



Limited company with share capital of €278,976,086.10

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# HALF YEAR FINANCIAL REPORT

## 1<sup>st</sup> HALF 2017

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# 1. PRESENTATION OF ACTIVITY

## 1.1. AN INTEGRATED INDUSTRIAL PLAYER WITH A STRONG INTERNATIONAL FOOTPRINT

Voltalia is an independent player in the renewable energy market. An integrated industrial player, the Group develops, constructs and operates renewable energy power plants, on its own behalf or on behalf of third parties.

Social and environmental responsibility is at the heart of the Company: Voltalia's mission "improve global environment, foster local development" highlights the importance that the Group attaches to having a positive impact on the environment.

As of 30 June 2017, the principal source of profits for the Group comes from the sale of renewable electricity produced by its power plants. Such sales are predominantly governed by long-term contracts with full transparency of the volumes and prices of the electricity sold. The Group also generates revenue from the sale of projects developed in-house or of services, such as the construction or operation and maintenance of power plants owned by third-party clients.

Voltalia is present in the main renewable energy production areas: wind, solar, small-scale hydroelectricity and biomass. As of 30 June 2017, wind accounts for 92% of the Group's installed capacity. The Group is present in 17 countries, and conducts its energy producing activity in five of these.

As of 30 June 2017, the Group's installed capacity is 501 MW (+4.2% compared to 31 December 2016), plus 623 MW operated on behalf of third parties.

### A unique industrial profile of integrated developer-operator

Founded in 2005, Voltalia has developed know-how in electricity production using renewable energies. Thanks to its technical expertise and the quality of its teams, Voltalia has become an industry expert in the renewable sector, based on the model of an integrated operator controlling each stage of the development, construction and operation of renewable power plants. Thus, the Group is regularly allocated complex projects by the local authorities (particularly in Brazil), including remote sites, which few players are able to do.

Since August 2016 and the acquisition of the solar specialist services provider Martifer Solar, Voltalia offers third parties its expertise on each of the value chain links. The Group also offers services to third parties for prospection, development, construction and finally the operation-maintenance of power plants.

Its model of an integrated developer-operator in the renewable energies sector equips Voltalia with major assets to consolidate its position on historic markets such as France and Brazil, while pursuing its development in new geographic zones.

Voltalia therefore benefits from the following competitive advantages:

- A unique profile of integrated operator, with recognised industrial expertise in each stage of the value chain, on its own behalf or on the behalf of third parties;
- Historic presence and developments in progress in different regions with high potential for development;
- An agile and efficient industrial organisation, set up by experienced teams;

- A portfolio of quality and diversified assets based on a multi-country and multi-sector strategy;
- A controlled financial trajectory combining sustained growth, high visibility and profitability.

### Additional geographical locations

With operations in 17 countries as of 30 June 2017, Voltalia targets markets where renewable energies show high potential.

Its multi-country position, combined with its multi-sector expertise and its ability to choose between its own projects or projects for third parties, allows the Group to move and allocate resources between different segments while taking into account the changes in local regulations specific to each of its sectors, local economic and financial trends and to better control its pace of development.

Voltalia's international character also allows it to diversify its exposure to the macro-economic and/or geopolitical risks of each country.

## 1.2. A PORTFOLIO OF QUALITY ASSETS

The quality of the Group's asset portfolio and its multi-country and multi-energy dimension reflects the Group's industrial expertise and operational agility.

All projects led by the Group are backed by electricity purchase contracts of a term, which is generally between 15 and 20 years and secured at attractive electricity sale prices. Leading industrial companies regularly get involved in projects developed by the Group in France, particularly Caisse des Dépôts et Consignations (CDC) and 123Ventures, or in Brazil, CHESF (Electrobras group) and COPEL. 89% of the Group's installed capacity produces energy at a lower cost than that produced from conventional energies.

Furthermore, the Group has a portfolio of projects in development in geographical zones that have been carefully selected and are generally characterised by their potential for significant growth in electricity demand, a stable regulatory framework, access to debt in local currency and the competitiveness of renewable energies.

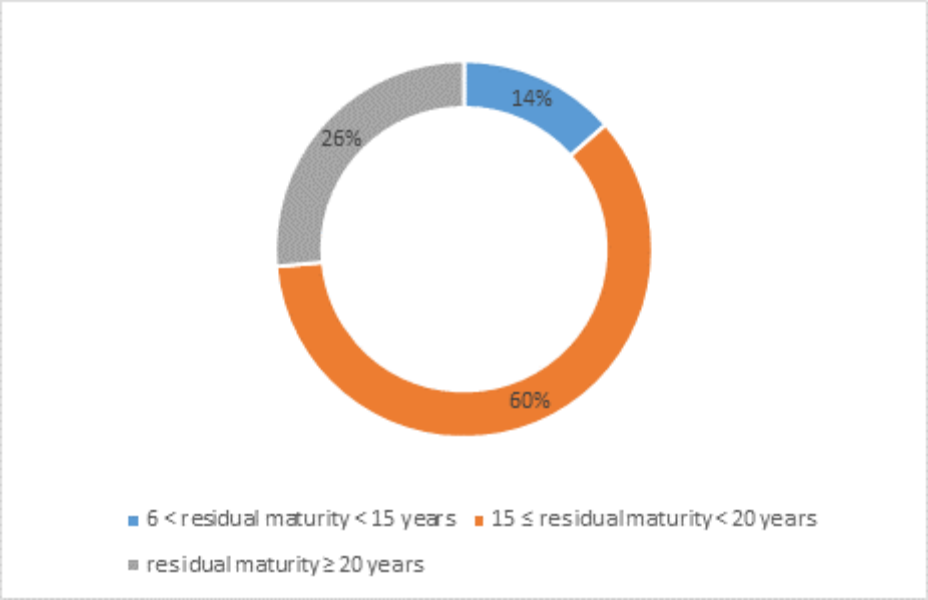
### Recognised operational agility

With an extensive range of international opportunities and experience and the reputation of the Martifer Solar group in the solar sector, the Group can be increasingly selective in its investment choices. Its expertise in electricity production but also in service provision allows Voltalia to exercise different activities depending on the specific conditions of each region. This dual expertise gives it a unique flexibility in relation to market conditions for renewable energies.

### Long-term visibility

At the date of this report, Voltalia's electricity sales contracts have an average residual duration of 18 years, thus securing the Group's revenue in the long-term. This visibility is increased by the fact that all of the plants owned by Voltalia have a long-term electricity sales contract.

Breakdown of Voltalia's installed capacity by residual term of the contract, as of 30 June 2017:



## 2. KEY FIGURES

### 2.1. INSTALLED CAPACITY (IN MW) AND ENERGY PRODUCTION (IN GWH)

Energy	Installed capacity in MW			
	30/06/2017	30/06/2016	Chge	%
Wind	460	333	+126	38%
Solar	22	17	+5	33%
Hybrid	12	12	-	-
Hydropower	5	5	-	0%
Biomass	2*	9	-7*	-81%
<b>TOTAL</b>	<b>501</b>	<b>376</b>	<b>124</b>	<b>33%</b>

Energy	Production in GWh (January to June)			
	30/06/2017	30/06/2016	Chge	%
Biomass	4	6	-1	-22%
Solar	14	12	2	+15%
Wind <sup>1</sup>	821	406	415	+102%
Hydropower	10	13	-3	-26%
Hybrid	19	18	1	+3%
<b>TOTAL</b>	<b>867</b>	<b>455</b>	<b>412</b>	<b>+91%</b>

\* The Bio bar biomass power plant (7.3 MW), which has been inactive since June 2015, was sold in January 2017 under a protocol with the buyer of the client company (see chapter 20.8 of the 2015 Registration Document) following its financial difficulties.

<sup>1</sup> As of 30 June 2016, the production report did not include the São Miguel do Gostoso (108 MW) power plant, which at that time was awaiting connection to the Brazilian national grid. It has been connected since Q2 2017 and has therefore been included in the production report of 30 June 2017.

## 2.2. CONDENSED PROFIT AND LOSS STATEMENT

<i>(In thousands of euros)</i>	<u>June 2017</u>	<u>June 2016</u>	<u>Change</u>	<u>%</u>
Revenues	78,101	44,729	33,372	+75%
EBITDA	25,340	24,031	1,308	+5%
Operating income (EBIT)	13,622	17,094	(3,473)	-20%
Financial profit (loss)	(19,157)	(11,384)	(7,773)	+68%
<b>Net result (Group share)</b>	<b>(6,810)</b>	<b>3,024</b>	<b>(9,834)</b>	<b>n/a</b>

## 2.3. INFORMATION ON GROSS FINANCIAL DEBT

<i>(in thousands of euros)</i>	<u>June 2017</u>	<u>December 2016</u>	<u>Change</u>	<u>%</u>
Gross financial debt	407,387	432,177	(24,790)	-6%
Equity	390,001	424,753	(34,752)	-8%

## 3. HIGHLIGHTS OF THE FIRST HALF-YEAR 2017

See Note 4 to the consolidated financial statements.

## 4. ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

### 4.1. ANALYSIS OF PROFIT AND LOSS STATEMENT

#### Key figures for the first half of 2017

In € million	Energy sales	Development, construction and procurement	Operation-maintenance	Eliminations* and corporate	30/06/2017	30/06/2016 <sup>2</sup>
Revenues	60.4	13.3	10.5	(6.1)	78.1 <sup>3</sup>	44.7
EBITDA	35.4	(2.7)	1.0	(8.3)	25.3	24.0
EBITDA margin	58.6%	-20.1%	9.1%	n/a	32.4%	53.7%
Net profit (loss) (Group share)					(6.8)	3.0

\*Eliminations: services provided by the services business lines for owned power plants and projects are eliminated on financial consolidation.

#### Revenues and EBITDA

##### Energy sales

In € million	30/06/2017	30/06/2016 <sup>4</sup>	Change
Revenues	60.4	44.3	+36.5%
EBITDA	35.4	27.6	+28.4%
EBITDA margin	58.6%	62.2%	

The increase in energy sales (+36.5% compared to the first half of 2016) is mainly due to revenues from the new power plants commissioned in Brazil since 30 June 2016: the wind farms of Vila Para (99 MW) and Vila Acre (27 MW). The activity recorded a profitable growth with an increase of 28.4% in EBITDA, with the slight decline in margins in the first half attributable to non-recurring events, notably operating incidents at the Mana hydropower plant in French Guiana.

##### Services

The contribution of the services activity grew 5.2 times compared to the first half of 2016 to reach revenues of €23.8 million. EBITDA stood at €(1.7) million during the period, with contrasting performances between development, construction and equipment procurement on the one hand and operation-maintenance activities on the other hand.

<sup>2</sup> Volitalia recalls that following the acquisition of Martifer Solar in Q3 2016, the latter was consolidated within the consolidated accounts from 1 August 2016.

<sup>3</sup> Revenues at 30/06/2017 revised slightly upwards compared to the communication dated 19 July 2017.

<sup>4</sup> Volitalia recalls that following the acquisition of Martifer Solar in Q3 2016, the latter was consolidated within the consolidated accounts from 1 August 2016.

The activity-wise data for 2016 is unaudited.



## Development, construction and procurement

In € million	30/06/2017	30/06/2016 <sup>3</sup>	Change
Revenues before inter-activity eliminations			
Revenues	13.3	2.8	x4.8
EBITDA	(2.7)	(0.6)	n/a
EBITDA margin	-20.1%	-22.3%	

The development, construction and procurement activity benefited from the construction contract signed in Tanzania and equipment procurement contracts in Italy. Furthermore, the first synergies were realised with the mobilisation of the Martifer Solar teams for designing and constructing Voltalia's first solar power plant in Brazil, at the isolated site of Oiapoque (4 MW). However, business volume is insufficient at this stage to cover fixed costs, within the context of the commercial relaunch. The negative EBITDA therefore reflects the time lag between the team strengthening programme, initiated at the end of 2016 and which is still underway, and the revenues that will be generated by these additional resources.

## Operation-maintenance

In € million	30/06/2017	30/06/2016 <sup>3</sup>	Change
Revenues before inter-activity eliminations			
Revenues	10.5	1.8	x5.9
EBITDA	1.0	0.4	x2.2
EBITDA margin	9.1%	24.6%	

Apart from the continuation of historical operation and maintenance contracts in Europe, Voltalia recorded the first revenues from the new contracts signed in Japan (50.7 MW) and in Jordan (57 MW). The business recorded a decline in the EBITDA margin during the period, since the first half of 2016 did not offer a relevant basis of comparison due to the change in scope.

## Eliminations<sup>5</sup> and corporate

In € million	30/06/2017	30/06/2016 <sup>6</sup>
Revenues	(6.1)	(4.1)
EBITDA	(8.3)	(3.3)

Since the acquisition of Martifer Solar, Voltalia now manages certain services internally that were previously outsourced. The growth in elimination of revenues reflects this new strategy.

EBITDA is affected by the increase in costs, corresponding mainly to the structuring costs incurred to support the Group's continued growth in the short and medium term.

<sup>5</sup> Eliminations: services provided by the services business lines for owned power plants and projects are eliminated on financial consolidation.

<sup>6</sup> Voltalia recalls that following the acquisition of Martifer Solar in Q3 2016, the latter was consolidated within the consolidated accounts from 1 August 2016.

The activity-wise data for 2016 is unaudited.

## Other items from the profit and loss statement

In € million	30/06/2017	30/06/2016	Change
<b>EBITDA</b>	<b>25.3</b>	<b>24.0</b>	<b>+5.4%</b>
<i>EBITDA margin</i>	32.4%	53.7%	-213 bps
Depreciation, amortisation and provisions	(11.1)	(6.9)	n/a
Exceptional income and charges	(0.6)	-	n/a
<b>Operating profit (EBIT)</b>	<b>13.6</b>	<b>17.1</b>	<b>-20.5%</b>
Financial result	(19.2)	(11.4)	n/a
Taxes and net income of equity affiliates	(1.6)	(2.0)	n/a
Minority interests	0.4	(0.7)	n/a
<b>Net profit (Group share)</b>	<b>(6.8)</b>	<b>3.0</b>	n/a

Depreciation, amortisation and provisions represent €(11.1) million, up compared to the first half of 2016, in line with the commissioning of the new power plants. Expressed in percentage of revenues, they stood at 14.2%, down compared to 15.5% in the first half of 2016, due to the less capital intensive services activities.

Voltaia recorded a financial result of €(19.2) million, lower compared to the first half of 2016. Borrowing cost was up following the commissioning of the Vila Para power plant in Brazil, prior to the implementation of long-term project financing under more competitive conditions.

The net result (Group share) stood at €(6.8) million for the period under review.

## 4.2. CASH FLOWS

<i>(in thousands of euros)</i>	June 2017	June 2016
Operating income (EBIT)	13,622	17,094
<b>EBITDA</b>	<b>25,340</b>	<b>24,031</b>
Net cash flow from operating activities	22,734	17,775
Net cash flow from investing activities	(43,248)	(80,996)
Net cash flow from financing activities	(20,016)	68,980
<b>Change in cash</b>	<b>(40,530)</b>	<b>5,661</b>

(in thousands of euros)

	June 2017	June 2016
Opening cash and cash equivalents	101,353	43,454
Impact of changes in currency prices	(4,700)	8,294
Closing cash and cash equivalents	56,122	57,408

The statement of cash flows is included in section 9 of the consolidated financial statements.

