



# Half-year Financial Report

---

First half of the 2021 financial year

28/07/2021

## Contents

<b>1.</b>	<b><i>Activities and results for the first half of 2021</i></b> .....	<b>3</b>
1.1.	Key figures.....	3
1.2.	Highlights of the year .....	4
1.3.	Comments on the consolidated financial statements .....	8
1.4.	Significant changes in the financial or commercial position .....	12
1.5.	Key events since 1 July 2021 and outlook .....	12
<b>2.</b>	<b><i>Consolidated financial statements (condensed) for the half year 2021</i></b> .....	<b>14</b>
2.1.	Consolidated income statement (condensed) .....	14
2.2.	Statement of comprehensive income .....	14
2.3.	Consolidated statement of financial position (condensed) .....	15
2.4.	Statement of changes in shareholders' equity .....	16
2.5.	Statement of consolidated cash flows .....	18
2.6.	Notes to the financial statements .....	18
<b>3.</b>	<b><i>Statutory Auditors' review report on the half-year financial information</i></b> .....	<b>35</b>
<b>4.</b>	<b><i>Statement of the person responsible for the half-year financial report</i></b> .....	<b>36</b>

# 1. Activities and results for the first half of 2021

## 1.1. Key figures

### 1.1.1. Financial data

<i>In millions of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>	<b>Change</b>
Revenue	267.7	250.7	7%
EBITDA	99.4	100.4	(1%)
Net income, Group share	23.5	24.4	(4%)

### 1.1.2. Operated capacity and production

	Operated capacity (in gross MW)			Production (in GWh)		
	30/06/2021	30/06/2020	Change	H1 2021	H1 2020	Change
Albioma Bois-Rouge	108	108	-	255	316	(60)
Albioma Le Gol	122	122	-	356	373	(17)
Albioma Le Moule (including Albioma Caraïbes)	102	102	-	211	172	39
Albioma Galion (including Galion 2)	80	80	-	120	116	3
Albioma Saint-Pierre	41	41	-	10	7	3
<b>Thermal Biomass – France</b>	<b>453</b>	<b>453</b>	<b>-</b>	<b>952</b>	<b>984</b>	<b>(32)</b>
Terragen	70	70	-	239	207	32
OTEO Saint-Aubin	35	35	-	120	119	-
OTEO La Baraque	90	90	-	268	254	15
<b>Mauritius</b>	<b>195</b>	<b>195</b>	<b>-</b>	<b>627</b>	<b>580</b>	<b>47</b>
Albioma Rio Pardo Termoeletrica	60	60	-	27	16	10
Albioma Codora Energia	68	68	-	81	78	3
Albioma Esplanada Energia	65	65	-	51	37	14
UTE Vale do Paraná Albioma <sup>1</sup>	49	49	-	70	-	70
<b>Brazil</b>	<b>242</b>	<b>193</b>	<b>-</b>	<b>228</b>	<b>131</b>	<b>97</b>
<b>Thermal Biomass</b>	<b>841</b>	<b>841</b>	<b>-</b>	<b>1,806</b>	<b>1,695</b>	<b>112</b>
Gümüşköy Jeotermal Enerji Üretim <sup>2</sup>	13	-	13	25	-	25
<b>Geothermal Power</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>25</b>	<b>-</b>	<b>25</b>
French overseas departments and regions <sup>3</sup>	76	74	3	42	40	1
Outside France	4	4	-	3	3	-
Mainland France <sup>4,5</sup>	23	31	(8)	16	19	(3)
<b>Solar and Hydroelectric Power</b>	<b>103</b>	<b>109</b>	<b>(6)</b>	<b>61</b>	<b>62</b>	<b>(1)</b>
<b>Group total</b>	<b>1,006</b>	<b>998</b>	<b>8</b>	<b>1,892</b>	<b>1,757</b>	<b>135</b>

1. Acquisition of Gümüşköy geothermal power plant in Turkey on 26 January 2021.
2. Commissioning, on 25 December 2020, of the Vale do Paraná power plant (in which Albioma has a 40% stake).
3. Commissioning of 1.7 MWp on Reunion Island and 1.0 MWp in Mayotte.
4. Including a 0.5 MW hydroelectric plant.
5. Disposal of OTS and Corbières Photo (9 MWp in operation) on 21 April 2021: 2 GWh produced as at the end of March 2021 (compared with 5 GWh in the first half of 2020).

### 1.1.3. Availability rate

The availability of a production facility is the ratio between the energy actually produced by the thermal power plant during a given period and the energy that could theoretically be produced by that plant during that same period. The availability of a production facility is adversely affected mainly by the downtime needed for the scheduled maintenance work or by unplanned shutdowns.

The terms of the agreements entered into with EDF for the thermal power plants located in Overseas France include availability targets. If the plants' availability during the financial year is higher than that specified in the agreement, the plant receives additional remuneration known as a "bonus". If it is lower than the specified rate, the plant's remuneration is reduced by a "penalty". As regards the agreements entered into with EDF for the purposes of making the plants compliant with the Industrial Emissions Directive (IED) or the biomass conversion of plants, the targets are adjusted to take into account the increased downtimes.

	<b>H1 2021</b>	<b>H1 2020</b>
Albioma Bois-Rouge	76.7%	86.2%
Albioma Le Gol	91.9%	92.7%
Albioma Le Moule (including Albioma Caraïbes)	88.2%	71.9%
Albioma Galion (including Galion 2)	90.1%	90.5%
Albioma Saint-Pierre	94.8%	97.3%
<b>French overseas departments and regions</b>	<b>87.5%</b>	<b>86.7%</b>
Terragen	93.2%	99.0%
OTEO Saint-Aubin	98.0%	97.2%
OTEO La Baraque	88.4%	84.5%
<b>Mauritius</b>	<b>91.9%</b>	<b>92.2%</b>
<b>Group total excluding Brazil</b>	<b>88.8%</b>	<b>88.2%</b>

## 1.2. Highlights of the year

### 1.2.1. France – Thermal Biomass business

#### 1.2.1.1. Many maintenance shutdowns during the first half of 2021

At 30 June 2021, total installed thermal capacity in Overseas France was 453 MW, unchanged from that at 31 December 2020.

During the first half of 2021, the availability rate was 87.5% compared with 86.7% in the first half of 2020. Many shutdowns for scheduled maintenance were carried out during this half-year. In 2020, several had to be cut short or postponed because of the lockdown measures taken by the authorities as a result of the COVID-19 pandemic. Despite some technical incidents at the Albioma Bois-Rouge and Albioma Le Moule plants, the plants were able to rapidly resume normal operation thanks to the work of the maintenance teams and the availability of replacement parts. In 2020, availability was affected by the shutdown of tranche 3 of the Le Moule plant at the beginning of March to enable work to be carried out on the biomass conversion of the plant. Financial compensation for this shutdown was provided under the agreement rider signed with EDF for this work.

Tranche 3 of the Le Moule plant, which has operated exclusively on biomass since November 2020, has also performed excellently in the first half of 2021, with an availability rate of 96.4%.

Power generation totalled 952 GWh, slightly lower than in the first half of 2020 (984 GWh), mainly due to EDF's continued erosion of the duty rate of the thermal power plants on Reunion Island, with the merit order adversely affected several times following significant increases in the price of CO<sub>2</sub>.

#### 1.2.1.2. Changes in the economic and regulatory environment

Coal prices rose significantly during the first half of 2021 due to the worldwide recovery in business. Prices averaged €100 per tonne in the first half of 2021 compared with €82 per tonne in the first half of 2020. Average fuel-oil prices were also higher than in the first half of 2020. These price movements have had a positive impact on the Group's revenue but do not significantly affect profit margins, as electricity sale prices are contractually indexed to the cost of fuel (up €8.2 million).

Concerning CO<sub>2</sub> emissions, the contracts between all of the Group's thermal power plants in the French overseas departments and regions and EDF provide for the cost of purchasing quotas on the market to be passed on to EDF via monthly invoices, excluding any transaction fees and after transferring any free quotas allocated in respect of their cogeneration activity.

### 1.2.1.3. Project development: work has started to convert the three tranches of the Albioma Bois-Rouge power plant to biomass operation

The work to convert the Bois-Rouge plant to 100% biomass operation began during the half-year. A rider to the debt agreement signed on 23 December 2016 was agreed on 8 April 2021 for an additional amount in order to finance this work, maturing on 31 December 2039. Priority will be given to locally-available biomass resources (bagasse, forest wood, pruning waste, etc.) supplemented by imported traceable (in accordance with the European Union timber regulation) and sustainable (FSC or PEFC certification is required from our suppliers) biomass, in the form of wood pellets. Ultimately, the conversion will increase the proportion of renewables in Reunion Island's energy mix from 35% to 51% and reduce greenhouse gas emissions by some 640,000 tonnes of CO<sub>2</sub> equivalent per year, i.e. an 84% decrease in direct emissions compared with the plant's current operation. In addition, a financing agreement for the investments needed to convert the plant has also been signed.

The Group continues to develop its projects, including those relating to the biomass conversion of the rest of its thermal plants in Overseas France departments in the coming years.

## 1.2.2. France and Southern Europe – Solar Power business

The Solar Power business, based mainly in Overseas France, benefits from very long sunshine hours.

### 1.2.2.1. Stable production

Albioma operates photovoltaic power plants with a total capacity of 103 MWp. This is less than at 31 December 2020 due to its disposal on 21 April 2021 of its non-controlling interests in the 9 MWp produced by OTS and Corbières Photos, which it acquired when it bought Eneco France at the end of 2018. However, the Group has added new plants commissioned on Reunion Island and in Mayotte as a result of tenders won in previous years.

At 60 GWh, photovoltaic power generation is stable compared with 2020 despite the particularly unfavourable sunshine conditions in French Guiana, which were partially offset by the electricity generated by the newly commissioned plants on Reunion Island and in Guadeloupe in particular.

### 1.2.2.2. Changes in the economic and regulatory environment

Article 54 *sexies* of the 2021 Finance Act voted on 16 December 2020 provides for the possibility of revising tariffs downwards for solar power purchase agreements signed between 2006 and 2010. The implementing regulations specifying the level of the reduction and the terms should be published very soon. For the Group, the facilities theoretically concerned by the measure represent up to 57 MWp and approximately 6% of revenues. As an indication, a 10% reduction in tariffs would lead to a loss in EBITDA of some €2–3 million in a full year. Impairment of the assets concerned could also prove necessary.

According to the latest draft decree, however, of all the power plants concerned, only a few of the ground-based power plants would be significantly affected.

### 1.2.2.3. Project development: continuing the construction of new facilities and winning new projects in the latest calls for tenders

The Group has continued to develop and build photovoltaic power plant projects in all regions during the half-year.

