the Long Series Business Plan and a level of normative investments equal to the depreciation and amortization charges for this last forecast sequence; or
- a model based on the average level of validated and remunerated investments on a contractual basis of 8.2% leading to the level of operating income.

[164] Fully consolidated, but not wholly owned; except in exceptional cases, each asset is housed in a dedicated company.
[165] The compilation of these projections is consistent with the data from the Group Business Plan 2022-2026 used for the DCF valuation of the Group (§ 4.4.2.2).
[166] As the remuneration system for long-term contracts includes a rate of return on assets and implicitly on Capex (§ 3.1.3.1), maintaining the current conditions at the renewal stage would imply investment flows that have not been fully modeled in the Long Series Business Plan.

This valuation approach, which explicitly includes all the investments required to operate the Existing Perimeter and the Projects, is similar to an asset valuation method.

4.4.1.3. Discount rate

The valuation of each of the assets comprising the Existing Scope and the Projects requires the application of a different discount rate to the cash flows depending on the activity and the operating area.

A country risk premium has therefore been calculated on a case-by-case basis according to the geographical location of the assets in the Existing Scope and the Projects[167]. A premium covering the development and execution risk of 1% has also been added to the discount rates of the Projects.

The beta coefficients[168], integrated in the discount rates used for the valuation:

- of Existing Scope and Project assets by activity (biomass and geothermal: 0.54 and solar: 0.44) are based on a panel of peers;
- of the holding company (0.62) results from the Company's beta (§ 4.4.2.3).

Discount rate by region

Country	Reunion Thermal	Reunion Solar	Guyana Solar	Martinique Thermal	Martinique Solar	Guadeloupe Thermal	Guadeloupe Solar	Mayotte	Brazil	Mauritius	Turkey	France Metropolitan	Holding
Risk-free-rate	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
Beta	0.54	0.44	0.44	0.54	0.44	0.54	0.44	0.54	0.54	0.54	0.54	0.44	
Market yield	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	
Risk premium	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	
Discount rate	4.8%	4.1%	4.1%	4.8%	4.1%	4.8%	4.1%	4.8%	4.8%	4.8%	4.8%	4.1%	
Country risk	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	2.2%	2.1%	2.0%		
Discount rate used	**5.4%**	**4.7%**	**4.7%**	**5.4%**	**4.7%**	**5.4%**	**4.7%**	**5.4%**	**7.0%**	**6.9%**	**6.8%**	**4.1%**	**5.3%**

Source: Bloomberg, Ledouble

4.4.1.4. Perpetual growth rate

The long-term growth rates used in the Long-Term Business Plan, which are consistent with the methodology used by the Company to perform its asset impairment tests, are broken down by asset in the Existing Scope and by Project.

4.4.1.5. Summary of the Share value in SOTP

We have combined below the variations in discount rates and perpetual growth rates in proportions consistent with the parameters of the sector[169], as well as the characteristics of the assets of the Existing Scope and the Projects:

[167] The estimate of the country premium includes:
- a financial component calculated on the basis of credit default swap (CDS) spreads associated with the sovereign rating of the countries concerned; and
- a political component based on a score published by the Bloomberg agency.

[168] The beta coefficients in SOTP are calculated using the same methodology as in DCF (§ 4.4.2.3).

[169] +/- 0.10% for the discount rate and the perpetual growth rate; for information purposes only +/- 0.25% for the discount rate.

Sensitivity analysis of the Share value - SOTP

Growth rate	Discount rate (0.20%)	(0.10%)	0.00%	0.10%	0.20%	Rate (+/- 25 bps) -0.25%	0.25%
(0.2%)	45.4 €	44.3 €	43.1 €	42.1 €	41.0 €	*46.0 €*	*40.5 €*
(0.1%)	45.8 €	44.6 €	43.4 €	42.3 €	41.3 €	*46.4 €*	*40.8 €*
-	46.1 €	44.9 €	**43.8 €**	42.6 €	41.6 €	*46.7 €*	*41.0 €*
0.1%	46.5 €	45.3 €	44.1 €	42.9 €	41.8 €	*47.1 €*	*41.3 €*
0.2%	46.9 €	45.6 €	44.4 €	43.3 €	42.1 €	*47.5 €*	*41.6 €*

The Share value in SOTP falls within a range of **€42.6** to **€44.9**, around a central value of **€43.8**.

4.4.2. Intrinsic valuation DCF

4.4.2.1. Principles of the method

The DCF method is based on estimating the value of a company's economic assets on the basis of the free operating cash flows generated by its activity, discounted at a rate corresponding to the return expected by the providers of resources.

The calculation of the terminal value, estimated beyond the explicit forecast period, is based on:

- a going concern basis, based on an estimate of sustainable free cash flow and an estimate of long-term growth (perpetual growth); or
- in the event of a medium-term disposal, on the application of an EBITDA multiple.

In order to obtain the market value of the equity, the net financial debt is deducted from the value of the operating activities (enterprise value).

4.4.2.2. Presentation of the Group Business Plan 2022-2026

(i) Explicit Period

The Group's five-year business plan for the period 2022-2026 (the "**Explicit Period**"), which was approved by the Board of Directors on December 29, 2021 (the "**Group Business Plan 2022-2026**"), includes:

- the increase in the share of renewable energies in the energy mix, from 74% at the end of 2021, to a target level of more than 90% by 2025 (§ 3.1.2.1 and § 3.3.1.2);
- capital expenditure ("**Capex**") of a total of **€1.1 billion** spread over the period 2022-2026, enabling the Group:
  - to continue its energy transition by proceeding in particular:
    - to the conversion of power plants to biomass,
    - to the extension of the Projects in progress on the various activities,
    - to start new projects,

    taken together, the "**Development Capex**", which amounted to **€0.9 billion**;

  - to maintain the existing facilities (the "**Operating Capex**"), up to **€0.2 billion**;

- forecasts relate to existing biomass and geothermal power plants, plus:
  - the conversion to biomass of the last unit of Albioma Bois Rouge;
  - solar activities including the secured backlog (pipe);
  - the activity generated by a new geothermal unit scheduled to be acquired in 2022;
  - storage activities carried out in Mayotte;
  - the acquisition of La Granaudière, finalized on December 27, 2021[170], enabling the Company to produce wood pellets for its own needs, providing fuel for biomass power plants;
  - activities involving the development of:
    - solar activities in France and Brazil;
    - a biomass plant in Brazil;
    - three geothermal projects;
    - an energy recovery unit (CSR).

From these assumptions follow:

- an average annual growth rate in revenues of 7% over the period 2022-2026;
- an EBITDA margin rate, including the effects of IFRS 16 "Leases", increasing by nearly 300 basis points over the period 2022-2026;
- an improved EBITDA-to-cash flow conversion rate of over 40%[171];
- an accumulation of negative cash flows over the Explicit Period, given the weight of investments.

(ii) Extrapolation period

In order to converge the various aggregates linearly to a normative level in terminal value, we have extrapolated the Explicit Period to the period 2027-2031 (the "**Extrapolation Period**") with the following assumptions:

[170] Albioma, "Diversification of the Group's sustainable biomass supply sources", 27 December 2021.
[171] The maximum conversion rate over the 2017-2021 period was 20%.

- maintaining the EBITDA margin level compared to 2026;
- linear convergence of the capex rate[172] on revenues towards the normative level of 19%, corresponding to the average observed over the Explicit Period, excluding capex related to the energy transition;
- linear convergence of the corporate income tax rate towards the normative level of 25.83%, corresponding to the corporate income tax rate in France and in the French overseas territories, where the Group generates a major part of its EBITDA[173] (§ 3.1.2).

The cumulative cash flows for the Explicit Period and the Extrapolation Period are positive.

(iii) Approaches implemented

Our work based on the Group Business Plan 2022-2026 is divided into three parts:

- a valuation including the data of the Group Business Plan 2022-2026 to 2025[174] and a terminal value calculated on the basis of an exit multiple ("**DCF Exit Multiple**"), corresponding to:
  - the EBITDA multiple induced by the Share Offer Price (§ 5.8);
  - the Iso-multiple mobilized in the Related Agreements and Transactions (§ 6.1, § 6.3.2, § 6.4.3);
- a valuation by applying the Gordon-Shapiro formula to a recurring flow, after the Explicit Period, determined as follows ("**DCF 2026**"):
  - EBIT based on an expected Return On Capital Employed (ROCE) level in line with the rate of return on long-term contracts of around 8.2%, before tax (§ 4.4.1.2.ii);
  - a Capex and D&A rate[175] of 19% (§ 4.4.2.2.ii);
  - a normative corporate income tax rate of 25.83% (§ 4.4.2.2.ii);
  - a zero change in WCR[176];
- a valuation by applying the Gordon-Shapiro formula to a recurring flow, after the Extrapolation Period, determined as follows ("**DCF 2031**"):
  - EBITDA stabilized at the EBITDA margin level of the last year of the Extrapolation Period;
  - identical to the DCF 2026:

[172] Capex necessary for the extension of the Projects in progress on the various activities and the Projects initiated during the Explicit Period.
[173] As we do not have the geographical mix beyond the Explicit Period, we have considered the French rate as relevant; for the record, the corporate tax rate in Brazil is 34% and in Turkey 20%.
[174] First liquidity window for Bpifrance through the BPI Put Option (§ 6.3.2).
[175] Depreciation and Amortization.
[176] With reference to the historical control of working capital and its variations (§ 3.3.2.5).

- a Capex and D&A rate of 19%;
- a normative corporate income tax rate of 25.83%;
- a zero change in WCR.

4.4.2.3. Discount rate

The discount rate used includes:

- a risk-free rate of 1.1% corresponding to the 3-month average of 10-year OATs[177];
- an average deleveraged beta[178] observed over a 5-year period equal to 0.62, corresponding to the Company's beta[179];
- a risk premium for the French market estimated at 6.9%[180].

On this basis, the discount rate applicable to the DCF 2026 and DCF 2031 has been estimated at 5.3%.

Discount rate - DCF

Components	%
Risk-free rate	1.1%
Levered beta	0.62
Market yield	*7.95%*
Risk premium	6.9%
Discount rate	5.3%

Source: Bloomberg, Banque de France

4.4.2.4. Perpetual growth rate the

The terminal value in the DCF 2026 and DCF 2031 models was determined by assuming a perpetual growth rate of 1.5% in line with:

- the rate we use to determine the Ledouble risk premium (§ 4.4.2.3);
- the long-term inflation rate for the French zone.

[177] Source: Banque de France.
[178] Representative of the economic assets, it being specified that we have determined the cost of capital from the Capital Asset Pricing Model / *Modèle d'Évaluation des Actifs Financiers* (MEDAF) formula, favouring the "direct" method which consists of calculating the cost of capital as a discount rate from the beta of the company's economic assets (the alternative being the "indirect" method which consists of determining separately the cost of equity and the cost of debt to calculate the discount rate). As a reminder, it is customary to consider that the financing structure of a company has no significant impact on its value and on its weighted average cost of capital.
[179] Given the specificities of Albioma's business model (operation of almost all assets in island regions, subject to climatic hazards, moderate market risk due to the contractualization of energy sales, remuneration based on the criterion of availability of the power plants), we have used the Company's intrinsic beta. As an indication, the application of a beta by reference to peers leads to a reduction in the discount rate of 10 and 20 basis points, depending on the energy mix used; our sensitivity tables measure the impact (§ 4.4.2.5).
[180] Based on an estimated French market yield of 7.95% (source: Ledouble, April 29, 2022), which, after deducting the risk-free rate of 1.1%, results in a risk premium of 6.85%.

4.4.2.5. Summary of the Share value in DCF

(i) DCF Exit Multiple

Sensitivity analysis of the Share value - Exit Multiple

Exit Multiple	Discount rate					*Rate (+/- 25 bps)*	
	5.1%	5.2%	5.3%	5.4%	5.5%	*5.1%*	*5.6%*
x11.7	45.0 €	44.7 €	44.5 €	44.3 €	44.0 €	*45.1 €*	*43.9 €*
x12.2	48.1 €	47.8 €	47.6 €	47.3 €	47.1 €	*48.2 €*	*47.0 €*
x12.7	51.2 €	50.9 €	**50.6 €**	50.4 €	50.1 €	*51.3 €*	*50.0 €*
x12.9	52.4 €	52.1 €	51.9 €	51.6 €	51.4 €	*52.5 €*	*51.2 €*
x13.1	53.6 €	53.4 €	53.1 €	52.8 €	52.6 €	*53.8 €*	*52.4 €*

The range of Exit multiple in the sensitivity analysis of the Share value includes, at the lower limit (11.7x) and at the upper limit (13.1x), the market multiples that emerge in the valuation by Listed Peers at 2023, before and after energy transition (§ 4.4.4.2), and the EBITDA Iso-multiple of the BPI Put Option (12.7x) (§ 6.3.2).

The Share value in DCF Exit Multiple falls within a range of **€ 44.5** to **€53.1**, with a central value of **€ 50.6**.

(ii) DCF 2026

Sensitivity analysis of the Share price - DCF 2026

Normative growth	Discount rate					*Rate (+/- 25 bps)*	
	5.1%	5.2%	5.3%	5.4%	5.5%	*5.1%*	*5.6%*
1.00%	40.3 €	38.5 €	36.7 €	35.1 €	33.5 €	*41.2 €*	*32.7 €*
1.25%	44.5 €	42.4 €	40.5 €	38.7 €	36.9 €	*45.6 €*	*36.1 €*
1.50%	49.3 €	47.0 €	**44.8 €**	42.7 €	40.7 €	*50.5 €*	*39.8 €*
1.75%	54.8 €	52.1 €	49.7 €	47.3 €	45.1 €	*56.2 €*	*44.0 €*
2.00%	61.2 €	58.1 €	55.3 €	52.6 €	50.1 €	*62.8 €*	*48.8 €*

The Share value in DCF 2026 evolves, according to the combined variation of the discount rate (+/- 0.10%[181]) and the normative growth rate (+/- 0.25%), between **€ 40.5** and **€49.7**, around a central value of **€ 44.8**.

(iii) DCF 2031

Sensitivity analysis of the Share price - DCF 2031

Normativ e growth	Discount rate					*Rate (+/- 25 bps)*	
	5.1%	5.2%	5.3%	5.4%	5.5%	*5.1%*	*5.6%*
1.00%	42.5 €	40.6 €	38.8 €	37.1 €	35.5 €	*43.5 €*	*34.7 €*
1.25%	46.5 €	44.4 €	42.4 €	40.5 €	38.7 €	*47.6 €*	*37.9 €*
1.50%	51.1 €	48.8 €	**46.5 €**	44.4 €	42.4 €	*52.3 €*	*41.4 €*
1.75%	56.4 €	53.7 €	51.2 €	48.8 €	46.5 €	*57.8 €*	*45.4 €*
2.00%	62.5 €	59.4 €	56.5 €	53.8 €	51.2 €	*64.1 €*	*50.0 €*

The Share value in DCF 2031 evolves, according to the combined variation of the discount rate (+/- 0.10%[182]) and the normative growth rate (+/- 0.25%), between **€ 42.4** and **€51.2**, around a central value of **€ 46.5**[183].

[181] For information purposes only +/- 0.25%.
[182] For information purposes only +/- 0.25%.
[183] For information, the Share value is not very sensitive to a distortion of the Capex rate of 19% (§ 4.4.2.2.iii).

4.4.3. Intrinsic valuation DDM

For cross-checking purposes, we used the intrinsic valuation method based on the Dividend Discount Model.

4.4.3.1. Principles of the method

We have referred to the same data as presented in the Group Business Plan 2022-2026 (§ 4.4.2.2), taking into account the following assumptions:

- the dividend payout ratio (§ 4.4.3.2);
- the cost of equity to discount future dividends (§ 4.4.3.3);
- the normative dividend growth rate (§ 4.4.3.4).

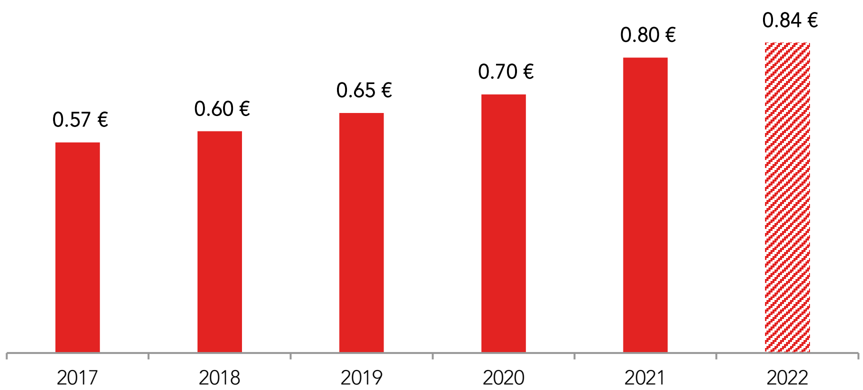
The application of this method results in a value for the Group's equity resulting from the discounting of the dividend flows generated:

- until 2026 and beyond in terminal value ("DDM 2026");
- until 2031 and beyond in terminal value ("DDM 2031").

4.4.3.2. Dividend payout ratio

The payout ratio used, which corresponds to 50% of the Group's share of annual income excluding exceptional items, is based on the target objective reiterated by the Company to its investors and confirmed by the Management in the context of our work[184]; this objective is in line with the multi-year dividend payments[185].

Dividends paid 2017-2022



Source: Company

[184] Fiscal 2019 annual results presentation, p. 36; 2020 annual results, p. 7; 2021 annual results, p. 6.
[185] As a reminder, a loyalty bonus, in the form of a 10% dividend increase, is reserved for shareholders who have held registered Shares for a continuous period of at least two years, counted from January 1st, 2014.

The assumption of the distribution rate beyond the forecast period has a marginal impact on the valuation of the share, as undistributed earnings are deemed to:

- be reinvested and contribute to the future growth of distributable income[186]; or
- contribute to the Group's deleveraging and thus reduce the cost of equity[187].

4.4.3.3. Cost of equity

The cost of equity (**"COE"**) was calculated using the MEDAF formula, taking into account:

- the cost of financial debt modelled in the Group Business Plan 2022-2026 of 3.7%;
- the gearing resulting from our work.

The cost of equity thus estimated is **6.3%** in DDM.

4.4.3.4. Normative dividend growth rate

The growth rate "g" of dividends beyond the forecast period was determined from the following Gordon Shapiro formula:

$$g = \text{ROE} \times (1\text{-distribution rate}) + (\text{inflation} \times \text{distribution rate})$$

where:

- ROE corresponds to the expected return on equity, it being specified that in the long-term, ROE is assumed to converge to the cost of equity (COE)[188];
- the effect of inflation is included in ROE in order to assume that cash flows will grow at the same rate as inflation if all cash flows are distributed.

Taking into account the distribution rate and cost of equity assumptions, the normative annual growth rate of dividends is 3.9%.

[186] In the event of a reduction in the distribution rate, the Group's future results are in fact adjusted upwards by the model, leading ultimately to a similar distribution amount.
[187] The cost of equity was calculated using the MEDAF formula, whereby a decrease (increase) in financial debt reduces (increases) the cost of equity used to discount future dividends.
[188] A return above the cost of equity leads in the long-term to the entry of new competitors on the market, which has the effect of reducing the return of players already present. Conversely, a return below the cost of equity leads to market concentration.