### 4.3. FINANCIAL STRUCTURE

<i>(in thousands of euros)</i>	<u>June 2017</u>	<u>December 2016</u>	<u>Change</u>	<u>%</u>
Gross financial debt	407,387	432,177	(24,790)	-6%
Equity	390,001	424,753	(34,752)	-8%

Group equity was €390 million, with gross debt of €407.4 million, 93% of which is project financing. The analysis of the financial structure is presented in note 12 to the consolidated financial statements.

## 5. MAIN RISKS AND TRENDS

With respect to its electricity production and service provision activity, Voltalia does not anticipate any changes to the risks as described in chapter 4 of the 2016 Registration Document, filed with the AMF on 23 June 2017 under number R.17-047 (the "Registration Document") which are likely to have an impact on the remainder of the 2017 fiscal year.

## 6. HIGHLIGHTS AFTER THE CLOSING DATE

See NOTE 3- to the consolidated financial statements.

## 7. PERSPECTIVES

### [Update on the integration of Martifer Solar](#)

In August 2017, the Group celebrated the first anniversary of its acquisition of Martifer Solar. As part of the integration, a number of projects were successfully completed, like the setting-up of a single organisation since October 2016, harmonisation of human resources policies, implementation of new common management control procedures, creation of a common engineering team and rationalisation of the subsidiaries. Finally, work concerning IT standardisation was undertaken.

At commercial level, all the teams are now combined under the brand Voltalia, officially presented during the international tradeshow *Intersolar* in Munich. In addition, in order to sustain and support the Group's strong growth, Voltalia intensified its recruitments from end 2016, in particular in the marketing area and, to a lesser extent in the support area, with the recruitment to new positions of about thirty employees in total.

The rapid integration of the two teams of Voltalia and Martifer Solar should make it possible to see growth in revenues from services and benefit from the synergies generated with the historic business of electricity production.

## Recent successes in development and in operation-maintenance

After having won an electricity sale contract in French Guiana for a new biomass power plant project <sup>7</sup> (5.1 MW), on 30 June 2017, Voltalia announced the launch of the construction of three new solar power plants in Metropolitan France<sup>8</sup> for a total of 22.4 MW as well as the selection of two solar projects as part of the CRE IV<sup>9</sup> (8 MW) call for tender, one of them having been historically developed by Martifer Solar. In Japan, Voltalia sold a "ready-to-build" photovoltaic power plant project with a capacity of 2.2 MW, which was also historically developed by Martifer Solar, to a local client.

In early September, the teams signed contracts for the operation-maintenance of solar power plants for around 32 MW in Greece, thus taking the country's managed capacity to 81 MW (+65%).

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<sup>7</sup> See press release dated 21 April 2017.

<sup>8</sup> Canadel, Castellet II and Carrière des Plaines power plants. See press releases dated 7 July and 30 August 2017.

<sup>9</sup> See press release dated 1 August 2017.

### Accelerated growth in revenues from energy sales expected in the second half of 2017

In the second half of 2017, Voltalia anticipates higher revenues from energy sales compared to the first half.

Firstly, revenues benefit from a seasonality effect, with a second half that is statistically<sup>10</sup> 12% higher on average than the first half.

Furthermore, the performance of the power plants in July and August was excellent (+28% of production in July and August compared to the average monthly production of the first half of the year<sup>11</sup>).

Finally, electricity production in the second half will be sold at generally higher prices in Brazil:

- excess production is sold at high spot prices; and
- Voltalia won a call for tender allowing to interrupt<sup>12</sup> certain contracts (153 MW) in the second half of the year: the energy produced is then sold within private contracts at fixed prices that are significantly higher than in the long-term contracts, which will resume at the end of the interruption.

### Confirmed ambitions for 2019

In order to ensure its future growth, Voltalia has continued to add development projects to its portfolio: as of 30 June 2017, it amounts to 2.8 GW, a slight increase since 31 December 2016.

In addition to these projects, Voltalia anticipates first successes in the development of projects in new geographical areas, particularly on the African continent.

Thus, Voltalia confirmed its 2019 targets presented in September 2016:

- To cross the threshold of 1 GW in owned installed capacity by 2019;
- To triple its operated capacity to reach 3 GW in operation, including 2 GW for third parties, by the end of 2019;
- To reach consolidated 2019 EBITDA of €180 million.

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<sup>10</sup> Change calculated on the basis of the assets under production at 1 January 2017 and at the current exchange rate.

<sup>11</sup> Change calculated on the basis of the assets under production at 1 January 2017.

<sup>12</sup> Calls for applications carried out in March and July 2017 for the temporary suspension of long-term electricity sale contracts.



## 8. THE STATUTORY AUDITORS REPORT ON THE 2017 HALF-YEAR FINANCIAL INFORMATION

To the shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, and in application of article L. 451.1-2 III of the French Monetary and Financial Code, we have performed:

- the limited audit of the condensed half-year consolidated financial statements of Voltalia, for the period from 01 January 2017 to 30 June 2017, as attached to this report;
- the verification of the data provided in the interim operations report.

These condensed half-year consolidated financial statements were prepared under the Board of Directors' responsibility. Our role is to report our conclusions on these financial statements, based on our limited audit.

### I - Conclusion on the financial statements

We conducted our limited audit in accordance with professional standards applicable in France.

A limited audit mainly involves discussions with senior managers in charge of accounting and financial aspects and the use of analytical procedures. This work is less extensive than that required for an audit in accordance with professional standards applicable in France. Consequently, the assurance, in the context of a limited audit, that the financial statements taken as a whole are free of significant misstatements is a moderate assurance, lower than that given by an audit.

Based on our limited audit, we have not identified any significant anomalies, which would cast doubt on the compliance of the condensed interim consolidated financial statements with IAS 34 - IFRS standard as adopted by the European Union - relating to interim financial information.

Without qualifying the conclusion expressed above, we would draw your attention to:

- Note 6 "*Operating Segments*" in the notes to the condensed consolidated financial statements which presents the change in operating segments following the acquisition of Martifer Solar;
- Note 7 "*Operational profitability data*" "*Allocations and reversals of depreciation*" and Note 10 "*Intangible and tangible fixed assets*" paragraph "*Property, plant and equipment*" of the notes to the condensed consolidated financial statements, that presents the absence of depreciation and amortisation expenses for the Sao Miguel De Gostoso farm over the period.



## II – Specific verification

We have also conducted the verification of the data provided in the interim operations report, commenting on the condensed consolidated interim financial statements covered by our limited audit.

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

*Paris and Paris La Défense, 25 September 2017*

The Statutory Auditors

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**H 3 P   R E A L   A S S E T S**

Eric Hinderer

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**M A Z A R S**

Juliette Decoux

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## 9. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2017

### 9.1. STATEMENT OF COMPREHENSIVE PROFIT OR LOSS

<i>(in thousands of euros)</i>	Note	June 2017	June 2016	Change	%
<b>Revenues<sup>13</sup></b>	7	<b>78,101</b>	<b>44,729</b>	<b>33,372</b>	<b>+75%</b>
Purchases and sub-contracting	7	(19,355)	(8,245)	(11,110)	x 2.2
External expenses	7	(23,385)	(9,445)	(13,939)	x 2.5
Payroll expenses	8	(10,100)	(2,932)	(7,168)	x 3.8
Other operating income and expenses		79	(76)	155	n/a
<b>Total operating expenses</b>		<b>(52,761)</b>	<b>(20,698)</b>	<b>(32,064)</b>	<b>x 2.6</b>
<b>EBITDA<sup>14</sup></b>		<b>25,340</b>	<b>24,031</b>	<b>1,308</b>	<b>+5%</b>
% EBITDA		32%	54%		
Other financial income and expenses		(612)	-	(612)	n/a
Depreciation, amortisation and provisions	7	(11,106)	(6,937)	(4,169)	+60%
<b>Operating income (EBIT)</b>		<b>13,622</b>	<b>17,094</b>	<b>(3,473)</b>	<b>-20%</b>
% EBIT		17%	38%		
Gross loan expenses	12	(16,113)	(13,872)	(2,240)	+16%
Other financial income and expenses	12	(3,045)	2,488	(5,533)	n/a
Tax and duties		(1,736)	(2,138)	402	-19%
Income from equity affiliates		101	120	(19)	-16%
<b>Net profit (loss)</b>		<b>(7,170)</b>	<b>3,692</b>	<b>(10,863)</b>	<b>n/a</b>
% net profit (loss)		n/a	8%		
Group Share		(6,810)	3,024	(9,835)	n/a
Minority interests		(360)	668	(1,027)	n/a
<b>Earnings per share (in euros):</b>					
before dilution		(0,139)	0,116	(0,255)	n/a
after dilution		(0,136)	0,110	(0,246)	n/a

13 Revenues is provided in note 7.

14 EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortisation.

## 9.2. OTHER ELEMENTS OF COMPREHENSIVE INCOME

	Note	<u>June 2017</u>	<u>June 2016</u>
<b>Net profit (loss)</b>		<b>(7,170)</b>	<b>3,692</b>
Currency conversion adjustments resulting from the conversion of foreign operations		(25,929)	38,992
Actuarial gains/(losses) on pension commitments		(22)	-
Net change in value of hedging instruments	12	2,327	(3,068)
Deferred taxes related to changes in value of hedging instruments		(56)	42
<b>Other items of comprehensive income</b>		<b>(23,680)</b>	<b>35,966</b>
<b>Comprehensive income</b>		<b>(30,850)</b>	<b>39,658</b>
Group Share		(23,359)	25,644
Minority interests		(7,490)	14,011

### 9.3. STATEMENT OF FINANCIAL POSITION<sup>15</sup>

<i>(in thousands of euros)</i>	Note	June 2017	December 2016	Change	%
Goodwill	10	46,138	45,413	725	+2%
Intangible assets	10	72,384	64,655	7,729	+12%
Property, plant and equipment	10	626,225	662,377	(36,151)	-5%
Equity affiliates	5	633	523	110	+21%
Fixed financial assets	12	25,382	23,735	1,648	+7%
Deferred tax assets		511	1,024	(513)	-50%
Other non-current assets	9	78	(0)	78	n/a
<b>Non-current assets</b>		<b>771,352</b>	<b>797,727</b>	<b>(26,375)</b>	<b>-3%</b>
Inventories and work in progress	9	2,466	2,542	(76)	-3%
Trade receivables	9	49,518	49,113	405	+1%
Financial assets	12	344	1,690	(1,345)	-80%
Other current assets	9	18,889	12,386	6,503	+53%
Current tax assets		3,701	1,907	1,794	+94%
Net cash and cash equivalents	15	56,122	101,353	(45,230)	-45%
<b>Current assets</b>		<b>131,041</b>	<b>168,991</b>	<b>(37,949)</b>	<b>-22%</b>
<b>Available-for-sale assets</b>		<b>-</b>	<b>135</b>	<b>(135)</b>	<b>-100%</b>
<b>Total Assets</b>		<b>902,393</b>	<b>966,853</b>	<b>(64,460)</b>	<b>-7%</b>
Share capital		278,976	278,976	0	n/a
Additional paid-in capital		96,439	96,439	0	n/a
Consolidated reserves		(43,811)	(27,231)	(16,580)	+61%
Net profit for the year		(6,810)	1,635	(8,445)	n/a
<b>Shareholders' equity - Group share</b>		<b>324,793</b>	<b>349,819</b>	<b>(25,025)</b>	<b>-7%</b>
<b>Total minority interests</b>		<b>65,208</b>	<b>74,935</b>	<b>(9,727)</b>	<b>-13%</b>
<b>Equity</b>	14	<b>390,001</b>	<b>424,753</b>	<b>(34,752)</b>	<b>-8%</b>
Provisions, non current	11	8,033	2,814	5,219	x 2.9
Provisions for post-employment benefits	8	482	55	427	x 8.7
Deferred tax liabilities		1,781	2,721	(940)	-35%
Long-term borrowings	12	349,853	322,448	27,405	+8%
Other non-current financial liabilities		15,364	272	15,092	x 58
Non-current liabilities		(0)	6,075	(6,075)	n/a
<b>Non-current liabilities</b>		<b>375,513</b>	<b>334,385</b>	<b>41,128</b>	<b>12%</b>
Provisions, current	11	12,381	17,693	(5,312)	-30%
Provisions for post-employment benefits	8	-	-	-	
Borrowings - short-term	12	57,534	109,729	(52,195)	-48%
Trade accounts payable and related accounts	9	45,342	40,022	5,320	+13%
Other tax liabilities		6,966	7,507	(541)	-7%
Other current liabilities		14,657	31,599	(16,942)	-54%
<b>Liabilities related to available-for-sale assets</b>		<b>-</b>	<b>1,169</b>	<b>(1,169)</b>	<b>-100%</b>
<b>Short-term liabilities</b>		<b>136,879</b>	<b>207,718</b>	<b>(70,839)</b>	<b>-34%</b>
<b>Total Liabilities</b>		<b>902,393</b>	<b>966,853</b>	<b>(64,460)</b>	<b>-7%</b>

<sup>15</sup> As part of its reorganisation and the production of new management elements required by the main decider, the Company has adapted the presentation of its financial statements. In this context, the presentation of the financial information at 31 December 2016 presented above differs in form but not in content from that of 31 December 2016.

