

FIRST HALF RESULTS AS OF 30 JUNE 2020

- Revenues and Other Income up 89%
- Pipeline up 130% with more than \$130 million of contracts secured
- Launch of the largest V2G pilot project in the world up to 25MW and 700 EVs together with FCA and Terna
- The distribution of the easyWallbox started in 19 European countries for Jeep 4xe and Fiat 500e, and production is ramping up towards the target of 50,000 units per year
- ENGIE EPS acknowledges the decision of the ENGIE Group to assess strategic options for ENGIE EPS, including the possible divestment of its stake in the Company. The three major energy storage projects in the USA, Guam (300MWh), Hawaii (240MWh) and New England (50MWh), will continue to be developed jointly by both companies. Should ENGIE decide to divest its stake following its strategic review, ENGIE has reaffirmed its continuous financial support until a potential transaction is closed. For the future, both companies will continue jointly developing projects which are deemed mutually beneficial.

2020 FIRST HALF KEY FIGURES

Revenues and Other Income amount to €5.0 million as of 30 June 2020, up 89% compared to 2019 First Half. This *quasi 2x* growth is mainly due to the successful developments within the Giga Storage (utility-scale storage and solar-plus-storage projects) and Industrial Solutions (microgrids and storage systems) Product Lines. Worth highlighting are, respectively, the progress in the construction of the Sol De Insurgentes solar-plus-storage project in Mexico, with commissioning expected in early 2021, the storage solution for the Leini power plant and the microgrids in California and Comoros, all three projects with expected commissioning by year-end. Construction schedules were partly affected by Covid-19 related logistic restrictions.

On the other hand, the **Project Backlog** as of today amounts to €23.8 million, down 30% compared to the Project Backlog communicated on 30 September 2019, due to progress in project execution. The timing of conversion into Backlog of the most mature portion of the Pipeline (with over \$130 million of contracts secured but not yet executed due to customary permitting procedures and conditions precedent, as well as in the case of Guam the ongoing appeal) was partly affected by the situation relating to Covid-19.

Pipeline is up 130% over the same period, reaching €806 million. This Pipeline includes the project in Guam where ENGIE has been selected as successful bidder* for the construction of two Solar-plus-300MWh Storage projects under a 20-year power purchase agreement by the Power Authority of Guam (GPA) and where ENGIE EPS is the exclusive storage solution provider. It also includes the 240MWh project in Hawaii where ENGIE has been selected in the final award list for the construction of one solar-plus-storage project under a 25-year power purchase agreement by Hawaii Electric Co. Furthermore, it includes a newly secured 50MWh project in New England.

Gross margin stands at 27% compared to 40% in 2019, mainly due to the higher commodity content of the iconic project in Mexico brought by ENGIE, which accounts for more than 51% of the First Half 2020 revenues.

Personnel costs increased by 19% reaching €3.7 million compared to €3.1 million in First Half 2019. Today ENGIE EPS has 110 employees, from 15 nationalities, 1/4 of which with a PhD or other post-graduate degree. The strengthening of the workforce is in line with its roadmap and mainly devoted to the execution of the projects in the USA.

R&D investments amounted to €1.9 million compared to €1.2 million in First Half 2019 and represent 38% of the consolidated revenues and other income, confirming the strong commitment towards R&D and innovation which is progressively addressed also towards the eMobility Product Line.

Other Operating Expenses increased by 36% amounting to €1.4 million, compared to €1 million in the first semester 2019, mainly because of time-phasing budget and extraordinary Covid-19 expenses.

EBITDA represents €4.4 million loss in the first semester 2020 compared to a €3.4 million loss in the first semester 2019, due to lower gross margins in Giga Storage Product Line, the increase in operating expenses and the extraordinary costs due to Covid-19, which more than offset the increase in revenues.

EBIT and Net Result as at 30 June 2020 stands, respectively, at €-6.5 million and €-6.5 million compared with €-6.7 million and €-6.2 for the previous year.

Net Financial Position at the end of the first semester 2020 decreased to €-17.8 million compared to €-8.1 million on 31 December 2019.

