Cuarenta y dos
(42)

Total Eren S.A.
Société Anonyme

Consolidated financial statements and Management report and Independent auditor's report as at 31 December 2019

Cuarenta y tres (43)

ALAIN MARTIN ET ASSOCIES
Société d'Expertise Comptable et de Commissariat aux Comptes
Inscrite au Tableau d'Ordre de la Région Parisienne et Membre de la Compagnie de Paris
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TOTAL EREN

Société anonyme au capital social de 635.692.008 euros
Siège social : 37 rue la Pérouse, 75016 Paris
812 962 736 R.C.S. Paris

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31st 2019

Cuarenta y cuatro
(44)

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31st 2019

To the shareholders,

Opinion

In compliance with the assignment entrusted to us by your Articles of Association, we have audited the accompanying consolidated financial statements of Total Eren for the year ended December 31, 2019. These financial statements were approved by the Board of Directors on May 12, 2020 on the basis of the information available at that date in the evolving context of the health crisis related to Covid-19.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended December 31, 2009 and of the financial position and assets and liabilities of the consolidated group of persons and entities as of that date, in accordance with IFRS as adopted by the European Union.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibility for the Audit of the Consolidated Financial Statements* section of our report.

Indépendance

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st 2019 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in the French Code of Ethics (Code de Déontologie) for statutory auditors.

Gorotta y cano (45)

Justification des appréciations

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we hereby inform you that the assessments we made concerned the appropriateness of the accounting principles applied and the reasonableness of the significant estimates made, in particular with respect to the following items :

Goodwill (note 2.2 Business Combination)

The Company recognises goodwill in accordance with the terms and conditions described in 2.2 "Business Combination" and assesses whether there is an indication of impairment at the balance sheet date. We examined the methods used to carry out this assessment and verified that notes 12.6 "Depreciation and amortisation" and 16 "Intangible assets" to the financial statements provide appropriate information.

Tangible assets (note 2.5 Property, plant and equipment)

At the balance sheet date, the Company assesses whether there is any indication of impairment of property, plant and equipment, in accordance with the terms and conditions described in Note 2.5.2 "Depreciation". We examined the methods used to carry out this assessment and verified that Notes 12.6 - "Depreciation and amortisation" and 15 - "Property, plant and equipment" to the financial statements provide appropriate information.

Deferred income tax (note 2.19.2)

The Company recognizes deferred tax assets and liabilities in accordance with the terms and conditions described in Note 2.19.2 "Deferred income tax". We examined the terms and conditions for implementing this recognition and verified that Note 14.3 "Deferred tax" to the financial statements provides appropriate information.

Investment in Joint-Ventures (note 9) and Investment in Associates (note 10)

At the end of the year, the Company assesses whether there is any indication of impairment in the value of investments in associates and joint ventures, as described in Note 2.1.2 "Investment in an associate and joint venture". We examined the methods used to carry out this valuation and verified that Notes 9 - "Investment in Joint-Ventures" and 10 - "Investment in Associates" to the notes to the financial statements provide appropriate information.

These assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, prepared under the conditions described above, and in forming our opinion. We do not express an opinion on individual items in these consolidated financial statements.

Verification of the Information Pertaining to the Group Presented in the Management Report

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations on the information relating to the Group given in the Board of Directors' management report. With respect to the events that occurred and the elements known subsequent to the closing date of the financial statements relating to the effects of the Covid-19 crisis, management has informed us that they will be the subject of a communication to the General Meeting called to approve the financial statements.

We have no comment to make on their fair presentation and consistency with the consolidated financial statements.

Cuaranta y seis
(46)

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or to error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in an agregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commerce Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore :

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control ;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control ;

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements ;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein ;

Cuarenta y siete
(47)

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation ;

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Done in paris, on May 14th 2020

The statutory auditor,

Alain Martin & Associés

Audit firm
Member of the Paris Regional Institute of Auditors

Alain MARTIN

Associé

1 INTRODUCTION

Total Eren S.A. (the "Company") is the parent company of the Total Eren group of companies (the "Group").

The Company's controlling shareholder is Eren Groupe, a company founded by Pâris Mouratoglou. Mr. Mouratoglou has a long experience in the energy production sector, with its 1st company in that field (SIIF Energies) starting in 1991. Following a long-term partnership with French utility EDF initiated in 2000, that company grew to become one of the leading global players of the renewable energy sector under the name of EDF Energies Nouvelles, before being fully acquired by EDF in 2011.