## 9.4. STATEMENT OF CASH FLOWS

<i>(in thousands of euros)</i>	Note	June 2017	June 2016
<b>Operating income (EBIT)</b>		<b>13,622</b>	<b>17,094</b>
Adjusted for:			
Depreciation and amortization of non-current assets	7	11,106	6,900
Depreciation of non-current assets	7	-	327
Other items		612	(290)
<b>EBITDA</b>		<b>25,340</b>	<b>24,031</b>
Change in working capital requirement		(803)	(5,311)
Tax change		(1,451)	(945)
<b>Cash and cash equivalents from operating activities, before exceptional items</b>		<b>23,086</b>	<b>17,775</b>
Cash flows generated by exceptional items		(352)	-
<b>Net cash flow from operating activities</b>		<b>22,734</b>	<b>17,775</b>
Net flow from financial investments	10	660	-
Net flow from tangible investments	10	(32,952)	(80,996)
Net flow from intangible investments	10	(12,364)	-
Other flows from investments	10	(171)	-
Subsidies		(31)	-
Dividends from entities accounted for by the equity method		1,611	-
<b>Net cash flow from investing activities</b>		<b>(43,248)</b>	<b>(80,996)</b>
Capital increase		261	(72)
Financial income and expenses	12	(3,045)	(4,329)
Other financial items	12	(4,809)	(17)
Interest paid to shareholders		(1,277)	(1,004)
Interest paid to banks	12	(14,502)	(7,098)
Repayments on leasing loans	12	(334)	-
Bond issues	12	114,493	102,625
Borrowing repayments	12	(114,157)	(21,097)
Dividends paid to the equity owners of the parent			
Dividends paid to shareholders		3,354	-
Dividends paid to non-controlling interests		-	(28)
<b>Net cash flow from financing activities</b>		<b>(20,016)</b>	<b>68,980</b>
<b>Impact of changes in accounting principles</b>		<b>9</b>	<b>(98)</b>
<b>Change in cash</b>		<b>(40,530)</b>	<b>5,661</b>
Opening cash and cash equivalents	15	101,353	43,454
Impact of changes in currency prices		(4,700)	8,294
Closing cash and cash equivalents	15	56,122	57,408

## 9.5. STATEMENT OF CHANGE IN CONSOLIDATED EQUITY

<i>(in thousands of euros)</i>	Share capital	Additional paid-in capital	Group consolidated reserves	Conversion reserves	Income for the period	Voltalia shareholders' equity	Non-controlling interests	Equity under IFRS
<b>As of 1 January 2016</b>	<b>149,406</b>	<b>61,325</b>	<b>(19,061)</b>	<b>(42,154)</b>	<b>3,888</b>	<b>153,405</b>	<b>57,761</b>	<b>211,165</b>
Appropriation of earnings	-	-	3,888		(3,888)	-		-
Income for the period	-	-			3,024	3,024	668	3,692
Change in translation differences	-	-		25,618		25,618	13,374	38,992
Change in value of hedging instruments	0	-	(2,996)			(2,996)	(31)	(3,027)
Actuarial gains/(losses) on pension commitments	-	-				-		-
<b>Total comprehensive Income</b>	<b>0</b>	<b>-</b>	<b>892</b>	<b>25,618</b>	<b>(864)</b>	<b>25,646</b>	<b>14,011</b>	<b>39,658</b>
Capital increase	-	-				-		-
Scope changes	-	-	(1,888)			(1,888)	(1,164)	(3,052)
Distributions paid to non-controlling interests	-	-				-	(28)	(28)
Other (including stock options, treasury shares, etc.)	-	-	37			37	(36)	1
<b>As of 30 June 2016</b>	<b>149,406</b>	<b>61,325</b>	<b>(20,019)</b>	<b>(16,535)</b>	<b>3,024</b>	<b>177,201</b>	<b>70,545</b>	<b>247,745</b>
Appropriation of earnings	-	-	-	-	-	-	-	-
Income for the period	-	-	-	-	(1,389)	(1,389)	(1,726)	(3,115)
Change in translation differences	-	-	-	8,340	-	8,340	3,642	11,982
Change in value of hedging instruments	(0)	-	872	-	-	872	32	904
Actuarial gains/(losses) on pension commitments	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(0)</b>	<b>-</b>	<b>872</b>	<b>8,340</b>	<b>(1,389)</b>	<b>7,823</b>	<b>1,948</b>	<b>9,771</b>
Capital increase	129,570	35,114	-	-	-	164,684	1,001	165,685
Scope changes	-	-	73	-	-	73	1,709	1,782
Distributions paid to non-controlling interests	-	-	-	-	-	-	(269)	(269)
Other (including stock options, treasury shares, etc.)	-	-	38	-	-	38	1	39
<b>As of 31 December 2016</b>	<b>278,976</b>	<b>96,439</b>	<b>(19,036)</b>	<b>(8,195)</b>	<b>1,635</b>	<b>349,819</b>	<b>74,935</b>	<b>424,753</b>
Appropriation of earnings	-	-	1,635		(1,635)	-		-
Income for the period	-	-			(6,810)	(6,810)	(360)	(7,170)
Change in translation differences	-	-		(18,745)		(18,745)	(7,184)	(25,929)
Change in value of hedging instruments	-	-	2,218			2,218	53	2,271
Actuarial gains/(losses) on pension commitments	-	-	(22)			(22)	0	(22)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>2,695</b>	<b>(17,609)</b>	<b>(8,445)</b>	<b>(23,359)</b>	<b>(7,490)</b>	<b>(30,850)</b>
Capital increase	-	-				-		-
Scope changes	-	-	(1,620)			(1,620)	(2,492)	(4,112)
Distributions paid to non-controlling interests	-	-				-		-
Other (including stock options, treasury shares, etc.)	-	-	(46)			(46)	254	208
<b>As of 30 June 2017</b>	<b>278,976</b>	<b>96,439</b>	<b>(18,008)</b>	<b>(25,804)</b>	<b>(6,810)</b>	<b>324,793</b>	<b>65,208</b>	<b>390,001</b>

## 10. NOTES

### NOTE 1- FORMATION, DEVELOPMENT AND BUSINESS OF THE GROUP

The Voltalia company was founded on 28 November 2005. Its corporate headquarters are in Paris, France. Its development, initiated in French Guiana, continued in Brazil, France, Greece, and Morocco. In August 2016, Voltalia acquired Martifer Solar, which further extended the Group's geographical presence. The Company has been listed on Compartment B of Euronext since July 2014.

The attached half-year consolidated financial statements as of 30 June 2017 reports the operations of Voltalia and its subsidiaries (together referred to as the "Group") and the Group's proportionate share in associates and joint ventures.

The acquisition of Martifer Solar deeply modified the Group's business and its translation in its financial statements. It is necessary to take this information into account when carrying out a comparative analysis between the two first half years.

### NOTE 2- GROUP'S BUSINESS

Voltalia is an independent player in the renewable energy market. An integrated industrial player, the Group develops, constructs and operates renewable energy power plants, on its own behalf and on behalf of third parties.

Social and environmental responsibility is at the heart of the Company: Voltalia's mission "to improve the global environment by promoting local development" highlights the importance that the Group attaches to having a positive local and social impact, in addition to its initial environmental purpose.

As of 30 June 2017, the principal source of profits for the Group comes from the sale of renewable electricity produced by its power plants. Such sales are predominantly governed by long-term contracts with full transparency of the volumes and prices of the electricity sold. The Group also generates income from the sale of projects developed in-house or of services, such as the construction or operation and maintenance of power plants owned by third-party clients.

Voltalia is present in the main renewable energy production areas: wind, solar, small-scale hydroelectricity and biomass.

Throughout its history, Voltalia has established lasting relationships with many partners. The Caisse des Dépôts et des Consignations (CDC) has been a shareholder of Voltalia Guyane since 2008. COPEL and CHESF, the Brazilian leaders in power production, and Encalso, a leading civil engineering company in Brazil, are shareholders in major Voltalia power plants in Brazil. Other partners in the areas of capital, banking, and operations, as well as public partners, have also contributed to the development of Voltalia since its inception.

Voltalia has also been a partner of the WWF since 21 November, 2014.

## A HIGHLIGHTS OF THE FIRST HALF-YEAR 2017

### Governance and financing

#### Appointment of a new director

The appointment of Solène Guéré as director of Voltalia was approved by Voltalia's shareholders at the General Shareholders' Meeting of 1 June 2017. Director of Immochan Ukraine since 2016 and non-voting director of Voltalia Investissement since 2015, Solène Guéré is a graduate of Ecole Normale Supérieure de Paris (2007). She also holds a Master AgroParisTech-IFP Economie du Développement Durable, de l'Environnement et de l'Energie (2011), and an MBA from the Collège des Ingénieurs (2012).

## B CONTINUED INCREASE IN ORGANIC GROWTH

### First solar plant for Voltalia in Brazil

Just over one year after the announcement of the commissioning of the first tranche of the Oiapoque power plant<sup>16</sup> in Brazil, on 23 January 2017, Voltalia announced the start of construction work on its first solar power plant in Brazil, with a capacity of 4 MW.

Voltalia won the call for tenders organised by the city of Oiapoque in 2014<sup>17</sup> and then distinguished itself as the only competitor to propose a mixed hydro/thermal power plant producing cleaner and cheaper electricity than that produced until then by the municipality, using diesel generators.

This project is the first in which Voltalia's teams have worked jointly with those of Martifer Solar<sup>18</sup>, thus benefiting from their experience in power plant design, and their attractive conditions for equipment procurement.

At the time of commissioning of the hydroelectric plant, the Oiapoque site will include a 12 MW thermal unit, a 4MW solar plant and the 7.5 MW hydroelectric plant. The site will stand out by the combination of several renewable energy sources and a thermal system, with 90% of the production coming from renewable energy.

### New biomass power plant project in French Guiana

On 21 April 2017, Voltalia announced that it has obtained a long-term contract for a 5.1 MW biomass power plant project in French Guiana. Located near the village of Cacao in the municipality of Roura, the power plant will generate electricity by burning wood from logging operations or from sawmills and will benefit

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<sup>16</sup> See press release dated 9 December 2015.

<sup>17</sup> See press release dated 2 October 2014.

<sup>18</sup> See press release dated 19 August 2016.



from a private contract with a guaranteed price over a 25-year period. The plant could be commissioned at the end of 2019.

Voltalia will use the experience acquired at its existing Kourou biomass plant to train young technicians in the operation of the future Cacao site. This new project should also create around 40 direct and indirect jobs.

#### Early commissioning of the wind power plant in Vila Acre (27 MW), Brazil

On 29 June 2017, Voltalia announced the early commissioning of the 13 turbines at the Vila Acre wind site in Brazil, with a total capacity of 27.3 MW. After winning the electricity sales contract during the November 2015<sup>19</sup> auctions, Voltalia launched the construction works for the Vila Acre power plant in Q4 2016<sup>20</sup> which was due to be completed during the third quarter of 2017. The long-term sales contract of a duration of 20 years will start in November 2018, thus enabling the Group to generate revenues more than one year ahead of schedule. During this period, in accordance with the tender provisions, the electricity generated will be sold at the same price as that secured in the long-term contract.

## C OTHER DEVELOPMENTS

#### Disposal of the Bio-Bar biomass power plant in Metropolitan France

On 31 January 2017, Voltalia sold all of the securities and the current account of its subsidiary Bio-Bar to France Bedding Group (now Adova) at the price of one euro each. As a reminder, in February 2015, a global agreement was signed between Voltalia, Bio-Bar and Cauval, mainly providing for the repayment of arrears between February 2015 and the end of June 2016, together with the disposal of all Bio-Bar shares to Cauval.

While it made the bulk of the repayments provided for in the protocol, Cauval filed for suspension of payments in February 2016. At the end of May 2016, the Commercial Court of Meaux selected Adova's takeover bid, which provides for the continued operation of the Bar sur Aube site. After several months of discussion, on 22 December 2016, Voltalia and Adova came to an agreement, which led to the disposal of 100% of the shares of the subsidiary Bio-Bar on 31 January 2017. The financial debt of the project was also taken on by the buyer at its book value.

#### Voltalia joins the EnterNext Tech 40 index

On 21 April 2017, Voltalia joined the Tech 40 index. The "Tech 40" label distinguishes 40 innovative Tech companies listed on Euronext (Amsterdam, Brussels, Lisbon and Paris) amongst the 330 companies operating in the life sciences, eco-industry and technology, media and telecommunications sectors.

Companies are selected by a committee of independent European experts according to economic, financial and stock market performance criteria. In the renewable energy sector, only two companies including Voltalia have been selected.

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<sup>19</sup> See press release dated 16 November 2015.

<sup>20</sup> See press release dated 18 November 2016.



This label enables Voltalia shares to enter the EnterNext Tech 40 index from 21 April 2017.

#### Voltalia joins the CAC Mid & Small index

Following the annual reconfiguration by Euronext (the pan-European stock market) of its CAC indices, Voltalia announced that from 18 September 2017, it joined the Euronext CAC® Small, CAC® Mid & Small and CAC® All-Tradable indices.

The expected benefits for Voltalia shares are greater visibility and a possible increase in share exchange volumes.

## D HIGHLIGHTS AFTER THE CLOSING DATE

### Launch of the construction of three new solar power plants in Metropolitan France

On 7 July 2017, Voltalia announced the launch of construction of the French Canadel (10.4 MW) and Castellet 2 (3.8 MW) solar power plants located in the department of the Var. Having won the CRE III tender in December 2015<sup>21</sup>, these projects are both located in the sunniest region of France. The Canadel power plant will be located in Brignoles and the second plant, Castellet II, will be right next to the first solar plant of the same name and commissioned by Voltalia in July 2013 following the 2012 CRE I tender. Each benefiting from a 20-year electricity sales contract, the power plants should be commissioned at the end of 2017, in accordance with the tender terms.

On 30 August 2017, Voltalia announced the launch of construction of the new Carrière-des-Plaines (8.2 MW) solar power plant in the Bouches-du-Rhône, Metropolitan France. In accordance with the tender terms, half of the power plant will comprise high yield photovoltaic modules (4.1 MW) with the other half comprising concentrated photovoltaic modules (CPV) with sun trackers (4.1 MW). Unlike the generally used photovoltaic panels, CPV panel lenses concentrate the sun's beams on high performance cells, thus optimising use of the solar resource. The commissioning of the power plant is expected at the latest for Q2 2018.

### Two solar projects in Metropolitan France, winners of the CRE IV national tender

On 1 August 2017, Voltalia announced that two solar projects with a total capacity of 8 MW had been selected by the Ministry for Ecological and Solidarity Transition as part of the CRE IV tender, for which the results were announced on 28 July 2017.

Having won projects as part of previous tenders (CRE I, CRE II and CRE III), Voltalia confirms its competitiveness in the French market. The winning Tresques (3 MW) and Parroc (5 MW) solar projects are located in the Occitanie and Nouvelle Aquitaine regions, with both regions subject to particularly strong competition due to their good solar resources.

The two Tresques (Gard) and Parroc (Haute-Vienne) power plants will benefit from a 20-year contract for difference from their commissioning, expected for July 2019 at the latest.

### Disposal of the Japanese Shibushi project

During September 2017, Voltalia sold a "ready-to-build" solar power plant project in Japan, historically developed by Martifer Solar. This future photovoltaic power plant will have a capacity of 2.2 MW and will be located in the Kagoshima region in the south of Japan.

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<sup>21</sup> Press release dated 7 December 2015.

## A. STATEMENT OF COMPLIANCE

The Voltalia Group's consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and applicable on 30 June 2017. The standards applied are available on the website:

[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.html](http://ec.europa.eu/internal_market/accounting/ias/index_fr.html)

The consolidated half year financial statements of the Voltalia Group were approved by the Board of Directors of Voltalia SA on 22 September 2017.

## B. PREPARATION BASIS

As these are interim financial statements, the half year financial statements for the Voltalia Group have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information required for a full set of financial statements in accordance with IFRS. They do, however, include a set of notes explaining the significant events and operations for the purpose of understanding the modifications in the Group's financial situation and performance since the last consolidated annual financial statements for the financial year ended 31 December 2016.

As such, they must be read jointly with the consolidated financial statements as of 31 December 2016.

## C. NEW STANDARDS

New standards and application interpretations already adopted by Europe and applicable in advance as of 30 June 2017

- IFRS 9 "Financial Instruments":

The standard deals with the classification, measurement and derecognition of financial assets and liabilities (application mandatory from 1 January 2018).

Voltalia has chosen not to apply these texts in advance to the accounts closed as of 30 June 2017.

- IFRS 15 "Revenue from Contracts with Customers":

IFRS 15 establishes the principles that an entity applies when recognising revenue from contracts with customers. It replaces IAS 11 and IAS 18.

Voltalia has chosen not to apply these texts in advance to the accounts closed as of 30 June 2017.

New standards and application interpretations not yet adopted by Europe but applicable in advance as of 30 June 2017

Voltalia has chosen not to apply this text in advance to the accounts closed as of 30 June 2017:

- Amendments to IAS 7 "Statement of Cash Flows" (Initiative with regard to disclosure);
- Amendments to IAS 12 "Recognition of Deferred tax assets for unrealised losses";
- Amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- Amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate/joint venture";
- IFRIC 22 "Foreign currency transactions and advance consideration";
- IFRIC 23 "Uncertainty over revenue tax treatments";
- "Annual Improvements to IFRS Cycle 2014 - 2016":
  - IFRS 12: clarification of the scope of the disclosure requirements;
  - IAS 28: measurement of investments at fair value through profit or loss by investment.