Since the beginning of the year, it has won 7 MWp of projects during the latest calls for tenders in Metropolitan France. These are in addition to the 12 MWp won during the fourth period of the governmental call for tenders (CRE 4) relating to the construction and operation of solar power

generation facilities in areas classified as “non-interconnected regions”. This capacity is distributed across 23 projects located in the Overseas France regions in which Albioma already operates: Reunion Island, Mayotte, Martinique, French Guiana and Guadeloupe. Throughout the call for tenders (consisting of five submission periods since April 2020), the Group has confirmed its status as the leading photovoltaic energy provider in Overseas France with a total gain of 40 MWp. Construction of these projects is scheduled to start in 2022.

### 1.2.3. Brazil

#### 1.2.3.1. Excellent operational performance in the first months of operation by the Vale do Paraná power plant, commissioned on 25 December 2020

The real continued to weaken against the euro during the first half of 2021, with the average exchange rate worsening from BRL 5.41/EUR 1 in the first half of 2020 to BRL 6.49/EUR 1. Nevertheless, its value began to rise slightly at the end of the period, to BRL 5.91/EUR 1 as at 30 June 2021. Inflation rose considerably again, driven by increases in the price of energy, fuels and food pushing the financing rate up. The CDI interbank rate reached 3.8% at the end of June 2021 compared with 1.9% at the end of 2020, following a succession of key rate increases by the central bank. Since the beginning of July 2021, the spot market price of electricity reached the regulatory limit of BRL 584/MWh due to the drought affecting water levels in hydroelectric reservoirs, which were the lowest in 91 years.

Between the sugar harvesting campaigns in the first quarter, the Group’s four plants carried out their annual maintenance. The existing three power plants delivered excellent performance over the rest of the half-year, producing 158 GWh — 20% up on the same period the previous year (131 GWh). The newly commissioned Vale do Paraná power plant produced nearly 70 GWh, greatly exceeding expectations. The results of this entity, in which the Group has a 40% interest, are booked using the equity method.

The average sale price in the first half of 2021 benefited from the application of new agreements, including that of the Esplanada Energia power plant on the regulated market, amounting to 75 GWh each year for 20 years at a 2021 base sale price of BRL 292/MWh. In order to limit its exposure to volatile spot prices, the Group has secured more than 90% of its sales for the next five years via long-term power purchase agreements under tenders organised by the regulator or short-term contracts negotiated with industrial customers.

#### 1.2.3.2. Securing of energy sales by the Codora Energia plant

On 8 July last, Albioma Codora Energia won a competitive tender for a new 20-year power sales agreement beginning in 2025, amounting to 64 GWh/year at a guaranteed, inflation-indexed price of BRL 202.35/MWh. This agreement can be honoured thanks to the increased volume of sugar cane milled in the adjoining sugar refinery and the recovery of energy from vinasse (ethanol distillation residue). Most of the energy produced by Albioma Codora Energia is already sold on the regulated market under long-term, index-linked agreements.

### 1.2.4. Mauritius

The Group’s plants in Mauritius had a combined thermal capacity of 195 MW at 30 June 2021, unchanged from 31 December 2020. The Mauritian plants are booked using the equity method.

The availability rate was 91.9%, stable as compared with the first half of 2020 (92.2%). Production rose to 627 GWh compared with 580 GWh in the first half of 2020 as a result of higher duty rates despite frontiers being closed again due to the second wave of the COVID-19 epidemic in March 2021.

## 1.2.5. Geothermal Energy

On 26 January 2021, Albioma completed the acquisition of a controlling interest (75%) in the geothermal energy producer Gümüşköy Jeotermal Enerji Üretim (in the Izmir region). The remaining 25% has been acquired by Egesim, an industrial services provider well regarded within the industry in Turkey. This is the Group's first geothermal power plant. The acquisition of this electricity production plant signals Albioma's entry into this new business offering significant technical added value and complementing its well-established Thermal Biomass and Solar Power businesses. This investment diversifies the Group's production mix and is fully consistent with the strategic approach announced by Albioma, which aims to increase the proportion of renewable energy in its mix to between 95% and 100% by 2030. Geothermal power is locally produced, economically competitive and available 24/7, transforming heat from below the earth's surface into electricity. Like biomass, geothermal energy production is controllable, which enhances the dependability of electrical networks and facilitates the development of other, intermittent energy sources such as solar power.

With an installed capacity of more than 1,600 MW, Turkey ranks fourth in the world for installed geothermal capacity, with considerable potential for future development. Commissioned in 2013, the Gümüşköy power plant (which generates 13 gross MW) uses heat from four production shafts to generate electricity under the terms of an operating licence valid until 2040 (with the option of extending its term for an additional 10-year period). The plant currently exports up to 45 GWh of renewable electricity to the grid annually, with a "dollarised" feed-in tariff of approximately USD 105/MWh, valid until the end of 2023. Working with the existing personnel retained by Albioma, improvement works will be carried out at the facility to increase output.

During the first half of the year, the plant achieved good operational performance. At 25 GWh, production was up to expectations and stable compared with the same period last year. With the support of the local teams, the work needed to increase production began at the end of June and the first improvements are expected from the middle of the summer.

## 1.2.6. Holding company

### 1.2.6.1. Capital increase reserved for Group savings plan subscribers

Albioma carried out a capital increase reserved for employees, executives and former employees subscribing to the Group savings plan in France and Brazil, starting on 5 May 2021. This new programme is part of the Group's policy of increasing the number of medium- and long-term employee shareholders and provides them with regular opportunities to indirectly invest in Albioma shares on preferential terms. The main terms of this programme, named "Albioma Invest 2021", are set out below.

The purpose of this programme was to give employees a stake in the Group's results and future success by aligning their interests with those of shareholders. It has enabled eligible Group employees and executives to indirectly invest in Albioma stock on preferential terms and, in the case of those fiscally resident in France, to benefit from a favourable tax regime. In return, the investment of subscribers will be locked in for five years.

The beneficiaries could subscribe to the offer in either of the following investment plans:

- A "Classic" plan via the "Albioma Relais 2021" corporate mutual fund (FCPE), which is to be merged with the "Albioma" FCPE following Supervisory Board approval of both funds. The "Albioma Relais 2021" FCPE was authorised by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on 20 April 2021. Under this plan, the value of the employee's investment will rise and fall with the Albioma share price. Employees receive a 30% discount and a share contribution by the employer;
- A "Multiple" plan via the Albioma FCPE's "Albioma Multiple 2021" compartment. The "Albioma Multiple 2021" compartment was authorised by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on 20 April 2021. Under this plan, the subscriber is guaranteed that the higher value of either (i) a guaranteed return on his or her personal contribution or (ii) a multiple of the protected average rise in the Albioma share price will be added to the amount

of his or her personal contribution. In return, the subscriber does not receive any dividends or other income from the Albioma shares subscribed under the Albioma Multiple 2021” compartment and the 30% discount.

### 1.2.6.2. Cyber attack

On 4 May last, a ransomware attack was detected on the Albioma computer network. The efforts of the Group’s IT teams, supported by cyber security experts, enabled Albioma to recover rapidly. The attack did not affect its industrial operation business, as all its power plants were able to continue to operate normally after being disconnected from the IT network concerned by the intrusion. The detailed investigations conducted by the cyber security experts revealed that some of Albioma’s data had been exfiltrated. The appropriate vigilance and protective measures for the situation have been taken.

The company has filed a complaint and is working in close collaboration with the competent authorities. A claim has been made on the appropriate insurance policies.

### 1.2.6.3. 2020 dividend

The Ordinary and Extraordinary General Meeting of Shareholders on 25 May 2021 approved the payment of a dividend of €0.80 per share with an option for the payment of 50% of the dividend in the form of new shares. The option, which could be exercised from 14 June to 5 July 2021, resulted in the subscription of 212,751 new shares, giving a reinvestment rate of 54.80%.

## 1.3. Comments on the consolidated financial statements

### 1.3.1. Income statement

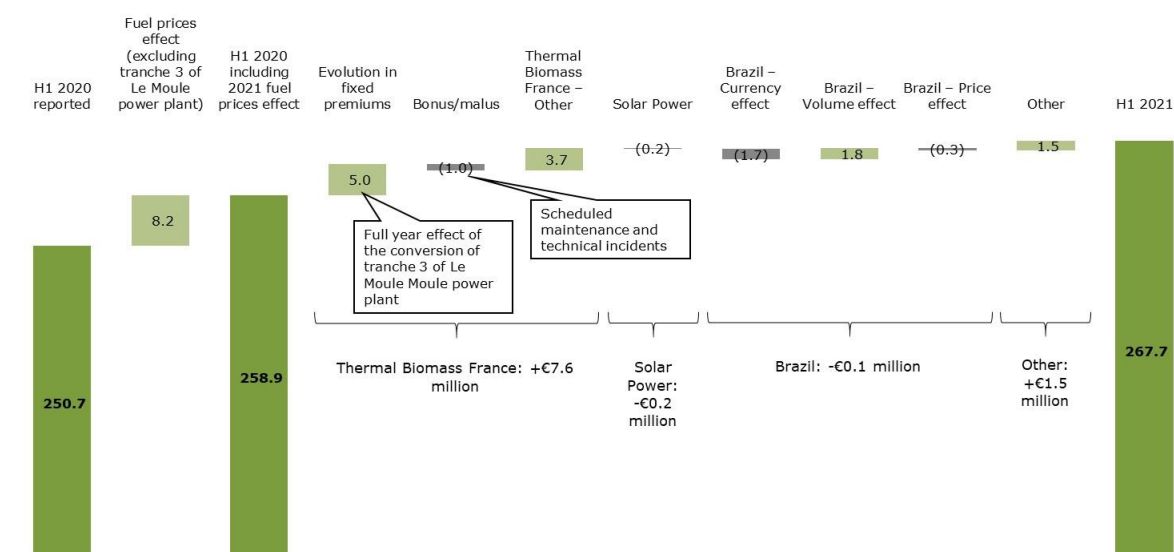
#### 1.3.1.1. Revenue

<i>In millions of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>	<b>Change</b>
France – Thermal Biomass	233.1	217.3	7%
France and Southern Europe – Solar Power	23.9	24.1	(1%)
Brazil	8.4	8.5	(2%)
Holding and Other	2.3	0.8	190%
<b>Revenue</b>	<b>267.7</b>	<b>250.7</b>	<b>7%</b>



At 30 June 2021, revenue was up 7% compared with the first half of 2020. The change can be analysed as follows:

*In millions of euros*



After stripping out the negative impact of the downturn in the value of the Brazilian real and the impact of fuel price changes amounting to -€8.2 million (resulting from changes in the average prices of coal and fuel oil between the first half of 2020 and the first half of 2021, with no direct effect on the profit margin due to electricity sales prices being contractually indexed to the cost of fuel), revenue rose by 4%. This increase was due to the combined effects of:

- the increase in the fixed premiums and the variable compensation from the Le Moule power plant following since the biomass conversion of its tranche 3 began in November 2020;
- good performance by the Brazilian plants, where production was up by 20% compared with the same period last year;
- the scope effect of including the revenue from the Gümüşköy geothermal power plant since 26 January 2021.