In 2012, Mr. Mouratoglou and the former CEO of EDF Energies Nouvelles, Mr. David Corchia, created New Eren S.A. to develop new activities in the renewable energy and natural resource savings sectors. To support the development of its renewable energy arm, Eren Renewable Energy, they attracted first a group of long-term financial investors in 2015. In 2017, a strategic agreement was signed with Total SA, giving to Total SA an indirect interest of 23% in Total Eren as well as the possibility to take over control of the Group after a period of 6 years.

On 1 December 2017, the Company was renamed Total Eren. Nowadays, the Group actively develops renewable energy solutions in both developed countries and emerging markets.

In 2019, the Company made its first major acquisition, when it acquired the Novenergia Group. Novenergia is a diversified renewable IPP, which holds a diversified portfolio of wind, solar and mini-hydro power plants representing a total net installed capacity of 658 MW and 47 fully operating assets in Europe, mostly in Portugal.

This acquisition has represented an important step forward for Total Eren and has significantly increased the presence of the Group in Europe.

This acquisition was made possible by the strong support from its shareholders which have subscribed to capital increases, thus raising the equity to over €1 billion. The ownership structure was modified with Total SA becoming a direct shareholder of the company (5.8%), thus bringing its total (direct and indirect) interest in the Company to 29.6%.

2 ACTIVITIES AND STRATEGY

The Group develops, builds and operates renewable energy assets in both developed countries and emerging markets with growing energy needs, such as India, South East and Central Asia, Latin America, Africa and Eastern Europe. The selected countries present:

- Good renewable resources (irradiation, wind speed)
- Ability to secure long-term Power Purchase Agreements (PPAs)
- Growing power demand
- Potential to reach critical size

In order to efficiently deal with the various constraints and market specificities, the Group develops its projects in partnership with local developers who have a deep understanding and experience of the local markets and key stakeholders.

The Group possesses a unique expertise all along the value chain, from in-house identification and screening of projects to the financing, construction and operation of the plants. By relying on longstanding relationships with banks, top-tier suppliers and contractors, the Group is able to obtain competitive commercial terms and to optimize the profitability of its projects.

Total Eren is mainly focusing on onshore wind and ground-mounted solar PV, both with and without storage.

As of 31 December 2019, the following plants were under operation (gross capacity in MW):

Country	Technology	31/12/2018 MW	Novenergia acquisition MW	Commissioned 2019 MW	31/12/2019 MW
Portugal	Wind farm	-	435.4	-	435.4
	Photovoltaic	-	18.9	-	18.9
	Hydro plant	-	33.2	-	33.2
Greece	Wind farm	195.3	-	41.0	236.3
	Photovoltaic	43.9	-	-	43.9
Rest of Europe	Wind farm	-	73.1	-	73.1
	Photovoltaic	22.8	91.5	-	114.3
	Hydro plant	21.5	-	-	21.5
Africa & Middle East	Photovoltaic	62.5	-	126.0	188.5
Asia	Photovoltaic	36.0	-	-	36.0
Latin America	Photovoltaic	80.0	-	89.8	169.8
Commonwealth of Independent states	Photovoltaic	-	-	128.0	128.0
Total consolidated		**462.0**	**652.1**	**384.8**	**1,498.9**
Portugal	Wind farm	-	8.0	-	8.0
Greece	Wind farm	14.6	-	-	14.6
Rest of Europe	Photovoltaic	21.0	9.2	14.0	44.2
Asia	Photovoltaic	171.0	-	-	171.0
Total significant shareholding		**206.6**	**17.2**	**14.0**	**237.8**

2.1 Operational Performance

Overall the production from consolidated assets almost tripled in 2019, compared to previous year, as a consequence of the acquisition of Novenergia as well as the start of operation of several large projects.

For consolidated assets already in operation beginning of 2018 (excluding Novenergia's assets), 2019 production was globally 2.97% below 2018 with various situations:

- A decrease by 5.8% of the Greek wind farms production compared to 2018; the favorable wind conditions of 2018 had resulted in overperformance of several wind farms whereas 2019 wind conditions were close to long term average. In addition, Kithaironas wind farm incurred a 2.5-month loss of production following an incident on the high voltage line due to heavy snow;
- PV plants are generally in line with last year performance: in Greece (+1%), Israel (+1%), India (-2.9%) and Uganda (-2.2%), except for French PV plants, which have recorded an increase of 8.7% compared to 2018 (rather good irradiation after low figures in 2018).
- The Italian hydro plants have increased their production by 3.9% over last year.