## NOTE 5- SCOPE OF CONSOLIDATION

### A CONSOLIDATED COMPANIES

As of 30 June 2017, 155 companies are consolidated, including 141 through full consolidation and 13 through equity accounting.

The list of companies is provided in the notes.

### B NON-CONSOLIDATED COMPANIES

As of 30 June 2017, 34 companies were majority-held by the Group but were not consolidated, as these were not significant.

The list of non-consolidated companies is provided in the notes.

### C CHANGE IN SCOPE

The first consolidation of Voltalia Energie in Metropolitan France.

Voltalia Energie was consolidated for the first time during the first half-year 2017. It is wholly owned by Voltalia and fully consolidated.

Two new companies were created: VX Solar (Japan) and Mahale Renewable Energy (Tanzania).

## D PARTNERSHIPS AND ASSOCIATES

As of 30 June 2017, shares in equity associates contributed to the Group's consolidated financial statements as follows:

<i><u>(in thousands of euros)</u></i>	Voltalia Group
<b>As of 1 January 2016</b>	<b>278</b>
Change in equity	-
Dividends	-
Net profit (loss)	24
Translation reserve	(3)
Other	224
<b>As of 31 December 2016</b>	<b>523</b>
Change in equity	-
Dividends	-
Net profit (loss)	101
Translation reserve	5
Other	4
<b>As of 30 June 2017</b>	<b>633</b>

## E ASSETS AND LIABILITIES HELD FOR SALE

In accordance with IFRS 5, when the Group has decided to sell an asset or group of assets, it classifies it as an asset held for sale if:

- the asset or group of assets is available for immediate sale in its present condition subject only to the conditions that are usual and customary for sales of such assets; and
- its sale is likely within one year.

Furthermore, an activity is classified under “discontinued operations” when:

- all the criteria for classification as non-current assets held for sale or discontinuation are met; and if

- one of the additional criteria described below is also satisfied:
  - it represents a separate major line of business or geographical area of operations;
  - it forms an integral part of a unique plan to dispose of a business line or of the activities in a geographic area;
  - it is a subsidiary acquired in order to be sold or abandoned.

One group of assets was classified under activities held for sale within the meaning of IFRS 5 as of 31 December 2016.

This group of assets was sold at the beginning of 2017 (see note 3 – Highlights of the financial year).

## F CONVERSION OF FOREIGN CURRENCY

### Foreign currency transactions

Foreign currency transactions are translated into euros using the exchange rate in effect on the transaction date. For practical purposes, an annual average rate is generally used. Monetary items and, where appropriate, non-monetary items measured at fair value in a foreign currency are translated using the closing rate. The general principle is that translation differences relating to these items are recognised in income over the period.

### Financial statements denominated in foreign currencies

The functional currency of the foreign subsidiaries of the Voltalia Group always corresponds to the local currency of these entities. On this basis, the assets and liabilities of the companies included in the scope of consolidation and denominated in foreign currencies are translated into euros using the exchange rate at the balance sheet date.

The income and expenses of these companies are converted into euros using the average exchange rate over the period.



Exchange rates used within the Group are as follows:

Code	Currency	Closing rate	Average rate	Opening rate	Average rate for the previous year
		June 2017	June 2017	January 2017	June 2016
AED	UAE Dirham	0,23840	0,25141	0,25861	0,24853
BRL	Brazilian Real	0,26495	0,29066	0,29157	0,26042
CLP	Chilean Peso	0,00132	0,00141	0,00140	0,00136
EGP	Egyptian Pound	0,04839	0,05154	0,05237	0,08293
GBP	Pounds sterling	1,13837	1,16248	1,17221	1,15972
INR	India Rupee	0,01354	0,01408	0,01396	0,01357
JOD	Jordanian Dinar	1,23745	1,30593	1,33704	1,28439
JPY	Japanese Yen	0,00781	0,00822	0,00812	0,00860
MAD	Moroccan Dirham	0,09143	0,09394	0,09359	0,09144
MXN	Mexican Peso	0,04849	0,04764	0,04580	0,04697
SGD	Singapore Dollar	0,63567	0,65796	0,65622	0,65787
TZS	Tanzanian Shilling	0,00040	0,00044	0,00000	0,00000

All currency translation differences arising from the conversion of these financial statements are recognised in other comprehensive income.

#### Net investments in an overseas business

Translation differences relating to intragroup assets and liabilities are also recognised in income. On an exceptional basis, such translation differences are temporarily recognised in other comprehensive income when the monetary asset or liability forms an integral part of the net investment in a foreign company. Such is effectively the case of loans and receivables in foreign currencies for which settlement is neither planned nor probable in the foreseeable future.

## NOTE 6- OPERATING SEGMENTS

Segment reporting is presented in accordance with the internal reporting system of the Group, which is used by the General Management to measure performance and allocate resources.

Segment reporting by business segment is favoured by the Group, because the risks and returns depend mainly on the Group's activities rather than their energy.

The segmentation used by the Group includes three operating segments:

- The *Energy sales* business: Voltalia's historical business, covering operating power plants.

Following the Martifer Solar acquisition, addition of two new operating segments:

- *Development, construction and procurement* business, which brings together:
  - Development of projects on its own behalf or on behalf of third parties. At the end of the development phase, Voltalia may decide either to construct the plant for the purpose of producing and selling electricity on its own behalf or to sell the project to a third party;
  - Construction of power plants on its own behalf or on behalf of third parties: engineering, supply of equipment and services, and/or construction services (Engineering Procurement Construction - EPC) for the completion of power plants, whether these are owned by the Group or by third parties;
  - Procurement of equipment for solar power plants.

In accordance with IFRS 8 "Segment reporting", we have combined these businesses within the same sector.

- The *Operation-Maintenance* business either on its own behalf or on behalf of external customers.

As part of its reorganisation and the production of new management elements required by the main decider, the Company has identified the new operating segments described above. Within this framework, it is unable to provide segment reporting compared to 30 June 2016 without significant costs.

### P&L by business

<u>(in thousands of euros)</u>	Energy sales	Development, construction and procurement	Operation-Maintenance	Other and eliminations*	As of 30 June 2017
Revenues	60,428	13,309	10,476	-6,112	78,101
EBITDA	35,391	-2,672	955	-8,333	25,340
% EBITDA margin	59%	-20%	9%	136%	32%

\* Corporate elements and intragroup eliminations. Since 1 January 2017 and following the acquisition of Martifer Solar, Voltalia identifies the revenues and service costs from internal services.

The acquisition of Martifer Solar during the second half-year 2016 saw the arrival of a new construction business and the reinforcement of the operation-maintenance business which generated revenue of €10,476 thousand at end June 2017.

The Group's historical business of energy sales generated revenue of €60,428 thousand at end June 2017 compared to €41,536 thousand at end June 2016.

#### P&L by region

<u>(in thousands of euros)</u>	EUROPE	LATIN AMERICA	ASIA AND AFRICA	As of 30 June 2017
Revenues	22,283	54,368	1,450	78,101
EBITDA	-3,466	29,258	-451	25,340
% EBITDA margin	-16%	54%	-31%	32%

## NOTE 7- OPERATIONAL PROFITABILITY DATA

### A REVENUES

Revenues includes revenue from contracts with customers (revenue), the sale of development projects and power plants, and other activity-related revenues.

Revenues comprise of:

- the supply of electricity from the Group's production units;
- the supply of power plant operation-maintenance services;
- the completion of power plant construction projects;
- the supply of equipment.

It corresponds to the fair value of the consideration received or receivable for goods and services sold, net of discounts and rebates, in the normal course of the Group's activities. No revenue is recognised if there is significant uncertainty as to the recoverability of the consideration due.

The sale of development projects or production units through the sale of assets is an integral part of the operational activity. Gains or losses on disposal of these project companies thus constitute a revenue item.

The revenue presented by business includes intra-group revenue for which the elimination is presented in the "Head Office, other and eliminations" column.

<i>(in thousands of euros)</i>	June 2017	June 2016
Energy sales	60,428	44,284
Development, construction and procurement	13,309	2,765
Operation-maintenance	10,476	1,775
Head office, other and eliminations	(6,112)	(4,095)
<b>Revenues</b>	<b>78,101</b>	<b>44,729</b>

## B OPERATING EXPENSES

<i>(in thousands of euros)</i>	<u>June 2017</u>	<u>June 2016</u>
Purchases and sub-contracting	(19,355)	(8,245)
Equipment rental	(2,440)	(0)
Maintenance and repairs	(4,239)	-
Cost of external services	(6,152)	(1,626)
Operating expenses	(6,712)	(5,540)
Non-revenue based taxes	(3,842)	(2,279)
<b>Total operating expenses</b>	<b>(42,740)</b>	<b>(17,690)</b>

As a result of the Martifer Solar acquisition, the classification of operating expenses was revised and refined, specifically "rentals, maintenance and repairs" which were grouped within "purchases and sub-contracting" as well as in the "cost of external services".

Operating expenses do not include payroll expenses. These are presented in Note 9 to the consolidated financial statements.

## C ALLOCATIONS AND REVERSALS OF DEPRECIATION

The depreciation amount of €12,356 thousand (versus €7,419 thousand as of 30 June 2016) reflects the depreciation of plants in operation. The increase is in line with the new farms commissioned gradually during the second half-year of 2016.

These provisions also include depreciation calculated according to the units-of-output method (amount nil) for the Sao Miguel de Gostoso wind farm. This wind farm has been operational since 30 June 2015, but did not generate energy due to the delay in building the transmission line (construction is under the responsibility of the government). It was connected on 18 June 2017, and has a production, at the date of this report, in line with forecasts. As the contractual production began on 27 June 2017, depreciation is recognised from 1 July.

Depreciation using the straight-line method over 25 years will lead to a depreciation charge of about €2,800 thousand per half-year (impact calculated on the basis of average exchange rates over the first half-year of 2017).

## D PROVISIONS AND REVERSALS OF PROVISIONS

<i>(in thousands of euros)</i>	<u>2017.06</u>	<u>2016.06</u>
Reversals of provisions	3,038	521
Provisions	(1,788)	(39)
<b>Total</b>	<b>1,250</b>	<b>482</b>

As of 30 June 2017, the net reversal of provisions came to €1,250 thousand (compared to €482 thousand as of 30 June 2016), including €660 thousand for reversal of asset impairment.

Details of the variations in provisions for risks and charges are given in Note 11.

## NOTE 8- EMPLOYEE BENEFITS AND EXPENSES

Personnel expenses allocated to development and construction projects on behalf of Volitalia are recorded as assets. Other personnel expenses are included in the revenue statement.

As of 30 June 2017, payroll expenses amounted to €(10,100) thousand compared to €(2,932) thousand as of 30 June 2016.

The increase in payroll expenses is mainly related to the acquisition of Martifer Solar in August 2016.

## A WORKFORCE

Average total workforce as of 30 June 2017 was 420.5 employees in 17 countries. The majority of the workforce is present in four countries: Brazil (Rio de Janeiro and Natal), France (Paris and Aix en Provence and Cayenne), Italy (Milan) and Portugal (Oliveira de Frades).

Actual workforce as of 30 June 2017 totalled 440 people compared to 159 (including two temporary workers) as of 30 June 2016. The significant increase in the workforce (all categories combined) and the international presence of the Group is mainly related to the acquisition of Martifer Solar in August 2016.

Actual workforce as of 30 June 2017	Brazil	France*	Italy	Portugal	Other	General total	Total as of 30 June 2016
Executive managers	1	10		5	1	17	10
Managers	21	58	4	57	36	176	73
Non-managers	57	24	38	64	63	246	74
<b>General total</b>	<b>79</b>	<b>91</b>	<b>42</b>	<b>126</b>	<b>100</b>	<b>438</b>	<b>157</b>

Average workforce as of 30 June 2017	Brazil	France*	Italy	Portugal	Other	General total	Total as of 30 June 2016
Executive managers	1.0	9.4	0.0	5.0	1.0	16.4	10.8
Managers	21.7	48.7	4.0	57.2	37.4	168.9	69.2
Non-managers	54.0	25.0	38.7	56.2	61.0	234.9	69.1
<b>General total</b>	<b>76.7</b>	<b>83.1</b>	<b>42.7</b>	<b>118.4</b>	<b>99.4</b>	<b>420.3</b>	<b>149.1</b>

\* including French Guiana.

## B EMPLOYEE BENEFITS

These benefits may be offered through defined contribution plans or defined benefit plans. Within the framework of defined contribution plans, the Group has no obligation other than to pay contributions; the charge corresponding to the contributions paid is recognised directly in the profit for the year.

### Post-employment benefits

Defined benefit plans are subject to actuarial measurement using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to measure the final obligation. This final obligation is then discounted.

These actuarial calculations include demographic and financial assumptions defined across each of the entities concerned and taking into consideration their local macro-economic environment. All actuarial differences are recognised under other comprehensive income.

Voltalia does not have a defined benefit regime, but has defined obligation regimes in Metropolitan France, French Guiana, Greece, Italy, Slovakia and Mexico.

<i>In thousands of euros</i>	Post-employment benefits	Other	Total 2017
<b><u>Commitments as of 1 January 2017</u></b>	55	-	55
Cost of the period	-	-	-
Curtailment	-	-	-
Acquisition/disposal	427	-	427
Net amount recognised in comprehensive income	-	-	-
Employer contribution	-	-	-
<b><u>Commitments as of 30 June 2017</u></b>	482	-	482

<u>Balance sheet / revenue statement reconciliation</u>	Post-employment benefits	Other	Total 2017
Defined obligation benefits as of 30 June	482	-	482
Fair value of the plan as of 30 June	-	-	-
Amount of commitment	(482)	-	(482)
Amount recognised in the balance sheet	(482)	-	(482)

The discount rate used at 30 June was 1.38%.

#### **Termination benefits**

Where necessary, employment contract termination benefits may be reviewed, and provisions are made up to the amount of the resulting commitment. Benefits that fall due more than 12 months after the balance sheet date are discounted.

### **NOTE 9- OPERATIONAL DATA ON WORKING CAPITAL REQUIREMENT**

#### **A. OPERATING WORKING CAPITAL REQUIREMENT**

<i>(in thousands of euros)</i>	June 2017	December 2016
Inventories and work in progress	2,466	2,542
Trade receivables and related accounts	49,518	49,113
Trade accounts payable and related accounts	45,342	40,020
<b>Operating working capital requirement</b>	<b>6,643</b>	<b>11,636</b>

#### **B. NON-OPERATING WORKING CAPITAL REQUIREMENT**

<i>(in thousands of euros)</i>	June 2017	December 2016
Other current assets	18,889	12,386
Other current liabilities	7,286	12,717
<b>Non-operating working capital requirement</b>	<b>11,603</b>	<b>(330)</b>



## NOTE 10- INTANGIBLE AND TANGIBLE FIXED ASSETS

### A. GOODWILL

#### Definition

The business combinations are recognised in accordance with IFRS 3. Under this method, assets acquired, liabilities and contingent liabilities are measured at fair value in accordance with the requirements of this standard.

The valuation differences arising on consolidation are allocated to the assets and liabilities concerned, including the share attributable to non-controlling interests.

Goodwill corresponds to the difference between the purchase price paid during a business combination and the amount of assets and liabilities acquired, net of the liabilities and contingent liabilities assumed.