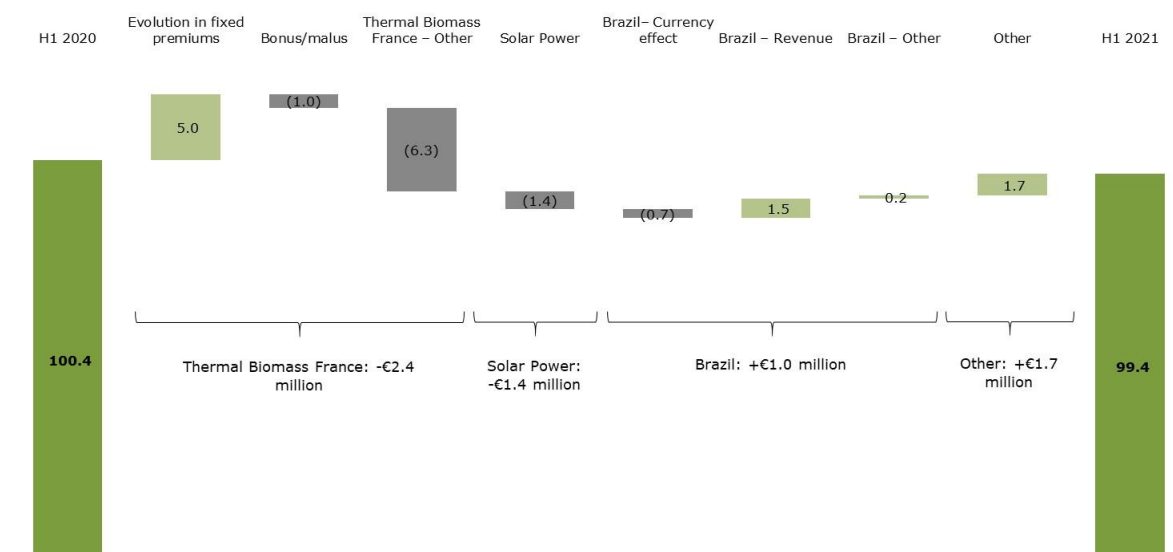
These positive effects offset the downturn in bonuses following the greater number of scheduled shutdowns during the half-year and the technical incidents that hit the Bois-Rouge and Le Moule plants.

### 1.3.1.2. EBITDA

<i>In millions of euros</i>	H1 2021	H1 2020	Change
France - Thermal Biomass	80.3	82.6	(3%)
France and Southern Europe - Solar Power	16.4	17.8	(8%)
Brazil	3.3	2.2	46%
Holding company, Mauritius and Other	(0.5)	(2.2)	76%
<b>EBITDA</b>	<b>99.4</b>	<b>100.4</b>	<b>(1%)</b>

EBITDA came to €99.4 million, stable compared with the first half of 2020.

*In millions of euros*



EBITDA for the Thermal Biomass France business was down by 3% compared with the first half of 2020. This slight downturn is mainly due to the greater number of scheduled shutdowns during the half-year and the technical incidents that affected the Bois-Rouge and Le Moule plants, resulting in higher penalties and maintenance expenditure.

EBITDA for the Solar Power business was down 8% as a result of the decrease in revenue from the existing plants, including in French Guiana.

EBITDA for the Brazil Power business was up 46% thanks to the excellent operational performance of its plants. This value now includes the share of net income from the Vale do Paraná power plant (consolidated using the equity method), as the Group only holds a 40% non-controlling interest in this entity.

Group EBITDA also includes the new Gümüşköy power plant's contribution since 26 January last.

### 1.3.1.3. Charges for depreciation, amortisation and provisions and other non-cash items

The increase in charges for depreciation, amortisation and provisions to –€39.7 million compared with –€36.8 million in the first half of 2020 was mainly due to the commissioning of additional equipment for the Thermal Biomass and Solar Power businesses. It also includes the charges for depreciation and amortisation of the geothermal facilities acquired at the beginning of the year. An extra provision, to cover the difficulty of removing the volumes of solid combustion by-products from Reunion Island, was also introduced for the half-year.

The charges for depreciation and amortisation in electricity and steam supply agreements are slightly down, to –€3.4 million compared with –€3.5 million at the end of the first half of 2020. In addition, part of the acquisition price of the Gümüşköy power plant in Turkey has been allocated to the operating licence, which is amortised over its life ending at the end of 2039.

### 1.3.1.4. Net financial income (expense)

The cost of financial debt has decreased, from –€16.6 million to –€15.8 million in the first half of 2021. This change was mainly due to the decrease in the outstanding debt for projects and the value of the euro relative to the Brazilian real.

The other financial income and expenses includes income from cash investments and income from deposits, as well as exchange gains and losses resulting from revaluations of the derivatives incorporated in the Gümüşköy plant's electricity sales agreements and, symmetrically, the financial debts denominated in US dollars.

### 1.3.1.5. Tax charge

The tax charge came to €10.7 million, compared with a charge of €14.3 million in the first half of 2020. It comprised the tax charge payable in respect of the period and the deferred tax.

The restated normalised tax rate<sup>1</sup> for the period ended 30 June 2021 came to 28.1% compared with 31.7% in the first half of 2020. This is down in line with the changes provided for by the Finance Act.

### 1.3.1.6. Net income, Group share

At 30 June 2021, consolidated net income, Group share, came to €23.5 million, stable compared with €24.4 million in the first half of 2020.

## 1.3.2. Statement of cash flows

<i>In millions of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Cash flow from operations	101.3	102.0
Change in the working capital requirement	(28.6)	(39.3)
Tax paid	(22.8)	(11.5)
<b>Cash flow from operating activities</b>	<b>49.8</b>	<b>51.3</b>
Operating capex	(12.9)	(7.4)
Free cash-flow from operating activities	36.9	43.9
Development capex	(47.9)	(51.0)
Other/acquisitions/disposals	(2.8)	(3.2)
<b>Net cash flow from/(used by) investing activities</b>	<b>(50.2)</b>	<b>(54.3)</b>
Dividends paid to Albioma shareholders	-	-
Borrowings (drawn down)	59.3	33.9
Borrowings (repaid)	(36.7)	(49.8)
Cost of financial debt	(15.7)	(16.6)
Other	(7.6)	2.9
<b>Net cash flow from/(used by) financing activities</b>	<b>(0.6)</b>	<b>(29.6)</b>
Currency effect on cash and cash equivalents and other	(0.1)	(3.0)
<b>Net change in cash and cash equivalents</b>	<b>(14.1)</b>	<b>(43.0)</b>
Opening net cash and cash equivalents	125.2	161.1
<b>Closing net cash and cash equivalents</b>	<b>111.1</b>	<b>118.1</b>

### 1.3.2.1. Cash flow from operating activities

These flows amounted to €49.8 million compared with €51.3 million in the first half of 2020. The cash flow from operations has remained stable at around €100 million. The working capital requirement has seen a deterioration of €28.6 million, partly resulting from the delay in some of the payments due from EDF, on the one hand, and the higher stocks of replacement parts and the reduction in tax debt, on the other hand.

### 1.3.2.2. Cash flow from investing activities

This item breaks down as follows:

- Operating investment expenses: these comprised investment expenses for power plants in operation, primarily in connection with servicing, maintenance, repair, optimisation and modernisation work and investment programmes for the thermal power plants, and

<sup>1</sup> Restated normalised tax rate for impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term, and excluding Brazil.

improvements to administrative buildings. These expenses totalled €12.9 million, compared with €7.4 million in the first half of 2020;

- Development investment expenses: these totalled €47.4 million, compared with €54.2 million in the first half of 2020. The main components of these expenses were expenses related to the biomass conversion project in Guadeloupe and on Reunion Island and the construction of new photovoltaic power plants.

The other flows are the result of the Group's acquisition of the Gümüşköy power plant in Turkey and the disposal of its non-controlling interests in the OTS and Corbières Photo solar power companies.

### 1.3.2.3. Cash flow from financing activities

These cash flows came to –€0.6 million compared with –€29.6 million in the first half of 2020.

€9.3 million of new debt was drawn down to finance the continuing work on the construction of new photovoltaic plants on Reunion Island and in Mayotte. In addition, a short-term corporate credit line amounting to €50 million was drawn down in June to finance the scaling-up of the conversion work at the Bois-Rouge power plant.

The decrease in the cost of financial debt, which came to €15.7 million compared with €16.6 million in the first half of 2020, was mainly due to the decrease in outstanding project debt and the rise in the euro against the Brazilian real.

### 1.3.3. Financial structure

At 30 June 2021, the Group's equity totalled €454 million. Equity attributable to non-controlling interests was €90 million.

Gross borrowings excluding IFRS 16 lease liabilities stood at €933 million at 30 June 2021, up compared with €902 million at 31 December 2020. They consisted of project debt of €771 million and a corporate debt line of €162 million including the drawing-down of a €50 million short-term credit line. Most of the project debt is without recourse to shareholders with the exception of the Brazilian debt and the debt in respect of projects in the construction phase for which Albioma has granted parent company guarantees.

Consolidated net borrowings excluding IFRS 16 lease liabilities came to €818 million after taking into account net cash and cash equivalents of €111 million and security deposits (€4 million of deposits at 30 June 2021). They were 6% higher than at 31 December 2020, when they came to €772 million, due to the decrease in cash compared with the position at 31 December 2020 and the drawing-down of the short-term credit line.

At 30 June 2021, Albioma had a high level of consolidated cash and cash equivalents of €115 million (including €4 million of security deposits), and had appropriate resources to pursue its development.

## 1.4. Significant changes in the financial or commercial position

None.

## 1.5. Key events since 1 July 2021 and outlook

### 1.5.1. Events after the reporting period

None.

## 1.5.2. Outlook

### 1.5.2.1. Long-term outlook

The Group confirms its objective of sustained expansion together with the continuing biomass conversion of its existing power plants, the strengthening of its photovoltaic fleet and the development of new renewable energy production projects in France and abroad. Its investment programme for the 2021-2025 period has a budget of €600–800 million.

### 1.5.2.2. 2021 objectives

Excluding any effects of the 2021 Finance Act and new effects of the coronavirus, the Group confirms its 2021 objectives in terms of EBITDA and net income, Group share.