Cincuenta (50)

Technology	Country	2019 GWh	2018 GWh	2017 GWh
Wind	Greece	560	471	310
	Portugal	800	-	-
	Rest of Europe	107	-	-
	Sub-total wind	**1,467**	**471**	**310**
Photovoltaic	Greece	70	66	58
	Africa Middle East	311	98	82
	Asia	47	48	29
	Latin America	216	68	-
	Portugal	23	-	-
	Rest of Europe	129	25	29
	Sub-total photovoltaic	**796**	**305**	**198**
Hydro plant	Portugal	66	-	-
	Rest of Europe	77	74	60
	Sub-total hydro	**143**	**74**	**60**
	Total consolidated	**2,406**	**850**	**568**
Wind	Greece	44	45	46
	Rest of Europe	45	-	-
	Sub-total wind	**89**	**45**	**46**
Photovoltaic	Asia	28	29	29
	Rest of Europe	270	277	240
	Sub-total PV	**298**	**306**	**269**
	Total significant sharehoding	**387**	**351**	**315**
	Total	**2,793**	**1,201**	**883**

2.1.1 Solar Energy

The Company pursued growth in solar photovoltaics; its operating assets have been re-inforced by the acquisition of Novenergia and the commissioning of a number of large projects in 2019:

- **Novenergia**

Novenergia operated a portfolio of more than 100MWp of PV projects in Europe, both ground-mounted and on rooftops. They are located in France, Spain, Italy, Bulgaria, and Portugal.

For a large part, the projects were built in the late 2000s and early 2010s, and therefore benefit from high feed-in tariffs.

All these projects are financed on a non-recourse basis.

- **Egypt**

Two solar PV plants with a total capacity of 126 MWp located in the Benban complex in the Aswan province of Egypt were put in operation in April 2019. They are part of the 1.5GW solar complex sponsored by the Egyptian government in Upper Egypt.

The projects are financed through non-recourse debts provided by the European Bank for Reconstruction and Development (EBRD) and Proparco, the private sector financing arm of the French Development Agency, AFD.

The two projects were awarded PPAs through Egypt's Feed-in-Tariff (FiT) program, launched by the national Ministry of Electricity and the country's New & Renewable Energy Authority (NREA).

- **Brazil**

In August 2019, the Company completed the construction of three (30MWp each) solar projects in the municipality of Dracena in the state of São Paulo.

The projects were awarded with 20-year PPAs by the Brazilian Energy Trade Chamber, CCEE, in August 2014.

Together with the BJL 4 and 11 projects commissioned in 2018, the Company now operates a total of 140MWp of solar projects in Brazil.

- **Kazakhstan**

The Company launched the construction of its first solar project in Kazakhstan (Nomad Solar) in late 2018. This project with a capacity of 28MWp was built in the area of Kyzylorda.

In early 2019, the Company started the construction of a second, larger solar project in the country. This project, Mkat Green, with a capacity of 100MWp is located near Shu, in Zhambyl area.

Both projects will sell their electricity through 15-year PPAs with FSC RES (Financial Settlement Centre for Support to RES).

The European Bank for Reconstruction and Development (EBRD) is financing both projects, with the participation of the Asian Development Bank for Mkat Green.

Both projects injected their first kWh into the grid in late December 2019.

- **Australia**

The Company proceeded with the construction of the Kiamal Solar Farm in Australia. This project, with a 256.5 MWp installed capacity, is located 3 km North of Ouyen township in North-West Victoria. It will be made up of 718,000 PV panels with single-axis trackers covering over 500 hectares and, upon completion, will be producing enough electricity to meet the needs of more than 133,500 Victorian homes and replacing more than 610,000 tonnes of carbon dioxide emissions annually. The project incurred delays due, in particular, to deferred connection to the grid (stability issues of the regional transmission network). Completion will be reached in the 2nd semester of 2020.

Kiamal is underpinned by four Power Purchase Agreements ("PPAs") contracted with one large food manufacturer (Mars Australia), two energy retailers (Alinta Energy and Flow Power), and a new entity, a collective of 13 leading Victorian water corporations (called "Zero Emissions Water" or ZEW).