The positive difference between the acquisition cost and the proportionate share of the acquirer in the fair value of identifiable assets and liabilities acquired is recognised as goodwill in the balance sheet. If this difference is negative, it is recognised directly in income at the date of acquisition.

Goodwill is not amortised and is subject to impairment tests at each balance sheet.

#### Definition of CGUs

The Group's business corresponds to homogeneous sets of assets, the continued use of which generates cash flows. They are broken down as follows:

- The Development, Construction and Procurement businesses group together:
  - o Development of projects for Voltalia or on behalf of third parties.
    - This concerns the new power plant project development business. At the end of the development phase, Voltalia may decide either to construct the plant for the purpose of producing and selling electricity for its own account or to sell the project to a third party;
  - o Construction of power plants for Voltalia or on behalf of third parties
    - This is the engineering, equipment supply and services business, and/or construction services (Engineering Procurement Construction) for the completion of power plants, whether these are owned by the Group or by third parties;
  - o Procurement of equipment for solar power plants.
- The Operation – Maintenance business:

This is the power plant operation-maintenance business, either on the Group's own behalf when these plants are owned by Voltalia or on behalf of external clients
- The Electricity Production business which brings together the operating power plants (or power plant clusters)

The two businesses, Development, Construction and Procurement and Operation-Maintenance each represent a CGU.

The Electricity Production CGU is sub-divided into as many CGUs as there are farms or farm clusters in operation or development.

## Merger with the Martifer Solar sub-group

On 18 August 2016, Voltalia acquired 100% of the securities of the sub-group Martifer Solar (MTS) for a price of 9 million euros. This acquisition was financed solely through capital.

The Martifer Solar entities were consolidated into the Voltalia scope from 1 August 2016.

As of 30 June 2017, goodwill (the difference between the sale price and the adjusted net accounting situation) is €46.1 million. This goodwill can be broken down as follows:

In millions of euros	Consolidated companies	Goodwill	Total
<b>Net assets acquired</b>	<b>-32.7</b>		
<i>PWC adjustments</i>	+4.5		
<i>Impairment of asset &amp; related receivables</i>	-2.4		
<i>Provisions for expenses</i>	-4.6		
<i>Review of construction contracts</i>	-3.9		
<i>Adjustments of guarantee provisions</i>	-6.7		
<i>Other</i>	+0.3		
<i>Revaluation of assets</i>	+9.4		
<i>Restatement of equity accounting</i>	-0.4		
<i>Deferred taxes</i>	-0.7		
<b>Net assets after adjustments</b>	<b>-37.1</b>		-37.1
<i>Goodwill</i>		46.1	46.1
<b>Allocation of the acquisition price</b>	<b>-37.1</b>	<b>46.1</b>	<b>9</b>

assessment period, new information obtained enabled an adjustment to goodwill of €0.8 million.

### Justification for residual Goodwill

This residual goodwill reflects the value of Martifer Solar's human capital and the value of synergies provided by the acquisition to Valtalia's historical business.

- Human capital:  
The know-how of the Martifer Solar teams is concentrated mainly on service activities (development, construction and operation-maintenance), in an international context and in the solar energy sector. The services activity should allow Valtalia to continue its growth, without the requirement for significant capital inputs.  
Valtalia's historical business was focused mainly on wind energy whilst the growth rate for the solar market is much greater. Martifer Solar's know-how in this area should allow Valtalia to maintain its ambitious growth targets.
- Synergies:  
The expansion of the development portfolio, in both different energies and different countries, will allow the new group to have better selectivity according to its assets in the choice of investments and thus ensure better profitability of its future power plants.

The Martifer Solar acquisition should allow Valtalia to position itself in the strong growth market of solar power, to have growth relays in a less capital-intensive service activity, and to consolidate its position as an electricity producer over the long term through a broader development portfolio in terms of energies and geographical regions.

### Allocation of residual goodwill by CGU

In accordance with IAS 36, the allocation of goodwill to the three CGUs is as follows:

- Electricity Production (IPP) : €25.1 M
- Development of projects, construction of power plants and equipment procurement: €17.5 M
- Operation and maintenance : €3.5 M
- Total : €46.1 M

The details of the changes in goodwill are given below:

<i>(in thousands of euros)</i>	Goodwill	Impairment	December 2016
Paracatu Energia	47	-	47
Sapeel	595	(595)	-
3VD	-	-	-
Valtalia Greece	435	(435)	-
Energen SA	11	(11)	-
Martifer Solar, S.A.	45,366	-	45,366
<b>Total Goodwill</b>	<b>46,454</b>	<b>(1,041)</b>	<b>45,413</b>

<i>(in thousands of euros)</i>	December 2016	Entry into the scope	Impairment	Scope changes	Translation reserve	Other	June 2017
Electricity Production CGU						25,104	25,104
Development of projects, construction of power plants and equipment procurement CGU	47				(5)	17,450	17,492
Operation-Maintenance CGU						3,543	3,543
Martifer Solar	45,366	-	-	-	-	(45,366)	-
<b>Total Goodwill</b>	<b>45,413</b>	-	-	-	(5)	731	<b>46,139</b>

## B. INTANGIBLE ASSETS

Intangible assets are initially recognised at their cost or fair value if they are acquired in the context of a business combination.

Development costs correspond to the capitalised costs of projects under development. Expenses for each project are capitalised as soon as all of the following criteria are met:

- Visibility with respect to access to land, such as obtaining a lease agreement and favourable environmental impact studies;
- Visibility of authorisations, e.g., filing of administrative records and high probability of obtaining permits;
- Feasibility of the grid connection; and
- Sufficient profitability of the project.

Capitalised costs include the internal and external costs recorded for each project:

- External costs correspond to commitments to outside vendors or service providers (invoices, invoices receivable, status reports, etc.);
- Internal costs are measured based on the time allocated to these projects.

All projects are reviewed at each closing, and projects in development that no longer meet the activation criteria or which are abandoned are fully depreciated. Projects under consideration continue to be recognised in expenses.

Following the acquisition of Martifer Solar, the Group recognised new intangible assets for a total of €13,300 thousand.

Depreciation is recognised in expense using the straight line method over the useful lives of the intangible assets, unless such lives are indefinite. Intangible assets with finite useful lives are amortised as soon as they are brought into service. Intangible assets with an indefinite useful life and intangible assets not yet in service are subject to an annual impairment test and each time there is an index of impairment.

It should also be noted that projects undergoing disposal whose value is less than the book value will be impaired in the amount of the price specified.

As of 30 June 2017, intangible assets can be analysed as follows:

<i>(in thousands of euros)</i>	Gross value	Depreciation, amortisation & Impairment	June 2017	Gross value	Depreciation, amortisation & Impairment	December 2016
Intangible assets	4,710	(1,195)	3,515	3,360	(1,589)	1,769
Intangible assets in progress	43,664	(10,539)	33,126	33,304	(10,736)	22,568
Other	41,165	(5,422)	35,743	44,448	(4,133)	40,316
<b>Total intangible assets</b>	<b>89,540</b>	<b>(17,156)</b>	<b>72,384</b>	<b>81,114</b>	<b>(16,458)</b>	<b>64,655</b>

<i>(in thousands of euros)</i>	Intangible assets	Intangible assets - in progress	Other intangible assets	Total intangible assets
<b>As of 1 January 2016</b>	<b>1,687</b>	<b>13,141</b>	<b>20,217</b>	<b>35,043</b>
Acquisitions	129	8,130	(26)	8,233
Disposals	(19)	-	-	(19)
Scope changes	18	204	17,156	17,378
Depreciation and amortisation	(187)	(289)	(1,176)	(1,652)
Impairment	-	759	-	759
Translation reserve	16	1,473	2,445	3,937
Other	127	(849)	1,699	977
<b>As of 31 December 2016</b>	<b>1,769</b>	<b>22,568</b>	<b>40,316</b>	<b>64,655</b>
<b>As of 1 January 2017</b>	<b>1,769</b>	<b>22,568</b>	<b>40,316</b>	<b>64,655</b>
Acquisitions	57	13,330	113	13,500
Disposals	(6)	(1,018)	(111)	(1,136)
Scope changes	(0)	-	-	(0)
Depreciation and amortisation	(68)	170	(934)	(832)
Impairment	-	-	100	100
Translation reserve	(1)	(650)	(1,339)	(1,990)
Other	1,763	(1,274)	(2,403)	(1,913)
<b>As of 30 June 2017</b>	<b>3,515</b>	<b>33,126</b>	<b>35,743</b>	<b>72,384</b>

The increase in fixed assets as of 30 June 2017, of an amount of €13,500 thousand, mainly concerns the capitalisation of costs associated with the development of projects and the launch of construction of the Carrières des Plaines power plant.

### C. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist mainly of electricity generation facilities. They are recognised at cost (purchase price plus ancillary costs).

When the components of an asset have different useful lives, they are accounted for separately and depreciated over their own useful lives. Significant spare parts are capitalised and depreciated over the useful life of power plants.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental thereto. These finance lease contracts are then recognised at the lower of the fair value of the asset and the present value of the minimum payments under the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to the various periods during the lease term so as to produce a constant periodic effective rate of interest on the remaining balance of the liability under each period.

The straight line amortisation method, which leads to a constant expense over the useful life of the assets, is normally used by the Group. The Group may opt for amortisation using production units in the specific case where the power plants in production face technical, operations or regulatory constraints. In the absence of connection to the power grid, and therefore an absence of production, amortisation is zero. This is the case for the SMG wind farm, operational since 30 June 2015, which was connected to the grid on 18 June 2017, because of the delay in the connection work under the government's responsibility. As contractual production began on 27 June 2017, depreciation and amortisation is recognised from 1 July.

For information, the half-yearly allocation using the straight line method that would have been recognised would have been around €2.8 million.

The useful lives used for the main components are the following:

- For wind power plants: 25 years;
- For solar power plants: 25 years;
- For hydro-power plants: infrastructure from 5 to 40 years; equipment from 8 to 20 years;
- For biomass power plants: infrastructure 15 to 30 years; equipment from 5 to 30 years.

Other fixed assets are amortised on a straight-line basis over periods of between 2 and 10 years. The Group conducts an annual review of useful lives.

Land is not depreciated.

Decommissioning obligations were recognised as an asset component against a provision in the same amount. Decommissioning obligations are amortised based on the life of the underlying assets concerned.

In the absence of multi-year maintenance expenses, expenses for routine maintenance of power plants to keep them in good working order are recorded as expenses as they arise.

The carrying amount of an asset is written down immediately to its recoverable amount when the carrying amount of the asset exceeds its estimated recoverable amount.

Production facilities are amortised on a straight line basis over their estimated useful lives, (or actual use if a contract provides for a transfer of ownership), as of the date on which the asset is put into use, i.e. once it is in place and in the condition necessary to be capable of operating in the manner intended by management.

As of 30 June 2017, property, plant and equipment can be analysed as follows:

<i>(in thousands of euros)</i>	Gross value	Depreciation, amortisation & Impairment	June 2017	Gross value	Depreciation, amortisation & Impairment	December 2016
Land	6,843	(1,738)	5,105	1,246	(648)	598
Buildings	589,395	(55,563)	533,832	693,404	(50,656)	642,748
Materials, equipment and tooling	65,887	(19,411)	46,477	20,406	(16,751)	3,655
Assets under construction	13,542	-	13,542	4,566	-	4,566
Other	27,388	(118)	27,270	10,809	0	10,809
<b>Total property, plant and equipment</b>	<b>703,055</b>	<b>(76,830)</b>	<b>626,225</b>	<b>730,431</b>	<b>(68,055)</b>	<b>662,377</b>



<i>(in thousands of euros)</i>	Land	Buildings	Materials, equipment and tooling	Assets under construction	Other	Property, plant and equipment
<b>As of 1 January 2016</b>	<b>302</b>	<b>409,292</b>	<b>1,027</b>	<b>1,387</b>	<b>33,615</b>	<b>445,622</b>
Acquisitions	-	108,073	340	4,100	9,463	121,975
Disposals	-	(0)	(112)	-	-	(112)
Scope changes	281	5,283	3,185	70	-	8,818
Depreciation and amortisation	-	(15,591)	(987)	-	-	(16,578)
Impairment	-	6	117	-	-	122
Translation reserve	15	96,167	55	646	5,298	102,182
Other	-	39,519	30	(1,637)	(37,567)	347
<b>As of 31 December 2016</b>	<b>598</b>	<b>642,748</b>	<b>3,655</b>	<b>4,566</b>	<b>10,809</b>	<b>662,378</b>
<b>As of 31 December 2016</b>	<b>598</b>	<b>642,748</b>	<b>3,655</b>	<b>4,566</b>	<b>10,809</b>	<b>662,378</b>
Acquisitions	0	2,353	654	10,685	21,064	34,755
Disposals	-	(197)	(78)	248	(1,776)	(1,803)
Scope changes	-	4,527	(4,527)	-	-	(0)
Depreciation and amortisation	(116)	(10,493)	(784)	-	13	(11,380)
Impairment	-	108	0	-	-	109
Translation reserve	(7)	(47,992)	(559)	(1,200)	(2,643)	(52,401)
Other	4,630	(55,985)	46,877	(757)	(196)	(5,431)
<b>As of 30 June 2017</b>	<b>5,105</b>	<b>535,069</b>	<b>45,239</b>	<b>13,542</b>	<b>27,270</b>	<b>626,225</b>

## D. IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The Group uses estimates and must use certain assumptions designed to (i) assess the expected useful life of the assets in order to determine their amortisation period; and (ii) recognise impairment, if necessary, on the balance sheet value of any asset.

In order to ensure the correct valuation of its assets on the balance sheet, the Group regularly reviews certain indicators that would lead to the performance of an impairment test, if necessary.

An impairment test is performed at least once a year for assets with an indefinite life span (goodwill and assets in progress or under construction), or in presence of an indication of impairment.

For farms in operation or under development, the recoverable value is the higher of the fair value of the asset (defined by the CGU) and its useful value. The useful value is exclusively determined from the discounted future cash flows expected from the farm.

For the Development, Construction and Procurement and Operation-Maintenance businesses, the recoverable value is determined from the discounted cash flows expected from the activity.

Discount rates are determined from the weighted average cost of capital (WACC). They are calculated by geographical region for the Electricity Production CGUs, and by activity without geographical segmentation for the three global CGUs.

Impairment is recognised, if applicable, in the amount of the potential recoverable loss of value of the asset.

Impairment tests are based on the use of assumptions concerning:

- the determination of future operating cash flows (weather conditions, inflation, operating costs, CAPEX of projects in development or in construction);
- forecasts for orders and contract renewals for service activities.

The assumptions used by the Group to calculate the recoverable value of its assets are based on past experience and on external data.

The tangible and intangible assets of the farms and clusters in operation present no indication of impairment as of 30 June 2017.

As of 30 June 2017, goodwill resulting from the acquisition of Martifer Solar on 18 August 2016 did not present an indication of impairment.

## NOTE 11- CURRENT AND NON-CURRENT PROVISIONS

The Group recognises provisions when:

- it has a present obligation as a result of a past event;
- it considers it probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- it can reliably estimate the amount of the obligation.

For the wind power plants and in application of Decree No. 2011-652, the Volitalia Group has a decommissioning and remediation obligation at the end of the production period. This obligation includes the decommissioning of production installations, excavation of part of the foundations, restoration of the land unless the owner wants to maintain it in its current condition, and recovery or disposal of waste materials resulting from demolition or decommissioning.