4.4.3.5. Summary of the Share value in DDM

We present below, for the two scenarios modelled, a sensitivity analysis of the Share value to the cross variations of the cost of equity and the normative growth rate of dividends.

(i) DDM 2026

Sensitivity analysis of the Share value - DDM 2026

Normative growth	Cost of equity					*Rate (+/- 25 bps*	
	6.1%	6.2%	6.3%	6.4%	6.5%	*6.1%*	*6.6%*
	6.1%	6.2%	6.3%	6.4%	6.5%	*6.1%*	*6.6%*
3.5%	40.0 €	38.5 €	37.2 €	35.9 €	34.7 €	*40.8 €*	*34.1 €*
3.7%	43.1 €	41.4 €	39.8 €	38.3 €	36.9 €	*44.0 €*	*36.3 €*
3.9%	46.8 €	44.7 €	42.9 €	41.2 €	39.6 €	*47.9 €*	*38.8 €*
4.1%	51.2 €	48.7 €	46.5 €	44.5 €	42.6 €	*52.5 €*	*41.7 €*
4.3%	56.5 €	53.5 €	50.9 €	48.4 €	46.2 €	*58.1 €*	*45.2 €*

(ii) DDM 2031

Sensitivity analysis of the Share value - DDM 2031

Normative growth	Cost of equity					*Rate (+/- 25 bps)*	
	6.1%	6.2%	6.3%	6.4%	6.5%	*6.1%*	*6.6%*
	6.1%	6.2%	6.3%	6.4%	6.5%	*6.1%*	*6.6%*
3.5%	40.6 €	39.1 €	37.7 €	36.4 €	35.2 €	*41.4 €*	*34.6 €*
3.7%	43.4 €	41.7 €	40.1 €	38.6 €	37.2 €	*44.3 €*	*36.5 €*
3.9%	46.7 €	44.7 €	42.8 €	41.1 €	39.5 €	*47.8 €*	*38.7 €*
4.1%	50.6 €	48.2 €	46.0 €	44.0 €	42.2 €	*51.9 €*	*41.3 €*
4.3%	55.4 €	52.5 €	49.9 €	47.5 €	45.4 €	*57.0 €*	*44.4 €*

Depending on the combined variation of the cost of equity (+/- 0.10%[189]) and the normative growth rate of dividends (+/- 0.25%), the Share value falls within a range of € 39.1 to € 47.5, around a central value of € 42.9 in DDM 2026 and € 42.8 in DDM 2031[190].

4.4.4. Valuation by comparison with Listed Peers

This comparative valuation of the Share uses EBITDA multiples of a panel of Listed Peers, whose profile is presented in Appendix 8 (the "Stock Market Comparables").

4.4.4.1. Methods of calculating multiples

For the calculation of the EBITDA multiples of each of the Stock Market Comparables, we have referred to:

- the market capitalization at the 3-month average price;
- the EBITDA projections[191] from the[192] consensus for the years 2022 and 2023.

[189] For information purposes only +/- 0.25%.
[190] For information, the Share value is not very sensitive to a distortion of the Capex rate of 19% (§ 4.4.2.2.iii).
[191] Aggregate to promote comparability of projects in the sector.
[192] Source: Bloomberg.

4.4.4.2. Methodology

To the best of our knowledge, there are no listed companies comparable to Albioma with strictly identical characteristics in terms of business mix and location. In particular, the Group's specific positioning in biomass-based electricity production and its strong presence in the French overseas territories clearly distinguish it from its competitors.

We considered that:

- the discount of the Share price to its fundamental value was due in particular to the coal component in its fuels used for electricity generation;
- the greening of the energy mix should gradually be accompanied by an appreciation in the Share value.

Consequently, the panel of Stock Market Comparables taken as a whole is split into two samples (§ 4.4.4.4 and **Appendix 8**):

- one composed of companies in the renewable energy sector:
  - we found significantly different margin levels[193] between these companies and Albioma;
  - these differences are related to the structurally higher consumption of raw materials for the Group's biomass electricity production activity than for the electricity production of other players in the renewable energy sector;
  - the restatement of this differential leads to substantially similar margin levels for the Group and this sample of Stock Market Comparables[194];
  - we applied the median EBITDA multiple of this first sample of Stock Market Comparables to the fraction of EBITDA corresponding to the "green" part of the Group's electricity production;
- the other composed of independent producers of mixed energies (conventional/renewable), for which we have applied the median EBITDA multiple to the fraction of EBITDA corresponding to the "carbon" portion of the Group's electricity production.

The fraction of EBITDA corresponding respectively to the "green" and "carbon" share of the Group's electricity production in 2022 and 2023 was determined *via* the weighting of the Group's EBITDA by the energy mix[195]; in the context of the energy transition currently underway, we have taken into account:

- the current energy mix;
- the target energy mix by 2026 as set out in the Group Business Plan 2022-2026.

[193] Albioma's EBITDA margin level is 35% in 2022 *compared to* 72% for the sample average.
[194] The EBITDA margin level then reached 70%.
[195] However, we are not in a position to determine precisely the sensitivity of the Group's EBITDA to the full effect of the energy transition.

The implied EBITDA multiple in 2023 is:

- excluding energy transition, at 11.7x;
- taking into account the energy transition, at 13.1x[196].

The Group's equity value results from the enterprise value obtained by applying stock market multiples as described above, less:

- €900.6 million as accounting net debt (§ 4.1.4.3);
- the valuation of minority interests, between €209 million and €267 million (§ 4.1.4.3);
- the conversion investment buffer to simulate the full effect of the energy transition.

4.4.4.3. Criteria for the selection of Stock Market Comparables

The companies making up the two samples of the Stock Market Comparables panel were selected according to the following four criteria, shown in Appendix 9, which were taken into account cumulatively, bearing in mind, however, the specificities of Albioma related to the nature of the energy produced and its location (§ 4.4.4.2), which justify our retaining the valuation by Listed Peers for information purposes only:

- the nature of the business and the business mix: in particular, we have excluded renewable energy companies specializing in hydropower, due to the specific characteristics of this energy source[197];
- business growth and profitability prospects: we have excluded companies that are in decline;
- geography: we selected companies operating in markets similar to those in which the Group is positioned (European, Canadian and Brazilian markets);
- size: after a search based on the previous criteria and a qualitative analysis, we finally introduced the market capitalization criterion[198] in order to select companies whose market capitalization was compatible with that of Albioma[199].

[196] As the Group's EBITDA margin in 2023 is close to the 2026 target of the Group Business Plan 2022-2026, which is after energy transition (10 basis points lower), we considered that the potential effects of the energy transition on the Group's profitability were reflected in our calculations.
[197] The hydropower generation sector is almost mature and has different cost structures than other renewable energy players.
[198] Between €100 million and €10 billion.
[199] Between €1 billion and €5 billion.

4.4.4.4. Composition of the Stock Market Comparables panel

We present, below, the market capitalizations (3-month average) of the two samples that make up the Stock Market Comparables panel:

Renewable energy

M€	Country	Cap. 3 months
Albioma	France	1 408
Boralex	Canada	3 970
Encavis	Germany	2 951
Innergex	Canada	3 759
Neoen	France	3 928
Solaria	Spain	2 480
Terna Energy	Greece	1 818
Voltalia	France	1 843

Source: Bloomberg

Mixed energies

M€	Country	Cap. 3 months
Albioma	France	1 408
Capital Power	Canada	5 054
ContourGlobal	United Kingdom	1 649
Drax	United Kingdom	3 004

The EBITDA multiples for the years 2022 and 2023 are as follows:

Renewable energy

Company	xEBITDA 2022	xEBITDA 2023
Boralex	13.6x	13.4x
Encavis	15.7x	14.7x
Innergex	12.8x	12.2x
Neoen	16.8x	14.1x
Solaria	19.8x	13.5x
Terna Energy	14.6x	10.5x
Voltalia	12.9x	9.8x
Median	14.6x	13.4x
Average	15.2x	12.6x

Source: Bloomberg

Mixed energies

Company	xEBITDA 2022	xEBITDA 2023
Capital Power	6.8x	7.3x
ContourGlobal	7.0x	7.1x
Drax	6.9x	5.0x
Median	6.9x	7.1x
Average	6.9x	6.5x

4.4.4.5. Summary of the Share value by Stock Market Comparables

Valuation by Stock Market Comparables

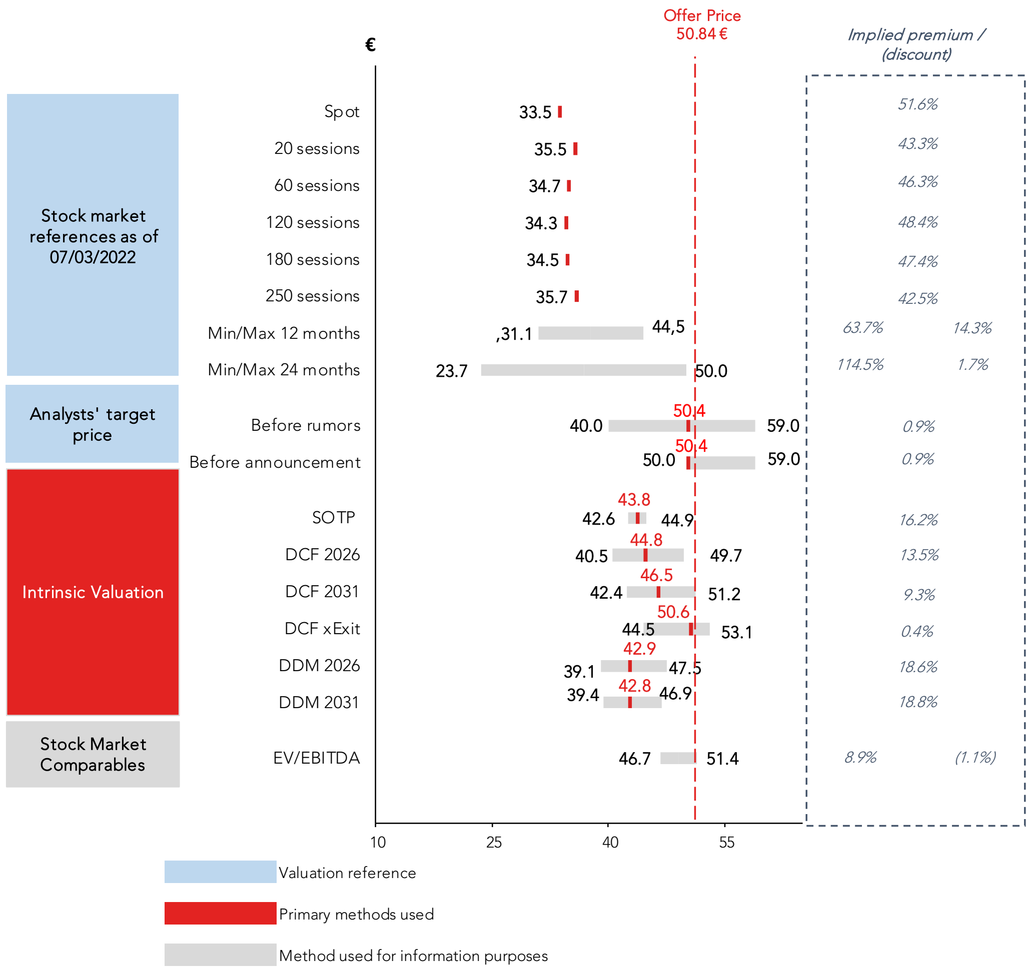
M€	Energy transition excluded		Energy transition included	
	2022	2023	2022	2023
Implied EBITDA multiple	*12.6x*	*11.7x*	*14.3x*	*13.1x*
Shareholders' equity, Group share	1 554	1 696	1 540	1 660
Diluted number of Shares	32.99	32.99	32.99	32.99
Share Value (€)	47.1 €	51.4 €	46.7 €	50.3 €

The Share value by the Stock Market Comparables falls in a range within **€ 46.7** to **€ 51.4**.

4.5. Valuation Summary

The Share Offer Price, presented hereafter with dividend attached, is significantly higher than the VWAPs and shows a premium over the central values of the valuation methods we have implemented.

Valuation Summary



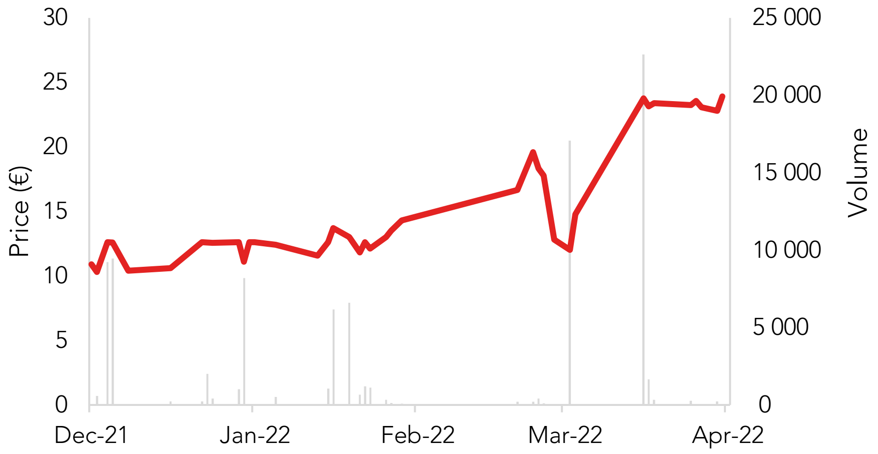
4.6. Valuation of the Warrants

The Warrants being "in the money" since their listing on December 6, 2021[200], the Warrant Offer Price of € 29.10 has been determined by transparency on the basis of:

- the Share Offer Price, ex-dividend (€ 50.00);
- the Warrant Offer Price (€20.90).

However, the price of the Warrants cannot be used as a reference for their valuation given their low liquidity and the discontinuity of the exchanges, which have occurred since the listing below €25, *i.e.* a threshold significantly lower than the Warrant Offer Price.

Evolution of the Warrant price and exchanges



Source: Company

For information purposes only and for comparison with the Warrant Offer Price, the theoretical value of the Warrant has been estimated by a binomial model based on the following assumptions, calibrating the value of the underlying on the Share Offer Price:

- risk-free rate: 1.1%[201];
- value of the underlying: € 50.0;
- maturity: 2.5 years, the Warrants being exercisable at any time with a maturity date of December 4, 2024;
- dividend payout ratio: 3.4%, based on historical analysis of dividend payout ratio[202];
- volatility of the Share: 31.6%[203], this parameter having a negligible impact on the valuation of the Warrant given its positioning "in the money";
- exercise price: €20.90.

[200] Under ISIN code: FR0013368438, mnemonic: ABIBS (§ 2.1.1).
[201] 3-month average of 10-year OATs.
[202] Analysis over the period 2001-2022, relating the dividend paid to the average price of the previous year.
[203] Share volatility observed over 5 years. Source: *Bloomberg*. For information, the maximum volatility observed corresponds to the 3-year horizon (36%), which we present as the upper limit of the sensitivity table.

Sentitivity to the value of the underlying asset and to volatility

Volatility	Value of the underlying asset				
	41.0 €	43.0 €	45.0 €	47.4 €	50.0 €
28%	20.1 €	22.1 €	24.1 €	26.5 €	29.1 €
30%	20.1 €	22.1 €	24.1 €	26.5 €	29.1 €
32%	20.8 €	22.3 €	24.1 €	26.5 €	29.1 €
34%	21.4 €	22.9 €	24.4 €	26.5 €	29.1 €
36%	22.0 €	23.5 €	25.0 €	26.8 €	29.1 €

In the end, it seems to us coherent to value the Warrant at the Warrant Offer Price of € 29.10, by transparency with the Share Offer Price of € 50.00 (ex-dividend) less the exercise price of € 20.90.

5. Analysis of the valuation of the Securities by the Presenting Bank

We have analyzed the valuation work performed by Société Générale, the Presenting Bank of the Offer, which is summarized in the Draft Offer Document[204].

The comparison of the respective valuation works raises the following main comments.

5.1. Diluted number of Shares

Like the Presenting Bank, we have used for the calculation of the diluted number of Shares an outstanding number of Shares adjusted by:

- Treasury Shares;
- Performance Shares in vesting period;
- the outstanding and in the money warrants, quantified according to the *Treasury Method* (§ 4.1.3).

As we refer to a settlement as of December 31, 2021[205] and the Presenting Bank refers to a settlement as of April 30, 2022, the diluted number of Shares for the calculation of the Share value is 32,993,142 Shares for Ledouble and 33,288,078 Shares for Société Générale respectively.

5.2. Discarded valuation criteria and methods

The valuation criteria and methods rejected by Société Générale and Ledouble are similar; they include:

- net book assets;
- net asset value;
- the peers method applied to all activities combined;
- the comparable transactions.

The Presenting Bank also rejected the Dividend Discount Model (DDM).

[204] Draft Offer Document, § 3 "Information used to assess the Offer Price", p. 36-56.
[205] The count as of December 31, 2021, by construction, does not include in the diluted number of Shares the Performance Shares under the 2022 Plan granted by the Board of Directors on March 1, 2022, nor does it include as a reduction factor the Performance Shares that have entered into a retention period or that have lapsed in 2022. URD 2021, p. 289; Draft Offer Document, p. 19-20.

5.3. Valuation criteria and methods used

Société Générale and Ledouble consider March 7, 2022 (pre-rumors) as the most relevant reference date for calculating the VWAPs.

Like the Presenting Bank, we have retained as valuation methods:

- discounting of cash flow forecasts in SOTP (by activity for Société Générale and by assets of the Existing Perimeter and Projects for Ledouble[206]);

- the comparative valuation method by applying market stock multiples,

without, however, prioritizing them identically, the Presenting Bank retaining these two methods as its primary method, whereas we consider the comparative valuation to be a secondary method in view of the specificities of the Group.

In addition, as a primary methods together with the SOTP valuation, we have valued the Share by:

- discounted cash flows using DCF Exit Multiple, DCF 2026 and DCF 2031;

- discounted dividend flows up to 2026 (DDM 2026) and 2031 (DDM 2031), justifying this method by the Company's recurring dividend distribution policy.

5.4. Intrinsic valuation

5.4.1. Financial parameters

Société Générale and Ledouble differentiate themselves in SOTP on:

- the level of detail in the implementation of the "sum of the parts":
  - we have individually valued each asset of the Existing Perimeter and each Project identified on the basis of the Long Series Business Plan;
  - as it did not have access to this information, the Presenting Bank has carried out a valuation by business segment, which may include assets of the Existing Scope and Projects located in different geographical areas; and

- the methodology for calculating discount rates[207].

[206] The Presenting Bank did not have access to the cash flow projections by assets of the Existing Scope and Projects.
[207] The Presenting Bank has determined the discount rates using an "indirect" approach, separating the cost of equity and debt, whereas we have opted for a "direct" approach based on the beta of the economic assets.

The respective discount rates in SOTP are as follows:

Presenting Bank	Ledouble	
Biomass France 5,2%	Biomass France 5,4%	
Solar France 5,0%	Solar Metro-politan	Solar Overseas 4,7%
Biomass Brazil 6,0%	Biomass Brazil 7,0%	
Geothermal energy 10,2%	Geothermal energy 6,8%	
Holding & Mauritius 5,4%	Holding 5,3%	Mauritius 6,9%

For the record, the discount rate of 5.3% that we apply in DCF is close to the rate of 5.2% used by the Presenting Bank for the "Biomass France" segment, which is the most important contributor to cash flow generation.