The financing for the project was closed in June 2019 with a pool of commercial banks for a total of AUD 250m. In addition, the Clean Energy Finance Corporation entered the project by taking an AUD 51m minority equity stake in the project.

- **Chile**

The Company has acquired a 50% stake alongside Total Solar in a 190 MWp solar photovoltaic (PV) power plant located near the municipality of María Elena, in the Antofagasta Region.

In May 2016, a private Power Purchase Agreement ("PPA") was secured by the Project for the supply of the electricity generated from "Santa Isabel" to Colbún S.A, a Chilean private utility and one of the main electricity generators in the country. This was followed by the closing of the financing with a select group of international banks

The construction of the power plant, which will deploy 190 MWp of SunPower Performance Series solar modules, started in October 2019 and the commissioning is planned end of 2020.

2.1.2 *Wind Energy*

In 2019 Total Eren achieved major growth of its activity in wind power as a combination of the acquisition of Novenergia and significant construction activities.

Novenergia

Wind parks represents more than 75% of the installed capacity of the Novenergia group and are primarily located in Portugal, with total gross capacity installed of 443MW. The Portuguese wind assets have been built between 2005 and 2008, with the exception of one wind farm which has been repowered in 2018. They all benefit from feed-in tariffs for 15 years, followed by a 7-year period during which the electricity produced will be sold to the electricity market at a price comprised between predefined floors and caps.

Apart from Portugal, Novenergia also owns wind parks in Italy, France and Poland. These wind parks are more recent, having all been built in the 2010s.

Production figures in 2019 were above historical average thanks to favorable wind conditions in Portugal during the last quarter of the year.

Círcuenta y dos (52)

The operation of all assets is supervised by a centralized control room in Lisbon, where an experienced team is providing 24/7 supervision and can proceed to some operation such as remote restarts. Overall the availability of the wind portfolio is very high.

Greece

The Company commissioned three more projects in Greece in 2019, thus bringing the total gross capacity to 251MW. Loupounaria and Lemos, two 6.9MW projects were commissioned respectively in January and April 2019. Achladotopos, a 27.2MW project located in Euboea, was energized in December 2019.

The Company also launched the construction of another project, Mandra, 14.4MW located in Thrace. The project secured its tariff through an auction held in December 2018. Construction should be completed by mid-2020.

Ukraine

In January 2019, Total Eren acquired from the wind power developer NBT a controlling interest in the 245.7MW Syvash onshore wind project. Syvash will consist of 63 wind turbines to be built in 2 phases and will be located on 1,300 hectares of land in the Kherson region, Southern Ukraine. At its full capacity, Syvash represents a EUR 380m total investment. Once completed, it is expected to become the country's largest renewable energy project.

In January 2019, NBT and Total Eren signed the EUR 155m long-term financing of the 1st phase of the project which consists of a EUR 75m EBRD loan, a EUR 75m loan provided jointly by Green for Growth Fund and FMO, and a EUR 5m NEFCO loan.

In April 2019, the financing of the 2nd phase was signed, with 5 lenders (Proparco, the Black Sea Trade and Development Bank, Finnfund, the Danish Development Finance Institution and NEFCO) for a total of EUR 107.6m.

Construction was launched in early February 2019. The wind farm is expected to be energized in the second quarter of 2020; commissioning will take place in stages.

Argentina

The construction of two wind projects continued in 2019:

- Vientos Los Hercules (97.2MW) located in the Santa Cruz province in Southern Argentina. It consists of 27 3.6MW-M114 Senvion turbines.
- Malaspina project (50.4MW) located in the province of Chubut, in Southern Argentina. It consists of 14 3.6MW-M114 Senvion turbines.

Both projects hold 20-year PPAs with CAMMESA and are financed by KfW IPEX-Bank (Euler Hermes), the German development finance institution (DEG), and the Dutch development bank (FMO).

The construction of both projects has been impacted by the insolvency in April of the wind turbine manufacturer Senvion, who was the EPC contractor for both wind projects. Fortunately, all equipment had been delivered before, which allowed the Company to restart construction once it had terminated the EPC contracts with Senvion. The Company also proceeded to draw on the bonds provided by Senvion, to compensate for delays and overcosts arising from their insolvency.