*In millions of euros*

	<b>2021</b>
EBITDA	206-216
Net income, Group share	53-59

## 2. Consolidated financial statements (condensed) for the half year 2021

### 2.1. Consolidated income statement (condensed)

<i>In thousands of euros</i>	Note	H1 2020	H1 2020
<b>Income from ordinary activities</b>	<b>5</b>	<b>267,693</b>	<b>250,716</b>
Purchases (including change in stocks)	6	(86,633)	(75,941)
Logistics costs	8	(6,845)	(8,191)
Staff costs	7	(30,341)	(28,907)
Other operating expenses	8	(46,670)	(37,719)
Amortisation of electricity and steam supply agreements		(3,384)	(3,495)
Charges to depreciation, amortisation and provisions	9	(39,739)	(36,787)
Share of net income of equity-accounted companies	18	1,400	466
<b>Current operating income</b>		<b>55,482</b>	<b>60,142</b>
Other operating income and expenses	10	7	-
<b>Operating income</b>		<b>55,489</b>	<b>60,142</b>
Cost of financial debt	11	(15,830)	(16,622)
Other financial income	12	2,738	212
Other financial expenses	12	(2,772)	(295)
<b>Profit before tax</b>		<b>39,625</b>	<b>43,436</b>
Tax charge	13	(10,741)	(14,306)
<b>Net income</b>		<b>28,883</b>	<b>29,131</b>
Net income attributable to:			
<b>shareholders of Albioma</b>	<b>23</b>	<b>23,501</b>	<b>24,353</b>
non-controlling interests	23	5,382	4,778
Basic earnings per share (in euros)	23	0.751	0.788
Diluted earnings per share (in euros)	23	0.731	0.775

The notes form an integral part of the condensed financial statements.

### 2.2. Statement of comprehensive income

The statement of comprehensive income presents the net income for the period as well as income and expenses for the period recognised directly in equity, in accordance with IFRS.

<i>In thousands of euros</i>	H1 2021	H1 2020
<b>Net income</b>	<b>28,883</b>	<b>29,131</b>
Actuarial gains and losses on employee benefits	6,621	-
Deferred tax on actuarial gains and losses	(1,755)	-
<b>Items not available for recycling through profit or loss</b>	<b>4,866</b>	<b>-</b>
Translation adjustments	3,601	(20,336)
Cash flow hedges (interest rate swaps)	12,924	(7,774)
Deferred tax relating to cash flow hedges	(3,305)	1,792
<b>Items available for recycling through profit or loss</b>	<b>13,220</b>	<b>(26,318)</b>
<b>Comprehensive income</b>	<b>46,970</b>	<b>2,813</b>
Attributable to:		
<b>shareholders of Albioma</b>	<b>38,495</b>	<b>4,160</b>
non-controlling interests	8,474	(1,347)

Besides the change in net income in the first half of 2021, the change in comprehensive income stems mainly from:

- the impact of the change in interest rates on the measurement at fair value of cash flow hedging instruments (interest rate swaps);
- the change in actuarial gains and losses on employee benefits;
- the effect of the change in the exchange rate between the Brazilian real and Turkish lira and the euro.

## 2.3. Consolidated statement of financial position (condensed)

### Assets

<i>In thousands of euros</i>	Notes	30/06/2021	31/12/2020
<b>Non-current assets</b>			
Goodwill	14	15,698	16,884
Intangible assets	15	99,339	93,501
Right-of-use assets (IFRS 16)	16	30,567	28,515
Property, plant and equipment	17	1,314,443	1,283,434
Non-current financial assets	19	7,659	5,058
Investments in associates	18	23,724	22,753
Deferred tax assets		2,472	2,472
Other non-current assets		-	99
<b>Total non-current assets</b>		<b>1,493,902</b>	<b>1,452,715</b>
<b>Current assets</b>			
Stocks and assets in progress	21	62,995	60,327
Trade receivables	20	88,113	67,462
Other current operating assets	22	44,043	44,433
Cash and cash equivalents	19	111,126	125,792
<b>Total current assets</b>		<b>306,277</b>	<b>298,014</b>
<b>Total assets</b>		<b>1,800,179</b>	<b>1,750,730</b>

The notes form an integral part of the condensed financial statements.

## Equity and liabilities

<i>In thousands of euros</i>	Notes	30/06/2021	31/12/2020
<b>Shareholders' equity, Group share</b>			
Share capital	23	1,218	1,218
Additional paid-in capital		64,807	64,807
Reserves		403,584	362,784
Translation reserves		(39,139)	(41,549)
Net income for the year		23,501	55,314
<b>Total shareholders' equity, Group share</b>		<b>453,971</b>	<b>442,574</b>
Non-controlling interests		90,428	89,762
<b>Total shareholders' equity</b>		<b>544,399</b>	<b>532,337</b>
<b>Non-current liabilities</b>			
Employee benefits	25	47,318	52,605
Provisions for liabilities	25	7,593	6,633
Deferred tax liabilities		22,021	18,617
Non-current financial debt	24	800,572	822,830
Lease liabilities related to right-of-use assets (IFRS)	24	40,643	36,682
Non-current derivatives	26	43,064	55,023
<b>Total non-current liabilities</b>		<b>961,211</b>	<b>992,391</b>
<b>Current liabilities</b>			
Trade payables	27	69,131	71,106
Tax and social security liabilities	29	33,487	42,911
Current financial debt	24	132,299	79,172
Lease liabilities related to right-of-use assets (IFRS)	24	1,850	1,777
Other current operating liabilities	28	57,802	31,035
<b>Total current liabilities</b>		<b>294,569</b>	<b>226,002</b>
<b>Total equity and liabilities</b>		<b>1,800,179</b>	<b>1,750,730</b>

The notes form an integral part of the condensed financial statements.

## 2.4. Statement of changes in shareholders' equity

<i>In thousands of euros</i>	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2020	1,218	64,807	453,255	(35,157)	(41,549)	442,574	89,762	532,337
Dividends paid <sup>1</sup>	-	-	(24,972)	-	-	(24,972)	(7,652)	(32,624)
Stock options/performance shares	-	-	(609)	-	-	(609)	-	(609)
Transaction between shareholders	-	-	-	-	-	-	-	-
Treasury shares	-	-	(1,514)	-	-	(1,514)	-	(1,514)
Capital increase	-	-	-	-	-	-	-	-
Changes in the consolidation scope	-	-	(3)	-	-	(3)	(156)	(159)
<b>Total transactions with shareholders</b>	-	-	<b>(27,098)</b>	-	-	<b>(27,098)</b>	<b>(7,808)</b>	<b>(34,906)</b>
Change in translation adjustment	-	-	-	-	2,410	2,410	1,191	3,601
Change in actuarial gains and losses	-	-	4,258	-	-	4,258	608	4,866
Change in fair value of hedging derivatives	-	-	-	8,326	-	8,326	1,293	9,619
Sub-total of items recognised in equity	-	-	4,258	8,326	2,410	14,994	3,092	18,086
Net income for the period	-	-	23,501	-	-	23,501	5,382	28,883
<b>Total comprehensive income for the period</b>	-	-	<b>27,759</b>	<b>8,326</b>	<b>2,410</b>	<b>38,495</b>	<b>8,474</b>	<b>46,969</b>
Shareholders' equity at 30/06/2021	1,218	64,807	453,916	(26,831)	(39,139)	453,971	90,428	544,399

- On 25 May 2021, the Ordinary and Extraordinary General Meeting of Albioma's shareholders decided to pay a dividend of €0.80 per share and to offer each shareholder the option of receiving payment of half of the dividend either in cash or in new shares. This option could be exercised in the same conditions for the shares eligible for the fidelity premium dividend (€0.88 per share with an option exercisable in respect of €0.44).



<i>In thousands of euros</i>	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2019	1,206	55,627	422,773	(32,097)	(22,363)	425,146	95,367	520,513
Dividends paid <sup>1</sup>	-	-	(21,552)	-	-	(21,552)	(7,308)	(28,860)
Stock options/performance shares	-	-	1,102	-	-	1,102	-	1,102
Transaction between shareholders	-	-	-	-	-	-	-	-
Treasury shares	-	-	157	-	-	157	-	157
Capital increase	-	-	-	-	-	-	-	-
Changes in the consolidation scope	-	-	99	-	-	99	53	152
<b>Total transactions with shareholders</b>	-	-	<b>(20,194)</b>	-	-	<b>(20,194)</b>	<b>(7,255)</b>	<b>(27,449)</b>
Change in translation adjustment	-	-	-	-	(15,385)	(15,385)	(4,951)	(20,336)
Change in actuarial gains and losses	-	-	-	-	-	-	-	-
Change in fair value of hedging derivatives	-	-	-	(4,808)	-	(4,808)	(1,174)	(5,982)
Sub-total of items recognised in equity	-	-	-	(4,808)	(15,385)	(20,193)	(6,125)	(26,318)
Net income for the period	-	-	24,353	-	-	24,353	4,778	29,131
<b>Total comprehensive income for the period</b>	-	-	<b>24,353</b>	<b>(4,808)</b>	<b>(15,385)</b>	<b>4,160</b>	<b>(1,347)</b>	<b>2,813</b>
<b>Shareholders' equity at 30/06/2020</b>	<b>1,206</b>	<b>55,627</b>	<b>426,932</b>	<b>(36,905)</b>	<b>(37,748)</b>	<b>409,112</b>	<b>86,765</b>	<b>495,877</b>

- On 29 May 2020, the Ordinary and Extraordinary General Meeting of Albioma's shareholders decided to pay a dividend of €0.70 per share and to offer each shareholder the option of receiving payment of half of the dividend either in cash or in new shares. This option could be exercised in the same conditions for the shares eligible for the fidelity premium dividend (€0.77 per share with an option exercisable in respect of €0.385).

## 2.5. Statement of consolidated cash flows

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
<b>Operating activities</b>		
<b>Net income for the year attributable to shareholders of Albioma</b>	<b>23,501</b>	<b>24,353</b>
Non-controlling interests	5,382	4,778
Adjustments		
Charges to depreciation, amortisation and provisions	44,101	40,406
Change in deferred tax	(1,278)	1,897
Share of net income of associates net of dividends received	(656)	478
Capital gains or losses on disposals	(53)	-
Other non-cash items	-	-
Share-based payments	2,412	1,102
Cost of financial debt	15,830	16,622
Current tax charge for the year	12,020	12,409
<b>Cash flow from operations</b>	<b>101,258</b>	<b>102,045</b>
Impact of the change in the working capital requirement	(28,637)	(39,292)
Tax paid	(22,821)	(11,473)
<b>Net cash from operating activities</b>	<b>49,800</b>	<b>51,280</b>
<b>Investing activities</b>		
Acquisitions of non-current assets	(60,358)	(61,686)
Increase in financial assets	-	(7)
Sales proceeds from non-current assets	354	-
Disposal prices and decreases in financial assets	1,299	-
Acquisition/disposal of subsidiaries net of cash acquired/disposed	(4,404)	-
<b>Net cash from/(used by) investing activities</b>	<b>(63,110)</b>	<b>(61,693)</b>
<b>Financing activities</b>		
Shareholder transactions	-	-
Capital increases subscribed by non-Group shareholders	-	-
Change in treasury shares	(5,000)	157
Dividends distributed to Albioma's shareholders	-	-
Dividends distributed to non-controlling interests	(1,989)	-
Borrowings and financial debt issued or subscribed	59,345	33,892
Cost of financial debt	(15,720)	(16,622)
Borrowings and financial debt repaid	(36,705)	(47,397)
Other items	(579)	406
<b>Net cash from/(used by) financing activities</b>	<b>(649)</b>	<b>(29,564)</b>
Impact of currency movements on cash and cash equivalents and other changes	(117)	(3,027)
<b>Net change in cash and cash equivalents</b>	<b>(14,076)</b>	<b>(43,004)</b>
Opening cash and cash equivalents	125,202	161,135
Closing cash and cash equivalents	111,126	118,131
<b>Change in cash and cash equivalents</b>	<b>(14,076)</b>	<b>(43,004)</b>
Cash	84,907	102,651
Cash equivalents	26,219	15,480
<b>Total cash and cash equivalents</b>	<b>111,126</b>	<b>118,131</b>
Bank overdrafts	-	-
<b>Net cash and cash equivalents</b>	<b>111,126</b>	<b>118,131</b>

## 2.6. Notes to the financial statements

Albioma is an independent renewable energy producer, committed to the energy transition thanks to biomass and photovoltaics. The Group operates in Overseas France, Mauritius, Brazil and Turkey.