5.4.2. Perpetual growth rate

The differences in perpetual growth rates between Société Générale and Ledouble are relating to the business segments:

- Biomass Thermal Brazil: 2.75% for Société Générale *versus* a zero growth rate for Ledouble, it being recalled that Albioma does not have the right of ownership on the Brazilian assets, and therefore bears the risk of the end of its operating activity;

- Geothermal energy: 2% for Société Générale, in reference to the rate observed within the consensus of equity research analysts monitoring Turkish companies, *versus* 8% to 11% for Ledouble, in line with Management forecasts.

5.4.3. Net financial debt

Comparison of net financial debt

M€	Ledouble	Société Générale
Net financial debt	971	971
Debt IFRS 16	42	42
Deritative instruments (net)		29
(Cash)	(108)	(108)
Deposits related to finance leases	(5)	[Reflected in the adjustments below]
Net debt as of December 31, 2021	**901**	**934**
Projected cash flows H1 2022		14
Net debt as of June 30, 2022		**949**
+ Minority interests	[Revaluation according to methods]	97
+ Provisions for risks	3	3
+ Employee benefits		3
(Financial assets)	(0)	(5)
Net financial debt	**904**	**1 047**

Source: Ledouble Analyses, Draft Offer Document

- Unlike the Presenting Bank, we have not included derivatives in net financial debt.
- The Presenting Bank incorporates the cash flow for the first half of 2022 in the transition from enterprise value to Group equity value; our valuation, which refers to the financial statements for the last fiscal year ended December 31, 2021, takes it directly into account in the Group's enterprise value.
- We have revalued the non-controlling interests for each valuation method, while the Presenting Bank retains them at their book value as of December 31, 2021.
- The Management has confirmed that an annual charge for employee benefits has been included in the forecast data; consequently, we have not included the corresponding provisions[208] in the net financial debt, as the Presenting Bank has included an amount of €3 million[209].

5.4.4. Modeled trajectories

The Presenting Bank has performed a cash flow valuation of each of the business segments, which in principle is similar to our SOTP valuation, but differs in terms of granularity, insofar as we have valued the assets of the Existing Scope and the Projects individually (§ 5.4.1).

[208] Post-employment and other long-term benefits.
[209] Out of a provision of a total amount of €49 million (§ 3.3.2.8).

5.4.4.1. Explicit horizon and projection period

The Presenting Bank has referred to the Group Business Plan 2022-2026 detailed by business segment, extending the cash flows of the segments:

- Biomass Thermal over the period 2026 to 2030;
- Solar France until 2051, corresponding to the last year of operation of the assets included in the Business Plan.

The SOTP valuation that we have implemented takes into account the assumptions of duration of the assets of the Existing Scope and the Projects on a case-by-case basis recorded in the impairment tests.

5.4.4.2. Methodology for calculating terminal value

The Presenting Bank uses the Gordon-Shapiro formula for the determination of terminal value, as we have practiced in SOTP, DCF 2026 and 2031.

In addition, we have determined a terminal value in DCF Exit Multiple with the implicit EBITDA multiple of the Offer of 12.7x, framed by the market multiples of 2023 (§ 4.4.2.5.i and § 5.8).

5.5. Valuation by the Stock Market Comparables

We have taken a different approach to the implementation of the peers method than the Presenting Bank:

- we applied to the 2022 and 2023 EBITDA:
  - for the renewable part of the business, a median multiple calculated on a sample of comparable players in the renewable energy sector;
  - for the part of non-decarbon electricity production, a median multiple calculated on a sample of non-specialized low-carbon electricity producers.
- Société Générale has selected, for each of the Thermal Biomass, Solar and Geothermal segments, three distinct categories of peers in order to externalize an EBITDA multiple, respectively:
  - a sample of European and US companies with similar underlying market exposure in the thermal power generation sector;
  - a sample of European and Canadian renewable energy companies;
  - a company exposed to geothermal energy, located in the United States, namely Ormat Technologies.

We have also excluded from our panel of Stock Market Comparables some companies included in the panel of the Presenting Bank:

- ERG, given the decline in its activities due to the termination of its hydroelectric activity in 2022;
- Scatec, given the geography of its activities and the strong presence of hydroelectricity in its energy mix;
- Engie Brazil Energia, given the preponderance of hydroelectricity in its activities and its location in Brazil, which does not correspond to our segmentation of the Listed Peers;
- AES, because of its energy mix and the geography of its activities;
- AES Andes, due to limited forecasts by equity research analysts;
- Ormat Technologies, given its specialization in geothermal energy and its strong presence in the United States.

On the other hand, we have included Encavis, Terna Energy, Capital Power, and Drax in our panel of Listed Peers.

5.6. VWAP

For the record, Société Générale and Ledouble calculate the VWAPs respectively:

- in number of days and number of trading sessions;
- in closing and *intraday* prices.

This results in some discrepancies which do not call into question the appreciation of the premiums externalized by the Share Offer Price on the VWAPs.

5.7. Synthesis

The comparison of our valuation work with that of the Presenting Bank is summarized below:

Share value Comparison

€/Share	Ledouble			Premium / (discount)	Presenting Bank			Premium / (discount)
	Min.	Central	Max.		Min.	Central	Max.	
Share Price (dividend attached)		50.84 €				50.84 €		
<u>Stock market references</u>								
Spot		33.5 €		51.6%		33.5 €		51.6%
20 sessions / 1 month		35.5 €		43.3%		35.5 €		43.4%
60 sessions / 3 months		34.7 €		46.3%		34.7 €		46.6%
120 sessions / 6 months		34.3 €		48.4%		34.4 €		47.9%
250 sessions / 12 months		35.7 €		42.5%		35.9 €		41.5%
<u>Intrinsic methods</u>								
DCF SOTP	42.6 €	43.8 €	44.9 €	16.2%	36.5 €	39.0 €	41.6 €	30.4%
DCF 2026	40.5 €	44.8 €	49.7 €	13.5%				
DCF 2031	42.4 €	46.5 €	51.2 €	9.3%				
DCF xExit	44.5 €	50.6 €	53.1 €	0.4%				
DDM 2026	39.1 €	42.9 €	47.5 €	18.6%				
DDM 2031	39.4 €	42.8 €	46.9 €	18.8%				
<u>Analogical methods</u>								
Stock market multiples EBITDA	46.7 €		51.4 €	8.9% (1.1%)	24.8 €		40.8 €	104.8% 24.5%
<u>Analysts' price targets</u>								
Before announcement	50.0 €	50.4 €	59.0 €	0.9%				
Before rumors	40.0 €	50.4 €	59.0 €	0.9%		50.4 €		0.9%

Source: Ledouble Analyses, Draft Offer Document

5.8. EBITDA multiple induced by the Share Offer Price

We have recalculated the EBITDA multiple induced by the Share Offer Price on the basis of the structuring data below:

- consolidated EBITDA of €210 million, excluding the impact of IFRS 16 for the year 2021[210];
- adjusted net debt of €985 million at December 31, 2021 (§ 5.4.3):
  - net debt: €934 million;
  - less rights of use: (€42) million;
  - plus minority interests: €97 million;
  - less financial assets: (€5) million;
- valuation of the Group induced by the Share Offer Price (dividend attached): €1,677.2 million[211];
- diluted number of Shares retained by the Presenting Bank: 33 million.

EBITDA Iso-Multiple excluding IFRS 16

M€	2021
EBITDA	210
Adjusted net debt	985
Offer price (dividend attached) (€)	50.84
Number of shares (M)	33
Transaction (M€)	1 677.2
Implied multiple based on 2021	x12.7

5.9. Valuation of the Warrant

The Presenting Bank comes to the same conclusion as we do on the consistency of the valuation of the Warrant at the Warrant Offer Price of € 29.10, by transparency with the Share Offer Price of € 50.00 (ex-dividend) less the exercise price of € 20.90.

[210] Consolidated EBITDA 2021: €214.8 million - Amortization of rights of use: €3.4 million - Interest expense on rights of use under IFRS 16: €1.5 million.
[211] Diluted number of Shares: 33 million Shares x Share Offer Price (dividend attached): € 50.84.

6. Analysis of Related Agreements and Transactions

The analysis of the Related Agreements and Transactions listed above (§ 2.8) raises the following comments on our part in the context of the assessment of the financial conditions of the Offer, the voluntary nature of which we recall.

6.1. Liquidity of Unavailable Performance Shares[212]

The liquidity mechanism of the Unavailable Performance Shares consists in granting to their holders, in case of insufficient liquidity[213]:

- a call option whereby the holder irrevocably undertakes to sell to the Offeror its Unavailable Performance Shares at the Offeror's request (the "**Call Option**") during a liquidity period (the "**Call Liquidity Period**"); and

- a put option, under which, in the absence of the exercise of the Call Option during the Call Liquidity Period, the Offeror undertakes to acquire from the holder the Unavailable Performance Shares over a subsequent liquidity period (the "**Put Option Period**").

In the event of exercise of the Call Option or the Put Option (the "**Options**"), during the Call Liquidity Period and the Put Option Period, respectively, the exercise price of the Options per Unavailable Performance Share will be determined each year by applying a formula combining the EBITDA multiple of 12.7x induced by the Share Offer Price (the "**EBITDA Iso-multiple**") and net financial debt.

We have verified, in the formula of the exercise price of the Options, the calculation by the Offeror of the EBITDA Iso-multiple (§ 5.8).

As indicated in the Draft Offer Document, in the event of exercise of the Options, holders of Unavailable Performance Shares would not benefit from any guaranteed sale price.

Ultimately, as designed, the liquidity mechanism for the Unavailable Shares does not include a predetermined exercise price for the Reciprocal Options, and ensures, through the application of the EBITDA Iso-multiple, equal treatment between the Shareholders under the Offer and the holders of Unavailable Performance Shares.

6.2. Bpifrance investment in Kyoto TopCo[214]

Pursuant to an investment agreement entered into on May 13, 2022 between Kyoto LuxCo 1 and ETI 2020 managed by Bpifrance (the "**Investment Agreement**"), as an extension of a Term Sheet dated April 20, 2022 (the "**Reinvestment Term Sheet**") Kyoto LuxCo 1[215] and Bpifrance have agreed to the contribution to the Offer by Bpifrance, on the one hand, and the

[212] Draft Offer Document, § 1.3.4 "Liquidity Agreement", p.16-17.
[213] Insufficient liquidity means:
- a squeeze-out implemented by the Offeror on the Shares and/or the Warrants;
- the delisting of the Shares and Warrants;
- an average volume of Shares traded on each trading day during the last 20 trading days preceding the date on which liquidity was assessed of less than or equal to 0.10% of the Company's share capital at that date.

[214] Draft Offer Document, § 1.3.2 "Investment Agreement with Bpifrance", p. 12-15.
[215] Luxembourg company, majority shareholder of the Holding (Kyoto TopCo), an investment vehicle of Bpifrance alongside KKR *via* Kyoto LuxCo 1 (§ 2.8).

investment by Bpifrance alongside KKR *via* Kyoto LuxCo 1, on the other hand, of the 1.624,791 Shares held by Bpifrance, respectively in the following proportions:

- contribution to the Offer of 460,000 Shares at the Share Offer Price, corresponding to the initial investment of Bpifrance in the capital of the Company[216];
- contribution to the Offeror, upon settlement-delivery of the Offer, of the remaining 1,164,791 Shares at the Share Offer Price, in exchange for[217] securities of the Holding, in the context of a *pari passu* investment with Kyoto LuxCo 1 in the capital of the Holding (the "**Bpifrance Contribution**")[218]; Bpifrance would *de facto* benefit from the same economic rights as Kyoto LuxCo 1.

The investment of Bpifrance *pari passu* with Kyoto LuxCo 1, and in the same way as the Managers (§ 6.4.1), ensures equity with respect to Shareholders not investing in the capital of the Holding.

6.3. Shareholders' agreement between Kyoto LuxCo 1 and Bpifrance *via* ETI 2020[219]

Pursuant to the above-mentioned Reinvestment Term Sheet and Investment Agreement (§ 6.2), Kyoto Lux Co 1 and ETI 2020 have agreed to enter into a shareholders' agreement (the "**Shareholders' Agreement**") governing the governance and the transfer of securities of the Holding, as well as the liquidity rights of Bpifrance.

6.3.1. Governance and transfer rights of the Holding

The provisions of the Shareholders' Agreement relating to:

- on the one hand, the governance of the Holding within a Supervisory Committee (the "**Supervisory Committee**"):
  - composition of the Supervisory Committee by collective decision of the shareholders of the Holding[220];
  - adoption of any decision of the Supervisory Committee by a simple majority of the voting rights held by its members;

[216] Initial investment of €23 million = 460,000 Shares x Share Offer Price (€50.00).
[217] As a result of the successive contributions of the securities issued by Kyoto BidCo to Bpifrance, in consideration for its investment, to Kyoto MidCo and Kyoto TopCo (§ 2.8); these terms and conditions may be adjusted in order to provide for a contribution in kind of the Bpifrance Shares to the Holding. The Bpifrance Contribution will be made, in particular, subject to the condition precedent of the publication of the results of the Offer by the AMF if, on the basis of the results of the Offer and taking into account the Shares subject to the Bpifrance Contribution as being tendered to the Offeror, the Acceptance Threshold provided for in article 231-9 I of the AMF's general regulation and the Waiver Threshold (if not waived by the Offeror) are reached (§ 2.2.2 and § 2.5).
[218] The 1,164,791 Shares tendered by Bpifrance are subject to a lock-up instruction from Bpifrance to the financial intermediary until the day following the date of the initial opening period of the Offer.
[219] Draft Offer Document, § 1.3.2 "Investment Agreement with Bpifrance", p. 12-15.
[220] The Supervisory Committee shall comprise a majority of members appointed from among the candidates proposed by Kyoto LuxCo 1, one member appointed from among the candidates proposed by Bpifrance, and independent members appointed from among the candidates proposed by Kyoto LuxCo 1.

- specific veto rights related to the sovereignty of France and fundamental rights of a minority investor regarding Bpifrance's representative on the Supervisory Committee; and

› on the other hand, the rights of transfer of the Holding securities:

- right of preemption of Kyoto LuxCo 1 on the securities held by Bpifrance in the Holding[221];
- forced exit right for the benefit of Kyoto LuxCo 1 on the securities held by Bpifrance in the Holding ("drag along right")[222];
- joint exit right of Kyoto LuxCo 1 and Bpifrance[223] ("tag-along right"); and
- other restrictions[224],

that we consider as usual, do not require any comment.

6.3.2. Bpifrance liquidity rights

The liquidity mechanism for the benefit of Bpifrance consists of a put option on the securities held within the Holding (the "**BPI Put Option**") whereby, in the event that the BPI Put Option is exercised at annual intervals for a period of three months following the third anniversary of the completion of the Offer and on each subsequent anniversary of the completion of the Offer, Lyoto LuxCo 1 undertakes to acquire such securities from Bpifrance.

The formula for calculating the exercise price of the BPI Put Option is modelled on that of the Options in the liquidity mechanism of the Unavailable Performance Shares, based on the EBITDA Iso-multiple (§ 6.1).

As indicated in the Draft Offer Document, in the event of a sale resulting in a change of control of the Holding or an initial public offering of the Holding securities on a European regulated market or on Euronext Growth (the "**Exit**") or the exercise of the BPI Put Option, Bpifrance would not benefit from any guaranteed sale price.

Ultimately, as designed, the liquidity mechanism for the benefit of Bpifrance does not include a predetermined exercise price of the BPI Put Option, and ensures, through the application of the EBITDA Iso-multiple, equal treatment between the Shareholders in the Offer and Bpifrance.

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221 In the event of a transfer by Bpifrance of its Holding securities (other than the customary free transfer).

222 In the event Kyoto LuxCo 1 receives an offer from a third party for the acquisition of a number of Holding securities resulting in a change of control of the Holding, Kyoto LuxCo 1 will have the right to cause Bpifrance to sell 100% of their Holding securities under the same terms and conditions as those provided for the transfer of the securities held by Kyoto LuxCo 1.

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

224 Bpifrance shall not transfer, directly or indirectly, any of its Holding securities to a third party that is subject to national or international sanctions, or resident of a state subject to such sanctions, or conducts competing activities, or is controlled by governmental authorities (other than pension funds).

6.4. Management package at the level of TopCo Kyoto[225]

Kyoto LuxCo 1, Mr. Frédéric Moyne, Chairman and Chief Executive Officer of the Company, and Mr. Julien Gauthier, Deputy Chief Financial Officer of the Company, entered into a term sheet on May 12, 2022 (the "**Plan Term Sheet**[226]") in view of the implementation of an investment plan at the level of the Holding in case of success of the Offer (the "**Plan**") for the benefit of certain executives and managers of the Company (the "**Managers**" and individually a "**Manager**"), among whom Mr. Frédéric Moyne and Mr. Julien Gauthier, the main provisions of which are presented hereafter. Frédéric Moyne and Julien Gauthier, the main provisions of which are presented below.

6.4.1. Structure of the investment and profit-sharing of the beneficiaries

The Plan consists schematically of:

- an investment by the Managers in ordinary shares ("**AO**" or "**OS**") and fixed return preference shares[227] of the Holding ("**ADPa**" or "**PSa**"), on a *pari passu* basis with the other shareholders of the Holding[228] (the "***Pari Passu Mix***") financed by the contribution of all or part of the proceeds of the sale of their Shares or their Warrants contributed to the Offer, or the contribution in kind of their Shares or their Warrants at the Offer Price to the Holding, or a contribution in cash, it being specified that Mr. Frédéric Moyne and Mr. Julien Gauthier have already undertaken to contribute in kind at the Offer Price a number of Securities corresponding to the investment amount hereafter of €2.5 million, in exchange for securities of the Holding; the investment of the Managers in the OS and the PSa is thus realized within two circles gathering:
  - for the first circle, Mr. Frédéric Moyne and Mr. Julien Gauthier;
  - for the second circle, the other Managers;

- the granting to certain managers of free preference shares, in accordance with the legal regime[229], of the Holding ("**ADPb**" or "**PSb**"), entitling their holders to a portion of the capital gain realized on the project in the event of an Exit as defined above (§ 6.3.2), depending on the achievement of the internal rate of return (IRR) at the time of the Exit, it being specified that:
  - the PSb will be subject to an annual vesting of 25% corresponding to a vesting period of 4 years, subject to the presence of their beneficiaries, with the exception of Mr. Frédéric Moyne and Mr. Julien Gauthier, who are not subject to the presence condition for the first year of the vesting period[230];
  - the amount of the Exit capital gain accruing to the Managers in respect of the PSb may not exceed 9.09% of the amount of the sale of the Holding securities on Exit.

[225] Draft Offer Document, § 1.3.3, "Investment of the Managers in the Holding", p. 15-16.
[226] "Main terms and conditions of the agreements between the financial investor and the individual investors", dated May 12, 2022.
[227] This rate of return, which will be set by reference to the applicable market rates for comparable debt instruments, corresponds to the rate of the loan granted by the Investor to the Offeror for the financing of the Offer, and is replicated at the Kyoto TopCo level through the PSa included in the *Pari Passu Mix*; it has been confirmed to us that this rate is expected to be in the range of 2.88% to 3.71%.
[228] In this case Bpifrance and Kyoto LuxCo 1.
[229] In accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code.
[230] Except in the case of resignation or dismissal for serious misconduct or gross negligence.