BACKLOG AND PIPELINE UPDATE

As update of the Pipeline and the Project Backlog, it is worth highlighting in the:

- **Giga Storage** Product Line, with the ENGIE project award in Hawaii and Guam, as well as a new contract secured in New England, ENGIE EPS secured contracts for more than \$130 million and over 500MWh to be online by 2023. With specific reference to the flagship project the island of Guam, the Guam's Public Auditor is expected to issue within days its decision on the challenge brought by a competing bidder against the award to ENGIE of the Phase III Renewable Energy Project. ENGIE EPS is confident in a favorable decision, clearing the path for the project to approach execution. In Hawaii, following the selection of ENGIE in the final award group for the Stage 2 Variable Renewable Dispatchable Generation and Energy Storage projects, customary procedures are ongoing with respect to the finalization and approval of project documentation, in line with the announced timetable.
- **Industrial Solutions** Product Line, ENGIE EPS is completing its first microgrid in California and is well positioned to address the increased grid reliability challenges in the region.
- **eMobility** Product Line, ENGIE EPS kicked off delivery of the easyWallbox, setting the production capacity up to 50,000 units in the next 18 months, to cover 19 countries in Europe; the largest V2G pilot project in the world finally came to light on 14 September 2020, in partnership with FCA and Terna and in the presence of the EU Commissioner for Energy and the Italian Minister for Economic Development to highlight the importance of the project and the V2G technology in the European technology landscape.

Concerning the decision of the ENGIE Group to assess strategic options for ENGIE EPS, including the possible divestment of its stake in the Company, ENGIE has reaffirmed that the three major energy storage projects in the USA, representing more than \$130 million in revenues in the coming

years, will continue to be developed jointly by both companies. For the future, both companies will continue jointly developing projects which are deemed mutually beneficial.

Should ENGIE decide to divest its stake following its strategic review, ENGIE has reaffirmed its continuous financial support until a potential transaction is closed.

ENGIE EPS will continue to build on its know-how and commercial successes achieved over the last few years outside and within the ENGIE Group, and to continue to be a leading player in the Energy Storage and Electric Mobility markets.

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The investor conference call is scheduled on 25 September 2020 at 8:00am, dial-in and the presentation will be available in the [Investors Section](#) of the corporate website.

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* Under Challenge

[About ENGIE EPS](#)

ENGIE EPS is an industrial player within the ENGIE group that develops technologies to revolutionize the paradigm shift in the global energy system towards renewable energy sources and electric mobility. Listed on Euronext Paris (EPS:FP), ENGIE EPS is listed in the CAC® Mid & Small and the CAC® All-Tradable financial indices. Its registered office is in Paris and conducts its research, development and manufacturing in Italy.

For more information: www.engie-eps.com

[About ENGIE](#)

Our Group is a global reference in low-carbon energy and services. In response to the urgency of climate change, our ambition is to become the world leader in the zero-carbon transition "as a service" for our customers, in particular global companies and local authorities. We rely on our key activities (renewable energy, gas, services) to offer competitive turnkey solutions.

With our 170,000 employees, our customers, partners and stakeholders, we are a community of Imaginative Builders, committed every day to more harmonious progress.

Turnover in 2019: EUR 60.1 billion. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

Forward looking statement

This release may contain forward-looking statements. These statements are not undertakings as to the future performance of ENGIE EPS. Although ENGIE EPS considers that such statements are based on reasonable expectations and assumptions at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements. These risks and uncertainties include without limitation those explained or identified in the public documents filed by ENGIE EPS with the French Financial Markets Authority (AMF), including those listed in the “Risk Factors” section of the ENGIE EPS (ex EPS) Registration Document filed with the AMF on 30 April 2020 (under number D. 20-0439). Investors and ENGIE EPS shareholders should note that if some or all of these risks are realized they may have a significant unfavorable impact on ENGIE EPS.

These forward looking statements can be identified by the use of forward looking terminology, including the verbs or terms “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “build- up”, “under discussion” or “potential customer”, “should” or “will”, “projects”, “backlog” or “pipeline” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear throughout this announcement and include, but are not limited to, statements regarding the ENGIE EPS’ intentions, beliefs or current expectations concerning, among other things, the ENGIE EPS’ results of business development, operations, financial position, prospects, financing strategies, expectations for product design and development, regulatory applications and approvals, reimbursement arrangements, costs of sales and market penetration. In addition, even if the ENGIE EPS’ results of operations, financial position and growth, and the development of the markets and the industry in which ENGIE EPS operates, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. The forward-looking statements herein speak only at the date of this announcement. ENGIE EPS does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