A provision for decommissioning the farm is established with an offsetting entry for decommissioning the asset, the cost of which is the subject of an estimate each year and which is amortised on a straight-line basis over the useful life of the asset. In case of a change in estimate that leads to an increase in the provision, the net value of the asset being decommissioned will be increased accordingly. Conversely, if the change in estimate leads to a decrease in the provision, the asset being decommissioned will be depreciated.

For the photovoltaic power plants, decommissioning costs are not considered significant.

In rare cases, maintenance obligations assumed by the Group that meet the provisioning requirements summarised above have been recorded as a liability. As with all reserves, the Group regularly reviews these provisions, which must in any case reflect the best estimate at the close of the period.

In this context, operating experience has led the Group to break down these assets in more detail and consequently to revise the depreciation schedule of the most vulnerable components of the production units; some provisions are thus no longer applicable.

The Group's new construction business entails guarantees that are the subject of provisions. These construction contracts entail risks of additional costs or penalties, which are the subject of provisions for risks.

As of 30 June 2017, provisions can be analysed as follows:

<i>(in thousands of euros)</i>	Provisions for contingencies (disputes & litigation on business)	Provisions for guarantees	Provisions for termination losses on contracts	Provisions for social and tax risks	Provisions for expenses to be allocated	Total Provisions
<b>As of 1 January 2016</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,244</b>	<b>1,294</b>
Provisions	925	3,492	(1)	14	274	4,705
Reversals used	(3,233)	(4,427)	-	(63)	(88)	(7,811)
Unused reversals	-	-	-	-	-	-
Scope changes	2,665	13,468	-	5,005	1,546	22,685
Translation reserve	(1)	197	-	7	(1)	202
Other	-	-	-	-	(568)	(568)
<b>As of 31 December 2016</b>	<b>407</b>	<b>12,731</b>	<b>(1)</b>	<b>4,963</b>	<b>2,407</b>	<b>20,507</b>
<b>As of 31 December 2016</b>	<b>407</b>	<b>12,731</b>	<b>(1)</b>	<b>4,963</b>	<b>2,407</b>	<b>20,507</b>
Provisions	265	758	-	511	0	1,534
Reversals used	(26)	(1,449)	(0)	(152)	(710)	(2,338)
Unused reversals	-	-	-	-	-	-
Scope changes	-	(433)	-	-	433	(0)
Translation reserve	(137)	(371)	(0)	(146)	1	(654)
Other*	4,154	722	2	(3,432)	(82)	1,365
<b>As of 30 June 2017</b>	<b>4,662</b>	<b>11,959</b>	<b>0</b>	<b>1,744</b>	<b>2,050</b>	<b>20,414</b>

\* Others: these are mainly reclassifications in types of provisions. The balance of €1,365 thousand mainly corresponds to reclassifications of provisions in asset impairments.

<i>(in thousands of euros)</i>	June 2017	December 2016
Non-current provisions	8,033	2,814
Current provisions	12,381	17,693
<b>Total Provisions</b>	<b>20,414</b>	<b>20,507</b>

## NOTE 12- FINANCING AND FINANCIAL INSTRUMENTS

### A. FINANCIAL ASSETS AND LIABILITIES

Financial assets consist of term deposits, loans, non-consolidated securities, investments and cash equivalents and derivative instruments with a positive value.

Sufficiently liquid investments are considered to be trading assets and are classified as “assets at fair value through profit or loss”.

Non-consolidated investments and other assets available for sale are recognised at fair value, and the consideration for these variations is included in other comprehensive income.

Guarantee deposits and term deposits are recorded using the amortised cost method at the effective interest rate. This method does not result in significant differences with the nominal value of receivables that is used. In case of difficulties in debt recovery, impairments are recognised on the basis of collection estimates.

Despite the possible negative value of financial instruments, financial liabilities recognised by the Group are recognised using the amortised cost method at the effective interest rate.

<i>(in thousands of euros)</i>	Gross value	Impairment	June 2017	Gross value	Impairment	December 2016
Deposits and guarantees	7,174	(194)	6,981	6,165	(137)	6,028
Investments in non-consolidated companies	1,415	-	1,415	1,377	-	1,377
Other fixed financial assets	19,287	(1,956)	17,332	19,780	(1,763)	18,017
<b>Total financial assets</b>	<b>27,876</b>	<b>(2,149)</b>	<b>25,727</b>	<b>27,322</b>	<b>(1,900)</b>	<b>25,421</b>

Other fixed assets are mainly loans with non-consolidated companies or companies accounted for with the equity method.

## B. BORROWINGS AND FINANCIAL LIABILITIES (CURRENT AND NON-CURRENT)

Financial liabilities are as follows:

<i>(in thousand euros)</i>	Borrowings from credit establishments	Restatement of bank overdrafts	Asset backed bank loans	Bank overdrafts (debts) (revolving loans)	Accrued interest on borrowings	<b>Borrowings</b>
<b>As of 1 January 2016</b>	<b>284,264</b>	<b>15,040</b>	-	<b>4,775</b>	<b>924</b>	<b>305,004</b>
Repayments	(49,479)	(1,459)	-	(16,674)	(47)	(67,659)
New loans	82,759	-	15,453	-	7,152	105,364
Capitalised interest	-	-	-	-	-	-
Scope changes	16,755	-	-	11,990	187	28,932
Translation reserve	57,688	-	1,848	0	1,033	60,569
Other	60	194	-	(60)	(227)	(32)
<b>As of 31 December 2016</b>	<b>392,047</b>	<b>13,775</b>	<b>17,301</b>	<b>31</b>	<b>9,022</b>	<b>432,177</b>
Repayments	(91,198)	(843)	(2,270)	(31)	(19,809)	(114,152)
New loans	91,226	-	-	9,302	13,965	114,493
Capitalised interest	2,349	-	-	-	(2,349)	-
Scope changes	(0)	-	-	-	-	(0)
Translation reserve	(27,348)	-	(1,411)	(0)	(168)	(28,928)
Other	1,462	819	373	-	1,144	3,797
<b>As of 30 June 2017</b>	<b>368,536</b>	<b>13,750</b>	<b>13,992</b>	<b>9,302</b>	<b>1,806</b>	<b>407,387</b>

As of 30 June 2017, the Group's financial liabilities amounted to €407,387 thousand, down 6%.

This change is mainly due to the depreciation of the real for €28,928 thousand, as 70.5% of the Group's borrowings and financial liabilities are in Brazilian reals.

During the first half-year, short term loans associated with the construction of the Brazilian sites were refinanced with the Banque Nationale de Développement Economique et Social (BNDES), generating a double flow of repayments and loans for around €70,000 thousand.

### Analysis by maturity

(in thousands of euros)	< 1 year	< 1 year and 5 years>	> 5 years	As of 30 June 2017
Leases	1,745	8,129	3,876	13,750
Borrowings and liabilities at credit establishments	27,977	102,197	221,019	351,192
Corporate liabilities	14,452	11,750	2,250	28,452
Bonds	1,217	4,444	8,332	13,992
<b>Total liabilities</b>	<b>45,391</b>	<b>126,519</b>	<b>235,477</b>	<b>407,387</b>

### Analysis by interest rates

(in thousands of euros)	< 1 year	< 1 year and 5 years>	> 5 years	As of 30 June 2017
Fixed	7,485	38,386	22,304	68,175
Variable	37,906	88,133	213,173	339,212
<b>Total liabilities</b>	<b>45,391</b>	<b>126,519</b>	<b>235,477</b>	<b>407,387</b>

Variable rate borrowings represent 83% of the Group's liabilities and include €287,603 thousand in borrowings raised in Brazil. The majority of these borrowings carry interest at an adjustable rate applicable to borrowings from the BNDES. These Brazilian adjustable rates decided by the public authority are generally correlated with inflation, and therefore with the revenue of the Group's power plants in Brazil. This correlation between changes in interest expenses and changes in income makes possible an effective economic hedge of long-term interest rate risk in Brazil.

### Analysis by currency

(in thousands of euros)	< 1 year	< 1 year and 5 years>	> 5 years	As of 30 June 2017
BRL	19,966	74,276	193,361	287,603
EUR	25,425	52,244	42,115	119,784
<b>Total liabilities</b>	<b>45,391</b>	<b>126,519</b>	<b>235,477</b>	<b>407,387</b>

## C. FINANCIAL PROFIT (LOSS)

### Cost of net financial debt

The cost of net financial debt includes interest payable on borrowings calculated using the effective interest rate method, net of interest receivable on investments and other financial income. Income from interest is recognised in the income statement as it accrues, using the effective interest rate method.

Net financial income includes both the cost of debt and other financial revenues and expenses.

<i>(in thousands of euros)</i>	June 2017	June 2016
Interest on borrowings	(177)	-
Interest on Group borrowings	(1,277)	-
Interest on lease contracts	(334)	-
Interest on other borrowings	(14,325)	(13,872)
<b>Gross loan expenses</b>	<b>(16,113)</b>	<b>(13,872)</b>
Translation losses	(5,446)	(47)
Translation gains	2,562	76
Other financial income and expenses	(161)	2,459
<b>Other financial income and expenses</b>	<b>(3,045)</b>	<b>2,488</b>
<b>Financial profit (loss)</b>	<b>(19,157)</b>	<b>(11,384)</b>

Gross loan expenses increased by 16% due to the commissioning of Vila Para less the depreciation of the Brazilian real over the period.

Other financial income and expenses includes the change in fair value of a derivative instrument (see Note 12D – Derivative instruments).

#### D. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge its exposure to interest rate or currency risks arising from its operating, financing and investment activities. In accordance with its cash management policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are measured at fair value. The fair value of interest rate swaps is the estimated amount that the Group would receive or would settle to terminate the swap at the balance sheet date, taking into account the current level of interest rates and the credit risk of the counterparties to the swap.

The gain or loss arising from the fair value remeasurement is recognised immediately in income, except when a derivative financial instrument is designated as a hedging instrument for the cash flow variations of a highly probable forecast transaction. The effective portion of the gain or loss on the derivative financial instrument is recognised in other comprehensive income and transferred to profit or loss when the hedged item affects the result itself. The ineffective portion is recognised immediately in the profit.



## Hedging instruments eligible for hedging accounting

<i>Hedge Counterparty/ Company(in thousands of euros)</i>	Notional	Start date	Duration (years)	Expiry	Fair value as of 31 December 2016	Fair value as of 30 June 2017	Change in fair value Impact on earnings	Change in fair value Impact on equity
La Faye Energies	€12,964 K	09/08/2011	14	30/06/2025	(1,261)	(1,063)	-	199
Molinons wind farm	13,996 K€	02/10/2014	15	15/10/2029	(1,349)	(1,079)	-	270
Adriers Energies	€12,060 K	02/10/2014	15	28/09/2029	(704)	(485)	-	219
Voltalia SA	30,000 KBRL	17/03/2016	1	01/02/2017	(2,742)	-	1,102	1,639
Voltalia SA	102,000 KBRL	04/05/2017	1	14/10/2017	NA	1,845	1,845	-
Voltalia Do Brasil	€7,000 K	24/03/2016	1	24/03/2017	(1,574)	-	1,574	-
<b>Total</b>	-				<b>(7,630)</b>	<b>(782)</b>	<b>4,521</b>	<b>2,327</b>

In order to hedge against exposure to rising interest rates that impact interest flows related to the variable rate financing of the La Faye, Molinons and Adriers wind farms, Voltalia subsidiaries concluded an interest rate swap whose characteristics in terms of nominal and dates of fixings correspond exactly to the characteristics of the hedged item. Consequently, this financial instrument is accounted for as fully effective.

## Hedging instruments not eligible for hedging accounting

During Q1 2017, Voltalia was required to implement financing in reals to support the development activities in Brazil. In a context of significant volatility of the Brazilian Real, a derivative instrument was implemented. Voltalia has not opted for hedging accounting. The change in fair value is, therefore, recognised in income.

<i>Company (in thousands of euros)</i>	Future amount	Start date	Duration (years)	Provisional maturity at date	Fair value as of 31 December 2016	Fair value as of 30 June 2017	Change in fair value Impact on earnings
Voltalia SA	39,000 KBRL	04/05/2017	1	13/12/2017	n.m.	733	733

## Hierarchy of fair value measurement of financial assets and financial liabilities

As of 30 June 2017, the only financial instruments recognised at fair value are interest rate and currency hedging liabilities for a total net amount of €(49) thousand including €2,578 thousand in current assets and €2,627 thousand in non-current liabilities.

As on the 31 December 2016, the fair values of these instruments are only level 2 fair values.

## Categories of financial assets and financial liabilities

As of 30 June 2017, the measurement principles used for financial instruments and their market value are as follows:

<i>As of 30 June 2017(in thousands of euros)</i>	Fair value through income	Loans and receivables	Debt at amortised cost	Derivative instruments	Balance sheet value	Fair value
<b>Non-current assets</b>						
Non-current financial assets		25,382			25,382	25,382
Other non-current assets		78			78	78
Derivative assets					-	
<b>Current assets</b>						
Inventories		2,466			2,466	2,466
Trade and other receivables		49,518			49,518	49,518
Other current assets		16,312			16,312	16,312
Derivative assets				2,578	2,578	2,578
Cash and cash equivalents	56,122				56,122	56,122
<b>TOTAL ASSETS</b>	<b>56,122</b>	<b>93,756</b>	<b>-</b>	<b>2,578</b>	<b>152,457</b>	<b>152,457</b>
<b>Non-current liabilities</b>						
Borrowings and financial liabilities			365,217		365,217	365,295
Non-current liabilities			- 0		- 0	- 0
Derivative liabilities					-	-
<b>Current liabilities</b>						
Trade and other payables			52,308		52,308	52,308
Borrowings and financial liabilities			57,534		57,534	58,215
Other current liabilities			12,030		12,030	12,030
Derivative liabilities				2,627	2,627	2,627
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>487,088</b>	<b>2,627</b>	<b>489,715</b>	<b>490,474</b>

As of 31 December 2016, the measurement principles used for financial instruments and their market value are as follows:

As of 31 December 2016: (in thousands of euros)	Fair value through income	Loans and receivables	Debt at amortised cost	Derivative instruments	Balance sheet value	Fair value
<b>Non-current assets</b>						
Non-current financial assets		23,735			23,735	23,735
Other non-current assets		0			0	0
<b>Current assets</b>						
Inventories		2,542			2,542	2,542
Trade and other receivables		59,784			59,784	59,784
Other current assets		3,405			3,405	3,405
Cash and cash equivalents	101,375				101,375	101,375
<b>TOTAL ASSETS</b>	<b>101,375</b>	<b>89,466</b>	<b>-</b>	<b>-</b>	<b>190,841</b>	<b>190,841</b>
<b>Non-current liabilities</b>						
Borrowings and financial liabilities			322,688		322,688	322,737
Non-current liabilities			2,793		2,793	2,793
Derivative liabilities				3,314	3,314	3,314
<b>Current liabilities</b>						
Trade and other payables			70,301		70,301	70,301
Borrowings and financial liabilities			109,955		109,955	110,742
Other current liabilities			2,592	0	2,592	3,379
Derivative liabilities				4,316	4,316	4,316
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>508,329</b>	<b>7,630</b>	<b>515,959</b>	<b>517,582</b>

## NOTE 13- INCOME TAX

Income tax (expense or income) comprises of current tax expense (current tax income) and deferred tax expense (deferred tax income). Tax is recognised in the income statement unless it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is (i) the estimated amount of tax payable on the taxable income of a period, determined using tax rates that have been enacted or substantively enacted by the balance sheet date, and (ii) any adjustment to the amount of tax payable in respect of previous periods.

