Ochenta
(80)

Total Eren S.A.
Société Anonyme

Consolidated financial statements and Management report and Independent auditor's report as at 31 December 2021

Ochenta y uno (81)

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 636 893 258 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 2021

Ochenta y dos (82)

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31st 2021

To the shareholders,

Opinion

In compliance with the engagement 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, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial situation of the Group consisting of the persons and entities included in the consolidation as at December 31, 2021, and of the results of its operations for the year then ended in accordance with International Financial Standards rules and principles.

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 2021 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.

Justification of assements

The global crisis linked to the COVID-19 pandemic creates special conditions for the preparation and audit of this year's accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties on their future prospects.

The exceptional measures taken in the context of the state of health emergency, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and on the way audits are carried out.

It is in this complex and changing context that, in accordance with the requirements of Article L.823-9 and R.823-7 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 addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

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

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

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

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 ;

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- 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 April 27th 2022

The statutory auditor,

Alain Martin & Associés

Audit firm
Member of the Paris Regional Institute of Auditors

Alain MARTIN

Partner

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Total Eren S.A.

Management Report 2021

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 (now EDF Renouvelables), 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 (now TotalEnergies SE), giving to Total SA an indirect interest of 23% in the Company as well as the possibility to take over control of the Company in 2023.

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 a major acquisition, when it acquired the Novenergia Group. Novenergia is a diversified renewable IPP, which held 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. It was made possible by the strong support from its shareholders which have subscribed to capital increases, thus raising the equity to over EUR 1 billion. This resulted into changes to the ownership structure, with TotalEnergies SE 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.

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

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As of 31st December 2021, the following plants were under operation (gross capacity in MW):

Country	Technology	31/12/2020	Variation 2021	31/12/2021
		MW	MW	MW
Portugal	Wind farm	435.4	4.8	440.2
	Photov oltaic	18.9	-	18.9
	Hydro plant	33.2	-	33.2
Greece	Wind farm	250.7	-	250.7
	Photov oltaic	43.9	40.0	83.8
Rest of Europe	Wind farm	73.1	245.7	318.8
	Photov oltaic	95.5	-	95.5
	Hydro plant	21.5	-	21.5
Africa & Middle East	Photov oltaic	190.9	1.8	192.8
Asia Pacific	Photov oltaic	292.2	261.4	553.7
Latin America	Photov oltaic	169.8	-	169.8
	Wind farm	50.4	257.0	307.4
Total fully-controlled assets		**1 675.5**	**810.7**	**2 486.2**
Portugal	Wind farm	8.0	-	8.0
Greece	Wind farm	14.6	-	14.6
Rest of Europe	Photov oltaic	25.0	-	25.0
Rest of Europe	Wind farm	14.0	-	14.0
Asia Pacific	Photov oltaic	171.0	445.4	616.4
Latin America	Photov oltaic	-	190.0	190.0
Total JVs and associates		**232.6**	**635.4**	**868.0**
Total Capacity		**1 908.1**	**1 446.1**	**3 354.2**
Total under construction		**1 553.7**	**(1 365.0)**	**188.7**

As shown in the table above, the installed capacity of the Group increased rapidly in 2021 with the completion of several large projects in various geographical areas; the total installed gross capacity at the end of 2021 amounts to 3.4 GW, an increase of 76% compared to the 1.9 GW at the end of 2020.

2.1 Operational Performance

2.1.1 Production

Overall, the production from Group assets reached 5.3 TWh, an increase by almost 1.7 TWh compared to 2020 representing a jump of more than 45%. Main reason for this significant increase is the growth in installed capacity, following the commissioning of more than 1.4 GW of power plants in 2021.

For those assets already in operation at the beginning of 2020, overall production was 0.4% above the one of 2020 – increased production in Portuguese windparks (+10%) compensated the underperformance of hydro assets and other assets like Greek wind farms.