Brazil

The Company has launched the construction of two large wind projects in the State of Rio Grande do Norte, namely Terra Santa and Maral, for a total combined capacity of 160MW. Both projects will be equipped with Siemens-Gamesa turbines (45 3.55MW SG132).

Both projects will benefit from 20-year PPAs with CEMIG.

Both projects secured a BNB (Banco do Nordeste do Brasil) financing end of 2019.

Construction is expected to finish by the end of 2020.

Cincuenta y tres (53)

France

Total Eren, alongside its partners EDF PEI and NW Energy, has built the Grand-Rivière 14 MW wind farm with storage in the northern part of Martinique (French Caribbean). This project is considered the first industrial scale wind farm with storage in France. This project was designed to address the challenges raised by intermittent wind energy production on isolated (insular) electrical grid.

A detailed production forecast is submitted every day for the following day to the French off-taker EDF (through EDF Martinique), allowing the grid operator to handle the intermittence of wind energy production.

The Project was commissioned in January 2019 and has overperformed since then.

2.2 Future developments

The renewable energy business is booming worldwide as many developing countries aim to promote a sustainable development. Over the last few years, the Group has made tremendous efforts to develop its presence in Asia Pacific, Latin America and Africa, through local partnerships and acquisition of high potential projects or portfolio of projects.

The Group has secured promising projects in Europe, Asia, Latin America, Australia or Africa, resulting in several projects whose construction started or will start in 2020. The list includes:

- A series of large PV projects secured through tenders in India - In 2019, the Company, through its JV Eden Renewables India owned 50-50 with EDF Renouvelables, secured more than 700MWp of projects which are to be built in 2020/2021;
- Capacity will be increased in the existing Portuguese wind farms by up to 20% as allowed under the Portuguese legislation;
- Advanced development stage reached by PV projects in Greece (40MWp secured through auctions in 2019).

More generally the Company explores all sensible opportunities for further growth in wind or PV.

2.3 Financial Performance

The summarized financial information of the Group is as follow:

In EUR millions	2019 EURm	2018 EURm	2019/2018
Revenue	269.9	99.4	171.5%
EBITDA	191.5	66.3	188.7%
Profit/(Loss) before tax	42.7	19.3	121.2%
Profit/(Loss) for the year	**36.1**	**11.9**	**203.4%**
Total Assets	3,560.4	1,335.4	166.6%
Total Liabilities	2,393.1	835.4	186.5%

As evidenced by the figures the size of the Group has grown dramatically in 2019. This growth is linked both to the acquisition of the Novenergia group in April 2019 (which contributed to 51% of the consolidated revenue and 56% of the consolidated EBITDA) and the construction and start of operations of various new projects in 2018 and 2019.

The EBITDA of operating entities can be broken down as follows by main geographical areas:

In EUR millions	2019 EURm	2018 EURm	2019/2018
Portugal	71.3	-	N/A
Greece	54.1	47.6	14%
Rest of Europe	43.8	12.7	245%
Latin America	18.5	2.7	622%
Asia	4.2	3.1	32%
Africa & Middle East	28.9	16.2	78%
Commonwealth of Independent States	(0.3)	-	N/A
Total	**220.4**	**82.3**	**169%**

2.4 Main risks and uncertainties

2.4.1 Currency and Geographical risk

A significant part of the activity of the Company is made in currencies other than the Euro, both in terms of currencies in which the PPAs are denominated and for the financial debt.

The Company will carry on its policy to mitigate the currency risks by ensuring that the projects' debts are denominated in the same currency in which the revenues are contractually determined. The only exception to this rule is the Essakane project, with financing in Euros whereas the PPA is in USD. The Group has contracted a tunnel option to partially cover this risk.

The acquisition of Novenergia in 2019 has temporarily reduced the relative share of assets not operating in the Euro zone or with PPAs and debts denominated in that currency. However, the geographical diversification of the investment portfolio will lead to a different balance between Euros and other currencies as most projects currently under construction will not operate in Euro.

Currency risk hedging instruments are also used to cover short term operations in other currencies, namely during construction phase. For instance, the Company has entered into a number of hedging transactions for the supply of panels denominated in USD for its Indian JV.

2.4.2 Interest Rate risk

A significant proportion of the bank borrowings are variable interest loans. In order to reduce interest rate risk, the Company uses interest rate swaps to convert variable-rate bank borrowings into fixed-rate borrowings. Further actions to reduce that risk may be taken by entering into interest swap agreements for some additional debt contracts in place.