Contacts ENGIE EPS

Press and Media: eps@imagebuilding.it

Investor Relations: ir@engie-eps.com



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1.1 Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT (amounts in Euro)	30/06/2020	31/12/2019	30/06/2019
Revenues	4.914.240	19.684.041	2.626.522
Other Income	111.887	520.770	32.607
TOTAL REVENUES AND OTHER INCOME	5.026.127	20.204.810	2.659.129
Cost of goods sold	(3.690.491)	(14.857.163)	(1.592.391)
GROSS MARGIN FROM SALES	1.335.635,53	5.347.646,92	1.066.737,65
% on Revenues and Other Income	26,6%	26,5%	40,6%
Personnel costs	(3.703.950)	(6.667.126)	(3.099.999)
Other operating expenses	(1.406.757)	(2.316.539)	(1.031.840)
Other costs for R&D and industrial operations	(610.141)	(2.094.303)	(288.288)
EBITDA excluding Stock Option and Incentive Plans expenses ⁽¹⁾	(4.385.212)	(5.730.321)	(3.353.390)
Amortization and depreciation	(1.291.930)	(2.985.304)	(1.487.957)
Impairment and write down	(196.061)	(3.592.049)	(419.686)
Non recurring income and expenses and Integration costs	(142.226)	(1.573.472)	(782.727)
Stock options and Incentive plans	(513.025)	(1.206.490)	(702.486)
EBIT	(6.528.455)	(15.087.635)	(6.746.245)
Net financial income and expenses	39.481	(312.219)	(165.573)
Income Taxes	(31.291)	755.570	758.275
NET INCOME (LOSS)	(6.520.264)	(14.644.285)	(6.153.543)
Attributable to:			
Equity holders of the parent company	(6.520.264)	(14.644.285)	(6.153.543)
Non-controlling interests	0	0	0
Basic earnings per share	(0,51)	(1,15)	(0,48)
Weighted average number of ordinary shares outstanding	12.766.860	12.766.860	12.766.860
Diluted earnings per share	(0,51)	(1,15)	(0,48)

⁽¹⁾ EBITDA excluding Stock Option and Incentive Plans expenses is not defined by IFRS. It is defined in notes 3.8 and 4.6 of Consolidated Financial Statement.

1.2 Consolidated Statement of Other Comprehensive Income

OTHER COMPREHENSIVE INCOME (amounts in Euro)	30/06/2020	31/12/2019	30/06/2019
NET INCOME (LOSS)	(6.520.264)	(14.644.285)	(6.153.543)
Exchange differences on translation of foreign operations and other differences	(2.739)	(4.517)	(4.437)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)	7.714	0	0
Actuarial gain and (losses) on employee benefits	(64.945)	(123.021)	(106.488)
Other comprehensive income (loss) for the year, net of tax	(59.970)	(127.538)	(110.924)
Total comprehensive income for the year, net of tax	(6.580.235)	(14.771.823)	(6.264.467)
Attributable to Equity holders of the parent company	(6.580.235)	(14.771.823)	(6.264.467)

1.3 Consolidated Balance Sheet

ASSETS (amounts in Euro)	30/06/2020	31/12/2019	30/06/2019
Property, plant and equipment	2.860.550	3.097.589	3.238.849
Intangible assets	8.120.705	6.979.216	7.988.719
Investments in entities accounted using the equity method	996	996	996
Other non current financial assets	168.346	143.346	143.227
TOTAL NON CURRENT ASSETS	11.150.597	10.221.147	11.371.792
Trade and other receivables	4.068.586	9.928.244	4.638.298
Contract assets	7.226.231	9.148.945	4.217.618
Inventories	3.218.163	2.985.948	3.153.814
Other current assets	3.266.872	4.680.548	3.181.856
Current financial assets	459.219	428.201	435.500
Cash and cash equivalent	3.773.701	6.431.376	4.423.931
TOTAL CURRENT ASSETS	22.012.772	33.603.262	20.051.017
TOTAL ASSETS	33.163.369	43.824.409	31.422.809
EQUITY AND LIABILITIES (amounts in Euro)	30/06/2020	31/12/2019	30/06/2019
Issued capital	2.553.372	2.553.372	2.553.372
Share premium	48.147.696	48.147.696	48.147.696
Other Reserves	4.529.648	4.586.787	4.603.320
Retained Earnings	(52.953.882)	(38.306.765)	(38.298.766)
Profit (Loss) for the period	(6.520.264)	(14.644.285)	(6.153.543)
TOTAL EQUITY	(4.243.431)	2.336.804	10.852.078
Severance indemnity reserve and Employees' benefits	4.819.075	4.825.619	5.047.361
Non current financial liabilities	20.254.905	13.254.905	4.704.560
Other non current liabilities	1.998.478	1.631.591	1.619.796
Non current deferred tax liabilities	16.494	16.494	16.494
TOTAL NON CURRENT LIABILITIES	27.088.952	19.728.609	11.388.211
Trade payables	5.370.248	15.962.964	4.310.379
Other current liabilities	3.664.869	4.518.758	3.149.166
Current financial liabilities	1.271.175	1.277.274	1.722.975
Income tax payable	11.556	0	0
TOTAL CURRENT LIABILITIES	10.317.848	21.758.996	9.182.519
TOTAL EQUITY AND LIABILITIES	33.163.369	43.824.409	31.422.809