The creation of a reserve of 10% of the *Pari Passu Mix* and PSb granted to the Managers is provided for contractually and in the modeling of the Plan in order to allow Group employees to join the scheme from which the Managers benefit under the Plan (the "**Reserve**").

In view of the characteristics of the investment and the profit-sharing of the beneficiaries of the management package as summarized below:

- the principle of investment in OS and PSa by the Managers *pari passu* with the other shareholders of the Holding does not require any comment;

- with respect to the rights inherent in PSb:
  - we have determined the amount of the capital gain that the PSb will confer to their beneficiaries through a double modeling (a *Monte-Carlo* simulation and a beta law over a 5-year horizon), allowing us to understand the future value of Kyoto BidCo's equity that we have assimilated to that of the Holding:
    - the result is an Exit capital gain conferred by the PSb to the signatories of the *Plan Term Sheet*, in the persons of Mr. Frédéric Moyne and Mr. Julien Gauthier, which, on an annual basis and cumulated with their current remuneration, would be compatible with the package made up of the remuneration, on the one hand, and of the payment based on shares[231], on the other hand, of the senior executives of the companies of the SBF 120, the reference stock exchange index of the Company (§ 3.1);
    - we have also related the part of the Exit capital gain accruing to each beneficiary of PSb[232] to the number of Shares held individually; the distortions observed in the ratios thus calculated between the beneficiaries of PSb confirm the absence of link between their shareholder status, on the one hand, and their managerial status, on the other hand;
  - for information purposes, the benefit of the granting of the Exit capital gain in respect of the rights conferred by the PSb to their beneficiaries is only conceivable, according to our estimates, under the condition that the value of the Group's equity induced by the Share Offer Price increases by nearly 50% over a period of 5 years;
  - the granting of the PSb falls within the framework of the legal regime for free shares[233].

[231] As defined by IAS 24 "Related Party Disclosures" with reference to IFRS 2 "Share-based Payment".
[232] The capital gain accruing to the Managers as we have modeled it; the reasoning may be based on a lump sum of capital gain accruing to the Managers in respect of PSb.
[233] Pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code.

6.4.2. Transfer rights of the Holding securities

The following provisions of the Plan Term Sheet relating to transfers of Holding securities:

- right of approval[234];
- right of preemption of the Managers and Kyoto LuxCo 1[235];
- drag along right of Kyoto LuxCo 1[236];
- tag along right[237],

which we consider to be usual, do not require any comment on our part.

6.4.3. Liquidity rights

The liquidity mechanism for the benefit of Managers consists of:

- a call option on the PSb held by each Manager in the event of departure (the "**Manager Call Option**"), exercisable within 9 months of departure and, in any event, after the end of the PSb retention period; and
- a put option on all of the Holding securities (OA, PSa, PSb) held by each Manager in the event of death, incapacity or disability (the "**Manager Put Option**"), exercisable within 6 months from the end of the exercise period of the Manager Call Option.

The exercise price of the Manager Call Option or the Manager Put Option will be determined on the basis of the EBITDA Iso-multiple, which is applied to ensure the liquidity of the Unavailable Performance Shares (§ 6.1) and of the Holding securities held by Bpifrance (§ 6.3), after application, if applicable, of a discount for illiquidity, which may vary depending on the date of exercise, on the value of the Holding securities; in the event of an Exit within 12 months following the exercise of the Manager Call Option, the price of the Manager Call Option will be increased to be equal to the price of the Holding securities resulting from the Exit.

[234] Except with the approval of the Supervisory Committee, individual sales of the Holding securities (other than a customary free transfer) are prohibited during the first 10 years following the closing, within the meaning of the settlement-delivery, of the Offer.
[235] Managers and Kyoto LuxCo 1 shall respectively benefit from a first rank right of preemption and a second rank right of preemption, in the event of direct or indirect transfer of Holding securities (other than a customary free transfer), after the expiration of the approval right of the Supervisory Committee, *i.e.* at the end of the first 10 years following the closing, within the meaning of the settlement-delivery, of the Offer.
[236] In the event Kyoto LuxCo 1 receives an offer from a third party for the acquisition of all the securities held by Kyoto LuxCo 1 (without prejudice to its right to make a minority reinvestment) other than in connection with a customary free transfer, it will have the right to cause the Managers to sell 100% of their Holding securities under the same terms and conditions than the sale by Kyoto LuxCo 1 and conjointly with it.
[237] In the event of any transfer by Kyoto LuxCo 1, to a third party of all or part of it's the Holding securities other than a customary free transfer, resulting in the third party acquiring the control of the Holding, the Managers may require to sell all of their securities of the Holding to such third party under the same terms and conditions. In case of any other transfer by Kyoto LuxCo 1 of its Holding shares other than a customary free transfer, the Managers shall benefit from a proportional tag along right.

The Managers will also benefit, in the form of put options granted by Kyoto LuxCo 1, from a partial liquidity on their Holding securities on the 4th, 6th and 7th anniversary, and total liquidity on the 8th anniversary of the date of their investment, in the following proportions and categories of securities:

- 4th anniversary: up to 25% of *pari passu* securities held (OS and PSa);
- 6th anniversary: up to 25% of *pari passu* securities held (OS and PSa);
- 7th anniversary: up to 50% of the remaining securities (OS, PSa and PSb);
- 8th anniversary: 100% of the remaining shares (OS, PSa and PSb).

The sale price of the Holding securities will be determined by mutual agreement between the Managers' representative and Kyoto LuxCo 1 or, in the absence of such agreement, on the basis of the EBITDA Iso-multiple, after application of an illiquidity discount, variable according to the exercise date, on the value of the Holding securities.

As indicated in the Draft Offer Document, in case of exercise of the Manager Call Option, exercise of the Put Option, Exit, or exercise of the liquidity windows until the 8th anniversary of the date of their investment, the Managers do not benefit from any guaranteed sale price.

Finally, as designed, the liquidity mechanism for the benefit of the Managers does not include a predetermined price, and ensures, through the application of the EBITDA Iso-multiple, equal treatment between the Shareholders under the Offer and the Managers.

6.4.4. Synthesis

We have not identified any provisions in the management package that could affect the Offer Price or that could jeopardize the equal treatment of the Shareholders in the Offer.

6.5. Employee profit-sharing scheme

As specified in the Plan Term Sheet, the employee profit-sharing scheme is intended to continue through the issue of 40,000 free Performance Shares to be allocated in 2023 to employees other than the beneficiaries of the PSb.

No comments are required.

6.6. Commitments to tender to the Offer[238]

We are not aware of any commitments to contribute Shares to the Offer or to the Investor other than those resulting from the investment of Bpifrance and the Managers in Kyoto TopCo as described above (§ 6.2 and § 6.4.1).

[238] Draft Offer Document, § 1.3.5 "Other agreements of which the Offeror is aware", p. 17.

Under the terms of a declaration of intent dated May 12, 2022, we noted that CDC Croissance, controlled by CDC, plans "*to contribute all or part of its shares to the offeror of the offer at the offer price, subject to the approval of its internal governance bodies, the delivery by the Albioma's board of directors of its reasoned opinion on the offer and the completion of the offer.*"

6.7. General Assessment of Related Agreements and Transactions

Finally, we have not identified any provisions in the Related Agreements and Transactions that would be contrary to the interests of the Shareholders or the holders of Warrants.

6.8. Review of the terms of the partner loan

The intra-group loan to be granted by Kyoto BidCo to the Company is intended to refinance the Sustainability-Linked Euro PP issued by the Company in December 2020 (§ 2.8); we have been confirmed that its interest rate is expected to be 2.925%, corresponding to the average of the interest rates of the two tranches of the Sustainability-Linked Euro PP, maturing on December 7, 2027 (€50 million at 2.85%) and December 7, 2028 (€50 million at 3.00%).

Therefore, these remuneration conditions do not require any comment.

7. Comments made by holders of Securities

We have relayed the Press Release of April 28, 2022 announcing the appointment of Ledouble as Independent Expert as of May 2, 2022 on our news site.

We have not received any correspondence from Shareholders or Warrant holders, nor have we been notified of any such correspondence by the Management or the Offeror.

8. Synthesis

In accordance with the scope of the referral to the Independent Expert (§ 1.1), we have mainly checked that:

- the Share Offer Price and the Warrant Offer Price are fair to the Shareholders and the holders of Warrant in the context of the Offer;
- the conditions of the Share Offer Price and the Warrant Offer Price are not such as to affect the equal treatment of the Shareholders or the holders of Warrants whose Securities are targeted by the Offer;
- all of the Related Agreements and Transactions that we have identified in connection with the investment in the share capital of Kyoto TopCo are not of such a nature as to be prejudicial to the interests of the Shareholders and the holders of Warrants whose Securities are targeted by the Offer; we have in particular focused our attention, in the context of the investment in the share capital of Kyoto TopCo, on:
  - the conditions of contribution to the Offer and contribution to Kyoto TopCo of the Shares held by Bpifrance;
  - the principle of investing in the *Pari Passu Mix*, alongside Kyoto LuxCo 1, on the one hand, Bpifrance and, on the other hand, the Managers, remunerated in OS and PSa;
  - the principle and terms of granting to the Managers of the PSb entitling them, according to IRR objectives, to a share of the Exit capital gain alongside the Investor.

We note that, through the Offer:

- the Shareholders benefit from a liquidity of their Shares at the Share Offer Price[239], externalizing premiums with regard to:
  - the VWAPs before rumors of negotiations between the Investor and the Company[240], and before the announcement of the Offer;
  - all the central values resulting from the intrinsic valuation methods (SOTP, DCF, DDM), as primary methods, and the valuation by the Stock Market Comparables, as secondary method;
- the holders of Warrants benefit from a liquidity of their Securities by transparency with the Share Offer Price.

We have not identified any provisions in the Related Agreements and Transactions that would be contrary to the interests of the Shareholders or the holders of Warrants.

Given its status as a pure holding company, the Investor does not anticipate the realization of cost or revenue synergies with the Company (§ 2.7). The Offer is in line with the logic of continuing the activity and development of the Company under the operational management of the Managers, supported by the means made available by the Investor.

[239] 50.84 dividend attached (€0.84), *i.e.* €50.0 ex-dividend.
[240] With reference to the date of March 7, 2022.

9. Conclusion

After having analyzed the overall structure of the Offer, and following our valuation of the Shares and the Warrants in view of the Offer, as well as the examination of the characteristics of the PSa and the PSb in the context of the investment in the capital of the Holding, and more generally of the Related Agreements and Transactions:

- we are in a position to conclude, from a financial point of view, on the fairness, for the Shareholders as well as for the holders of Warrants likely to tender their Securities to the Offer which is of a voluntary nature, of the terms of the Offer covering:
  - the Share Offer Price of € 50.00 (ex-dividend);
  - the Warrant Offer Price of € 29.10;
- we did not identify:
  - in the Related Agreements and Transactions, provisions likely to be prejudicial to the interests of the Shareholders, as well as the holders of Warrants whose Securities are targeted by the Offer;
  - in the conditions for the determination of the Share Offer Price and the Warrant Offer Price, provisions likely to affect the equal treatment of the Shareholders or holders of Warrants whose Securities are targeted by the Offer.

Paris, May 30, 2022

LEDOUBLE SAS

Olivier CRETTÉ	Agnès PINIOT
Partner	President, Partner

Appendicies

- Engagement Letter — Appendix 1
- Schedule of work and Ledouble's remuneration — Appendix 2
- Main steps of the expertise — Appendix 3
- Key interlocutors of Ledouble — Appendix 4
- Main sources of information used — Appendix 5
- Composition of the Ledouble team — Appendix 6
- Financial appraisals carried out by Ledouble — Appendix 7
- Presentation of the Stock Market Comparables — Appendix 8
- Selection criteria for the Stock Market Comparables — Appendix 9
- Principles of the quality review — Appendix 10

APPENDIX 1: ENGAGEMENT LETTER

ALBIOMA

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Ledouble SAS
Madame Agnès Piniot et Monsieur Olivier Cretté
8 rue Halévy
75009 Paris

Paris La Défense, le 3 mai 2022

Objet : Projet d'offre publique d'achat sur les titres de la société Albioma annoncé par la société Kyoto BidCo SAS - Nomination de l'expert indépendant

Madame, Monsieur,

Nous vous confirmons par la présente que, sur proposition du Comité *ad hoc* composé en son sein formulée le 15 mars 2022, le Conseil d'Administration d'Albioma (ci-après la « **Société** ») a décidé, lors de sa réunion du 27 avril 2022, de vous désigner en qualité d'expert indépendant dans le cadre du projet d'offre publique d'achat (« **OPA** ») sur les titres de la Société qui sera déposée par la société Kyoto BidCo SAS (l'« **Initiateur** ») conformément aux termes du Tender Offer Agreement du 27 avril 2022.

Nous précisons que le Conseil d'Administration a ainsi décidé de désigner le cabinet Ledouble, représenté par Madame Agnès Piniot et Monsieur Olivier Cretté, en qualité d'expert indépendant aux fins d'établir un rapport sur les conditions financières de l'OPA visant les titres de la Société annoncée par l'Initiateur le 28 avril 2022 au prix unitaire de 50€ par action (dividende de 0,84 € détaché) et de 29,1€ par bon de souscription (BSAAR) de la Société, en application des articles 261-1 et suivants du règlement général de l'Autorité des Marchés Financiers, et en particulier :

- en raison des accords conclus entre l'Initiateur et les dirigeants de la Société qui sont susceptibles d'affecter leur indépendance (alinéa 2° de l'article 261-1 I) ;
- en raison des opérations connexes à l'OPA susceptibles d'avoir un impact significatif sur l'appréciation du prix de l'OPA (alinéa 4° de l'article 261-1 I) ; et
- en raison du fait que l'offre porte sur des instruments financiers de catégories différentes et est libellée à des conditions de prix susceptibles de porter atteinte à l'égalité entre les actionnaires ou les porteurs des instruments financiers qui font l'objet de l'offre (alinéa 5° de l'article 261-1 I).

Les termes et modalités de votre mission seront conformes à ceux que vous avez soumis au Conseil d'Administration de la Société dans votre proposition d'intervention.

Cordialement,

Frédéric Moyne
Président Directeur Général

ALBIOMA – SOCIÉTÉ ANONYME AU CAPITAL DE 1 242 519,01 € – 775 667 538 RCS NANTERRE
SIÈGE SOCIAL : TOUR OPUS12 – 77 ESPLANADE DU GÉNÉRAL DE GAULLE – 92081 PARIS LA DÉFENSE
TVA INTRACOMMUNAUTAIRE FR 77 775 667 538

APPENDIX 2: SCHEDULE OF WORK AND LEDOUBLE'S REMUNERATION

- Preliminary work and familiarisation
  - Press review and documentary research
  - Interviews with the Management, the members of the Ad Hoc Committee, as well as the representatives of the Boards, the Investor, and the Presenting Bank
  - Analysis of the draft Offer and its legal framework
  - Use of public information about the Group and the Investor
  - Reading of the Company's press releases
  - Study of the main characteristics and components of the renewable energy market and Albioma's positioning in this market
  - Review of the characteristics of the Securities
  - Analysis of the historical evolution of the quotation of the Securities and of the stock market prices of the Stock Market Comparables
  - Use of analysts' notes
  - Review of the minutes of the Board of Directors and the General Meetings
  - Documentary requests
  - Review of the Draft Offer Document and the Draft Document in Response
- Valuation work
  - Review of the Group's historical results, financial structure and key events
  - Analysis of the Company's multi-year consolidated financial statements
  - Search for sectorial and financial information in our databases
  - Use of the documentation available in the data room and of the answers to documentary requests
  - Constitution of a panel of Stock Market Comparables
  - Search for transactional references
  - Detailed analysis of the Long Series Business Plan and the Group Business Plan 2022-2026
  - Review of Related Agreements and Transactions
  - Modeling and valuation of the rights attached to PSb
  - Multi-criteria valuation of the Securities and identification of the premiums induced by the Share Offer Price and the Warrant Offer Price
  - Comparison of the valuation of the Securities with their valuation by the Presenting Bank

APPENDIX 2: SCHEDULE OF WORK AND LEDOUBLE'S REMUNERATION (continued)

- Administration of the Mission and preparation of the Report
  - Physical and remote meetings, telephone interviews
  - Drafting of the mission letter
  - Report writing
  - Submission of Letters of Representation to Management and the Offeror's Representatives
- Remuneration
  - The amount of Ledouble's fees is €220,000 excluding taxes and disbursements, based on the time devoted to the realization of the Mission, which corresponds to an envelope of approximately 1,000 hours.

APPENDIX 3: MAIN STEPS OF THE EXPERTISE

- March 2022
  - Response to the call for tenders for the appointment of an independent expert organized by the Company's legal counsel
  - Presentation of our mission proposal to the members of the Ad Hoc Committee
  - Confirmation of the decision of the Ad Hoc Committee to appoint Ledouble as independent expert
  - Meetings and discussions with the Management, members of the Ad Hoc Committee, and representatives of the Company's legal and financial advisors
  - Review of the valuation of the Securities by the Company's financial advisor
  - Development of the work program

- April 2022
  - Engagement letter subject to formal confirmation by the Board of Directors of the appointment of Ledouble as independent expert
  - Meetings and interviews with the Management, members of the Ad Hoc Committee, and representatives of the Advisors and the Presenting Bank
  - Use of public information related to the Group and the Investor
  - Market study and search for documentary sources and financial and sectoral information in data bases
  - Review of the legal framework of the proposed Offer
  - Analysis of Related Agreements and Transactions
  - Use of the Group's accounting and financial information
  - Access to the data room
  - Use of equity research analysts' notes
  - Analysis of the Share price of the Securities
  - Constitution of a panel of Stock Market Comparables
  - Search for transactional references
  - Documentary requests and Q&A sessions
  - Detailed analysis and modeling of the Long Series Business Plan and the Group Business Plan 2022-2026
  - Multi-criteria valuation of Securities
  - Modeling and valuation of the rights attached to the PSb
  - Examination of the valuation elements of the Securities by the Presenting Bank
  - Confirmation of the appointment of the Independent Expert by the Board of Directors (April 27, 2022) and announcement of the draft Offer (April 28, 2022)

APPENDIX 3: MAIN STEPS OF THE EXPERTISE (continued)

- May 2022
  - Letter of engagement of the Company in Appendix 1
  - Reiteration of the engagement letter
  - Meetings and discussions with the Management, members of the Ad Hoc Committee, representatives of the Investor, the Advisors and the Presenting Bank
  - Contacts with financial analysts
  - Update of the financial parameters of the multi-criteria valuation of the Securities
  - Review of the minutes of the Board of Directors and the General Meetings
  - Review of the successive versions of the Draft Offer Document before filing with the AMF
  - Documentary request and Q&A session
  - Drafting of the Report
  - Removal of the outstanding items
  - Quality review
  - Submission of letters of representation from the Management and the Offeror
  - Review of the Draft Document in Response
  - Finalization of the Report
  - Presentation of the Report to the Ad Hoc Committee and to the Board of Directors on May 30, 2022 prior to the filing of the Draft Document in Response with the AMF

APPENDIX 4: KEY INTERLOCUTORS OF LEDOUBLE

Company

Albioma

Frédéric MOYNE	Chairman and CEO
Julien GAUTHIER	Executive Vice President - Finance
Sébastien CLAIR	Director of Management Control
Mickaël RENAUDEAU	General Secretary