Due to the current financial situation on the global market, and Euro market in specific, the swap instruments represent liabilities for the Group as the Euro rates have been steadily decreasing over the last few years.

2.4.3 Technology and Performance risk

These two risks are strongly correlated as poor performance usually arises from poor technical choices. In order to reduce the technology risk to its minimum and to maximize the performance, the Group orientated its strategy on:

- Developing in-house expertise in the assessment of projects to allow an early identification of inherent risks,
- Collaborating with best-in-class suppliers and contractors, with longstanding track records and ability to provide long-term performance warranties,
- Investing on mature technologies such as onshore wind farms and PV plants for which the Management has significant experience.

Cincuenta y cinco

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3 Post-closing events

The Group's significant post-closing events are as follows:

3.1 Financing

3.1.1 Debentures Dracena

The Company has secured a financing of BRL 280m for its Dracena solar PV plant through the issuance of a long-term infrastructure debentures with maturity exceeding 17 years. The debentures, which have been rated AAA (Brazil) by Fitch Ratings, have been acquired by Kinea Investimentos.

3.1.2 Refinancing project BAP – India

The largest assets to-date of the Company in India (BAP Solar projects for a total of 120MWp) were refinanced in April 2020 with Indian bank HDFC. The amounts of such new financings are in excess of INR5.2bln in aggregate.

The refinancing has allowed to increase the leverage, thus releasing funds trapped in the projects.

3.2 Development

3.2.1 India - Solar Tender

Solar Energy Corporation of India (SECI) held a tender in February 2020.

EDEN, the joint-venture owned 50-50 with EDF Renouvelables, won a bidding offer for the construction and operation of a solar farm with a capacity of 450WMp. This farm will benefit from a 25-year PPA with SECI.

In April 2020, EDEN won a new bidding offer for the construction and operation of a solar farm with a capacity of 450WMp. This farm will benefit from a 25-year PPA with NHPC.

These successes increase the total capacity won by EDEN since early 2019 to more than 1,6GWp.

3.2.2 Greece – auctions

The Greek regulatory authority RAE organized a mixed auction in early April, during which the Company secured a tariff for a 70MWp PV project to be built in Peloponnese.

This brings the total capacity secured by the Company through auctions in Greece to 110MWp since July 2019.

3.3 Mexeeiro

Construction work started in 2020 for a 27.5MWp solar farm in Ribatejo, Portugal.

Consisting of 80.000 solar panels mounted on tracker structures, the facility is expected to generate enough power to supply over 35,000 people.

This project was developed by Novenergia.

3.4 Covid 19

The Covid-19 pandemic has triggered a severe global recession, following widespread lockdowns measures taken in many countries to try and slow the epidemic.

Although electricity generation is not amongst the first and most adversely impacted economic activities, the Company is closely monitoring the evolution of the situation, so as to ensure continuity of operations under safe conditions to the staff and contractors as well as minimize any adverse financial consequences. Main financial impact will likely result from delays in achieving completion of the wind and solar farms that are currently under construction.

Cincuenta y seis (56)

Paris, 12 May 2020

The Board of Directors

P. Mouratoglou

D. Corchia

(cincuenta y siete (57)

(All amounts are in k euro, unless indicated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	31 Dec 2019 k EUR	31 Dec 2018 k EUR
ASSETS			
Non-current Property, plant and equipment	15	2,356,532	810,122
Non-current Intangible assets	16	249,403	2,758
Non-current Investment in associates and joint ventures	9-10	54,179	36,924
Other non-current financial assets	25.1	15,773	8,564
Non-current cash restricted or pledged	18.1	44,598	19,232
Non-current other receivables	22	3,344	1,443
Other non-current assets	17	1,578	1,862
Deferred tax assets	14.3	84,449	49,454
Non-current Assets		**2,809,856**	**930,359**
Other current financial assets	25.1	7,665	45,371
Current cash restricted or pledged	18.1	94,859	11,066
Current trade and other receivables	22	148,916	103,048
Other current assets	17	7,313	2,525
Cash and short-term deposits	18.2	491,755	263,076
Current Assets		**750,508**	**425,086**
Total assets		**3,560,364**	**1,355,445**
EQUITY & LIABILITIES			
Equity	19		
Share capital		635,692	457,870
Share premium		409,699	87,744
Other capital reserves		702	484
Other components of equity		(23,516)	(21,428)
Retained earnings		7,633	(30,611)
Equity attributable to the equity holders of the Parent		**1,030,210**	**494,059**
Non-controlling interest	8	137,042	25,937
Total Equity		**1,167,252**	**519,996**
LIABILITIES			
Non-current loans and borrowings	25.2	1,837,451	621,659
Other non-current financial liabilities	25.3	74,228	19,012
Non-current provisions	20	34,794	4,430
Other non-current payables	23	172	2,268
Non-current deferred income		28,004	23,982
Deferred tax liabilities	14.3	148,918	51,199
Non-current Liabilities		**2,123,567**	**722,550**
Current loans and borrowings	25.2	171,243	34,105
Other current financial liabilities	25.3	1,583	947
Current provisions	20	4,107	-
Trade and other payables	23	89,197	75,920
Current deferred income		3,415	1,927
Current Liabilities		**269,545**	**112,899**
Total Liabilities		**2,393,112**	**835,449**
Total equity and Liabilities		**3,560,364**	**1,355,445**