1.4 Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (amounts in Euro)	Share Capital	Premium Reserve	Stock Option and Warrants plan reserve	Other Reserves	Retained Earnings (Losses)	Profit (Loss) for the period	Total Equity before European Investment Bank variation (IFRS 2)	Revaluation of European Investment Bank warrants liabilities (IFRS 2) and other impacts of EIB loan prepayment	TOTAL EQUITY
Net Equity as of 31 December 2018	2.553.372	48.843.750	5.151.122	(218.938)	(30.296.289)	(12.511.771)	13.521.245	3.777.134	17.298.379
Previous year result allocation				(27.704)	(8.706.934)	12.511.771	3.777.134	(3.777.134)	-
Stock option and warrants			(181.831)				(181.831)		(181.831)
Shareholder's capital increase							-		-
Other movements		(696.054)		(12.841)	708.895		(1)		(1)
Loss for the period						(6.153.543)	(6.153.543)		(6.153.543)
Total comprehensive income	-	-		(106.488)	(4.437)	-	(127.538)	-	(110.926)
Net Equity as of 30 June 2019	2.553.372	48.147.696	4.969.291	(365.971)	(38.298.844)	(6.153.543)	10.852.078	-	10.852.078
Previous year result allocation						6.153.543	6.153.543		6.153.543
Stock option and warrants							-		-
Shareholder's capital increase							-		-
Other movements					(7.998)		(7.998)		(7.998)
Loss for the period						(14.644.285)	(14.644.285)		(14.644.285)
Total comprehensive income	-	-		(16.533)	(80)	-	(16.614)	-	(16.614)
Net Equity as of 31 December 2019	2.553.372	48.147.696	4.969.291	(382.492)	(38.306.857)	(14.644.285)	2.336.726	-	2.336.726
Previous year result allocation					(14.644.285)	14.644.285	-		-
Stock option and warrants							-		-
Shareholder's capital increase							-		-
Loss for the period						(6.520.264)	(6.520.264)		(6.520.264)
Total comprehensive income	-	-		(57.152)	(2.739)	-	(59.891)	-	(59.891)
Net Equity as of 30 June 2020	2.553.372	48.147.696	4.969.291	(439.644)	(52.953.882)	(6.520.264)	(4.243.431)	-	(4.243.431)

1.5 Consolidated Statement of Cash Flows

CASH FLOW STATEMENT (amounts in Euro)	30/06/2020	31/12/2019	30/06/2019
Net Income or Loss	(6.520.264)	(14.644.285)	(6.153.543)
Amortisation and depreciation	1.291.930	2.985.304	1.487.957
Impairment and write down	196.061	3.592.049	419.686
Stock option and incentive plans impact	513.025	1.206.489	702.486
Defined Benefit Plan	(6.544)	599.379	319.914
Non-cash variation in bank debts	0	528.048	0
Working capital adjustments			
Decrease (increase) in tax assets	(790.475)	221	(318.851)
Decrease (increase) in trade and other receivables and prepayments	9.140.030	(13.689.123)	(1.976.338)
Decrease (increase) in inventories	(232.215)	66.905	(100.961)
Increase (decrease) in trade and other payables	(11.631.110)	6.925.288	(1.203.826)
Increase (decrease) in SARs Liability	0	0	(289.110)
Increase (decrease) in non current assets and liabilities	584.369	107.590	113.925
Net cash flows from operating activities	(7.455.193)	(12.322.135)	(6.998.662)
Investments			
Net Decrease (Increase) in intangible assets	(1.995.160)	433.625	(1.174.207)
Net Decrease (Increase) in tangible assets	(53.117)	(276.528)	(208.878)
Net Decrease (Increase) due to IFRS 16 FTA	0	(2.175.922)	(2.051.318)
Net cash flows from investments activities	(2.048.277)	(2.018.826)	(3.434.402)
Financing			
Increase (decrease) in bank debts	6.993.903	9.953.268	3.996.468
IFRS 16 Impact	(148.104)	(41.460)	
Net cash flows from financing activities	6.845.799	9.911.808	3.996.468
Net cash and cash equivalent at the beginning of the period	6.431.375	10.860.527	10.860.527
NET CASH FLOW FOR THE PERIOD	(2.657.670)	(4.429.153)	(6.436.596)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3.773.704	6.431.375	4.423.931