Ad Hoc Committee

Pierre BOUCHUT	Chairman of the Ad Hoc Committee Independent Director
Jean-Carlos ANGULO	Independent Director
Frank LACROIX	Independent Director
Frédéric MOYNE	Chairman and CEO

Offeror

KKR

Ryan MILLER	Director, Energy & Infrastructure
Alexandre Van MEEUWEN	Principal, Infrastructure
Rafael ROMEO GUILLÉN	Associate
Marion HIMBERT	Analyst

Legal advisors

Darrois Villey Maillot Brochier

Bertrand CARDI	Partner
Olivier HUYGHUES DESPOINTES	Partner
Dafna DAVIDOVA	Associate

Bredin Prat

Florence HAAS	Partner
Jean-Florent MANDELBAUM	Partner
Marine BLOTTIAUX	Counsel
Kathleen QUINARD	Associate

Financial advisors

J.P. Morgan

Marc PANDRAUD	Vice-Chairman
Gregory MAILLY	Executive Director
Christophe SERBON	Executive Director
Sarah KACZMARCZYK	Associate
Antoine COMPAIN	Analyst

APPENDIX 4: KEY INTERLOCUTORS OF LEDOUBLE (continued)

› Presenting Bank

Société Générale

▪ Louis-Aynard de CLERMONT TONNERRE	*Managing Director*
▪ Julien BENHAMOU	*Managing Director*
▪ Arnaud GIRARD	*Associate*
▪ Axel NADJAR	*Analyst*

APPENDIX 5: MAIN SOURCES OF INFORMATION USED

Offer Documentation

Legal information

- Letter of intent from KKR (March 10, 2022)
- Legal documentation relating to Related Agreements and Transactions:
  - Investment Agreement between ETI 2020 and Kyoto LuxCo 1[241] (May 13, 2022) and prior Reinvestment Term Sheet (April 20, 2022)[242]
  - Lock-up instruction for the Shares contributed in connection with the Bpifrance Contribution (May 16, 2022)
  - Plan Term Sheet[243] (May 12, 2022)
  - TOA (April 27, 2022)
  - Intra-group loan project between Kyoto BidCo and Albioma [244]
  - Draft liquidity agreement[245] to be concluded for each holder of Unavailable Performance Shares
- Draft Offer Document
- Draft Document in Response

Financial information

- Elements of valuation of the Securities by the Presenting Bank (April 2022)
- Valuation of the Securities by the Company's financial advisor (March 2022)

Albioma documentation

Legal information

- Kbis (certificate of registration in the Trade and Companies Register) (April 22, 2022)
- By-laws (May 9, 2022)
- Board of Directors Minutes (2018 to 2022)
- Minutes of the General Meetings (2018 to 2021)
- Multi-monthly monitoring of the Company’s shareholding (2019 to 2022)
- Breakdown of Warrants by holder at December 31, 2021
- Distribution of Shares by PSb beneficiaries
- Preliminary notice and notice to shareholders to the Combined General Meeting of May 25, 2022
- Governance roadshow at the Combined General Meeting of May 25, 2022
- Press releases

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[241] Investment Agreement between ETI 2020 and Kyoto LuxCo 1.
[242] The Investment Agreement and the Reinvestment Term Sheet set forth the terms of the Shareholders' Agreement to be entered into between ETI 2020 and Kyoto LuxCo 1.
[243] Main Terms and conditions of the agreement between the financial investor and the individual investors, commitment to contribute Securities to the Holding of the first circle of Managers, Specific provisions.
[244] Intra Loan Agreement between Kyoto BidCo SAS and Albioma.
[245] Liquidity Agreement.

APPENDIX 5: MAIN SOURCES OF INFORMATION USED (continued)

Albioma documentation (continued)

Accounting and financial information

- Universal registration documents (2020 and 2021)
- Reference documents (2017 to 2019)
- Group reporting - Operational KPIs (2020 and 2021)
- Accounting information on companies accounted for by the equity method (2021)
- Quarterly results presented to the Audit Committee (2022)
- Half-yearly financial report (2021)
- Long Series Business Plan (2022-2051) and related documentation
- Group Business Plan 2022-2026 and related documentation
- Previous Group Business Plans (2018-2022 to 2021-2025)
- Impairment tests on the Group's consolidated financial statements for the year ended December 31, 2021
- Details of discount rates used for impairment tests as of December 31, 2021
- Equity research analysts' notes (2021 and 2022)
- Internal market analyses (Brazil, Reunion Island, Mayotte)
- Internal Group sector watch (April 2022)
- Sustainability-Linked Euro PP (December 3, 2020)
- Sustainability-linked financing framework (2020)
- Financing the conversion and transition of Albioma Le Gol (May 2022)
- CRE decision on the valuation of the compensation related to the draft amendment to the purchase contract between EDF Reunion Island and Albioma Bois Rouge for the conversion to biomass of the Albioma Bois Rouge electricity production facility (December 3, 2020)

Investor Documentation

- Organizational chart of the Securities acquisition structure
- By-laws of Kyoto LuxCo 1
- Kbis and by-laws of Kyoto BidCo, Kyoto MidCo and Kyoto TopCo

APPENDIX 5: MAIN SOURCES OF INFORMATION USED (continued)

> Sector and financial documentation[246]

- ADEME, Renewable energies: a response adapted to the Guyanese context
- Albioma, It's time to change energy! The essential 2021
- Albioma, It's time to change energy! Solar 2021
- BERTANI Ruggero, *Geothermal Power Generation in the World 2010-2014 Update Report*, Proceedings World Geothermal Congress 2015, Melbourne, Australia, April 19-25, 2015
- Bp, Bp Statistical Review of World Energy 2021
- EDF, What is renewable energy? , 2022
- EDF, What is biomass? , 2022
- EUR-Lex, European Directive 2010/75/EU
- French Energy Regulation Commission, Energy Transition in the ZNI, 1er June 2021
- Grand View Research, Biomass Power Market
- IEA, Renewables 2021 - Analysis and Forecast to 2026
- INAL Ekin, *Geothermal electricity generation in Turkey: Large potential awaiting investors*, 21 July 2020
- IRENA, Renewable Capacity Statistics 2022
- IRENA, World Energy, transition outlook 2022
- Les Échos, *Brazil raises its key rate above 10%, a first in five years*, 3 February 2022
- Le Figaro with AFP, *Brazil, inflation at its highest in six years in 2021*, 11 January 2022
- Le Monde, *Reunion aims for "100% renewable" electricity production in 2023*, 18 December 2020
- Ministry of Ecological Transition, Key figures for renewable energy 2021
- Ministry of Ecological Transition, Climate Plan, 2017
- REN21, Renewables 2021 Global Status, 2021
- Energy transition in Martinique, renewable energies, what resources for our island?
- Xerfi, "The Global Renewable Energy Industry", September 2021

[246] *Web* links as of May 30, 2022.

APPENDIX 5: MAIN SOURCES OF INFORMATION USED (continued)

Information sites

Parties to the Offer

- Albioma, https://www.albioma.com/
- KKR, https://www.kkr.com/

Stock Market Comparables

- Boralex, https://www.boralex.com/fr/
- Capital Power, https://capitalpower.com
- ContourGlobal, https://contourglobal.com
- Drax, https://www.drax.com/
- Encavis, https://www.encavis.com/
- Innergex, https://www.innergex.com/fr/
- Neoen, https://neoen.com/fr/
- Solaria, https://solariaenergia.com/en/
- Terna Energy, https://www.terna-energy.com/
- Voltalia, https://www.voltalia.com/fr

Other sites

- AMF, http://www.amf-france. org/
- Banque de France, https://www.banque-france.fr/
- Euronext, https://live.euronext.com/
- IMF, https://www.imf.org/fr/home
- JESDER, https://jesder.org/
- Legifrance, https://www.legifrance.gouv.fr/

Databases

- Bloomberg
- Mergermarket
- S&P Capital IQ
- Xerfi

APPENDIX 6: COMPOSITION OF THE LEDOUBLE TEAM

Ledouble is a firm specialized in financial expertise. As such, it has performed numerous independent valuation assignments, particularly in the context of public offers. The main independent appraisal and financial analysis assignments carried out in this field over the most recent period (2016 to 2022) are listed in **Appendix 7**.

Ledouble is a founding member of the French professional association of independent appraisers / *Association Professionnelle des Experts Indépendants* (APEI), a professional association approved by the AMF in accordance with article 263-1 of its general regulation, of the French society of valuers / *Société Française des Évaluateurs* (SFEV), and follows the ethical rules described on its website: http://www.ledouble.fr.

- Agnès PINIOT, Partner, President of Ledouble
  - Chartered accountant and statutory auditor
  - Expert at the Court of Appeal of Paris
  - MSTCF, University of Paris IX - Dauphine
  - President of the APEI
  - Member of SFEV
  - Member of the "Valuation, Contribution and Merger Commission" of the French national company of statutory auditors / *Compagnie nationale des commissaires aux comptes* (CNCC)
- Olivier CRETTÉ, Partner
  - Chartered accountant and statutory auditor
  - EM Lyon, PhD in Management Sciences
  - Member of APEI and SFEV
  - Member of the Professional Standards Commission of the French national company of statutory auditors / *Compagnie nationale des commissaires aux comptes* (CNCC)
  - Member of the French national association of financial and management control directors / *Association nationale des directeurs financiers et de contrôle de gestion* (DFCG)
  - Associate Professor at the National Conservatory of Arts and Crafts / *Conservatoire National des Arts et Métiers* (CNAM)
- Thomas WOESTELANDT, Director
  - University of Paris V-Descartes - Master in Accounting, Controlling and Auditing (CCA)
  - Member of SFEV
- Marjory BRUCHON, CFA, Manager
  - IAE Grenoble - Master in Corporate and Market Finance
  - Member of the CFA Society France
  - Member of SFEV

APPENDIX 6: COMPOSITION OF THE LEDOUBLE TEAM (continued)

- Jérôme GÉRARD, Manager
  - Université Paris Dauphine-PSL - Master in Audit and Corporate Finance
- Erwan BOBIN, Analyst
  - NEOMA Business School - Master in Corporate Finance

- Romain DELAFONT, Partner, Independent review

Romain DELAFONT did not take part directly in the work carried out within the framework of the expertise; he intervened as internal quality controller within Ledouble in accordance with article 3-12 of the AMF Instruction 2006-08, and according to the principles set out in Appendix 10

- Master 225 "Corporate Finance and Financial Engineering" from the University of Paris IX - Dauphine
- Superior Diploma of Accounting and Management
- Member of APEI and SFEV

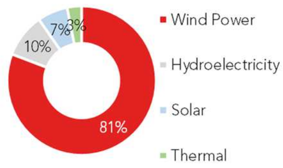
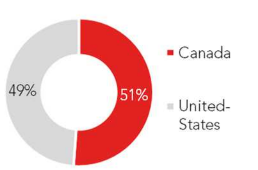
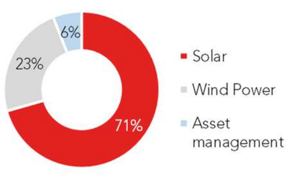
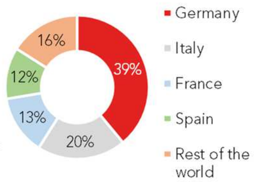
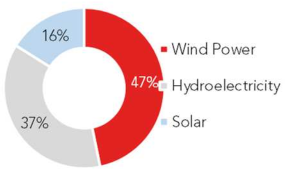
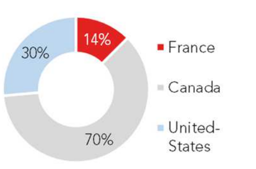
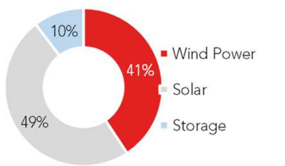
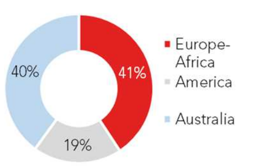
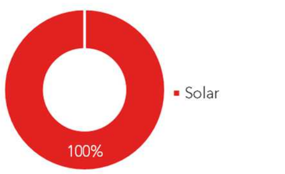
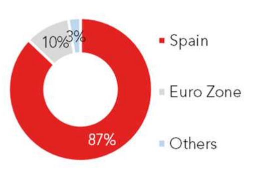
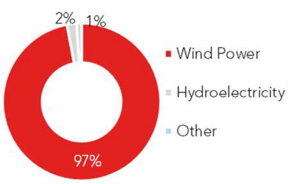
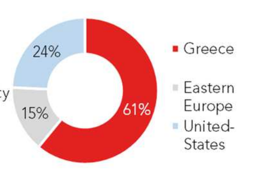
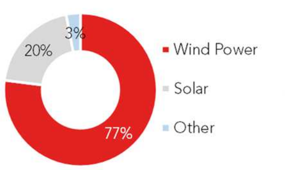
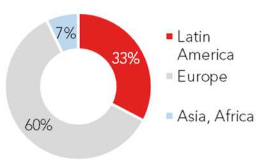
APPENDIX 7: FINANCIAL APPRAISALS CARRIED OUT BY LEDOUBLE

Year	Company	Presenting institution(s)
2022	CNP Assurances	Barclays Bank, Morgan Stanley, Natixis et BNP Paribas
2021	L'Oréal	*
2021	Europcar	Bank of America, BNP Paribas
2021	Baccarat	Mediobanca
2021	XPO Logistics Europe	Rothschild Martin Maurel
2021	Natixis	JP Morgan
2021	EPC Groupe	Natixis
2021	Selectirente	Natixis
2021	Spir Communication	Kepler Cheuvreux
2020	EasyVista	Natixis
2020	Lafuma	Société Générale
2020	Ingenico	BNP Paribas, Morgan Stanley & Co International, Natixis et
2019	Terreïs	Goldman Sachs Paris et Cie, Natixis
2019	MBWS	*
2019	Selectirente	Rothschild Martin Maurel
2019	Locindus	Natixis
2018	Baccarat	Société Générale
2018	Aufeminin (2)	Rothschild
2018	Direct Energie	Lazard Frères Banque, Société Générale CIB
2018	Altamir	CA-CIB
2018	Spir Communication	Kepler Cheuvreux
2018	Business & Decision	Portzamparc - Groupe BNP Paribas
2018	Aufeminin	Rothschild
2018	A2micile	Swiss Life Banque Privée
2017	Assystem	CA-CIB, BNP Paribas, Société Générale
2017	CGG	*
2017	Eurosic	Deutsche Bank, Natixis
2017	Etam Développement	Natixis, Rothschild
2016	Radiall	Oddo Corporate Finance
2016	Octo Technology	Société Générale
2016	Maurel et Prom	Crédit Agricole
2016	Tronics Microsystems	Kepler Cheuvreux
2016	Medtech	BNP Paribas
2016	Cegid	Natixis
2016	Technofan	Banque Degroof Petercam France
2016	Cegereal	JP Morgan

** : Share buyback/ Financial restructuring/ Reserved capital increase*

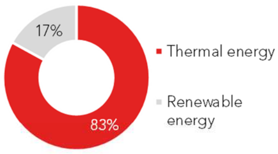
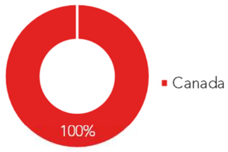
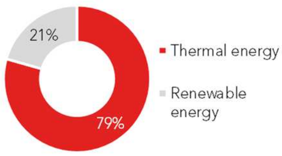
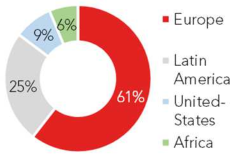
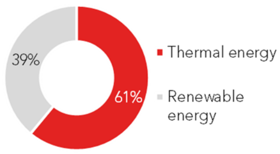
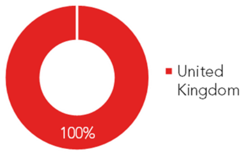
APPENDIX 8: PRESENTATION OF STOCK MARKET COMPARABLES

Description of Stock Market Comparables - Renewable Energy

Company	Country	Description	Market cap. (3 months)	Sales 2021 (M€)	Sales by activity	Sales by region
Boralex		Nationality : Canada (Quebec) Creation : 1990 Installed capacity : 2.5 GW Employees : 560	3 970	480		
Encavis		Nationality : Germany Creation : 2001 Installed capacity : 2.8 GW Employees : 130	2 951	333		
Innergex		Nationality : Canada (Quebec) Creation : 1990 Installed capacity : 3.8 GW Employees : 500	3 759	519		
Neoen		Nationality : France Creation : 2008 Installed capacity : 2.7 GW Employees : 300	3 928	334		
Solaria		Nationality : Spain Creation : 2002 Installed capacity : 0.8 GW Employees : 150	2 480	106		
Terna Energy		Nationality : Greece Creation : 1997 Installed capacity : 0.9 GW Employees : 330	1 818	405		
Voltalia		Nationality : France Creation : 2005 Installed capacity : 1.3 GW Employees : 500	1 843	461		

APPENDIX 8: PRESENTATION OF STOCK MARKET COMPARABLES (continued)

Description of Stock Market Comparables - Mixed Energy

Company	Country	Description	Market cap. (3 months)	Sales 2021 (M€)	Sales by activity	Sales by region
Capital Power		Nationality : Canada Creation : 1891 Installed capacity: 6.6 GW Employees : 800	5 054	1 231		
ContourGlobal		Nationality : United-Kingdom Creation : 2005 Installed capacity : 4.1 GW Employees : 2 000	1 649	1 892		
Drax		Nationality : United-Kingdom Creation : 2005 Installed capacity : 6.4 GW Employees: 3 000	3 004	6 058		

APPENDIX 9: SELECTION CRITERIA FOR STOCK MARKET COMPARABLES

Stock Market Comparables Selection Matrix - Renewable Energy

Company	Country	Business mix	Growth	Geography	Size	Retained by the Presenting Bank
Boralex		✓	✓	✓	✓	✓
Encavis		✓	✓	✓	✓	✗
Innergex		✓	✓	✓	✓	✓
Neoen		✓	✓	✓	✓	✓
Solaria		✓	✓	✓	✓	✓
Terna Energy		✓	✓	✓	✓	✗
Voltalia		✓	✓	✓	✓	✓
7C Solarparken		✓	✓	✓	✗	✗
Altius Renewable Royalties		✗	✓	✗	✗	✗
Altus Power		✓	✓	✗	✗	✗
Atlantica Sustainable Infrastructure		✗	✓	✓	✓	✗
Clearvise		✗	✓	✓	✗	✗

APPENDIX 9: SELECTION CRITERIA FOR STOCK MARKET COMPARABLES (continued)

Stock Market Comparables Selection Matrix - Renewable Energy

Company	Country	Business mix	Growth	Geography	Size	Retained by the Presenting Bank
Cloudberry Clean Energy		✓	✓	✗	✗	✗
Ecoener		✓	✓	✓	✗	✗
Engie Brasil		✗	✓	✗	✓	✓
ERG		✓	✗	✓	✓	✓
Falck Renewables		Takeover bid				✗
Greencoat Renewables		✓	✓	✓	✗	✗
Greenvolt		✓	✗	✓	✓	✗
Pacifico Renewables		✓	✓	✓	✗	✗
Polaris Infrastructure		✓	✓	✗	✗	✗
Polenergia		✗	✓	✗	✓	✗
Scatec		✗	✓	✗	✓	✓
Sunnova Energy		✓	✓	✗	✓	✗
TransAlta Renewables		✗	✓	✓	✓	✗

APPENDIX 9: SELECTION CRITERIA FOR STOCK MARKET COMPARABLES (continued)

Stock Market Comparables Selection Matrix - Mixed Energy

Company	Country	Business mix	Growth	Geography	Size	Retained by the Presenting Bank
Capital Power	Canada	✓	✓	✓	✓	✗
ContourGlobal	United Kingdom	✓	✓	✓	✓	✓
Drax	United Kingdom	✓	✓	✓	✓	✗
AES	United States	✗	✓	✗	✓	✓
AES Andes	Chile	Follow-up by analysts limited				✓
Ormat Technologies	United States	✗	✓	✗	✓	✓
TransAlta	Canada	✗	✓	✓	✓	✗

APPENDIX 10: PRINCIPLES OF THE QUALITY REVIEW

Article 3-12 of AMF Instruction 2006-08 states that the expert report must include "*a description of the mission, role and work performed by the person in charge of the quality review of the expert report, as well as a description of the guarantees of independence of this person*".