Tax consolidation scopes have been established within the Group. Each of the areas is treated as a taxable entity under IAS 12 and is accordingly the subject of a corresponding deferred taxation compensation.

As of 30 June 2017, income taxes amounted to €(1,736) thousand compared to €(2,138) thousand as of 30 June 2016.

## NOTE 14- EQUITY AND EARNINGS PER SHARE

### A. EQUITY

#### Share capital

Ordinary shares are classified as equity instruments. Supplementary costs directly attributable to the issue of new shares or options are recognised in equity as a reduction of income from the issue.

During the first half-year of 2017, equity did not change:

	Denomination	Initial number of shares	Issued shares	Total shares	Value per share	Capital amount in euros
1 January 17	Number of shares	48,943,173		48,943,173	5.70	278,976,086
Capital as of 30 June 2017				48,943,173	5.70	278,976,086

#### Stock option plan

The General Meeting of 2 April 2008 gave permission to the Board of Directors to grant 312,454 BSPCE warrants with rights to the subscription of that same number of shares. The Board of Directors approved the allocation of 150,000 BSPCE warrants on 1 April 2009, and the allocation of the remainder (162,454 BSPCE warrants) was approved by the Board of Directors on 3 August 2009.

In total, 42,105 BSPCEs were exercised and 116,459 BSPCEs expired resulting in 153,995 exercisable BSPCEs as of 30 June 2017. Taking into account share consolidation decided by the Combined General Meeting of 13 June 2014 and the adjustment carried out following the capital increase of November 2016, there were 153,995 exercisable BSPCEs as of 30 June 2017 giving rights to 16,580 shares.

#### Free share plan

The General Meeting of 13 June 2014 authorised the allocation of free shares, subject to a threshold, to Company employees or certain categories of them and/or corporate officers who meet the conditions established by law. The Board of Directors on 25 July 2014 used this authorisation to award 21,667 free shares to employees. Taking into account the adjustment decided following the capital increase of November 2016, there were 23,340 free shares as of 30 June 2017.

#### Share subscription or share purchase options plan for key managers

The General Meeting of 11 June 2015 gave permission to the Board to allocate share subscription or purchase options, subject to a ceiling, to key managers who meet the conditions established by law. The Board of Directors used this authorisation on 6 August 2015 to allocate 201,204 subscription options to certain employees and one corporate officer. The exercise price is 9.03 euros. The validity period of the plan is 7 years. The options will be exercisable until 6 August 2022.

Taking into account the adjustment decided following the capital increase of November 2016, 216,811 shares could be subscribed as of 30 June 2017 and the exercise price of stock options was adjusted from €9.03 to €8.38.

#### Share subscription or share purchase options plan as part of an equity financing facility

In October 2015, a contract was signed between Volitalia SA and Kepler Cheuvreux to issue stock options to increase the number of floating shares and have a higher reserve of liquidity.

The Company issued a total of 1,000,000 warrants giving the right to subscribe the same number of shares in favour of Kepler Cheuvreux which, subject to fulfilment of the conditions agreed by the parties, has undertaken to exercise them over the next 36 months after the allocation plan has been drawn up. At the time of the announcement of the contract's signature, the exercise in full of these warrants would increase the free float of the Company from 14.7% to 17.8%.

As of 30 June 2017, 30,000 warrants had been exercised reducing the number of exercisable warrants to 970,000.

#### Free share plan

The General Meeting of 12 May 2016 authorised the allocation of free shares, subject to a ceiling, to Company employees or certain categories of them and/or corporate officers who meet the conditions established by law. The Board of Directors on 16 December 2016 used this authorisation to award 52,500 free shares to employees. This amount had not changed as of 30 June 2017.

## Dividends

No dividends have been paid since the Company's creation.

## B. EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The information presented is calculated using the following principles:

Basic earnings per share: the ratio of earnings for the period (Group share) relative to the weighted average number of ordinary shares outstanding during the period, after deduction of treasury shares held during the period. The average number of ordinary shares in circulation is an adjusted annual weighted average of the number of ordinary shares bought back or issued during the period and calculated based on the date of issue of shares during the period;

Diluted earnings per share: earnings for the period (Group share) and the weighted average number of shares outstanding, used to calculate basic earnings per share, are adjusted for the effects of all potentially diluting ordinary shares: stock options, free shares and other diluting instruments (BSPCE).

## C. EARNINGS PER SHARE

### Basic earnings per share

	June 2017	June 2016
<i>(in thousands of euros)</i>		
Net earnings attributable to the parent company in the period	(6,810)	3,024
Net earnings taken into account to calculate earnings per share	(6,810)	3,024
Weighted average number of outstanding shares	48,924,341	26,178,300
Earnings per share in euros	(0.1392)	0.1155
Retrospective adjustment		
Weighted average number of outstanding shares	48,924,341	48,924,341
Basic earnings per share (in €)	(0.1392)	0.0618

It is calculated by dividing the earnings attributable to the Group by the weighted average number of common shares outstanding during the period, less any treasury shares. The weighted average number of common shares is an average calculated from the date of issue or redemption of shares during the period.

#### Diluted earnings per share

<b>(in thousands of euros)</b>	<b>June 2017</b>	<b>June 2016</b>
Net earnings attributable to the parent company in the period	(6,810)	3,024
Net earnings taken into account to calculate diluted earnings per share	(6,810)	3,024
Weighted average number of outstanding shares	48,924,341	26,178,300
Number of shares resulting from the conversion of dilutive instruments	1,279,231	1,216,670
Weighted average number of outstanding shares used to calculate diluted earnings per share	50,203,572	27,394,970
<b>Diluted earnings per share in euros - after consolidation</b>	<b>(0.1357)</b>	<b>0.1104</b>
<b>Retrospective adjustment</b>		
Weighted average number of outstanding shares	50,203,572	50,203,572
<b>Basic earnings per share (in €)</b>	<b>(0.1357)</b>	<b>0.0602</b>

Diluted earnings per share takes into account the dilutive instruments outstanding at the end of the period.

As of 30 June 2017, dilutive instruments included:

- 153,995 exercisable BSPCEs giving rights to 16,580 shares;
- 23,340 free shares;
- 201,204 share subscription options (in favour of employees) giving rights to 216,811 shares;
- 970,000 share subscription warrants (equity line), giving rights to that same number of shares;
- 52,500 free shares.

## NOTE 15- CASH AND CASH EQUIVALENTS

As of 30 June 2017, net cash can be analysed as follows:

<i>(in thousands of euros)</i>	June 2017	December 2016
Cash assets	23,817	78,871
Marketable securities	32,335	22,504
<b>Cash and cash equivalents</b>	<b>56,152</b>	<b>101,375</b>
Cash liability	(29)	(22)
<b>Cash balance</b>	<b>56,122</b>	<b>101,353</b>

The change in cash and cash equivalents is mainly due to the continued investments in wind power plants in Brazil (Vila Acre) and France (Canadel and Carrières de Plaines), the generation of operational cash and cash equivalents, and the payment of debt servicing.

## NOTE 16- OFF-BALANCE SHEETS COMMITMENTS AND RELATED PARTIES

### A. COMMITMENTS GIVEN

<i>(in thousands of euros)</i>	As of 30 June 2017
Commitments given by Voltalia to suppliers, in favour of its subsidiaries	5,228
Commitments given by Voltalia to customers, in favour of its subsidiaries	256,469
Guarantees relating to the decree ensuring the safety of installations classified for the protection of the environment (ICPE)	1,254
<b>Commitments given relating to operating activities</b>	<b>262,950</b>

#### Commitments given relating to operating activities

The commitments to suppliers are mainly guarantees of payment granted to suppliers in respect of supply contracts concluded by the subsidiaries.

Commitments to customers consist mainly of guarantees granted by the Group in which the Group acts as joint guarantor for the proper performance of contractual commitments made on contracts relating to



studies, design, development, construction, operation and maintenance. These guarantees are generally granted for the duration of the contract in question, with a ceiling amount.

As part of the remediation guarantee for facilities classified for environmental protection (ICPE), the Group companies affected by this requirement benefit from a grandfather provision and took out surety insurance with a top-tier insurer in July 2016. The dismantling obligation is recognised as a dismantling asset. The dismantling insurance coverage is €1,254 thousand.

At 31.12.2016, the commitments given by the Group represented €268,690 thousand, including €233,323 thousand in commitments given in respect of the operational activities of Martifer Solar.

#### Commitments given in relation to financing activities

Debts contracted by the Group in the framework of project financing are guaranteed as collateral (mortgages, pledge on equipment, pledge of securities and receivables, and reserve accounts) for their repayment. As of 30 June 2017, this amount was €173,976 thousand.

## B. COMMITMENTS RECEIVED

#### Commitments received relating to operating activities

<i>(in thousands of euros)</i>	As of 30 June 2017
Commitments received by the Group from suppliers	76,669
Subsidies received	1,291
<b>Commitments received relating to operating activities</b>	<b>77,960</b>

The commitments received from suppliers are mainly performance/completion guarantees or even advance payments in favour of the Group under supply contracts concluded by subsidiaries with these suppliers.

99% of these commitments received relating to operating activities are for Brazil.

At 31.12.2016, the commitments received by the Group represented €84,553 thousand. The change is due to the depreciation of the BRL since the beginning of the year.

#### Confirmed Corporate financing lines:

- €35,000 thousand euros in syndicated credit lines due in March 2021: this line is not used as of 30.06.2017.
- Confirmed bilateral credit lines of €15,000 thousand: €9,000 thousand of these lines had been used at 30.06.2017.
- Confirmed overdrafts of €12,000 thousand. €9,300 thousand of these lines had been used at 30.06.2017.

### C. RELATED PARTY DISCLOSURES

#### Loans to associates

As of 30 June 2017, there were no loans to key Group executives.

#### Related party transactions

The transactions made by the Voltalia Group with its non-consolidated or equity participations are included in the consolidated accounts.

As of 30 June 2017, the Company had no balance sheet commitments vis-à-vis related parties.

## 11. NOTES - LIST OF COMPANIES – SCOPE OF CONSOLIDATION

### List of fully-consolidated companies

		Method	Interests	Interests
Distribution geographical scope	Legal entities - FULL CONSOLIDATION	June 2017	June 2017	December 2016
Europe				
Belgium				
	BEL001 Martifer Solar N.V. BE	FULL CONSOLIDATION	100.00%	100.00%
Spain				
	ESP001 Martifer Solar Sistemas Solares, S.A. ES	FULL CONSOLIDATION	100.00%	100.00%
	ESP002 Solar Parks Construcción Parques Solares ETVE S.A. ES	FULL CONSOLIDATION	100.00%	100.00%
France				
	FRA001 Voltalia SA	HOLDING	100.00%	100.00%
	FRA002 Martifer Solar S.A.S.	FULL CONSOLIDATION	100.00%	100.00%
	FRA003 Home Energy France SAS	FULL CONSOLIDATION	100.00%	100.00%
	FRA004 MTSFR PARROC	FULL CONSOLIDATION	100.00%	100.00%
	FRA005 MTSFR LASOUT	FULL CONSOLIDATION	100.00%	100.00%
	FRA006 MTSFR PARROU	FULL CONSOLIDATION	100.00%	100.00%
	FRA007 Anelia	FULL CONSOLIDATION	100.00%	100.00%
	FRA008 Bio-Bar	FULL CONSOLIDATION	-	100.00%
	FRA009 Parc Eolien Argenteuil	FULL CONSOLIDATION	100.00%	100.00%
	FRA010 Parc Eolien Laignes	FULL CONSOLIDATION	100.00%	100.00%
	FRA011 Parc Eolien Sarry	FULL CONSOLIDATION	100.00%	100.00%
	FRA012 Adriers Energies	FULL CONSOLIDATION	100.00%	100.00%
	FRA013 La Faye Energies	FULL CONSOLIDATION	62.71%	62.71%
	FRA014 Echauffour Energies	FULL CONSOLIDATION	100.00%	100.00%
	FRA015 Parc Eolien Coulmier	FULL CONSOLIDATION	100.00%	100.00%
	FRA016 3VD	FULL CONSOLIDATION	100.00%	100.00%

				Interests	Interests
Distribution geographical scope	Legal entities - FULL CONSOLIDATION		June 2017	June 2017	December 2016
France	FRA018	Meje Energies	FULL CONSOLIDATION	100.00%	100.00%
	FRA020	Molinons wind farm	FULL CONSOLIDATION	100.00%	100.00%
	FRA021	Parc solaire de Montclar	FULL CONSOLIDATION	100.00%	100.00%
	FRA022	Parc solaire du Castellet (formerly Peyrefuguede)	FULL CONSOLIDATION	100.00%	100.00%
	FRA023	Parc solaire de Piboulon	FULL CONSOLIDATION	100.00%	100.00%
	FRA024	Parc Solaire Puy Madame I	FULL CONSOLIDATION	100.00%	100.00%
	FRA025	Parc Solaire Puy Madame II	FULL CONSOLIDATION	100.00%	100.00%
	FRA026	Parc Solaire Puy Madame III	FULL CONSOLIDATION	100.00%	100.00%
	FRA027	Parc Solaire Puy Madame IV	FULL CONSOLIDATION	100.00%	100.00%
	FRA028	Parc solaire Carrière des plaines	FULL CONSOLIDATION	100.00%	100.00%
	FRA029	Parc solaire de Tresques	FULL CONSOLIDATION	100.00%	100.00%
	FRA030	Parc solaire du Castellet 2	FULL CONSOLIDATION	100.00%	100.00%
	FRA031	Parc solaire de Grignan	FULL CONSOLIDATION	100.00%	100.00%
	FRA036	Parc Solaire du Canadel	FULL CONSOLIDATION	100.00%	100.00%
	FRA037	PEP Energie France	FULL CONSOLIDATION	100.00%	100.00%
	FRA038	GEP Energie France	FULL CONSOLIDATION	100.00%	100.00%
	FRA039	ECM Energie France	FULL CONSOLIDATION	100.00%	100.00%
	FRA040	SVNC Energie France	FULL CONSOLIDATION	100.00%	100.00%
	FRA041	Voltalia Energie	FULL CONSOLIDATION	100.00%	0.00%
	FRA042	Parc Eolien de Marly	FULL CONSOLIDATION	100.00%	100.00%
United Kingdom	GBR001	Martifer Solar UK	FULL CONSOLIDATION	100.00%	100.00%
	GBR007	MTS Tonge Solar Limited	FULL CONSOLIDATION	100.00%	100.00%
Greece	GRC001	Voltalia Greece	FULL CONSOLIDATION	100.00%	100.00%