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Technology	Country	2021 GWh	2020 GWh	2019 GWh
Wind	Greece	696	705	560
	Portugal	1,061	963	800
	Rest of Europe	338	172	107
	Latin America	728	27	-
	Sub-total wind	**2,824**	**1,868**	**1,467**
Photovoltaic	Greece	70	72	70
	Africa Middle East	383	393	311
	Asia Pacific	574	297	47
	Latin America	316	318	216
	Portugal	29	29	23
	Rest of Europe	118	135	129
	Sub-total photovoltaic	**1,491**	**1,243**	**796**
Hydro plant	Portugal	79	96	66
	Rest of Europe	52	73	77
	Sub-total hydro	**131**	**169**	**143**
	Total fully controlled assets	**4,446**	**3,279**	**2,406**
Wind	Greece	43	43	44
	Rest of Europe	47	41	45
	Sub-total wind	**90**	**84**	**89**
Photovoltaic	Asia Pacific	549	278	270
	Latin America	216	-	-
	Rest of Europe	32	28	28
	Sub-total PV	**796**	**306**	**298**
	Total JV and associates	**886**	**390**	**387**
	Total	**5,332**	**3,670**	**2,793**

2.1.2 *Solar Energy*

The Company pursued growth in solar photovoltaics, as detailed below:

Australia

The construction of the Kiamal Solar Farm in Australia was completed in early 2021. This project, with a 256.5 MWp installed capacity, is located in North-West Victoria. It is made up of 718,000 PV panels with single-axis trackers covering over 500 ha. Though completed, the project was affected in 2021 by the slow commissioning of the sun-tracking system, now fully operational.

The project 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 Zero Emissions Water, a collective of 13 leading Victorian water corporations. All PPAs have been in force since early 2021.

The Kiamal Synchronous Condenser ("Syncon") was supplied as an integral part of the project in order to locally reinforce the grid system strength. Given that the installed capacity of the Syncon exceeds the amount required to strictly compensate the PV plant's integration, the project has participated in the AEMO Invitation to Tender (ITT) for System Strength Services in NW Victoria and come out as one of two successful bidders. The Syncon has thus been operating under a continuous (24/7) basis at a fixed hourly rate since the 2nd semester 2020.

India

The Company continued to actively develop solar projects in India together with its partner, EDF Renewables, through their joint venture EDEN Renewables India ("EDEN").

SECI III, a 450 MWp solar project in Rajasthan, which construction started in 2020, was partially put in operation in August 2021, at which time the PPA came into force, and was 99% completed by the end of the year.

The project benefit from a 25-year long term PPA with SECI (the Solar Energy Corporation of India). Financing of the SECI III project was secured through a green loan of USD 165m provided by DBS Bank Ltd, Standard Chartered Bank, and Sumitomo Mitsui Banking Corporation (Singapore Branch). The loan was fully disbursed during 2021.

Development of the other projects won by EDEN Renewables India in 2020 (3 projects with a total potential installed capacity of 1,350 MWp) was delayed following an order passed by the Indian Supreme Court in April 2021 to protect a critically endangered bird.

In 2021, EDEN also refinanced its first project (BAP, 120 MWp) with an Indian financial institution, securing significantly improved financial conditions compared to the previous refinancing secured in 2020.

Chile

The Santa Isabel PV power plant (190 MWp) started operation in 2021. The project, located in the Antofagasta Region, is made up of 477,000 PV panels with single-axis trackers. The project holds a private PPA with Colbun SA, a Chilean private utility and one of the main electricity generators in Chile; the PPA entered into force in August 2021.

The Company is holding a 50% stake alongside Total Renewables.

Philippines

Operation of the Tarlac project started in July and commercial operation date under the PPA was reached in September 2021. The 60 MWp solar PV project located in Luzon Island holds a fixed tariff 20-year Power Supply Agreement with Meralco (Investment Grade largest utility in the Philippines) and is financed over 15 years on a non-recourse basis with the Development Bank of the Philippines (PHP 1.65 bn).

The Company owns this project jointly with Mabalacat Solar Philippines Inc., a renewable energy corporation based in Manila, and Singapore based Sindicatum Renewable Energy.

Cambodia

In September, the Group acquired an operating PV plant in the Northwest of Cambodia ("Battambang", 73.2 MWp). The Project has reached commercial operation in March 2021 and holds a 20-year fixed tariff (USD denominated) with Electricité du Cambodge (EDC), the public utility in Cambodia. The project is financed by the German Development Finance Institution DEG (Deutsche Investitions- und Entwicklungsgesellschaft) with a 15-year loan of USD 45m.

