



Production curtailment imposed by the Brazilian grid operator

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Votalia (Euronext Paris, ISIN code: FR0011995588), an international player in renewable energy, announces that the Brazilian transmission system operator is currently imposing a pronounced curtailment in certain parts of the network, which would have a strong impact on Votalia's 2024 EBITDA if it were to be extended over the coming months and if it is not financially compensated. Votalia is carrying out a series of actions to reduce the duration of this curtailment and to be financially compensated.

For a transmission system operator, curtailment consists in limiting the transmission, for a given period, of all or part of the electricity production potential of a power plant, in order to maintain the stability of the transmission network.

In Brazil, like other major global power grids, curtailment has been rare in previous decades. However, following a blackout in August 2023, the Brazilian operator began capping an unusually high part of production to minimize the risks of instability. As the network proved to be stable, curtailment gradually decreased to become marginal at the end of 2023.

Noting the resumption of a pronounced level of curtailment, Votalia met several times with the Brazilian transmission network operator. Votalia's production curtailment volume in the northeast of the grid could be high for a period that could last several months, in particular due to the delay in the construction of new transmission lines to strengthen the grid in the northeast of the country.

Votalia, within a collective of electricity producers and through professional associations, as well as directly, is currently carrying out a series of initiatives in Brazil:

- Several litigation actions, already initiated in 2023, are underway before the federal and local courts, with the law providing for financial compensation applying in particular to Votalia's power plants¹.
- Constructive discussions are being held in parallel, with the network operator and the public authorities in order to accelerate at least a part of the financial compensation and to reduce the duration of the current capping.

Votalia is confident about the effectiveness of these steps, but it is difficult to establish a precise figure for the financial effect of the curtailment on the 2024 EBITDA. Votalia estimates that, if the scenario communicated by the network operator were confirmed, if Votalia was not financially compensated and if the average EUR/BRL exchange rate for the second half of the year was around 6, its 2024 EBITDA would be cut by around 40 million euros.

In the first half of 2024, Brazilian curtailment was low and in line with Votalia's forecasts. For the same period, Votalia expects consolidated EBITDA for the Group of around 75 million euros², up +33% compared to the first half of 2023.

In the second half of the year, the impact of the current curtailment would be accentuated by the seasonality of production, which is traditionally higher in the second half of the year than in the first, and by wind and solar resources, which are expected to be above the long-term average in the second half of 2024, given the levels observed since the beginning of July and forecast until the end of December by weather forecasting institutes.

Professional organisations bringing together electricity producers such as Votalia, consider that the extreme caution applied by the network operator would not be technically required. The loss of electricity production potential, ultimately bad for the Brazilian economy, would therefore be avoidable. Like Votalia, they believe that producers should be financially compensated, as demonstrated by the legal action they have initiated.

Votalia is confident that technical and financial solutions will be found. Votalia therefore reaffirms its 2027 ambitions, and in particular its normalised EBITDA³ ambition of around 475 million euros, including around 430 million euros from Energy Sales.

Votalia also reiterates its capacity objectives:

- In 2024: capacity in operation and under construction at approximately 3.3 GW, of which around 2.5 GW in operation.
- In 2027: more than 5 GW in operation and under construction, of which around 4.2 GW in operation.

Sébastien Clerc, Chief Executive Officer of Votalia, says: « *Although we are surprised by the announcement of an abnormally high level of curtailment in Brazil, we are confident in the effectiveness of Votalia's collective and specific actions aimed at minimizing it and having it financially compensated. We will keep our shareholders informed as progress is made.* »

Next meeting: **Half-year results 2024**, September 5, 2024 (before market opens)

PROSPECTIVE STATEMENTS

This press release contains forward-looking statements. These statements are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. These forward-looking statements may often be identified by the words "expect", "anticipate", "believe", "intend", "estimate" or "plan", as well as by other similar words. Although Votalia's management believes that these forward-looking statements are reasonable, investors are cautioned that forward-looking statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond Votalia's control, that could

cause actual results and events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, among others, the uncertainties inherent in the evolution of the selling price of electricity produced by Voltalia, the evolution of the regulatory environment in which Voltalia operates as well as the competitiveness of renewable energies and other factors that may affect the production capacity or profitability of Voltalia's production sites as well as those developed or identified in Voltalia's public filings with the Autorité des marchés financiers including those listed in section 2. 2 "Risk Factors" of Voltalia's 2023 Universal Registration Document filed with the Autorité des marchés financiers on April 12, 2024. Voltalia undertakes no obligation to update any forward-looking information or statements, except as required by law.

About Voltalia (www.voltalia.com)

Voltalia is an international player in renewable energies. The Group produces and sells electricity from its wind, solar, hydro, biomass and storage facilities. It has 3.1 GW of capacity in operation and under construction, and a portfolio of projects under development with a total capacity of 16.6 GW.

Voltalia is also a service provider, supporting its renewable energy customers at every stage of their projects, from design to operation and maintenance.

A pioneer in the business market, Voltalia offers a comprehensive range of services to businesses, from the supply of green electricity to energy efficiency services and the local production of its own electricity.

With more than 1,850 employees in 20 countries on 3 continents, Voltalia has the capacity to act globally on behalf of its customers.

Voltalia is listed on the Euronext regulated market in Paris (FR0011995588 - VLTSA) and is included in the Euronext Tech 40 and CAC Mid&Small indices. The company is also included in the Gaïa-Index, the responsible mid-cap index.

Voltalia

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¹ For both 2023 and 2024 curtailment

² Results for the first half of 2024 will be announced on September 5, 2024 (before trading). The financial statements, for which audit procedures are underway, have not yet been finalized. The figures presented are estimates.

³ "Normalised EBITDA" of 2027 calculated with an average annual EUR/BRL exchange rate of 5.5 and wind, solar and hydro production corresponding to the long-term average

Attachment

- [Production curtailment imposed by the Brazilian grid operator](#)