Italy	GRC002	Energiaki Agionoriou	FULL CONSOLIDATION	100.00%	100.00%
	GRC003	Energiaki Aguelokastrou	FULL CONSOLIDATION	100.00%	100.00%
	GRC004	Energiaki Sesklou Magnisias	FULL CONSOLIDATION	100.00%	100.00%
	GRC006	Cluster Holding SA	FULL CONSOLIDATION	80.00%	80.00%
	GRC007	Energen SA	FULL CONSOLIDATION	100.00%	100.00%
	GRC008	Rougero Holding SA	FULL CONSOLIDATION	51.00%	51.00%
	GRC009	Lakka Kokkini Aioliiki SARL	FULL CONSOLIDATION	100.00%	100.00%
	GRC010	Energiaki Sesklou 1 Ltd	FULL CONSOLIDATION	100.00%	100.00%
	GRC011	Xenakis Yorgos SCS	FULL CONSOLIDATION	98.00%	98.00%
	GRC012	Sarafadis SNC	FULL CONSOLIDATION	100.00%	100.00%
	GRC013	Fotovoltaiki Systimata Katerin	FULL CONSOLIDATION	100.00%	100.00%
	GRC014	Fotovoltaiki Parka Pieras	FULL CONSOLIDATION	100.00%	100.00%
	GRC015	Fotovoltaiki Katerinis SNC	FULL CONSOLIDATION	100.00%	100.00%
	GRC016	Kalaitzidis St - Ofidis AR	FULL CONSOLIDATION	100.00%	100.00%
	GRC017	GSolar Energiaki	FULL CONSOLIDATION	64.00%	64.00%
	GRC018	Gervolt Ltd	FULL CONSOLIDATION	100.00%	100.00%
	GRC019	Forgero Holding SA	FULL CONSOLIDATION	65.00%	65.00%
	GRC020	Martifer Solar Hellas, A.T.E.	FULL CONSOLIDATION	100.00%	71.15%
Netherla nds	ITA001	Martifer Solar S.R.L.	FULL CONSOLIDATION	100.00%	100.00%
	ITA003	MTS1 S.R.L.	FULL CONSOLIDATION	100.00%	100.00%
	ITA004	MTS2 S.R.L.	FULL CONSOLIDATION	100.00%	100.00%
Portugal	NLD001	Martifer Solar Investments B.V.	FULL CONSOLIDATION	100.00%	100.00%
	NLD002	Khepri Solar B.V.	FULL CONSOLIDATION	100.00%	100.00%
Slovakia	PRT001	Martifer Solar, S.A.	FULL CONSOLIDATION	100.00%	100.00%
	PRT002	MPrime Solar Solutions, S.A.	FULL CONSOLIDATION	100.00%	100.00%
	PRT003	Sol Cativante	FULL CONSOLIDATION	100.00%	100.00%
	PRT004	Greencoverage Unipessoal Lda.	FULL CONSOLIDATION	100.00%	100.00%
	PRT006	Believe in Bright Unipessoal LDA	FULL CONSOLIDATION	100.00%	100.00%

			Method	Interests	Interests
Distribution geographical scope		Legal entities - FULL CONSOLIDATION	June 2017	June 2017	December 2016
America  Brazil	SVK001	Martifer Solar SK s.r.o.	FULL CONSOLIDATION	100.00%	100.00%
	BRA001	Martifer Solar Ltda	FULL CONSOLIDATION	99.99%	99.99%
	BRA002	Martifer Solar S.A. Brazil branch	FULL CONSOLIDATION	100.00%	100.00%
	BRA003	Voltalia Do Brasil	FULL CONSOLIDATION	100.00%	100.00%
	BRA004	Paracatu Energia	FULL CONSOLIDATION	53.43%	51.00%
	BRA005	Sapeel	FULL CONSOLIDATION	95.00%	95.00%
	BRA006	Junco 1	FULL CONSOLIDATION	25.60%	25.60%
	BRA007	Junco 2	FULL CONSOLIDATION	25.60%	25.60%
	BRA008	Caiçara 1	FULL CONSOLIDATION	25.60%	25.60%
	BRA009	Caiçara 2	FULL CONSOLIDATION	25.60%	25.60%
	BRA010	Terral	FULL CONSOLIDATION	100.00%	100.00%
	BRA011	Carcara 1	FULL CONSOLIDATION	100.00%	100.00%
	BRA012	Carcara 2	FULL CONSOLIDATION	100.00%	100.00%
	BRA013	Usina de Energia Eolica Reduto S.A	FULL CONSOLIDATION	51.00%	51.00%
	BRA014	Usina de Energia Eolica Santo Cristo S.A	FULL CONSOLIDATION	51.00%	51.00%
	BRA015	Usina de Energia Eolica Carnauba S.A	FULL CONSOLIDATION	51.00%	51.00%
	BRA016	Usina de Energia Eolica Sao João S.A	FULL CONSOLIDATION	51.00%	51.00%
	BRA017	Envolver	FULL CONSOLIDATION	50.20%	50.20%
	BRA018	Areia Branca I	FULL CONSOLIDATION	100.00%	100.00%
	BRA019	Areia Branca II	FULL CONSOLIDATION	100.00%	100.00%
	BRA020	Tourinho I	FULL CONSOLIDATION	100.00%	100.00%
	BRA021	Tourinho II	FULL CONSOLIDATION	100.00%	100.00%
	BRA022	Vila Para I	FULL CONSOLIDATION	100.00%	100.00%

Chile	BRA023	Vila Para II	FULL CONSOLIDATION	100.00%	100.00%
	BRA024	Vila Para III	FULL CONSOLIDATION	100.00%	100.00%
	BRA025	Vila Amazonas V	FULL CONSOLIDATION	100.00%	100.00%
	BRA026	Voltalia Sao Miguel Do Gostoso Participacoes S.A	FULL CONSOLIDATION	51.00%	51.00%
	BRA027	Voltalia SMG I	FULL CONSOLIDATION	51.00%	51.00%
	BRA028	Oiapoque Energia	FULL CONSOLIDATION	100.00%	100.00%
	BRA029	Vamcruz Participacoes SA	FULL CONSOLIDATION	25.60%	25.60%
	BRA030	Vamcruz 1 Participacoes SA	FULL CONSOLIDATION	25.60%	25.60%
	BRA031	Serra Pará I Participações S.A	FULL CONSOLIDATION	100.00%	100.00%
	BRA032	Serra Pará Participações S.A	FULL CONSOLIDATION	100.00%	100.00%
	BRA033	Usina de Energia Eólica Vila Acre I S.A	FULL CONSOLIDATION	100.00%	100.00%
	BRA034	Voltalia Energia do Brasil Consultoria e Participações S.A	FULL CONSOLIDATION	100.00%	100.00%
	BRA035	Alameda Acre Participações S.A	FULL CONSOLIDATION	100.00%	100.00%
	CHL001	Martifer Solar Chile Holding Limitada	FULL CONSOLIDATION	100.00%	100.00%
French Guiana	GUF001	Voltalia Guyane	FULL CONSOLIDATION	80.00%	80.00%
	GUF002	SIG Mana	FULL CONSOLIDATION	100.00%	99.90%
	GUF003	SIG Kourou - manager	FULL CONSOLIDATION	80.07%	80.07%
	GUF004	SIG Cacao	FULL CONSOLIDATION	100.00%	100.00%
	GUF005	Voltalia Kourou	FULL CONSOLIDATION	80.07%	80.07%
	GUF006	Voltalia Caraïbes	FULL CONSOLIDATION	100.00%	100.00%
	GUF007	Centrale Hydroélectrique de Saut Maman Valentin (CHSMV)	FULL CONSOLIDATION	80.00%	80.00%
	GUF008	Belle Etoile energie Guyane	FULL CONSOLIDATION	80.00%	80.00%
	GUF009	VLT saut Mapaou Investissement	FULL CONSOLIDATION	80.00%	79.92%
	GUF010	Voltalia Organabo Investissement	FULL CONSOLIDATION	80.00%	79.92%
	GUF011	Hydro Régina 2 Investissement	FULL CONSOLIDATION	80.00%	80.00%
	GUF012	Bon Espoir energie Guyane	FULL CONSOLIDATION	80.00%	80.00%

Asia	Mexico	GUF013	Voltalia Biomasse Amazone Investissement	FULL CONSOLIDATION	80.00%	79.20%
		GUF014	Tamanoir energie Guyane	FULL CONSOLIDATION	80.00%	80.00%
		GUF015	Voltalia Saut Mapaou Exploitation	FULL CONSOLIDATION	80.00%	80.00%
		GUF016	Volta Guyane	FULL CONSOLIDATION	100.00%	100.00%
		GUF017	Montsinery SNC (Volta G holding)	FULL CONSOLIDATION	100.00%	100.00%
		GUF018	Saut Dalles Energie Guyane	FULL CONSOLIDATION	80.00%	80.00%
		GUF019	Maripasoula Energie Guyane	FULL CONSOLIDATION	80.00%	80.00%
		GUF020	Roura Bois Energie	FULL CONSOLIDATION	100.00%	100.00%
		GUF021	Cr'Eole	FULL CONSOLIDATION	100.00%	100.00%
	Mexico	MEX001	MTS Solar sistemas Solares S.A.	FULL CONSOLIDATION	100.00%	100.00%
		MEX002	Martifer Solar Servicios Mexico	FULL CONSOLIDATION	100.00%	100.00%
	India	IND001	Inspira Solar	FULL CONSOLIDATION	51.00%	51.00%
		JPN001	Martifer Solar Japan KK	FULL CONSOLIDATION	100.00%	100.00%
	Japan	JPN002	Solariant Portfolio GK One	FULL CONSOLIDATION	100.00%	100.00%
		JPN003	VX Solar	FULL CONSOLIDATION	100.00%	0.00%
	Singapore	SGP001	Martifer Solar Singapura PTE. LTD.	FULL CONSOLIDATION	100.00%	100.00%
		EGY001	RA Solar S.A.E.	FULL CONSOLIDATION	90.00%	90.00%
	Morocco	MAR001	Voltalia Maroc	FULL CONSOLIDATION	99.97%	99.97%
		MAR002	Alterrya Maroc	FULL CONSOLIDATION	100.00%	100.00%
	Tanzania	MAR003	Voltalia Maroc Sahara	FULL CONSOLIDATION	100.00%	100.00%
		TZN001	Mahale Renewable energy	FULL CONSOLIDATION	100.00%	0.00%



Middle East						
	United Arab Emirates					
		ARE001	Martifer Solar Middle East	FULL CONSOLIDATION	100.00%	100.00%
	Jordan					
		JOR001	Martifer Solar SA (Jordan branch)	FULL CONSOLIDATION	100.00%	100.00%

List of consolidated companies accounted for by the equity method

				Method	Interests	Interests
Distribution geographical scope		Legal entities - EQUITY method		June 2017	June 2017	December 2016
Europe	Spain	ESP003	Parque Solar Sesena I, S.L.	EQUITY	37.48%	37.48%
	France	FRA017	3LE	EQUITY	40.00%	40.00%
		FRA032	Fangas 1	EQUITY	40.00%	40.00%
		FRA033	Fangas 2	EQUITY	40.00%	40.00%
		FRA034	4 Termes 1	EQUITY	40.00%	40.00%
		FRA035	4 Termes 2	EQUITY	40.00%	40.00%
	Greece	GRC005	Greek Wind Power	EQUITY	45.00%	45.00%
	America	Chile	CHL002	Maria del Sol Norte S.A.	EQUITY	49.00%
CHL003			MSN SOLAR UNO SPA	EQUITY	49.00%	49.00%
CHL004			MSN SOLAR DOS SPA	EQUITY	49.00%	49.00%
CHL005			MSN SOLAR TRES SPA	EQUITY	49.00%	49.00%
Mexico		MEX003	Mire Solar, SA de CV	EQUITY	35.00%	35.00%
		MEX004	Mire Solar SPV1	EQUITY	34.90%	34.90%

List of non-consolidated companies

			Method	Interests	Interests	
Distribution geographical scope	Legal entities - Non-Consolidated		June 2017	June 2017	December 2016	
Europe	France	FRA043	Parc Solaire du Seranon	NOCONSO	0.00%	0.00%
		FRA044	Parc Solaire du Talagard	NOCONSO	0.00%	0.00%
		FRA045	Parc Solaire de Laspeyres	NOCONSO	0.00%	0.00%
		FRA046	Croix et Jorasse Energie	NOCONSO	0.00%	0.00%
		FRA047	Jalandre Energie	NOCONSO	0.00%	0.00%
		FRA048	Arpettaz Energie	NOCONSO	0.00%	0.00%
		FRA049	Merderel Energie	NOCONSO	0.00%	0.00%
		FRA050	Ferme Eolienne de Pouligny Saint Pierre: formerly Isère Energie	NOCONSO	0.00%	0.00%
		FRA051	Le Guil Energie	NOCONSO	0.00%	0.00%
		FRA052	Parc Solaire du Domaine des Selves	NOCONSO	0.00%	0.00%
	United Kingdom	GBR002	Steadfast Fairview Solar, Ltd	NOCONSO	0.00%	0.00%
		GBR003	MTS Exbury Solar Limited	NOCONSO	0.00%	0.00%
		GBR004	MTS Manton Manor Solar Limited	NOCONSO	0.00%	0.00%
		GBR005	MTS Stud Farm Solar Limited	NOCONSO	0.00%	0.00%
		GBR006	MTS Penderi Solar Limited	NOCONSO	0.00%	0.00%
	Greece	GRC021	EVIVA SOLAR 1 LTD	NOCONSO	0.00%	0.00%
		GRC022	EVIVA SOLAR 2 LTD	NOCONSO	0.00%	0.00%
	Italy					

America	Portugal	ITA002	PVGlass Itália, SRL	NOCONSO	0.00%	0.00%
		ITA005	Solar Spritehood S.R.L.	NOCONSO	0.00%	0.00%
		ITA006	Ginosa Solar Farm S.R.L.	NOCONSO	0.00%	0.00%
		ITA007	MTS6 S.R.L.	NOCONSO	0.00%	0.00%
	Romania	PRT005	Visiontera Unipessoal, Lda	NOCONSO	0.00%	0.00%
		ROU001	Martifer Solar RO SRL	NOCONSO	0.00%	0.00%
	Ukraine	UKR001	Martifer Solar Ucraina	NOCONSO	0.00%	0.00%
	Chile	CHL006	MSN SOLAR CUATRO SPA	NOCONSO	0.00%	0.00%
		CHL007	MSN SOLAR CINCO SPA	NOCONSO	0.00%	0.00%
		CHL008	Mencey Solar SpA	NOCONSO	0.00%	0.00%
		CHL009	Dehesa Solar SpA	NOCONSO	0.00%	0.00%
	French Guiana					
		GUF022	Iracoubo Biomasse Energie	NOCONSO	0.00%	0.00%
Africa	Morocco					
		MAR004	Alterrya Wind Solar	NOCONSO	0.00%	0.00%
	Mozambique	MOZ001	Martifer Solar MZ, S.A.	NOCONSO	0.00%	0.00%
Middle East	Senegal					
		SEN001	Société de Developpement Local S.A.	NOCONSO	0.00%	0.00%
	Turkey	TUR001	Martiper Solar Initiative Enerji Uretim Dagitim Sanayi Ve Ticaret Ltd Sirketi	NOCONSO	0.00%	0.00%

	TUR002	Martiper Solar Initiative Enerji Uretim Dagitim Sanayi Ve Ticaret Ltd Sirketi	NOCONSO	0.00%	0.00%
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## 12. CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

I certify that to the best of my knowledge the condensed consolidated financial statements for the half-year just ended are drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all the companies included in the scope of consolidation, and that the interim management report attached includes a fair review of significant events of the past six months, their impact on the interim financial statements and the main related party transactions as well as a description of the main risks and uncertainties for the six months remaining in the financial year.

Paris, 25 September 2017

Sébastien CLERC  
Chief Executive Officer