Greece

The Kozani 40 MWp solar PV project was energized in October 2021. It actually consists in four PV farms of nearly 10 MWp each, in the prefecture of Kozani in Northern Greece. The projects were awarded a feed-in premium in July 2019 in the frame of a public tender organized by the Regulatory Authority for Energy ("RAE"). They were financed by two Greek banks (Eurobank Ergasias and National Bank of Greece).

Uzbekistan

The construction of the Tutly project (131.4 MWp), in the Samarkand region, continued in 2021 with completion expected in mid-2022. The project which was fully developed by the Company is one of the first two large-scale solar projects in Uzbekistan, and one of the first power projects under the Independent Power Producer scheme. The electricity generated by the project was contracted to the National Electric Networks of Uzbekistan through a 25-year Power Purchase Agreement. The Tutly project is also Total Eren's first solar PV plant fully equipped with bifacial solar PV modules.

The EUR 85m debt financing was closed in 2021 with the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and Proparco.

Portugal

In July 2021, the Group sold the Mexeeiro solar farm (27.5 MWp located in Ribatejo, Portugal) which had been developed by Novenergia. The sale occurred at completion of its construction.

2.1.3 *Wind Energy*

In 2021, the Company pursued the growth of its activity in wind power with the commissioning of significant assets.

Argentina

Following the commissioning of its first wind farm in Argentina in November 2020, the Company achieved the successful commissioning of its 97.2 MW "Vientos Los Hercules" wind project in Santa Cruz province in February 2021.

The wind farm is jointly owned with Mitsui & Co., Ltd and is financed by KfW IPEX-Bank, DEG and FMO. It holds a USD-based 20-year Power Purchase Agreement (PPA) with CAMMESA, the Argentinian administrator of the wholesale electricity market.

This represents a major achievement for the Company, as the project has faced a number of issues (insolvency of the turbine supplier, Argentinian financial crisis, Covid-19 etc.) which led to significant delays to complete it.

Ukraine

The construction of the 245.7 MW Syvash onshore wind project, owned together with the wind power developer Emergy (former NBT), and Al Gihaz went on in 2021. The project is located near Lake Syvash in the Chaplynski district of Kherson Oblast, Ukraine.

Though all turbines have been commissioned, the project has been facing technical issues which have negatively impacted the production in 2021. Remediation works were launched in 2021 to allow production at full capacity.

The financing of the project was secured in two phases in 2019, for a total of EUR 262.6m with 7 lenders: EBRD, FMO, NEFCO, Proparco, the Black Sea Trade and Development Bank, Finnfund and IFU.

The impact of the war in Ukraine is covered in chapter 3.1 below.

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Brazil

The Group's first two wind projects in Brazil were commissioned during the second half of 2021. They are both located in the State of Rio Grande do Norte and consist of 45 Siemens Gamesa wind turbines of 3.55 MW nominal capacity: 26 for Terra Santa project (92.3 MW) and 19 for Maral project (67.5 MW).

The projects hold 20-year private PPAs with Cemig, one of the largest power generators and distributors in Brazil.

The projects secured a BRL 423 million (approx. EUR 78m) long-term financing with a 22-year maturity from Banco do Nordeste (BNB), a prominent Brazilian development bank. A non-recourse letter of credit was provided by Banco Sumitomo Mitsui Brasileiro S.A., Banco do Brasil S.A. and Banco Santander (Brasil) S.A.

Portugal

Novenergia completed the 4.8 MW extension of the Caramulo windfarm and launched over-equipment works on its three major wind farms in Portugal. Over-equipment is an increase by up to 20% of the installed capacity of a project, which is allowed under the regulations in place in Portugal. Additional capacity brought by over-equipment projects will reach in total more than 50 MW and have or will start operations in 2022.

2.2 Future developments

The Group continues investing heavily in new developments to ensure future growth for the coming years. The Group has made tremendous efforts to develop its global presence, notably in Asia Pacific and Latin America, through local partnerships and acquisitions of high potential projects.

New developments in 2021 include large-scale green hydrogen projects for which the Group is actively securing suitable land across several countries, such as in Australia and in Chile. In April 2021, the Company signed a binding MoU with Province Resources Ltd to perform a feasibility study in view of potentially developing a major green hydrogen project in Western Australia. In December 2021, the Company secured land and launched studies aiming to develop a large-scale green hydrogen project totalling up to 10 GW of wind capacity in Chile's Magallanes region.