Albioma is registered in the Nanterre Trade and Companies Register under number 775 667 538. Its registered office is located at Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense, France.

Albioma's consolidated half-year financial statements (condensed) are presented in thousands of euros and were approved by the Board of Directors at its meeting on 28 July 2021.

## Note 1. Highlights of the first half of 2021

- On 26 January 2021, Albioma finalised the acquisition of a controlling interest (75%) in the geothermal energy producer Gümüşköy Jeotermal Enerji Üretim (in the Izmir region). The remaining 25% has been acquired by Egesim, an industrial services provider well regarded within the industry in Turkey. This is the Group's first geothermal power plant.
- The work to convert the Bois-Rouge plant to 100% biomass operation began at the beginning of the first quarter. The Group is continuing to develop its projects, including those relating to the biomass conversion of the rest of its thermal plants in Overseas France departments in the coming years.
- Coal prices rose significantly during the first half of 2021 due to the worldwide recovery in business. Prices averaged €100 per tonne in the first half of 2021 compared with €82 per tonne in the first half of 2020. Average fuel-oil prices were also higher than in the first half of 2020. These movements did not have a direct material impact on the margin.
- The real continued to weaken against the euro during the first half of 2021, with an average exchange rate of BRL 6.49/EUR 1 compared with BRL 5.41/EUR 1 in the first half of 2020. Nevertheless, its value began to rise slightly at the end of the period, to BRL 5.91/EUR 1 as at 30 June 2021. Inflation rose considerably again, driven by increases in the price of energy, fuels and food pushing the financing rate up.
- Albioma carried out a capital increase reserved for employees, executives and former employees subscribing to the Group savings plan in France and Brazil, starting on 5 May 2021.
- On 4 May 2021, a ransomware attack was detected on the Albioma computer network. The efforts of the Group's IT teams, supported by cyber security experts, enabled Albioma to recover rapidly. The attack did not affect its industrial operation business, as all its power plants were able to continue to operate normally after being disconnected from the IT network concerned by the intrusion.

## Note 2. Basis of preparation of the financial statements and accounting policies

### 2.1. Basis of preparation and accounting policies

The accounting principles chosen to prepare the consolidated half-year financial statements comply with the framework of International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union on 30 June 2021<sup>2</sup>.

The consolidated financial statements (condensed) for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The main accounting rules and methods applied in the half-year financial statements are similar to those used by the Group in the consolidated financial statements for the year ended 31 December 2020, with the exception of the applicable standards and interpretations adopted by the European Union, described below:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 4, "Interest Rate Benchmark Reform — Phase 2"

---

<sup>2</sup> [https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en).

These amendments to standards did not have a material impact on the Group's consolidated financial statements for the half-year ended 30 June 2021.

For the 2021 financial year, the Group decided not to apply in advance any standards, interpretations or amendments. The following standards, interpretations and amendments, which have been published and whose application is mandatory as from 1 January 2021, could have an impact on the Group's financial statements:

- Amendments to IAS 1 "Presentation of Financial Statements — Classification of Liabilities as Current or Non-current — Deferral of Effective Date to January 2023"
- Amendments to IAS 1 and IFRS Practice Statement 2 "Information to Provide on Accounting Methods"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IFRS 16 relating to COVID-19-related lease concessions after 30 June 2021
- Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

## 2.2. Specific valuation principles applicable to interim financial statements

The specific valuation principles applied to the interim financial statements are as follows:

- Tax on earnings: the tax charge is calculated on the basis of income before tax broken down by tax jurisdiction, to which are applied the estimated tax rates for the full financial year;
- Employee benefits: the net cost in relation to these benefits is recognised pro rata to the projected full-year charge derived from actuarial valuations compiled at the end of the previous financial year. The valuation of net commitments is adjusted in the event of a material change in market conditions compared with the end of the previous financial year, including reductions, liquidations and other non-recurring material events.

## 2.3. Management estimates

Estimates made by management in relation to the preparation of the half-year consolidated financial statements (condensed) are identical to those described in the consolidated financial statements for the year ended 31 December 2020. In the Group's opinion, there are no material changes in the description of the fair value levels as presented in Note 32 of the consolidated financial statements published in the 2020 Universal Registration Document.

Article 54 *sexies* of the 2021 Finance Act voted on 16 December 2020 provides for the possibility of revising tariffs downwards for solar power purchase agreements signed between 2006 and 2010. The implementing regulations specifying the level of the reduction and the terms should be published very soon. For the Group, the facilities theoretically concerned by the measure represent up to 57 MWp and approximately 6% of revenues. As an indication, a 10% reduction in tariffs would lead to a loss in EBITDA of some €2–3 million in a full year. Impairment of the assets concerned could also prove necessary.

According to the latest draft decree, however, of all the power plants concerned, only a few of the ground-based power plants would be significantly affected.

## 2.4. Conversion rates

The movement in the BRL/EUR exchange rate over the reported periods was as follows:

<b>Period</b>	<b>Closing rate</b>	<b>Average rate</b>
30/06/2020	6.11	5.41
31/12/2020	6.37	5.89
30/06/2021	5.91	6.49

The movement in the TRY/EUR exchange rate over the reported periods was as follows:

Period	Closing rate	Average rate
30/06/2021	10.32	9.59

### Note 3. Changes in the consolidation scope

#### Acquisition of Gümüşköy Jeotermal Enerji Üretim

As stated in Note 1 to the consolidated financial statements (condensed), on 26 January 2021, Albioma finalised the acquisition of a controlling interest (75%) in the geothermal energy producer Gümüşköy Jeotermal Enerji Üretim (in the Izmir region). The remaining 25% has been acquired by Egesim, an industrial services provider well regarded within the industry in Turkey.

The acquisition gives Albioma a bridgehead in a new business characterised by significant technical added value, offering a strong fit with the Group's well-established biomass and solar power businesses.

<i>In thousands of euros</i>	
Intangible assets - Licence	6,233
Tangible assets	6,573
Other non-current assets	19
Current assets	538
Cash and cash equivalents	372
Deferred tax liabilities	(5)
Other non-current liabilities	(8 619)
Current liabilities	(5 861)
Non-controlling interests	145
<b>Net assets acquired</b>	<b>(605)</b>
Consideration given	(170)
<b>Goodwill</b>	<b>775</b>

In accordance with IFRS 3, on the date of the takeover, the financial debt was measured at fair value, resulting in the acquisition price being allocated to the company's operating licence as well as to the tangible assets. The licence is amortised over a period ending at the end of 2039. The company also has a power sales agreement for a residual period of three years starting from the acquisition date. This agreement is also valued when the acquisition price is allocated.

Under this agreement, the power sale prices are index-linked to the exchange rate between the Turkish lira and the euro. Symmetrically, the company has issued debt in US dollars to finance its assets. The nominal value of the debt in dollars and the amount of the dollar-indexed future sales are comparable.

From the point of view of the IFRS standards, the indexing of the sale price is likened to a forward currency (dollar) sale. This forward sale is therefore recognised in the balance sheet as a derivative financial instrument and valued, at each closing, on the basis of the exchange rate at the period-end and the estimated volume of future sales. In consideration, an exchange gain or loss is recorded under financial income and expenditure.

At every period-end, the debt denominated in US dollars is revalued in line with the current closing rate. The effects of this revaluation are also recorded under financial income and expenditure as an exchange gain or loss.

This mechanism does not have an overall material impact on the income and expenditure, as the two items offset one another.

The Group has a period of 12 months from the acquisition date to finalise its allocation of the acquisition price. Its allocation was still provisional as at 30 June 2021.

## Other changes in the consolidation scope

On 21 April 2021, the Group disposed of its non-controlling interests in OTS and Corbières Photos, representing 9 MWp, which it acquired when it bought Eneco France at the end of 2018. This disposal has not had a material impact on these consolidated financial statements.

## Note 4. Operating segments

Segment information is presented based on the internal organisation and reporting structures used by Group management, which reflect the various levels of risks and profitability to which the Group is exposed.

Inter-segment transactions are realised on an arm's length basis.

During the first quarter of 2020 and 2021, the Group's three Brazilian facilities (Albioma Rio Pardo Termoelétrica, Albioma Codora Energia and Albioma Esplanada Energia) carried out their annual maintenance during the period between sugar harvests. As a result, during these two periods, they did not make a significant contribution to the Group's income but did contribute to its expenditure.

### Information on the first half of 2021

<i>In thousands of euros</i>	France – Thermal Biomass	France – Solar Power <sup>1</sup>	Brazil	Mauritiu s and others	Holding company Eliminations	financial statement s	
<b>Income statement</b>							
Income from ordinary activities	233,139	23,889	8,364	-	2,301	-	267,693
Inter-segment	-	-	-	-	12,681	(12,681)	-
<b>Income from ordinary activities</b>	<b>233,139</b>	<b>23,889</b>	<b>8,364</b>	<b>-</b>	<b>14,982</b>	<b>(12,681)</b>	<b>267,693</b>
<b>EBITDA<sup>2</sup></b>	<b>80,285</b>	<b>16,420</b>	<b>3,250</b>	<b>1,096</b>	<b>(1,641)</b>	<b>-</b>	<b>99,410</b>
Operating income	50,700	5,855	657	1,096	(2,820)	-	55,489
Financial expenses and income	(9,273)	(3,225)	(738)	-	(2,628)	-	(15,864)
Tax charge	(11,222)	(330)	(309)	-	1,119	-	(10,741)
<b>Net income for the period</b>	<b>30,205</b>	<b>2,300</b>	<b>(389)</b>	<b>2,193</b>	<b>(4,329)</b>	<b>-</b>	<b>28,883</b>
<b>Other information</b>							
Investments in property, plant and equipment and intangible assets	48,328	11,155	1,309	-	3,178	-	63,970
Charges to depreciation and amortisation	(27,525)	(10,522)	(2,592)	-	(1,128)	-	(41,767)

1. Including Spain and Italy.
2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and including the impact of the IFRS 16 standard, "Leases".