In this case, the quality controller:

- did not take part directly in the realization of the Mission and intervened in total independence from the two signatories of the Report, as well as from the other members of the Ledouble team;

- was consulted when accepting the Mission on the independence of Ledouble and its own independence;

- intervened in order to:
  - validate the structure of the Report and test its consistency with the scope of the assignment as defined in the Company's engagement letter in **Appendix 1**;
  - proceed with the review of the Ledouble referral items;
  - ensure, in the context of the Mission, that the provisions of the AMF's general regulation, AMF Instruction 2006-07, AMF Instruction 2006-08 and AMF Recommendation 2006-15 are taken into account;
  - verify compliance with the applicable internal procedures of Ledouble regarding independent expertise;
  - inquire about the nature of the documentation used during the Mission;
  - question the signatories of the Report on the assumptions and parameters structuring the valuation of the Securities, their assessment of the impact of the Related Agreements and Transactions, as well as the summary of their exchanges with Ledouble's interlocutors in **Appendix 4**;
  - review the content of the summary files underlying the valuation of the Securities and the modeling and valuation of the rights attached to the PSb;
  - follow-up the drafting of the Report on a formal level in relation with the signatories, by formalizing "questions and answers";
  - verify *in fine* the consistency between the content of the Report and the Fairness Opinion.

Albioma

TENDER OFFER

Addendum to Fairness Opinion dated May 30, 2022

This addendum to our Report issued on May 30, 2022 (the "**Addendum**") incorporates certain terms defined in the Glossary (pp. 4-8) and presentation conventions (p. 13).

We have been informed, subsequent to the issuance of the Report, of the commitment to tender to the Offer all the 1,956,831 Shares held by Compagnie Financière Européenne de Prises de Participation (COFEPP) (§ 2.3.1); this commitment to tender to the Offer was the subject of a letter dated May 30, 2022 sent by COFEPP to Kyoto BidCo, in its capacity as Initiator of the Offer, the following provisions of which we note:

- COFEPP will tender its Shares to the Offer no later than three trading days before the closing of the Offer, and reserves the right to transfer all or part of such Shares to an affiliate, guaranteeing compliance with the terms of the tender commitment as if the affiliate were a party to the Offer;
- COFEPP's commitment to contribute to the Offer:
  - will automatically expire on the earliest of the following dates:
    - the date on which the Offer is declared non-compliant by the AMF *(non conforme)*, unsuccessful *(sans suite positive)*, in case the Offer lapsed *(devenue caduque)* pursuant to Articles 231-9 and 231-11 of the AMF's general regulation, or in the case the Offer is withdrawn by the Offeror pursuant to Article 232-11 of the AMF's general regulations;
    - May 30, 2023, *i.e.* 12 months as from the date of the letter of this commitment to tender to the Offer;
  - would be null and void if the following conditions were cumulatively met:
    - filing by a third party of a competing public offer cleared by the AMF *(déclarée conforme)* and opened;
    - the Offeror has not filed or announced its intention to file a counteroffer to be paid exclusively in cash on the competing public offer within five trading days after the opening of such competing public (and, assuming it so announced its intention, the Offeror has failed to file such counterfoffer by the fifth trading day prior to the end of the tendering period of the competing offer pursuant to Article 232-6 of the AMF's general regulation).

We have not identified any provision in the COFEPP tender offer agreement relating to a price supplement to the Share Offer Price.

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Accounting and auditing company
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Therefore, we complete the paragraph "Commitments to tender to the Offer" of the Report in the analysis of the Related Agreements and Transactions (§ 6.6) as follows, in underlined characters:

"We are not aware of any commitment to contribute Shares to the Offer or to the Investor other than those resulting from the investment of Bpifrance and the Managers in Kyoto TopCo as described above (§ 6.2 and § 6.4.1), <u>as well as the commitment to contribute to the Offer of COFEPP</u>.

Under the terms of a declaration of intent dated May 12, 2022, we noted that CDC Croissance, controlled by CDC, plans "to contribute all or part of its securities to the offeror of the offer at the offer price, subject to the approval of its internal governance bodies, the delivery by Albioma's board of directors of its reasoned opinion on the offer and the completion of the offer." "

We also confirm the results of our work set out in the Report by reiterating, below, the Fairness Opinion in conclusion to the Report (§ 9):

"After having analyzed the overall structure of the Offer, and following our valuation of the Shares and the Warrants in view of the Offer, as well as the examination of the characteristics of the PSa and the PSb in the context of the investment in the capital of the Holding, and more generally of the Related Agreements and Transactions:

- *we are in a position to conclude, from a financial point of view, on the fairness, for the Shareholders as well as for the holders of Warrants likely to tender their Securities to the Offer which is of a voluntary nature, of the terms of the Offer covering :*
  - *the Share Offer Price of € 50.00 (ex-dividend);*
  - *the Warrant Offer Price of € 29.10;*
- *we did not identify :*
  - *in the Related Agreements and Transactions, provisions likely to be prejudicial to the interests of the Shareholders, as well as the holders of Warrants whose Securities are targeted by the Offer;*
  - *in the conditions for the determination of the Share Offer Price and the Warrant Offer Price, provisions likely to affect the equal treatment of the Shareholders or holders of Warrants whose Securities are targeted by the Offer.*

Paris, June 14, 2022

LEDOUBLE SAS

Olivier CRETTÉ	Agnès PINIOT
Partner	President, Partner

Appendix 2

Report of the chartered accountant appointed by the Group Committee

ALBIOMA

Proposed tender offer initiated by KKR

Report of the Group Committee's Chartered Accountant

May 2022

ECA GROUP
Accounting firm
13, rue Saulnier 75009 PARIS

PREAMBLE

Our mission falls within the scope of articles L. 2312-42 and L. 2312-43 of the French Labor Code concerning the consultation of the Group Committee on the proposed tender offer announced on April 27, 2022.

NB: the information contained in this report is confidential.

We supplemented our analysis of relevant documents with interviews with the following persons, whom we thank for their time and availability:

- Albioma management: Frédéric Moyne (CEO), Julien Gauthier (Deputy general manager – finance) and Paul Mayer (HR Director)
- KKR representative: Mr. Vincent Policard
- Mr. Jimmy Thélémaque (Secretary of the Group Committee)

Thanking you for the confidence you have shown in us, we remain of course at your disposal for any further information.

M. El Kalloubi
N. Schreiber
Partner Directors

SUMMARY

1 - The sector: characteristics and challenges

2 - The ALBIOMA Group

3 - The KKR Fund

4 - The stakes of the proposed tender offer and its consequences

4.1 – Tender offer: characteristics and schedule

4.2 - Strategic and operational impacts

4.3 - Social impacts

5 - Concerns and threats

1- The sector

Characteristics and challenges

The energy production sector: principal characteristics

The energy production sector in France:
- ➢ remains clearly dominated by one major player in France: EDF
- ➢ nuclear power remains the dominant part of the French energy mix

There are strong constraints on the sector:

- ➢ the renewable energy market remains very dependent on public policies
- ➢ Need for intensive and extensive growth
- ➢ Continuous heavy investment

Difficulties inherent to this sector:
- ➢ Regulatory environment
- ➢ Environmental pressure

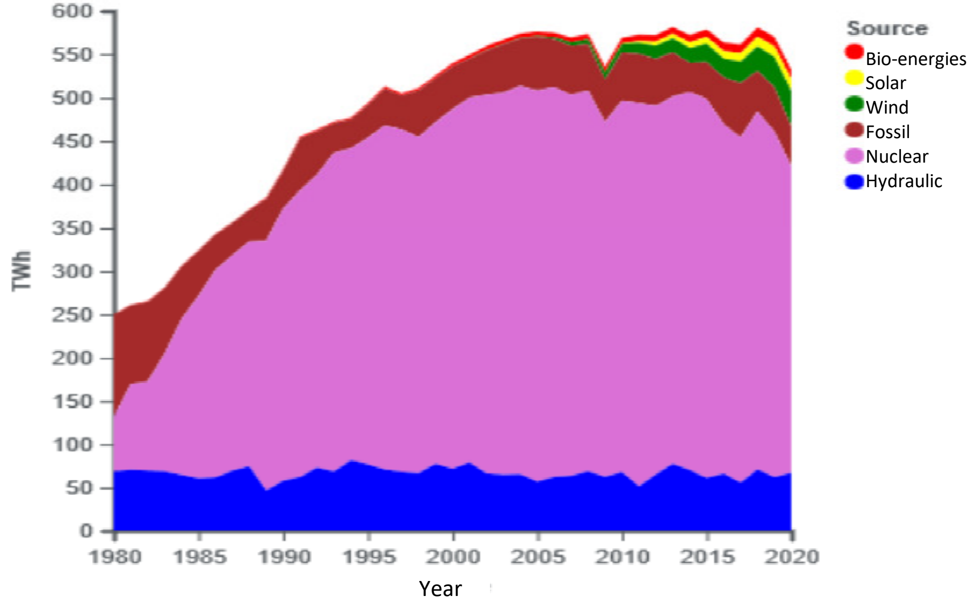
There are constraints on the development of renewable energy in France

- ❑ A tariff evolution capped by the CRE (*Commission de régulation de l'énergie*, Energy Regulation Commission)
- ❑ Rate increase vs. cost increase
- ❑ The environmental constraint
- ❑ Nuclear and gas: "green" energy?

- ✓ Are the ambitions of the PPE (*Programmation pluriannuelle de l'énergie*, Multiannual energy programming) achievable?
  - ❖ 40% of electricity from renewable sources by 2030?
  - ❖ Reduction of fossil fuel combustion by 35% by 2028?
- ✓ The development of renewable energy depends heavily on the involvement of public authorities, in the form of:
  - ❖ Tax benefits
  - ❖ Land use planning and infrastructure
  - ❖ Direct investments

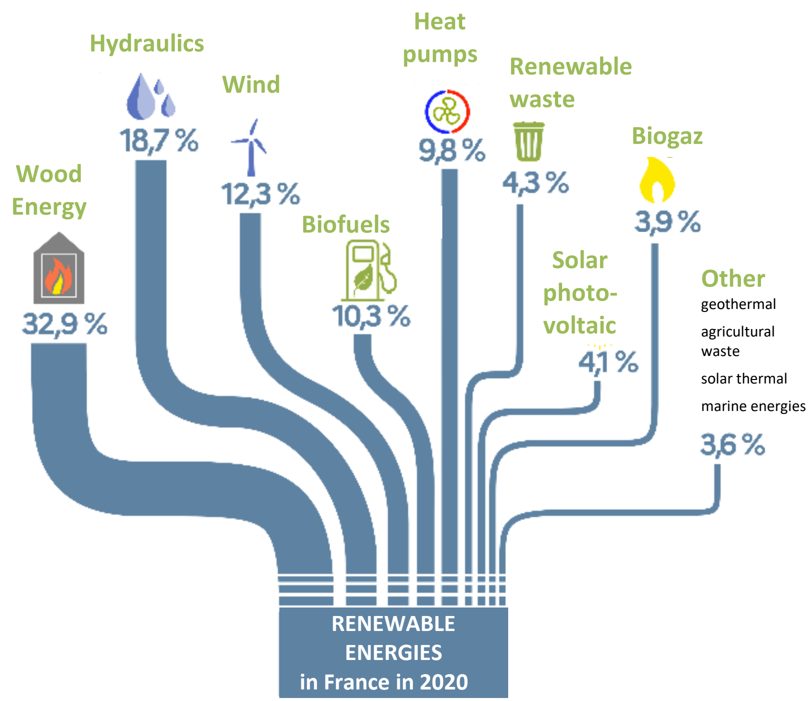
Competitive positioning

The sector in France is marked by a strong imbalance: EDF and nuclear power remain dominant.



Electricity production by source in France
1980-1989: net production (EIA)[2]
1990-2020: gross production (International Energy Agency)[3].
NB: tidal energy is included among hydraulic sources and waste is included among bio-energy sources

- Nuclear power and fossil fuels still dominate the French energy mix
- Renewable energy represents only 13.1% of the total



✓ 1/3 of the national renewable production comes from the wood energy sector

✓ The share of renewable energy has risen to over 19% of final consumption in France

✓ Evolution of NRE in France in 20 years: +84%.

Source: SDES

2- The ALBIOMA group

key financial data

MT Plan 2022-2026

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Source: Albioma group business plan 2022-2026

Evolution of EBITDA

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Source: Albioma group business plan 2022-2026

Change in Net earnings

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Source: Albioma group business plan 2022-2026

Development and operation CAPEX (Mgt case)

CONFIDENTIAL

Source: Albioma group business plan 2022-2026

..... mainly financed by debt

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Source: Albioma group business plan 2022-2026

Summary income statement by activity (Mgt case)

CONFIDENTIAL

Source: Albioma group business plan 2022-2026

Changes in debt and cash flow (Mgt case)

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Source: Albioma Group Business Plan 2022-2026

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Renewable energy mix (Mgt case)

A target of 96% renewable energy by 2026

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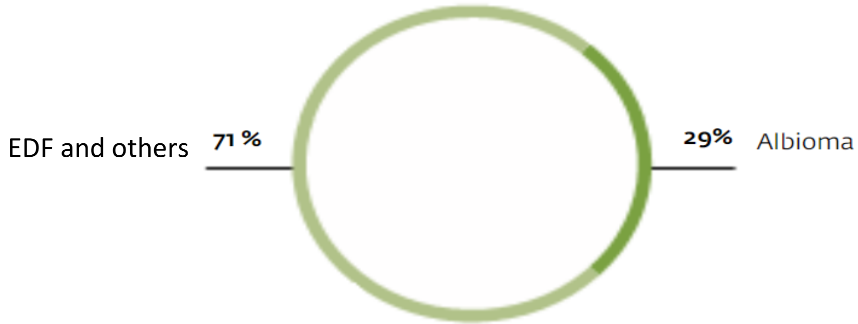
Source: Albioma Group Business Plan 2022-2026

ALBIOMA: a key player in the French overseas territories

Share of total electricity production provided by the Group in the French Overseas Territories and Mauritius in 2021[1]

Reunion

Guadeloupe



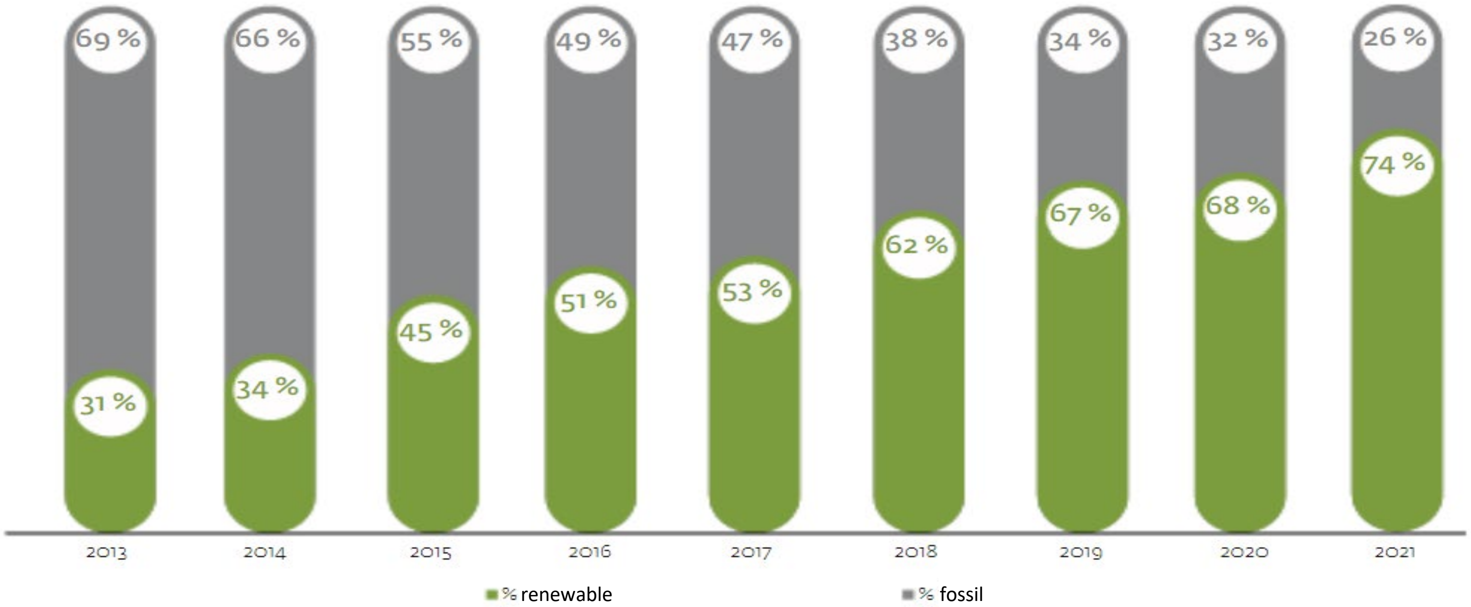
Martinique

Mauritius

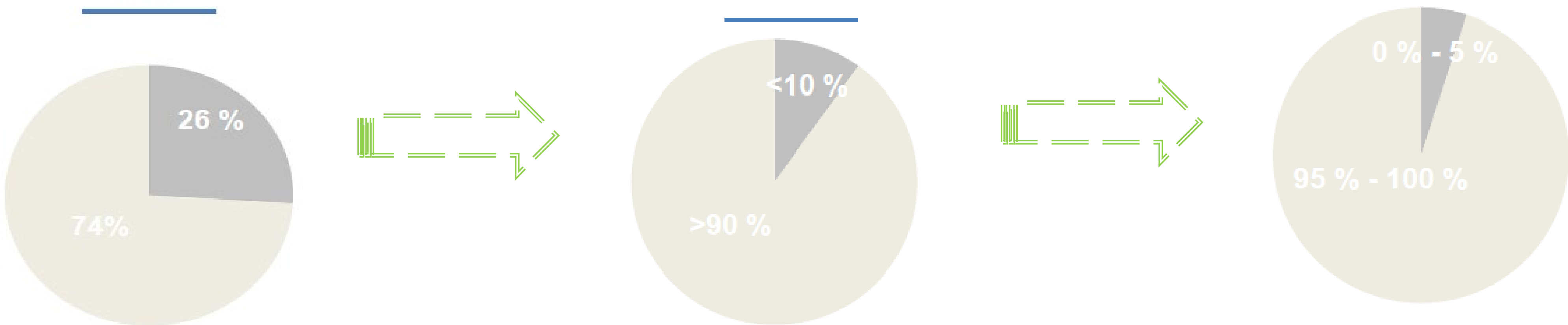
- 40% of the electricity in Reunion
- 29% in Guadeloupe
- 18% in Martinique
- 45% in Mauritius