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2.3 Financial Performance

The summarized financial information of the Group is as follows:

In EUR millions	2021	2020	2021/2020
Revenue	488.8	359.3	36.0%
EBITDA	335.3	297.2	12.8%
Profit/(Loss) before tax	109.5	79.5	37.7%
Profit/(Loss) for the year	**64.7**	**68.8**	**-6.0%**
Total Assets	3,797.1	3,648.2	4.1%
Total Liabilities	2,450.8	2,388.4	2.6%

2020 results included the profit made on the disposal of the Spanish assets of the Group, which resulted into a EUR 46m gain.

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

In EUR millions	2021	2020	2021/2020
Portugal	96.9	98.8	-1.9%
Grèce	65.9	64.7	1.9%
Reste de l'Europe	88.5	47.4	86.7%
Afrique/Moyen-Orient	33.7	34.6	-2.6%
Amérique Latine	54.2	15.9	240.9%
Asie Pacifique	25.2	24.0	5.0%
EBITDA before operationnal foreign exchange loss	**364.4**	**285.4**	**28.1%**
Foreign exchange loss	(5.2)	(14.4)	-64.0%
EBITDA	**359.3**	**271.1**	**33%**

2.4 Main risks and uncertainties

2.4.1 Currency risk

A significant part of the activity of the Group 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 significant exception to this rule as at end of 2021 is the financing on the SECI III Project which is denominated in USD whereas the PPA is in INR. Such risk has been hedged by entering into a series of cross-currency swaps.

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 loans with variable interest, based either on interbanking offer rates (Euribor, Libor etc) or inflation rates. The Company believes that loans with inflation-indexed rates do not present significant risks as the assets benefit from tariffs which are also indexed on inflation.

For the other loans with variable rates, and in order to reduce interest rate risk, the Company uses interest rate swaps to convert a large portion of variable-rate bank borrowings into fixed-rate borrowings (typically 70 to 85% of the principal amount).

Due to the current financial situation on the global market, and more specifically Euro market, the swap instruments represent liabilities for the Group – however the trend of decreasing interest rates has started to reverse in 2021 and the amount of liabilities has sharply decreased by end of 2021.

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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.

3 POST-CLOSING EVENTS

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

3.1 Ukraine

On 24 February 2022, the Russian Federation launched a large-scale military invasion in Ukraine.

On that day, the Group windfarm (Syvash, see above) which is located next to Russian-annexed Crimea suffered some damages (notably on the substation). The personnel on site were safely evacuated; the operation of the plant has been stopped since then.

The size of that asset (EUR 350m fixed asset value with ca. EUR 200m outstanding bank debt, EUR 50m equity invested by the Group, for a 37.5% ownership interest) means that its potential loss could have a significant impact on the Group financial statements. However, as of now, it is impossible to know how the situation will evolve. Furthermore, any impact will be mitigated by the fact that the bank debts of Syvash are not guaranteed by the Group.

3.2 Disposal of Italian hydro assets

The Group disposed of its portfolio of Italian hydro assets in late January 2022. Those assets represented a total of 21.5 MW gross installed capacity. The Group recorded a ca. EUR 9m gain in that transaction.

3.3 Over-equipment (Portugal)

The over-equipment (installation of additional capacity on existing windfarms, as allowed by Portuguese regulations) of the Caramulo windfarm (19.2 MW capacity added to the existing 94.8 MW windfarm) was put in operation in January 2022.

Other over-equipment projects for a total of 34.6 MW are in construction and will be completed in 2022. By then total wind capacity in Portugal will have reached 480 MW.