Cincuenta y ocho (58)

(All amounts are in k euro, unless indicated otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 k EUR	2018 k EUR
Revenue from customer contracts	11	269,911	99,427
Raw materials and consumables used		(99)	(418)
Employee benefit expenses	12.1	(21,263)	(10,151)
Other operating expenses	12.3	(69,387)	(29,493)
Other operating income	12.4	17,441	7,376
Other operating items	12.5	(5,057)	(399)
Depreciation and amortisation of non-financial assets	12.7	(89,262)	(27,602)
Earnings before interests and taxes		**102,284**	**38,740**
Finance costs	13	(62,390)	(21,397)
Finance income	13	2,657	2,693
Other financial gains/(losses)	13	(3,310)	(1,604)
Share of profit (loss) from equity accounted investments	9-10	3,414	908
Profit before income tax		**42,655**	**19,340**
Income tax (expenses) / income	14	(6,579)	(7,438)
Profit for the year		**36,076**	**11,902**
Profit for the year attributable to			
Equity holder of the parent		30,640	12,036
Non-controlling interests		5,436	(134)
		36,076	**11,902**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			-
Net gain/(loss) on revaluations		(3)	-
Net gain/(loss) on equity instrument at fair value through other comprehensive income		1,318	(2)
Share of other comprehensive income of equity method investments		-	289
		1,315	**287**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange diff. on translating foreign operations		1,741	(3,566)
Net gain/(loss) on hedging instruments		(11,258)	(13,193)
Share of other comprehensive income of equity method investments		220	-
		(9,297)	**(16,759)**
Total other comprehensive income for the year, net of tax		**(7,982)**	**(16,472)**
Total comprehensive income for the year, net of tax		**28,094**	**(4,570)**
Total comprehensive income attributable to:			
Equity holders of the parent		23,030	(4,071)
Non-controlling interests		5,064	(499)
		28,094	**(4,570)**

Cincuenta y nueve (59)

Total Eren S.A.