Source: Universal Registration Document 2021

ALBIOMA: the main driving force in the energy transition in the French Overseas Territories



2021 | **2025 Objective** | **2030 Objective**



Source: Universal Registration Document 2021

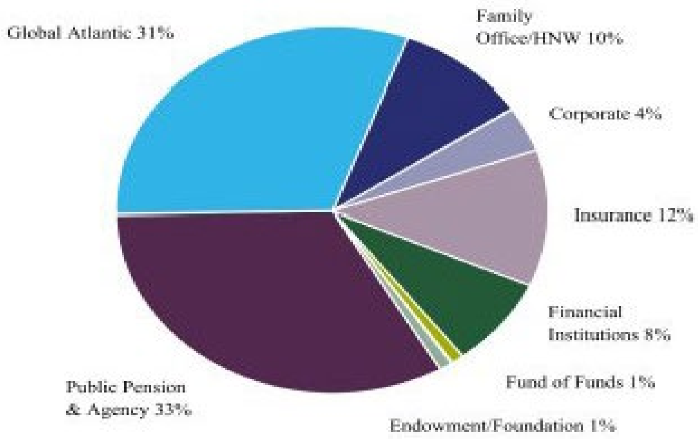
The total withdrawal from coal in the French overseas territories is planned for the end of 2025

3- The KKR fund

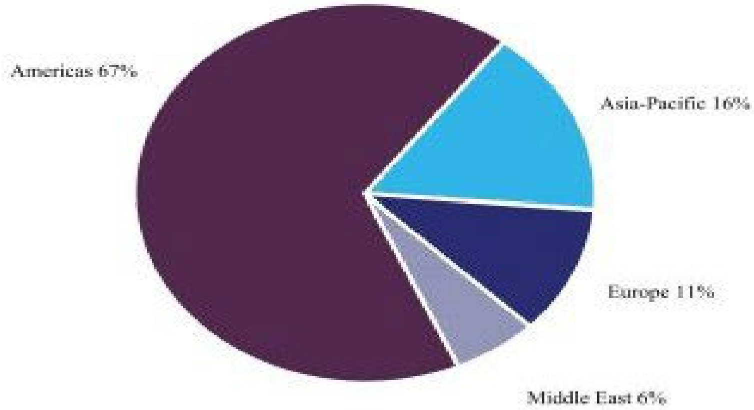
key data

KKR: key financial data

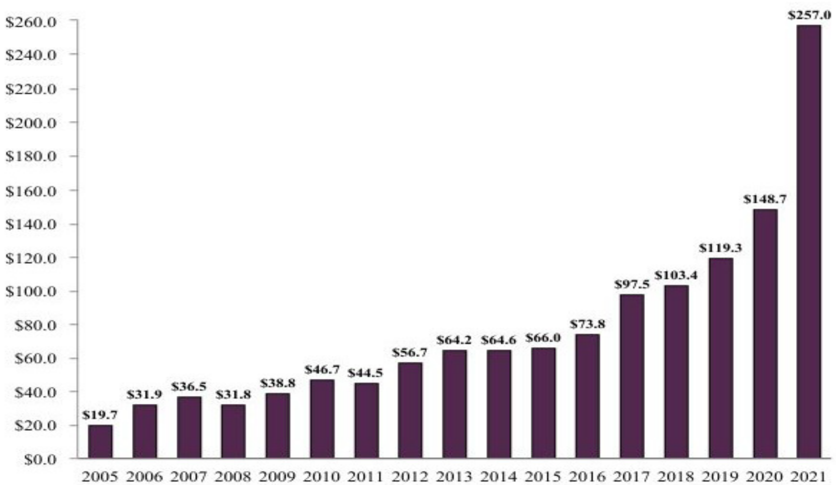
Composition of the KKR Fund's main investors



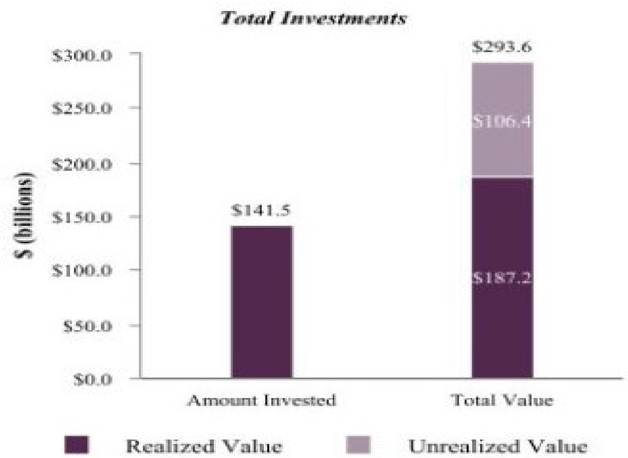
.... and their geographic origin



Managed assets (in billions of dollars)



Amount invested and valuation of these investment funds as of 12/31/2021



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KKR: Key financial data

	Year Ended		
	December 31, 2021	December 31, 2020	Change
		($ in thousands)	
Revenues			
Asset Management			
Fees and Other	$ 2,850,154	$ 2,006,791	$ 843,363
Capital Allocation-Based Income (Loss)	6,842,414	2,224,100	4,618,314
	9,692,568	4,230,891	5,461,677
Insurance			
Net Premiums	2,226,078	—	2,226,078
Policy Fees	1,147,913	—	1,147,913
Net Investment Income	2,845,623	—	2,845,623
Net Investment-Related Gains	203,753	—	203,753
Other Income	120,213	—	120,213
	6,543,580	—	6,543,580
Total Revenues	**16,236,148**	**4,230,891**	**12,005,257**
Investment Income (Loss) - Asset Management			
Net Gains (Losses) from Investment Activities	7,720,923	3,642,804	4,078,119
Dividend Income	698,800	352,563	346,237
Interest Income	1,485,470	1,403,440	82,030
Interest Expense	(1,070,368)	(969,871)	(100,497)
Total Investment Income (Loss)	8,834,825	4,428,936	4,405,889
Net Income (Loss)	12,295,179	5,117,598	7,177,581
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	4,060	—	4,060
Net Income (Loss) Attributable to Noncontrolling Interests	7,624,643	3,115,089	4,509,554
Net Income (Loss) Attributable to KKR & Co. Inc.	4,666,476	2,002,509	2,663,967

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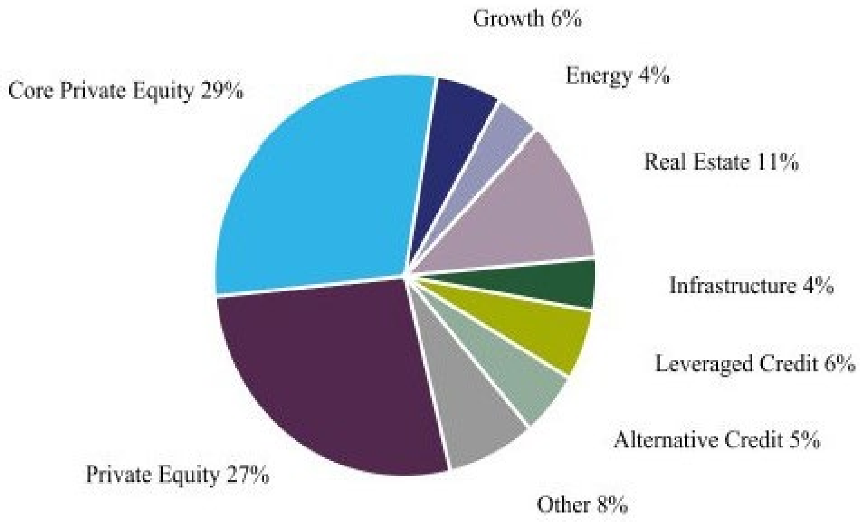
Groupe ECA Expertise Conseil Audit

KKR: Key financial data

Breakdown by asset class as of 12/31/2021



- Mainly invested in Core and Private Equity (56%)

- Infrastructure activity represented only 4% of asset classes as of 12/31/2021

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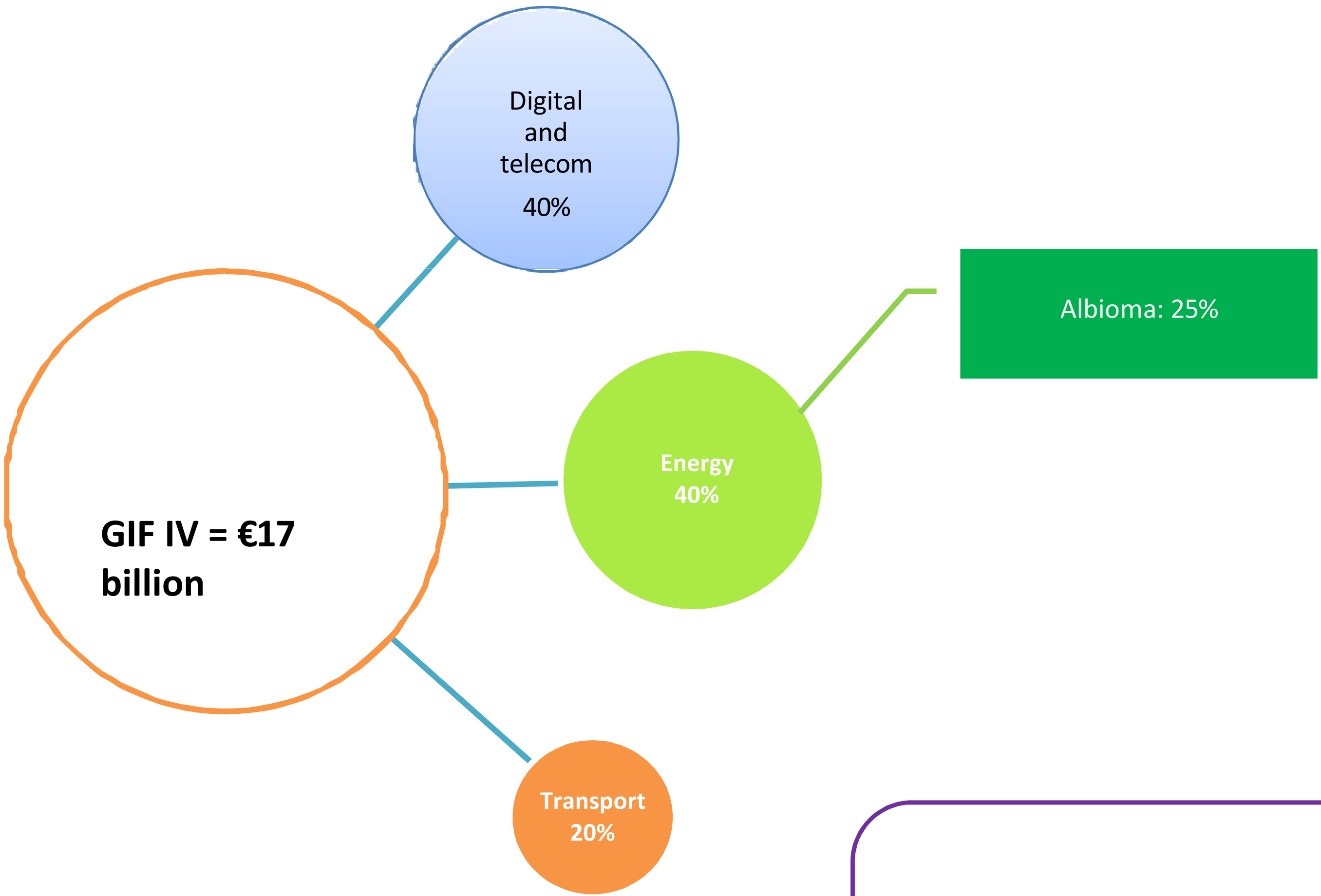
KKR accelerates its infrastructure strategy in Europe



KKR has raised a $17 billion fund for infrastructure projects:

- Funds: 12 to 15 years term
- 15 to 20 investments planned
- Required profitability: average 10%.

4- The stakes of the proposed tender offer and its consequences

The main features of the proposed tender offer

- The proposed tender offer was announced on May 2, 2022 to the Albioma Group Committee. However, the Group’s management has been approached by the initiator of the project since late December 2021, and the offer was made public on April 28, 2022.

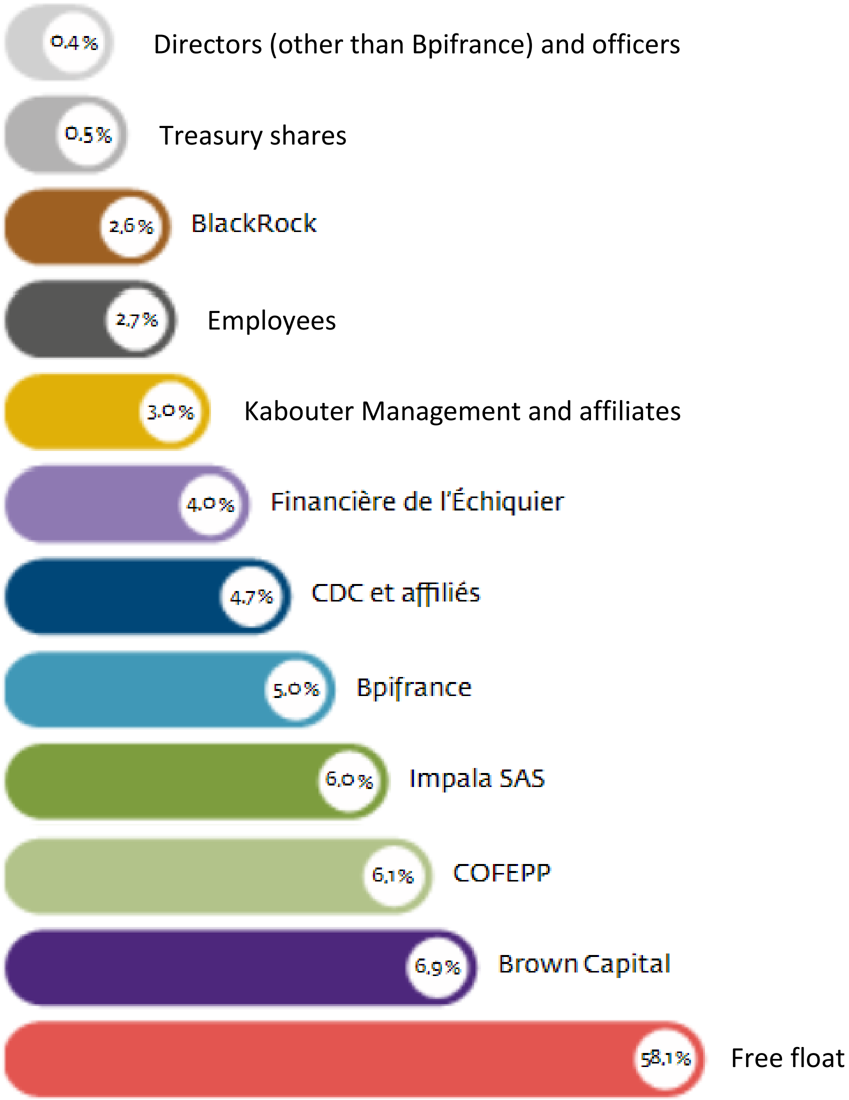
- The proposed price is 50 euros per share and 29.1 euros per warrant (BSAAR). This proposal values the Albioma group at €1.7 billion (excluding debt).

- This proposed offer has been favorably received by the Board of Directors of Albioma, following the commitments of the offeror on strategy, the integrity of the Group and the maintenance of employment: It has been considered friendly by the Board of Directors.

- Conditions for success:
    - Crossing of the acceptance threshold: > 50.01% of the share capital and voting rights
    - Obtaining the visa of the authorities

- Financing of the Offer:
    - Equity: 1.3 billion
    - Debt: €425 million

ALBIOMA: a highly diluted shareholder base



- No reference shareholder since 2015

- Free float represents the portion of capital held by shareholders with a stake of less than 5%.
It represented 58.1% of the share capital at the end of March 2022. It is these shareholders that the KKR fund will have to convince to contribute their shares so that it exceeds the threshold of 50.01% of the share capital, in addition to the other main funds.

Source: Universal Registration Document 2021

ALBIOMA: correct stock market performance over the decade

➢Albioma's share price has risen steadily with a strong acceleration over the 2019-2020 period, but a clear counter-performance over 2021 (- 30%).

➢ KKR: opportunity of the timing of the tender offer ?
The proposed price is similar to the market price in January 2021.

ALBIOMA valuation: fair value?

✓ The valuation methods used in the AMF document, essentially based on the stock market price, value Albioma at between 31 and 41 euros per share.

✓ The company has carried out its own valuation (study carried out by JP Morgan). The details of the valuation methods were not communicated to us.
Methods used: LBO method and discounted cash flow method

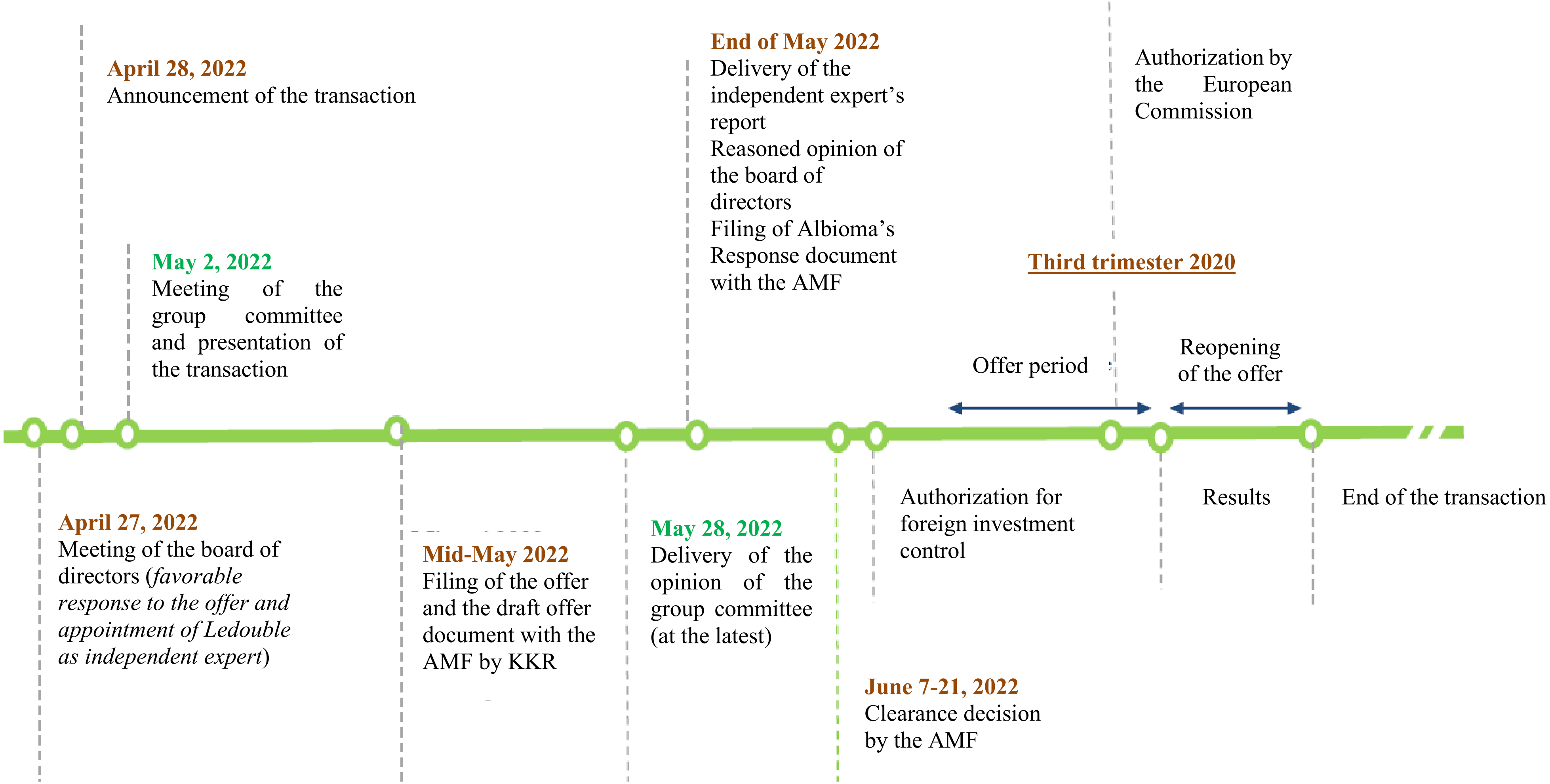
✓ Price range (JP Morgan):

- ❖ Between 41 and 50.6 euros per share (MT plan horizon)
- ❖ Between 44.7 and 54.3 euros per share (assumption of additional investment post 2026, 150 M€/year/5 years)

➡ The price proposed by KKR is in the range of this valuation.