### Information on the first half of 2020

<i>In thousands of euros</i>	France – Thermal Biomass	France – Solar Power <sup>1</sup>	Brazil	Mauritiu s and others	Holding company Eliminations	financial statement s	
<b>Income statement</b>							
Income from ordinary activities	217,279	24,095	8,548	-	794	-	250,716
Inter-segment	-	-	-	-	11,430	(11,430)	-
<b>Income from ordinary activities</b>	<b>217,279</b>	<b>24,095</b>	<b>8,548</b>	<b>-</b>	<b>12,224</b>	<b>(11,430)</b>	<b>250,716</b>
<b>EBITDA<sup>2</sup></b>	<b>82,647</b>	<b>17,801</b>	<b>2,219</b>	<b>431</b>	<b>(2,667)</b>	<b>-</b>	<b>100,431</b>
Operating income	56,041	7,585	(671)	431	(3,244)	-	60,142
Financial expenses and income	(10,024)	(3,579)	(923)	-	(2,179)	-	(16,705)
Tax charge	(15,008)	(684)	(262)	-	1,648	-	(14,306)
<b>Net income for the period</b>	<b>31,009</b>	<b>3,322</b>	<b>(1,856)</b>	<b>862</b>	<b>(3,775)</b>	<b>-</b>	<b>29,131</b>
<b>Other information</b>							
Investments in property, plant and equipment and intangible assets	49,658	9,443	1,289	-	3,175	-	63,565
Charges to depreciation and amortisation	(25,358)	(10,152)	(2,889)	-	(314)	-	(38,713)

1. Including Spain and Italy.
2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and including the impact of the IFRS 16 standard, "Leases".

## Reconciliation of operating income and EBITDA

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Operating income	55,489	60,142
Amortisation of contracts	3,384	3,495
Depreciation of non-current assets	37,595	35,217
Charges to/reversals of provisions (including employee benefits)	2,144	1,570
Other items	798	7
<b>EBITDA including the effect of IFRS 16</b>	<b>99,410</b>	<b>100,431</b>
Impact of the restatement of IFRS 16 on EBITDA	(1,971)	(1,386)
<b>EBITDA excluding the effect of IFRS 16</b>	<b>97,439</b>	<b>99,045</b>

## Note 5. Income from ordinary activities

Consolidated income from ordinary activities can be broken down as follows:

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Sales of electricity and steam	267,130	249,922
Services	563	794
<b>Income from ordinary activities</b>	<b>267,693</b>	<b>250,716</b>

The change in income from ordinary activities was mainly due to:

- the effect of higher fuel prices, which has not directly affected profit margins as electricity sale prices are contractually indexed to the cost of fuel;
- the drop in the real;
- the lower bonuses following the greater number of scheduled shutdowns during the half-year and the technical incidents that affected the Bois-Rouge and Le Moule plants;
- the increase in the fixed premium and the variable compensation from the Le Moule power plant since the biomass conversion of its tranche 3 began in November 2020;
- good performance by the Brazilian plants, where production was up by 20% compared with the same period last year;
- the scope effect of including the revenue from the Gümüşköy geothermal power plant since 26 January 2021.

## Note 6. Purchases (including changes in stocks)

Purchases include the cost of raw materials consumed in the production of electricity, notably coal, fuel oil and biomass. The change during the period includes the effect of the higher fuel prices.

## Note 7. Staff costs

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Wages and salaries	(16,789)	(17,056)
Social security charges	(8,292)	(8,256)
Profit-sharing and incentive schemes	(2,725)	(2,493)
Share-based payments	(2,535)	(1,102)
<b>Total staff costs</b>	<b>(30,341)</b>	<b>(28,907)</b>
Employee benefits (cost of services rendered net of benefits paid)	(1,147)	(1,494)
<b>Total staff costs including employee benefits</b>	<b>(31,488)</b>	<b>(30,401)</b>

The higher staff costs are mainly related to the IFRS impact of the performance shares and the capital increase reserved for Group savings plan subscribers, as described in Note 23 to the condensed consolidated financial statements.

## Note 8. Other operating expenses

### 8.1. Logistics costs

Logistics costs changed in line with the volume of fuel consumed during the period.

### 8.2. Other operating expenses

Other operating expenses comprise all expenses other than purchases, logistics costs and staff costs. They also include the expenditure and income associated with the CO<sub>2</sub> allowances.

The change in other operating expenses related mainly to the maintenance and annual shutdowns carried out in the first half of 2021.

## Note 9. Charges to depreciation, amortisation and provisions

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Charges to depreciation and amortisation	(35,803)	(34,083)
Charges to depreciation of right-of-use assets (IFRS 16)	(1,792)	(1,134)
Charges to provisions net of reversals	(2,144)	(1,570)
<b>Charges to depreciation, amortisation and provisions</b>	<b>(39,739)</b>	<b>(36,787)</b>

The change in charges to depreciation and amortisation was mainly due to the commissioning of additional new equipment for the Thermal and Solar Power businesses. It also includes the charges for depreciation and amortisation of the geothermal facilities acquired at the beginning of the year.

Charges to provisions net of reversals for the first half of 2021 included the charges in respect of staff benefits totalling €1.1 million as well as charges to provisions for liabilities.

## Note 10. Other operating income and expenses

For the first half of 2021, the other operating income mainly consisted of compensation received for the coal-burning equipment no longer of use following a facility's conversion to biomass operation, and the profit on disposal of property, plant and equipment and subsidiaries.

## Note 11. Cost of financial debt

Cost of financial debt comprises the following items:

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Financial expenses on financial debt	(14,943)	(15,838)
Financial expenses on leases	(127)	(126)
<b>Cost of financial debt (excluding IFRS 16)</b>	<b>(15,070)</b>	<b>(15,964)</b>
Interest expenses related to right-of-use assets (IFRS 16)	(760)	(658)
<b>Cost of financial debt</b>	<b>(15,830)</b>	<b>(16,622)</b>

The change in the cost of financial debt was mainly due to the decrease in outstanding project debt and the value of the euro relative to the Brazilian real.

## Note 12. Other financial income and expenses

For the first half-years of 2021 and 2020, the other financial income and expenses include investment products as well as exchange gains and losses resulting from revaluations of the derivatives



incorporated in the Gümüşköy plant's electricity sales agreements and, symmetrically, the financial debts denominated in US dollars.

## Note 13. Tax

The corporation tax charge breaks down as follows:

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
Current tax charge	(12,020)	(12,409)
Deferred tax	1,278	(1,897)
<b>Total corporation tax</b>	<b>(10,741)</b>	<b>(14,306)</b>

### Tax charge analysis

The effective tax rate is calculated as follows:

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
<b>Operating income</b>	<b>55,489</b>	<b>60,142</b>
Share of net income of equity-accounted companies	(1,400)	(466)
Cost of financial debt	(15,830)	(16,622)
Other financial income and expenses	(35)	(83)
<b>Income before tax and share in equity-accounted companies (A)</b>	<b>38,225</b>	<b>42,970</b>
Tax charge (B)	(10,741)	(14,306)
<b>Effective tax rate (B)/(A)</b>	<b>28.10%</b>	<b>33.29%</b>

A reconciliation between the actual tax charge and the theoretical tax charge, excluding the additional contribution, is shown below:

	<b>H1 2021</b>			<b>H1 2020</b>		
	<b>Base (in thousands of euros)</b>	<b>Rate</b>	<b>Tax (in thousands of euros)</b>	<b>Base (in thousands of euros)</b>	<b>Rate</b>	<b>Tax (in thousands of euros)</b>
<b>Theoretical tax charge</b>	<b>38,225</b>	<b>26.50%</b>	<b>(10,130)</b>	<b>42,970</b>	<b>31.00%</b>	<b>(13,321)</b>
Difference between the theoretical tax rate and the tax rate applicable to the foreign companies (including LODEOM <sup>1</sup> allowance)	-	(0.30%)	107	-	0.70%	(308)
Impact of tax rate changes on deferred taxes	-	-	-	-	-	-
Non-taxable income	-	(0.20%)	72	-	-	-
Tax on dividend payments	-	0.20%	(75)	-	0.10%	(37)
Non-deductible interest	-	-	-	-	-	-
Unrecognised deferred tax assets	-	-	-	-	(0.10%)	21
Additional contributions and other permanent differences	-	1.90%	(716)	-	1.70%	(661)
<b>Tax charge recognised</b>	<b>38,225</b>	<b>28.10%</b>	<b>(10,741)</b>	<b>42,970</b>	<b>33.29%</b>	<b>(14,306)</b>

1. LODEOM: law no. 2009-594 of 27 May 2009 for the economic development of Overseas France.

The differences in the tax rates between the local rate and the standard tax rate include the difference between the tax rate in Brazil and the standard tax rate applicable in France as well as the effect of the allowance in respect of law no. 2009-594 of 27 May 2009 for the economic development of Overseas France (Loi pour le développement économique des Outre-mer – LODEOM).

The restated normalised effective tax rate<sup>3</sup> for the period ended 30 June 2021 came to 28.10% compared with 31.65% in 2020. This change is due to the reduction in the tax rate pursuant to the Finance Act in force in France.

<sup>3</sup> Restated normalised tax rate: tax rate restated for the effects of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term, excluding Brazil and excluding the effect of the change in the tax rate as from 2018.

## Note 14. Goodwill

<i>In thousands of euros</i>	<b>Net value</b>
<b>At 31/12/2020</b>	<b>16,884</b>
Acquisition	775
Depreciation	-
Exit from consolidation scope	(955)
Currency translation differences	(1,006)
<b>At 30/06/2021</b>	<b>15,698</b>

The change in the goodwill period was mainly due to:

- the effect of the Gümüşkoy plant entering the consolidation scope;
- the disposal of OTS and Corbières Photos;
- the change in the exchange rate between the Brazilian real and Turkish lira and the euro.

## Note 15. Intangible assets

<i>In thousands of euros</i>	<b>Electricity and steam supply agreements</b>	<b>Other intangible assets</b>	<b>Total intangible assets</b>
<b>At 31/12/2019</b>	<b>92,575</b>	<b>930</b>	<b>93,505</b>
Acquisitions	-	1,459	1,459
Disposals	-	-	-
Charges to amortisation	(3,327)	(7)	(3,333)
Impact of changes in the consolidation scope	-	6,233	6,233
Other movements	-	-	-
Foreign currency translation effect	1,384	91	1,475
<b>At 30/06/2020</b>	<b>90,632</b>	<b>8,706</b>	<b>99,339</b>

The change in intangible assets related mainly to:

- the acquisition of CO<sub>2</sub> quotas, recognised as intangible assets;
- the entry of the Gümüşkoy plant into the consolidation scope;
- amortisation of the electricity sales agreements and the Gümüşkoy plant's operating licence;
- the change in the exchange rate between the Brazilian real and Turkish lira and the euro.