Paris, 27 April 2022

The Board of Directors

P. Mouratoglou D. Corchia

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	31 Dec 2021 k EUR	31 Dec 2020 k EUR
ASSETS			
Non-current Property, plant and equipment	15	2,511,147	2,427,977
Non-current Intangible assets	16	310,183	248,927
Non-current Investment in associates and joint ventures	9-10	75,645	63,766
Other non-current financial assets	25.1	95,749	92,759
Non-current cash restricted or pledged	18	30,866	42,759
Non-current other receivables	22	653	789
Other non-current assets	17	1,062	1,093
Deferred tax assets	14.3	74,585	89,910
Non-current Assets		**3,099,890**	**2,967,980**
Other current financial assets	25.1	16,098	26,007
Current cash restricted or pledged	18	61,342	37,608
Current trade and other receivables	22	135,964	162,610
Other current assets	17	6,640	7,759
Cash and short-term deposits	18	460,515	430,189
Current Assets		**680,559**	**664,173**
Assets held for sale	7.2	16,605	16,058
Total assets		**3,797,054**	**3,648,211**
EQUITY & LIABILITIES			
Equity	**19**		
Share capital		636,893	636,191
Share premium		408,498	409,200
Other capital reserves		1,277	1,058
Other components of equity		(1,604)	(21,113)
Retained earnings		132,850	71,839
Equity attributable to the equity holders of the Parent		**1,177,914**	**1,097,175**
Non-controlling interest	8	168,337	161,136
Total Equity		**1,346,251**	**1,258,311**
LIABILITIES			
Non-current loans and borrowings	25.2	1,734,241	1,772,447
Other non-current financial liabilities	25.3	30,263	61,941
Non-current provisions	20	26,352	23,279
Other non-current payables	23	10,954	19,492
Non-current deferred income	21	46,006	30,670
Deferred tax liabilities	14.3	183,498	175,602
Non-current Liabilities		**2,031,314**	**2,083,431**
Current loans and borrowings	25.2	277,781	179,702
Other current financial liabilities	25.3	1,372	5,707
Current provisions	20	193	363
Trade and other payables	23	136,731	109,684
Current deferred income	21	3,412	9,524
Current Liabilities		**419,489**	**304,980**
Total Liabilities		**2,450,803**	**2,388,411**
Liabilities associated with assets held for sale		-	1,489
Total equity and Liabilities		**3,797,054**	**3,648,211**

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Consolidated Financial Statements 2021