The main steps of the operation

Schedule of the tender offer process



➢ The information/consultation process takes place from the beginning of the offer process (from the official announcement)

➢ The filing of a proposed offer, and therefore of a file with the AMF, was completed on May 13, 2022. This stage is characterized by the filing of a draft offer document, which presents to investors all the characteristics of the offer. It is published as soon as it is filed, but remains subject to review by the AMF, which may request changes to its form and content.

The AMF will then examine the file, requesting clarifications or additional information from the offeror before validating the offer. In most cases, this phase lasts approximately 2 to 3 weeks. The clearance decision of the offer is formally issued by the AMF's Board, which meets approximately once every two weeks. This decision issued by the AMF certifies that, upon examination of the relevance and consistency of the information, the offeror's proposal complies with the regulations in force.

➢ At the same time, Albioma will file with the AMF its own draft offer document in response to the offer. This document is also available to the public. It is subject to the review of the AMF and contains, in particular, the reasoned opinion of the Board of Directors of the company on the offer, the fairness opinion of the independent expert it has appointed and the opinion of the Group Committee (accompanied by the report produced by the expert it has appointed).

An independent expert (the firm Ledouble) was appointed by the Board of Directors on April 27, 2022 to assess the financial conditions of the offer.

➢ Once the offer has been deemed compliant by the AMF, the tender offer may be officially opened for a period of 25 days, after the AMF has received the French and Spanish regulatory approvals. During this period, the offer may be reopened by the offeror, or may be subject to an improved offer or counter-offer filed by a third party.

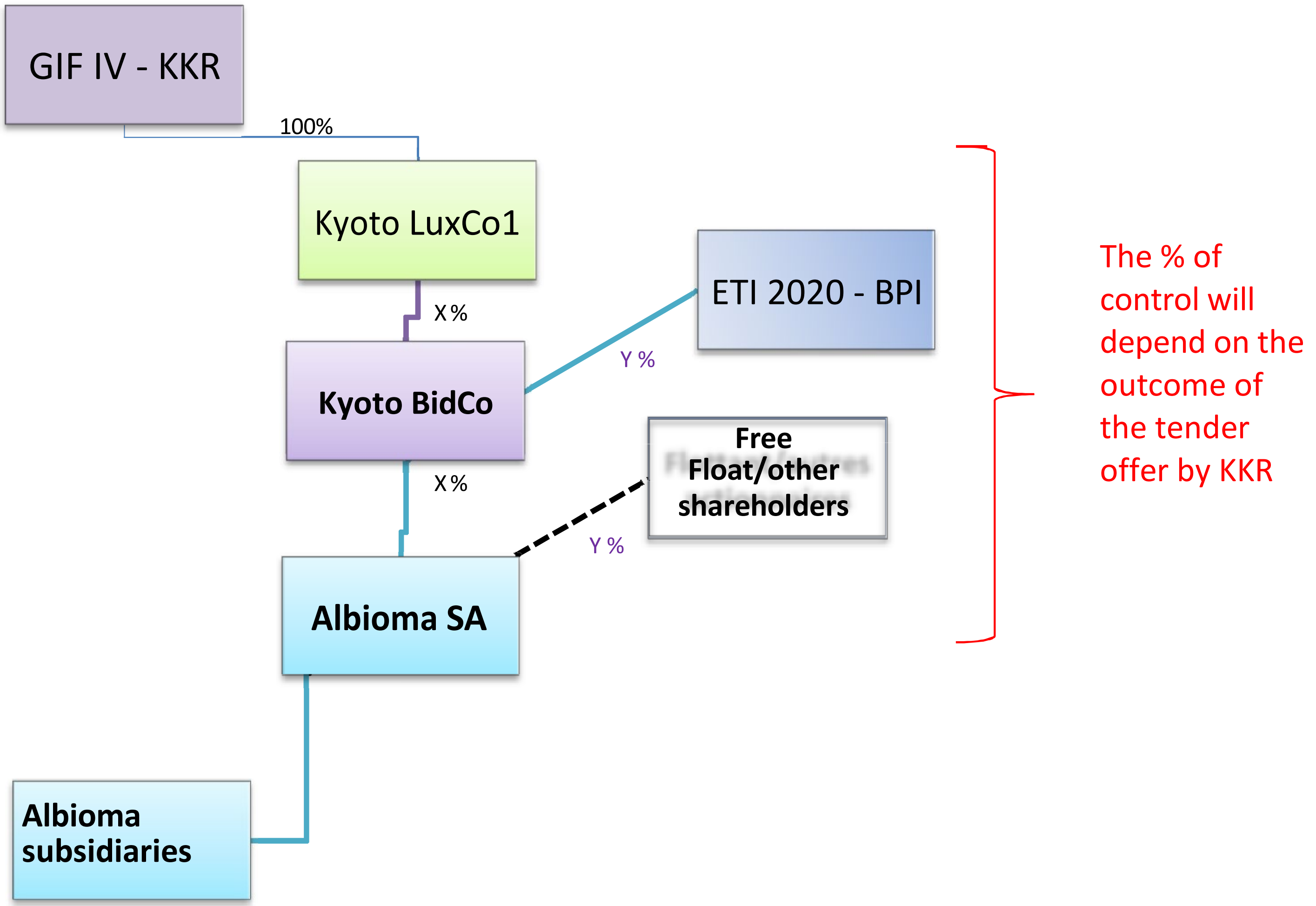
➢ Upon receipt of the European Commission's authorization, the AMF will set the closing date of the offer. At the closing of the offer, the AMF will publish the result within 9 days.

- If the tender offer is successful (>50.01% of the share capital and voting rights), the offer will be reopened for 10 days, under the same conditions (in order to allow shareholders who did not wish to tender their shares to the initial offer to tender them).

- If, at the end of the offer period, minority shareholders do not represent more than 10% of the share capital and voting rights, the offeror may implement a squeeze-out, obliging minority shareholders who have not tendered their shares to the offer to do so, and Albioma will no longer be a listed company (otherwise, Albioma will remain listed).

The squeeze-out must be launched within 3 months following the tender offer and results in the delisting of Albioma’s securities.

Proposed post-takeover organization chart



Y % : minority shareholders

Strategic and operational impacts

❑ Maintaining the Group's strategic orientations unchanged

❑ Maintaining the 2022-2026 MT plan unchanged, as well as investment projects, particularly in the conversion of assets to biomass

✓ KKR intends to support Albioma by accelerating its growth in two areas:

- New technologies
  - Solar
  - Geothermal energy
- New geographical areas

→ What are the terms (cash contribution)? KKR does not provide any concrete commitment on this point.

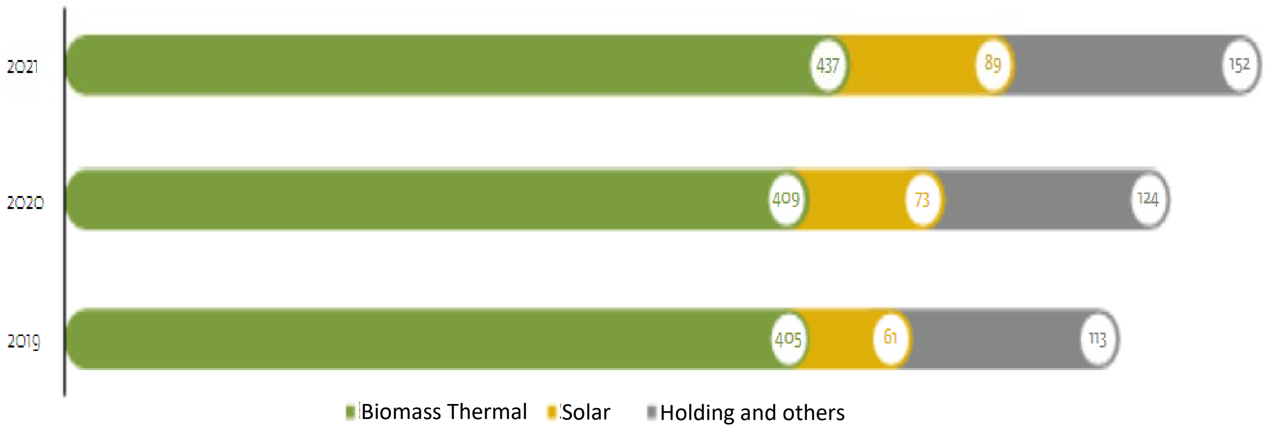
✓ KKR: purely financial investment logic

- No contribution on the strategic plan, on the industrial project
- No equity investment in Albioma
- Exit horizon: 7 to 10 years, with added value thanks to the work of Albioma management and its employees

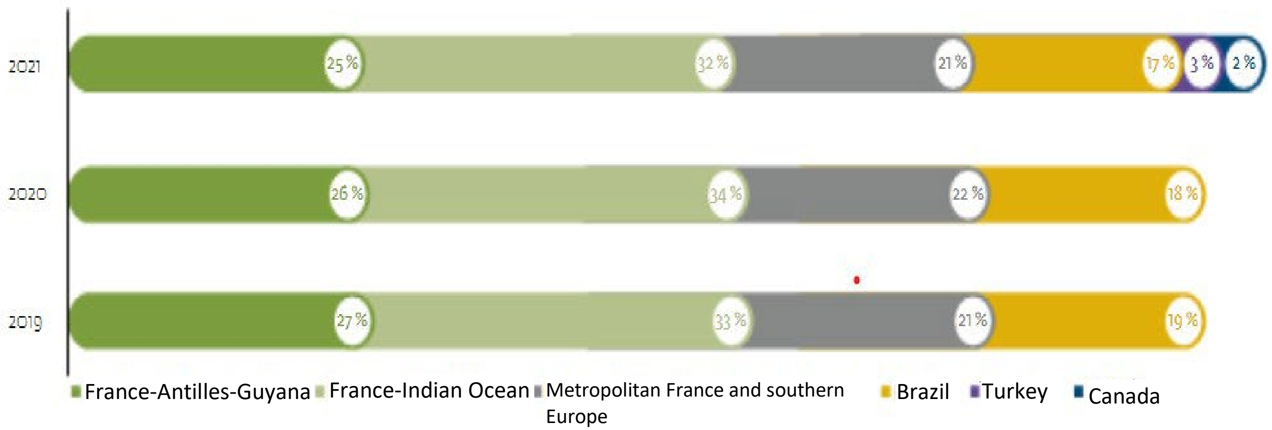
Social impacts

Breakdown of Albioma's workforce

Breakdown of employees by sector of activity as of December 31



Breakdown of employees by geographic area as of December 31



✓ Albioma had 678 employees on 12/31/2021: +12%, part of which comes from the integration of employees from the Turkish and Canadian entities.

✓ The Biomass Thermal activity continues to employ most of the employees: 2/3 of the Group's workforce

✓ Improvement in social indicators, except for the turnover which has increased over the last 3 years (increase in resignations), from 10.6% to 13.8%.
No strike action has been recorded for 2020 and 2021.

A project... without social impact?

- ❑ the project will have no impact on employment: no reduction in the workforce, no change in the organization and collective statuses

- ❑ No impact on the profit-sharing policy and on the special profit-sharing reserve

✓ KKR's offer is based on the continuity of the company's activity, but there is no formal commitment to maintain employment for a firm period beyond 12 months

✓ Maintenance of the Group's shareholding policy: new procedures to be defined?

- What about the current plans because if the tender offer project were to succeed? It will impact these programs.

- What about post-takeover employee shareholding?
KKR suggests that it will continue the policy pursued by Albioma in this area
At what level? And under what terms?

5- Concerns and threats

.... Concerns and threats?

On the Group's strategy

✓ **Changes in the economic and regulatory context**

- Implementation of the European taxonomy
- Downward revision of rates
  Exple: solar (implementation of the Finance Law 2021, impact -3 M€/year)

	Absolute turnover in millions of euros	Fraction of the consolidated turnover
A. Activities eligible for the taxonomy		
Thermal Biomass France	297,0	51,8 %
Solar	49,1	8,6 %
Brazil	24,1	4,2 %
Geothermal	4,1	0,7 %
Turnover of the activities eligible for the taxonomy	**374,2**	**65,3 %**
A. Activities not eligible for the taxonomy		
Turnover of the activities not eligible for the taxonomy	**199,1**	**34,7 %**
Total (A+B)	**573,3**	**100 %**

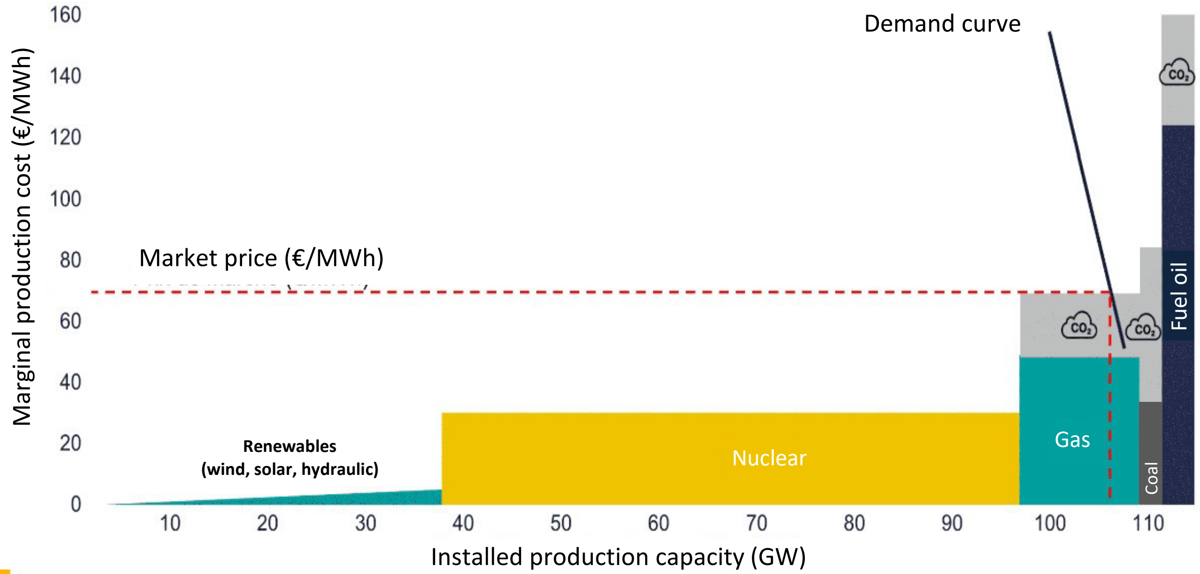
- A significant part of the turnover (nearly 35%) is not yet eligible for the European green taxonomy (turnover from the production of electricity from coal and fuel oil)
- Non-eligible activities concern only the French Overseas Territories

➡ Risks for potential access to funding in the future

.... Concerns and threats?

➢ Reversal of the Merit Order by EDF

Since electricity is difficult to store, market supply must be able to match demand at all times. To meet this demand, the generation units are called upon in a specific order, known as merit order. On the wholesale electricity markets, the price per MWh varies according to the marginal production costs. Generation units are called upon in order of increasing marginal costs: this is the “merit order” logic.
The first units to be called upon are renewables, which have much lower marginal costs and low-cost generation units, followed by nuclear, thermal gas plants, and then coal and fuel-oil power plants.
The order in which generation units are called upon also varies to a large extent according to the cost of CO2 (and thus the CO2 emissions of each generation unit). Adding to the marginal costs of production, the cost of CO2 increases the price of a coal or fuel oil production unit, for example, whereas it does not affect renewable energies. With the merit order mechanism, less polluting energy sources therefore have an undeniable advantage in the electricity market. This system therefore implies that the price of electricity is shaped, to a large extent, by the influence of the price of CO2.



➢ As of 2021, strong decreases in call rates in Reunion Island (following the strong increase in coal and CO2 prices in 2021), leading to the shutdown of the ABR-2 unit as of August 1, 2021.

→ Sustainable situation in view of the current context

.... Concerns and threats?

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- The assumption for the development of the MT plan appears to have been based on 2021 prices

- However, the price of coal is increasing significantly in the first half of 2022 and is not expected to decrease given the current geopolitical situation. The same goes for the price of CO2

EDF is likely to continue to favor the use of its own fuel oil generation facilities at the expense of Albioma's thermal power plants, leading to a sharp drop in call rates over the coming months.
This will have a significant impact on these plants.

……. Concerns and threats?

➢ **EDF's position on certain Albioma development projects**

EDF is increasingly reticent about some of the Albioma Group's development projects

- Conversion of thermal power plants to biomass: conversion of units 1 and 2 of the Le Moule power plant
- Guaranteed power photovoltaic plant in French Guyana

EDF now tends to favor the conversion of its own facilities to biodiesel or bioethanol. Exple: Guadeloupe.

⟹ EDF's competition on the Albioma Group's biomass conversion strategy

⟹ Delay or modification on the deployment of this strategy in the long term
Exple: Guadeloupe, proposal to EDF of a combustion turbine.

……. Concerns and threats?

➢ **Imported Biomass Strategy**

- Risk of supply and/or delay

This risk seems to be covered by the Group (inventory, long-term contract, acquisition of the La Granaudière plant, etc.)

- This strategy may pose certain ecological problems

➡ Image risk for the Group

.... Concerns and threats?

On the KKR strategy

➢ Threats described above could affect KKR's decisions on the Group's strategy

KKR's investment in Albioma follows a financial logic:

- Required rate of return: on average 10%.
- Capital gain on exit from the fund

What if KKR's targets, motivating this acquisition, are not reached?

➢ French asset to be acquired by a US investment fund

Albioma's market share in the production of electricity in certain French overseas territories (e.g. >40% in Reunion Island) is very high. This can be cause for concern as these "assets" are considered "strategic" in these territories.

➢ What about KKR's exit at the end of its investment in Albioma?

Typically, in its previous investments, KKR has sold its investments to other investment funds or to industrial companies either in aggregate or in "apartments".
What will happen to Albioma?
What will be the consequences for employees?