(All amounts are in k euro, unless indicated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Issued capital	Share premium	Other reserves	Other components of equity	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
		k EUR	k EUR	k EUR	k EUR	k EUR	k EUR	k EUR	k EUR
As at 1 January 2018		**407,189**	**87,744**	**698**	**(5,357)**	**(44,122)**	**446,152**	**21,425**	**467,577**
Profit for the year		-	-	-	-	12,036	12,036	(134)	11,902
Other comprehensive income		-	-	-	(16,107)	-	(16,107)	(365)	(16,472)
Total comprehensive income		**-**	**-**	**-**	**(16,107)**	**12,036**	**(4,071)**	**(499)**	**(4,570)**
Capital increase	19.1	50,681	-	-	-	-	50,681	-	50,681
Other changes in consolidation perimeter		-	-	-	36	714	750	6,016	6,766
Acquisition of non-controlling interests		-	-	-	-	253	253	(253)	-
Dividend distribution		-	-	-	-	-	-	(752)	(752)
Share-based payment transactions		-	-	294	-	-	294	-	294
Transfer share-based payment reserve to retained earnings		-	-	(508)	-	508	-	-	-
As at 31 December 2018		**457,870**	**87,744**	**484**	**(21,428)**	**(30,611)**	**494,059**	**25,937**	**519,996**
Adjustment from the adoption of IFRS 16		-	-	-	-	(492)	(492)	43	(449)
As at 1 January 2019		**457,870**	**87,744**	**484**	**(21,428)**	**(31,103)**	**493,567**	**25,980**	**519,547**
Profit for the year		-	-	-	-	30,640	30,640	5,436	36,076
Other comprehensive income		-	-	-	(7,610)	-	(7,610)	(372)	(7,982)
Total comprehensive income		**-**	**-**	**-**	**(7,610)**	**30,640**	**23,030**	**5,064**	**28,094**
Issue of shares	19.1	177,822	324,939	-	-	-	502,761	-	502,761
Reduction of capital		-	-	-	-	-	-	-	-
Transaction costs on issue of share capital		-	(2,984)	-	-	-	(2,984)	-	(2,984)
Transactions with non-controlling interests	6.2	-	-	-	5,507	7,733	13,240	53,378	66,618
Business Combination		-	-	-	-	-	-	687	687
Changes in consolidation perimeter		-	-	-	-	(25)	(25)	53,805	53,780
Dividends paid		-	-	-	-	-	-	(2,528)	(2,528)
Losses absorption		-	-	-	-	(127)	(127)	656	529
Share-based payments	28	-	-	748	-	-	748	-	748
Transfers		-	-	(530)	15	515	-	-	-
As at 31 December 2019		**635,692**	**409,699**	**702**	**(23,516)**	**7,633**	**1,030,210**	**137,042**	**1,167,252**

Yaganta (CEO)

(All amounts are in k euro, unless indicated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 k EUR	2018 k EUR
Profit before tax		42,655	19,340
Adjustments to reconcile profit before tax to net cash flows		**157,885**	**47,694**
Depreciation and impairment of property, plant and equipment	15	86,637	27,366
Amortisation and impairment of intangible assets	16	2,624	237
(Gains)/loss on disposals		752	417
Net foreign exchange differences		4,056	(20)
Share of (profit)/loss from equity accounted investments	10	(3,414)	(908)
Financial (gains)/losses	13	66,657	20,602
Other adjustments		571	-
Movements in provisions, deferred income and government grants		2,576	(932)
Movements in employee benefit liabilities		1,864	898
Variation in working capital		(41,277)	(50,423)
Interests paid		(1,845)	371
Interests received		977	1,236
Net income tax paid		(30,101)	(4,330)
Net cash flows from (used in) operating activities		**132,735**	**13,854**
Investments in intangible assets, investment properties and property, plant and equipment	15-16	(623,506)	(276,600)
Net proceeds from sale of intangible assets, investment properties and property, plant and equipment		241	1,666
Acquisition of investments in subsidiaries, joint ventures and associates		(458,739)	(19,203)
Net proceeds from disposal of investments in subsidiaries, Joint ventures and associates		885	7,003
Income from investments in subsidiaries, joint ventures and associates		3,104	2,481
Net cash flows from equity investments at fair value		8,280	-
Net variation of loans granted to third parties		2,566	(2,691)
Interests received on loans to third parties		742	27
Net variation of cash restricted/pledged		(86,742)	5,259
Net cash flows from (used in) investing activities		**(1,153,168)**	**(282,058)**
Proceeds from issuing shares	19	502,761	50,681
Transaction costs on issue of share capital		(2,984)	-
Net transactions with non-controlling interests		7,416	-
Dividends paid to non-controlling interests		(2,528)	(752)
Capital of subsidiaries paid by non-controlling interests		103,653	20
Payments of finance lease liabilities		(3,905)	(141)
Proceeds from issue of bonds and notes		11,190	259,979
Reimbursement of bonds and notes		(23,332)	(127,453)
Proceeds from bank borrowings		841,737	179,047
Repayments of bank borrowings		(78,276)	(30,091)
Proceeds from other borrowings		4,345	39,421
Repayment of other borrowings		(19,350)	(4,068)
Transaction costs on issue of borrowings		(32,173)	(5,714)
Interest paid on borrowings		(58,813)	(20,376)
(Purchase of) / Proceeds from other financial instruments		(2,644)	-
Net cash flows from (used in) financing activities		**1,247,098**	**340,553**
Cash and cash equivalents at beginning of the year		262,830	191,298
Exchange difference of cash and cash equivalents		2,021	(830)
Changes of fair value of cash equivalents' instruments		-	13
Cash and cash equivalents at end of the year	**18**	**491,516**	**262,830**