## Note 16. Right-of-use assets

<i>In thousands of euros</i>	<b>Right-of-use assets related to office leases</b>	<b>Right-of-use assets related to plants</b>	<b>Total right-of-use assets (IFRS 16)</b>
<b>At 31/12/2020</b>	<b>3,595</b>	<b>24,920</b>	<b>28,515</b>
New leases	3	1,446	1,449
Disposals	-	(904)	(904)
Charges to depreciation	(335)	(1,459)	(1,794)
Impact of changes in the consolidation scope	-	3,273	3,273
Other movements	22	(22)	-
Foreign currency translation effect	-	28	28
<b>At 30/06/2021</b>	<b>3,285</b>	<b>27,282</b>	<b>30,567</b>

The change in the right-of-use assets was mainly due to the Gümüşkoy plant entering the consolidation scope, the signing of new lease agreements in connection with its development, and the amortisation of the right-of-use assets for the period.

## Note 17. Property, plant and equipment

<i>In thousands of euros</i>	<b>Installations in service</b>	<b>Non-current assets in</b>	<b>Total</b>
<b>At 31/12/2020</b>	<b>1,162,329</b>	<b>121,106</b>	<b>1,283,434</b>
Acquisitions	2,500	58,562	61,062
Disposals	-	-	-
Charges to depreciation	(35,777)	-	(35,777)
Non-recurring charges to depreciation	(717)	-	(717)
Impact of changes in the consolidation	3,430	-	3,430
Restatements and other movements	47,383	(47,382)	1
Foreign currency translation effect	3,044	(33)	3,011
<b>At 30/06/2021</b>	<b>1,182,192</b>	<b>132,254</b>	<b>1,314,444</b>

The increases in property, plant and equipment during the half year related mainly to:

- investment expenses for the power plants in operation, primarily in connection with their optimisation and modernisation work and improvements to the administrative buildings;
- investments to convert existing power plants in Guadeloupe and on Reunion Island to biomass operation and the construction of new photovoltaic power plants.

The amount of the interest charges capitalised during the first half of 2021 in respect of power plants under construction is not significant.

The "Foreign currency translation effect" line includes the impact of the change in the Turkish lira/euro exchange rate upon the assets located in Brazil.

## Note 18. Investments in associates and joint ventures

The change in investments in associates and joint ventures is as follows:

<i>In thousands of euros</i>	<b>30/06/2021</b>	<b>31/12/2020</b>
<b>Movements during the accounting period</b>		
<b>Amount at the start of the period</b>	<b>22,753</b>	<b>26,563</b>
Dividends paid	(744)	(2,476)
Share of net income of associates	1,400	1,636
Impact of changes in the consolidation scope	470	-
Capital increase	-	1,259
Translation differences	(211)	(5,034)
Other changes	56	805
<b>Amount at the end of the period</b>	<b>23,724</b>	<b>22,753</b>

The "Impact of changes in the consolidation scope" line includes the disposal of OTS and Corbières Photos in 2021.

The "Translation differences" line includes the impact of the change in the euro/Brazilian real and euro/Mauritian rupee exchange rates.

## Note 19. Financial assets

### 19.1. Non-current financial assets

The term deposit generates interest that is capitalised.

<i>In thousands of euros</i>	<b>Note</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
Security deposits		4,035	3,726
Loans due in more than one year and other financial assets		524	968
Financial instruments	26	3,100	363
<b>Total</b>		<b>7,659</b>	<b>5,058</b>

## 19.2. Cash and cash equivalents

Gross cash comprised the following:

<i>In thousands of euros</i>	<b>30/06/2021</b>	<b>31/12/2020</b>
Cash equivalents	26,219	36,753
Cash	84,907	89,039
<b>Total</b>	<b>111,126</b>	<b>125,792</b>

Cash equivalents consist of term deposits and immediately available money market mutual funds (SICAV), for which changes in fair value are recognised as income or expenditure.

## Note 20. Trade receivables

At 30 June 2021, trade receivables stood at €88.1 million compared with €67.4 million at 31 December 2020. The main cause of the increase in trade receivables was the impact of the delay in some of the payments due from EDF for 2020, which were received in July.

## Note 21. Stocks

Stocks break down as follows:

<i>In thousands of euros</i>	<b>30/06/2021</b>	<b>31/12/2020</b>
<b>Stocks - gross amount</b>		
Raw materials and fuels	15,728	15,354
Non-strategic spare parts	47,388	45,207
Other stocks in progress	179	66
<b>Total stocks – gross amount</b>	<b>63,295</b>	<b>60,627</b>
<b>Impairment of stocks</b>		
Raw materials and fuels	(43)	(43)
Non-strategic spare parts	(257)	(257)
<b>Total impairment of stocks</b>	<b>(300)</b>	<b>(300)</b>
<b>Stocks - net amount</b>		
Raw materials and fuels	15,685	15,311
Non-strategic spare parts	47,131	44,950
Other stocks in progress	179	66
<b>Total stocks – net amount</b>	<b>62,995</b>	<b>60,327</b>

The change in stocks was mainly the result of the larger stocks of replacement parts.

## Note 22. Other current assets

The other current assets break down as follows:

<i>In thousands of euros</i>	<b>30/06/2021</b>	<b>31/12/2020</b>
Tax and social security receivables	17,759	25,992
Current tax receivables	9,232	7,344
Prepayments	5,368	1,720
Other debtors	11,684	9,377
<b>Total</b>	<b>44,043</b>	<b>44,433</b>

The change in tax and social security receivables, including input VAT, was due in particular to amounts received in the period relating to tax receivables in respect of the capital expenditure incurred.

## Note 23. Share capital and potential shares

### 23.1. Share capital

No options were exercised during the first half of 2021. Albioma holds 359,407 treasury shares in connection with the share buyback programme.

At 31 December 2020, the share capital comprised 31,641,910 shares with a nominal value of €0.0385, fully paid up, including 428,444 treasury shares held in connection with a share buyback programme.

### 23.2. Performance share plans

The expense recognised in the income statement for the existing plans at 30 June 2021 was €1,693,000 compared with €1,102,000 for the first half of 2020.

On 3 March 2021, Albioma's Board of Directors allotted 224,977 shares to corporate officers and employees (members of the Executive Committee, senior management and administrative staff) in a plan for 2021. The shares will vest on 1 March 2024 if the performance criteria are met at 31 December 2023 (the lock-in period ends on 1 March 2025). The allotments are made in four quarters based respectively on the following performance criteria: EBITDA, net earnings per share, total shareholder return (performance relative to CAC Utilities Net Return and to SBF 120 Net Return) and share of renewable energies relative to total production.

The estimated valuation of the plan, pursuant to IFRS 2 "Share-based Payment", is as follows:

	<b>30/06/2021</b>
2021 plan's estimated value (excluding employers' contributions) in thousands	3,791
Expected dividend yield	Estimated using a forward-looking approach, based on the distribution policy announced by the Group

During the first half of 2021, the shares vested under the 2018 plan were delivered by issuing 216,102 existing shares.

### 23.3. Capital increase reserved for Group savings plan subscribers

Albioma carried out a capital increase reserved for employees, executives and former employees subscribing to the Group savings plan in France and Brazil, starting on 5 May 2021. This new programme is part of the Group's policy of increasing the number of medium- and long-term employee shareholders and provides them with regular opportunities to indirectly invest in Albioma shares on preferential terms. The main terms of this programme, named "Albioma Invest 2021", are set out below.

The purpose of this programme was to give employees a stake in the Group's results and future success by aligning their interests with those of shareholders. It has enabled eligible Group employees and executives to indirectly invest in Albioma stock on preferential terms and, in the case of those fiscally resident in France, to benefit from a favourable tax regime. In return, the investment of subscribers will be locked in for five years.

The beneficiaries could subscribe to the offer in either of the following investment plans:

- A "Classic" plan via the "Albioma Relais 2021" corporate mutual fund (FCPE), which is to be merged with the "Albioma" FCPE following Supervisory Board approval of both funds. The "Albioma Relais 2021" FCPE was authorised by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on 20 April 2021. Under this plan, the value of the employee's investment will rise and fall with the Albioma share price. Employees receive a 30% discount and a share contribution by the employer;

- A “Multiple” plan via the Albioma FCPE’s “Albioma Multiple 2021” compartment. The “Albioma Multiple 2021” compartment was authorised by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on 20 April 2021. Under this plan, the subscriber is guaranteed that the higher value of either (i) a guaranteed return on his or her personal contribution or (ii) a multiple of the protected average rise in the Albioma share price will be added to the amount of his or her personal contribution. In return, the subscriber does not receive any dividends or other income from the Albioma shares subscribed under the “Albioma Multiple 2021” compartment and the 30% discount.

Pursuant to IFRS 2 “Share-based Payments”, an expense amounting to €738,000 was recognised under staff costs in the first half of 2021.

## 23.4. Number of shares

At 30 June 2021, the share capital consisted of 31,641,910 fully paid-up shares with a nominal value of €0.0385 per share.

### Calculation of the dilution

Shares whose issuance is conditional are only included in the calculation of diluted earnings per share if, at the period-end, the acquisition conditions are met. The dilutive effects are created by the issuance of stock subscription options as well as by the allotment of bonus performance shares.

	H1 2021	H1 2020
Weighted average number of shares	31,282,503	30,889,089
Dilution	887,841	549,020
Diluted weighted average number of shares	32,170,344	31,438,109
<b>Net income (in thousands of euros)</b>	<b>23,501</b>	<b>24,353</b>
<b>Net income/weighted average number of shares (in euros)</b>	<b>0.751</b>	<b>0.788</b>
<b>Net income/diluted weighted average number of shares (in euros)</b>	<b>0.731</b>	<b>0.775</b>

## 23.5. Dividends

The Ordinary and Extraordinary General Meeting of Shareholders on 25 May 2021 approved the payment of a dividend of €0.80 per share with an option for the payment of 50% of the dividend in the form of new shares. The option, which could be exercised from 14 June to 5 July 2021, resulted in the subscription of 212,751 new shares, giving a reinvestment rate of 54.80%.

## Note 24. Financial debt

The following table provides a breakdown of the Group's financial debt at 30 June 2021:

<i>In thousands of euros</i>	30/06/2021				31/12/2020			
	Project debt	Corporate debt	Bank overdrafts, accrued interest and loan issue costs	Total	Project debt	Corporate debt	Bank overdrafts, accrued interest and loan issue costs	Total
Debts with financial institutions	775,447	162,000	(14,909)	922,538	796,288	112,500	(17,016)	891,772
Lease liabilities	10,333	-	-	10,333	10,230	-	-	10,230
Lease liabilities related to right-of-use assets	42,492	-	-	42,492	38,460	-	-	38,460
<b>Total</b>	<b>828,272</b>	<b>162,000</b>	<b>(14,909)</b>	<b>975,363</b>	<b>844,978</b>	<b>112,500</b>	<b>(17,016)</b>	<b>940,462</b>
Non-current financial debt				841,215				859,513
Current financial debt				134,149				80,949

Project debt in France has a maturity of between 15 and 25 years depending on the type of business and the length of the contract for electricity supply.