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 k EUR	2020 k EUR
Revenue from customer contracts	11	488,839	359,275
Raw materials and consumables used		(79,716)	(15,474)
Employee benefit expenses	12.1	(32,059)	(25,170)
Other operating expenses	12.3	(92,355)	(102,549)
Other operating income	12.4	54,936	47,921
Other operating items	12.5	(4,298)	33,163
Depreciation and amortisation of non-financial assets	12.6	(144,486)	(113,661)
Earnings before interests and taxes		**190,861**	**183,505**
Finance costs	13	(105,184)	(83,332)
Finance income	13	2,696	2,364
Other financial gains/(losses)	13	18,231	(21,745)
Share of profit (loss) from equity accounted investments	9-10	2,899	(1,266)
Profit before income tax		**109,503**	**79,526**
Income tax (expenses) / income	14	(44,802)	(10,770)
Profit for the year		**64,701**	**68,756**
Profit for the year attributable to			
Equity holder of the parent		59,616	64,098
Non-controlling interests		5,085	4,658
		64,701	**68,756**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Net gain/(loss) on equity instrument at fair value through other comprehensive income		-	(1,063)
		-	**(1,063)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange difference on translating foreign operations		11,681	(28,376)
Net gain/(loss) on hedging instruments		8,799	61,858
Share of other comprehensive income of equity method investments	9-10	2,688	(3,861)
		23,168	**29,621**
Total other comprehensive income for the year, net of tax		**23,168**	**28,558**
Total comprehensive income for the year, net of tax		**87,869**	**97,314**
Total comprehensive income attributable to:			
Equity holders of the parent		79,509	67,415
Non-controlling interests		8,360	29,899
		87,869	**97,314**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Issued capital k EUR	Share premium k EUR	Other reserves k EUR	Other components of equity k EUR	Retained earnings k EUR	Equity attributable to equity holders of the parent k EUR	Non-controlling interests k EUR	Total equity k EUR
As at 1 January 2020		**635,692**	**409,699**	**702**	**(23,516)**	**7,633**	**1,030,210**	**137,042**	**1,167,252**
Profit for the year		-	-	-	-	64,098	64,098	4,658	68,756
Other comprehensive income		-	-	-	3,317	-	3,317	25,241	28,558
Total comprehensive income		**-**	**-**	**-**	**3,317**	**64,098**	**67,415**	**29,899**	**97,314**
Issue of shares	19.1	499	(499)	-	-	-	-	-	-
Transactions with non-controlling interests		-	-	-	(778)	(891)	(1,669)	(1,782)	(3,451)
Changes in consolidation perimeter		-	-	-	(136)	-	(136)	3	(133)
Dividend paid		-	-	-	-	-	-	(4,026)	(4,026)
Share-based payments	28	-	-	1,355	-	-	1,355	-	1,355
Transfer		-	-	(999)	-	999	-	-	-
As at 31 December 2020		**636,191**	**409,200**	**1,058**	**(21,113)**	**71,839**	**1,097,175**	**161,136**	**1,258,311**
Profit for the year		-	-	-	-	59,616	59,616	5,085	64,701
Other comprehensive income		-	-	-	19,893	-	19,893	3,275	23,168
Total comprehensive income		**-**	**-**	**-**	**19,893**	**59,616**	**79,509**	**8,360**	**87,869**
Issue of shares	19.1	702	(702)	-	-	-	-	-	-
Transactions with non-controlling interests		-	-	-	(384)	(135)	(519)	103	(416)
Changes in consolidation perimeter		-	-	-	-	-	-	60	60
Dividend paid		-	-	-	-	-	-	(1,322)	(1,322)
Losses absorption		-	-	-	-	(14)	(14)	-	(14)
Share-based payments	28	-	-	1,763	-	-	1,763	-	1,763
Transfer		-	-	(1,544)	-	1,544	-	-	-
As at 31 December 2021		**636,893**	**408,498**	**1,277**	**(1,604)**	**132,850**	**1,177,914**	**168,337**	**1,346,251**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 k EUR	2020 k EUR
Profit before tax	14.2	109,503	79,526
Adjustments to reconcile profit before tax to net cash flows		**242,360**	**166,575**
Depreciation and impairment of property, plant and equipment	15	140,823	109,899
Amortisation and impairment of intangible assets	16	3,662	3,762
(Gains)/loss on disposals		5,985	1,978
Net foreign exchange differences		8,793	15,948
Share of (profit)/loss from equity accounted investments	9-10	(2,899)	1,266
Financial (gains)/losses	13	91,382	84,298
Other adjustments		(5,386)	(50,576)
Movements in provisions, deferred income and government grants		9,915	(3,281)
Movements in employee benefit liabilities		1,338	(2,629)
Variation in working capital		27,107	12,072
Interests paid		(872)	(920)
Interests received		909	1,178
Net income tax paid		(26,238)	(17,171)
Net cash flows from (used in) operating activities		**364,022**	**235,350**
Investments in intangible assets, investment properties and property, plant and equipment		(174,397)	(372,565)
Net proceeds from sale of intangible assets, investment properties and property, plant and equipment		2,366	4,657
Acquisition of investments in subsidiaries, joint ventures and associates		(1,094)	(27,809)
Net proceeds from disposal of investments in subsidiaries, Joint ventures and associates		21,719	86,334
Income from joint ventures and associates	9-10	3,065	2,462
Net cash flows from financial instruments at fair value		6,988	(10,726)
Net variation of loans granted to third parties		(9,062)	(3,308)
Interests received on loans to third parties		544	863
Net variation of cash restricted/pledged		(9,956)	53,596
Purchase of / Proceeds from other financial instruments (investing)		-	175
Net cash flows from (used in) investing activities		**(159,827)**	**(266,321)**
Net transactions with non-controlling interests		(479)	(3,917)
Dividends paid to non-controlling interests	8	(1,322)	(4,026)
Capital of subsidiaries paid by non-controlling interests		63	3,313
Payments of finance lease liabilities		(35,542)	(5,273)
Proceeds from issue of bonds and notes		27,750	74,495
Reimbursement of bonds and notes		(30,856)	(30,636)
Proceeds from bank borrowings		178,154	244,543
Repayments of bank borrowings		(204,145)	(224,255)
Proceeds from other borrowings		4,344	1,562
Repayment of other borrowings		(16,524)	(1,963)
Transaction costs on issue of borrowings		(3,141)	(1,127)
Interest paid on borrowings		(96,239)	(73,464)
Proceeds from government grants		-	158
Purchase of / Proceeds from other financial instruments (financing)		(231)	(24)
Net cash flows from (used in) financing activities		**(178,168)**	**(20,614)**
Cash and cash equivalents at beginning of the year		429,967	491,516
Exchange difference of cash and cash equivalents		4,518	(8,545)
Cash and cash equivalents included in disposal group		-	(1,419)
Cash and cash equivalents at end of the year	18.2	**460,512**	**429,967**