Project debt is non-recourse debt in respect of Albioma, except in the case of Brazil, where Albioma has granted a parent company guarantee, and debt relating to projects in the construction phase.

At 30 June 2021, the portion of debt denominated in BRL stood at €15.2 million and that denominated in dollars stood at €10.7 million. All other debt was denominated in euros.

The change in financial debt during the period is broken down below:

<i>In thousands of euros</i>	<b>Lease liabilities</b>	<b>Bank and other borrowings</b>	<b>Lease liabilities related to right-of-use assets (IFRS 16)</b>	<b>Total</b>
<b>At 31/12/2020</b>	<b>10,230</b>	<b>891,772</b>	<b>38,460</b>	<b>940,461</b>
Debt issues	-	59,345	1,445	60,790
Repayments	(543)	(35,778)	(384)	(36,705)
Restatements	646	(281)	-	365
IFRS 16 correction	-	-	(388)	(388)
Net change	-	795	(1,354)	(559)
Translation differences	-	1,965	707	2,672
Changes in the consolidation scope	-	4,721	4,006	8,727
<b>At 30/06/2021</b>	<b>10,333</b>	<b>922,539</b>	<b>42,492</b>	<b>975,363</b>

The main debt issues during the period were as follows:

- €9.2 million of new debt was drawn down to finance the continuing work on the construction of new photovoltaic plants on Reunion Island and in Mayotte;
- In June, a short-term corporate credit line amounting to €50 million was drawn down to finance the scaling-up of the conversion work at the Bois-Rouge power plant.

The "Changes in the consolidation scope" line includes the impact of the Gümüşkoy plant entering the consolidation scope.

The "Translation differences" line includes the impact of changes in the Brazilian real and Turkish lira exchange rates against the euro.

On 8 April 2021, a rider to the debt agreement signed on 23 December 2016 was agreed for an additional amount in order to finance the biomass conversion work. This debt matures on 31 December 2039. It had not been drawn down at 30 June 2021.

## Note 25. Provisions and employee benefits

The change in provisions for liabilities included the reversal of a provision for disputes and industrial risks.

The change in employee benefits breaks down as follows:

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
<b>Opening obligation</b>	<b>52,605</b>	<b>43,121</b>
Cost of services rendered	1,147	1,494
Financial cost	176	162
Actuarial gains and losses recognised in reserves	(6,621)	-
Impact of changes in the consolidation scope	11	-
Other changes	-	-
<b>Closing obligation</b>	<b>47,318</b>	<b>44,777</b>

The change in employee benefits is due to the effect of the change in the discount rate, from 0.3% at 31 December 2020 to 0.8% at 30 June 2021. The impact of this change is recognised as shareholders' equity under "Other comprehensive income".

## Note 26. Financial derivatives

<i>In thousands of euros</i>	Maturity	Notional amount in millions of euros	Fair values in the statement of financial position				Recognition of changes in 2021	
			31/12/2020		30/06/2021		Profit or loss	Transitory account in shareholders' equity
			Assets	Liabilities	Assets	Liabilities		
Hedging of variable-rate debt by interest rate swaps	2020 to 2040	628	308	(49,704)	190	(57,360)	-	(7,774)
<b>Total cash flow hedging derivatives</b>		<b>628</b>	<b>308</b>	<b>(49,704)</b>	<b>190</b>	<b>(57,360)</b>	<b>-</b>	<b>(7,774)</b>
Embedded hedge in the power sales contract of the Gümüşköy power plant	2023	10	-	-	1,888	-	1,888	-
Total derivatives		-	358	(55,023)	3,100	(43,064)	1,888	12,813

The change in the fair value of financial derivative instruments was mainly due to the fall in interest rates and the implementation of new interest rate hedges in connection with the projects in the development phase.

## Note 27. Trade payables

<i>In thousands of euros</i>	30/06/2021	31/12/2020
Trade payables	65,926	66,453
Amounts due to suppliers of non-current assets	3,205	4,653
<b>Total</b>	<b>69,131</b>	<b>71,106</b>

The change in amounts due to suppliers of non-current assets was mainly due to the payments made in the first half of 2021.

## Note 28. Other current liabilities

<i>In thousands of euros</i>	30/06/2021	31/12/2020
Deferred income	7,887	7,890
Other creditors	49,915	23,145
<b>Total</b>	<b>57,802</b>	<b>31,035</b>

The change in "Other creditors" was mainly due to the recognition, at 30 June 2021, of liabilities in respect of dividends paid by Albioma to its shareholders and by consolidated companies to non-Group shareholders.

## Note 29. Tax and social security liabilities

These liabilities break down as follows:

<i>In thousands of euros</i>	30/06/2021	31/12/2020
Current tax liabilities	1,295	9,990
Other tax and social security liabilities	32,193	32,921
<b>Total</b>	<b>33,487</b>	<b>42,911</b>

The change in tax liabilities is mainly due to the payments made in the first half of 2021.

## Note 30. Off-balance sheet commitments

### 30.1. Commitments given

At 30 June 2021, off-balance sheet commitments given amounted to €19.7 million compared with €20.2 million at 31 December 2020.

This -€0.5 million change was mainly due to the dollar exchange rate falling from USD 1.2232/EUR 1 to USD 1.1884/EUR 1 (-€0.1 million), the reduction of guarantees for classified installations for the



protection of the environment (ICPE) as 100% of the financial guarantees are now in place (–€0.1 million), and the maturity of a guarantee issued for photovoltaic projects (–€0.5 million).

## 30.2. Commitments received

At 30 June 2021, off-balance sheet commitments received amounted to €262.6 million compared with €117.9 million at 31 December 2020.

This €144.7 million change is mainly due to a new project financing commitment received for the Albioma Bois-Rouge conversion, a €50 million drawdown on the RCF financing agreement and two drawdowns on the financing line of the Indian Ocean Solar Power business amounting to €9.3 million.

## Note 31. Risk and capital management

The risks to which the Group is exposed are presented in the notes to the consolidated financial statements for the year ended 31 December 2020.

The Group has not identified any other material changes in the risks described in the Universal Registration Document for the year ended 31 December 2020 or in the risk management policies implemented.

## Note 32. Related parties

There were no material changes in transactions with related parties in the first half of 2021.

## Note 33. Information on equity investments with significant non-Group shareholders

The table below shows the contribution to net income of the entities with significant non-controlling interests. This table includes Albioma Codora Energia and Albioma Le Gol for the first half-years of 2020 and 2021.

The figures in the table below are the full amounts for each item, before elimination of intra-Group transactions.

<i>In thousands of euros</i>	<b>H1 2021</b>	<b>H1 2020</b>
<b>Income statement</b>		
Revenue	69,735	67,278
Net income	12,647	10,331
Net income, Group share	8,220	6,715
Net income, attributable to non-controlling interests	4,426	3,616
<b>Total comprehensive income</b>	<b>11,028</b>	<b>8,712</b>
Group share	10,400	8,895
Attributable to non-controlling interests	3,860	3,049
<b>Dividends paid to non-controlling interests</b>	<b>(6,014)</b>	<b>(5,665)</b>
<b>Statement of financial position</b>		
Non-current assets	271,826	276,582
Current assets	61,107	60,297
<b>Total assets</b>	<b>332,933</b>	<b>336,879</b>
Equity, Group share	77,370	76,595
Equity, attributable to non-controlling interests	60,863	59,643
Non-current liabilities	96,179	108,311
Current liabilities	98,521	92,331
<b>Total equity and liabilities</b>	<b>332,933</b>	<b>336,879</b>
Cash from operating activities	24,967	25,936
Cash used by investing activities	(6,210)	(6,190)
Cash used by financing activities	(20,514)	(19,770)

## Note 34. Events after the reporting period

No significant events occurred after the end of the reporting period.

## Note 35. Reconciliation of statement of cash flows and notes to the financial statements

	Notes	Opening balance	Non-monetary changes <sup>1</sup>	Change in working capital	Tax paid	Investing flows	Other financing flows including the change in current accounts	Share of net income of equity-accounted entities net of dividends received	Dividends paid	Closing balance
Trade receivables	20	67,462	96	20,554	-	-	-	-	-	88,112
Stocks	21	60,327	179	2,489	-	-	-	-	-	62,995
Other creditors	22	44,433	233	(959)	1,884	(2,206)	1,402	(744)	-	44,043
<b>Total</b>		<b>172,222</b>	<b>508</b>	<b>22,084</b>	<b>1,884</b>	<b>(2,206)</b>	<b>1,402</b>	<b>(744)</b>	-	<b>195,151</b>
Trade payables	27	66,453	229	(756)	-	-	-	-	-	65,926
Amounts due to suppliers of non-	27	4,653	-	2	-	(1,450)	-	-	-	3,205
Tax and social security liabilities	29	42,911	190	(696)	(8,917)	-	-	-	-	33,487
Other liabilities	28	31,035	(996)	(3,694)	-	-	823	-	30,634	57,802
<b>Total</b>		<b>145,053</b>	<b>(577)</b>	<b>(5,145)</b>	<b>(8,917)</b>	<b>(1,450)</b>	<b>823</b>	-	<b>30,634</b>	<b>160,420</b>
<b>Impact on cash flows</b>				<b>(27,229)</b>	<b>(10,801)</b>	<b>756</b>	<b>(579)</b>	<b>744</b>	<b>30,634</b>	

1. Non-monetary changes include reclassifications between accounts, and the effects of translation adjustments and changes in consolidation scope.

### 3. *Statutory Auditors' review report on the half-year financial information*

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92200 Neuilly-sur-Seine  
France

**Mazars**

Tour Exaltis – 61, rue Henri Regnault  
92400 Courbevoie  
France

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of Albioma, for the period from 1 January to 30 June 2021;
- the verification of the information contained in the interim management report.

The Covid-19 global pandemic has created unusual conditions for the preparation and limited examination of the half-yearly condensed consolidated financial statements. In fact, this pandemic and the extraordinary measures put in place in response to it have had a whole range of consequences for companies, particularly on their business and financing, along with increased uncertainty on their outlook. Some of these measures, such as travel restrictions and remote working, have also impacted the internal organisation of companies and how our work is organised.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

#### Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information primarily involves discussions with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less extensive than an audit conducted in accordance with professional standards applicable in France. Consequently, it can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than that obtained from a full audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”, as adopted by the European Union.

#### Specific verification

We have also verified the information provided in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 28 July 2021.

The Statutory Auditors,

**PricewaterhouseCoopers Audit**

Jérôme Mouazan

**Mazars**

Daniel Escudeiro

## 4. *Statement of the person responsible for the half-year financial report*

I declare that, to the best of my knowledge, the condensed financial statements for the half year under review have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all its subsidiaries included in the consolidation scope, and that the half-year management report on page 3 presents an accurate view of the major events that occurred in the first six months of the financial year, of their influence on the financial statements and of the major transactions between related parties and describes the main risks and uncertainties for the remaining six months of the year.

Puteaux, 28 July 2021.

**Frédéric Moyne,**  
Chairman and Chief Executive Officer

