2021 annual results

Thursday 10th March 2022

Disclaimer
This transcript is derived from a recording of the event. Every possible effort has been made to transcribe accurately. However, Rubis shall not be liable for any inaccuracies, errors, or omissions

Jacques Riou: Good evening ladies and gentlemen, I'm thrilled, and we are thrilled, to be back with an older set-up, which we still have some memories of, and to see people sat in front of us. Thank you so much for coming here today. I also want to say hello to the people who could not make it, who are connected online, as we've done so these past two years. It's great to be back here in person.

I'm joined by Clarisse Gobin-Swiecznik and Bruno Krief. Together, we'll present Rubis Group's results for the 2021 financial year. We're fortunate to be joined by two special guests— Robin Ucelli and David Guinard—who are the co-founders, shareholders and executive managers of Photosol. We'll discuss Photosol at length, since we've agreed to establish a partnership—as well as the acquisition by Rubis—which is also and above all a partnership. This deal will be fully completed in a few weeks. I'd like to thank both of them for coming here to present an overview of their business.

For me this end-2021/early-2022 period is interesting since we've reached the end of an exciting two-year period. I'm talking about the 2020-2021 financial years. There are several exciting features. You're all familiar with the first of these: the COVID-19 pandemic with the mobility restrictions and its potential impact on business, development, etc. Number two is the extraordinary change in the price of petroleum products during the period, since prices collapsed in the first year, to almost $15, followed by a surge in prices, returning to $80, and above, as you all know, at the start of this year. We're talking about a short timeframe with massive changes and a steep slope, as it were. Number three, which was highly noticeable in 2020 and naturally onwards, was the incredible acceleration in CSR policy obligations and consideration for environmental targets. And linked to this, in my opinion, is the large-scale abandonment of fossil fuels and carbon-based energies which add to the specific backdrop these past two years. Why am I combining these two years? Because I feel optimistic when I say that in terms of COVID, we may have come full circle. Second, we're immediately following on from 2019. This was not only a COVID-free year, but also, for Rubis, this was a record year for earnings and the contribution of different parts of our Group. So, I find the comparison between end-2021 and 2019 compelling.

Against this background I've just provided, then, how did Rubis respond? As you'll see, once again, in a context of sharp petroleum product price swings and strong external shocks from the pandemic, the Group showed remarkable resilience. To give you a broad overview, in the first of these two years—2020—we reported -10% versus the record 2019. Then, in 2021, as we will see later, we returned to our record 2019 performance. As for CSR/ESG, decarbonation and other issues, which is the second part of this presentation, we focused our efforts on accelerating the restructuring of CSR policies, on obtaining good scores from various globally-recognised organisations. We've also focused on an ambitious programme to decarbonise our current activities. We presented our targets in September, which have been revised and improved since then. Lastly, we achieved external growth in green energy. To recap on this point, we invested in and formed a partnership with Hydrogène de France. On top of this, there's the acquisition I just mentioned of Photosol group, which is a leading photovoltaic energy producer in France. So, that's some initial background information for you. I think I covered almost everything we just mentioned.

Now, on to key figures. With 5,400,000 m^3, we delivered growth in volumes of 7%. Strong volume growth on 2020, with a decline of 2% from 2019, which we'll come back to. We achieved a resilient unit margin of €117/m[3]. Obviously, this is an average unit margin that's only a few points lower than the previous two financial years. We generated EBIT of €392m, both +7% versus 2020 and -11%[1] compared to 2019. At this point, I should specify that the decline on reported figures versus 2019 is not a decline across the board. We'll come back to this, but the difference mostly, if not entirely, concerns one or two countries. We're talking about one or two very specific countries, each with their own characteristics. If we restate our performance and focus on a simplified version of adjusted earnings, we realise that we've returned to 2019 levels and particularly in terms of Group net income ending at €293m, which was up 4% over the financial year and down 5% on 2019. Typically, if we restate the structural change in our Rubis Terminal subsidiary, for which as you know, we established a joint venture (55/45) with an American group in 2020, adjusted net income was above 2020 levels at 16% and in line with 2019. That's the point I wanted to make. Now, if we focus on operational cash flow, which is a cash value I consider to be an excellent indicator of our financial soundness, you'll see that this contribution to cash flow at +7%, +1%, is significantly above our 2020 and 2021[2] figures.

We achieved this while maintaining strict financial discipline. At the end of the 2021 financial year, we reported net financial debt of €438m. This is less than one year of EBITDA following €200m in capex, €150m in share buybacks, a €200m increase in working capital due to rising nominal prices for petroleum products and €80m investment in Hydrogène de France. As you'll see in the next parts of our presentation, following our acquisition of Photosol, these ratios will logically increase while remaining at relatively reasonable levels. That's all for the general presentation of Rubis Group. Over to you Bruno for a more detailed presentation of our financials.

Bruno Krief: Good evening, ladies and gentlemen. Let's continue with a presentation of our various divisions. I'll start off with Rubis Énergie, the main subsidiary of our Group. As its name suggests, Rubis Énergie is focused on our traditional businesses of LPG, fuel oils, lubricants, bitumen and all sub-segments comprising this industry. Let's continue with some data, in the context of the 2021 financial year. First, we posted a recovery in volumes as you can see from the red line[3], versus 2020. At year-end, end-Q4, we reached volume levels close to 2019. There is something strange going on in these three curves, but we're here at the red line between two curves. And we're heading towards record 2019 levels. In this respect, we achieved 7% growth in 2021 volumes versus 2020. In terms of unit margin, which is a key profitability indicator, here's the overall graph showing unit margin resilience over three years. Again, this resilience is owing to Rubis' multi-country and multi-segment positioning, with the Group operating downstream and upstream. It's also thanks to our extensive and highly diverse client base. So, we maintained this margin in a highly sensitive and volatile market environment and at the very least for Africa and Europe, we exceeded our 2019 levels. This means that our outlook is already good.

Let's continue with a description by region since Rubis conducts operations from **Europe**, the Caribbean and Africa. First, in Europe, COVID had a limited impact overall. Our business is

[1] *Here please read -5% instead of -11%.*
[2] *Here please read +7% vs FY 2020 and +1% vs pre-COVID FY 2019 (excluding Rubis Terminal).*
[3] *The red line on the chart represents 2021 volumes.*

focused on LPG, which represents nearly 90% of our earnings. The margin in this European segment came out above 2019 levels, which clearly reflects the quality of our results. Another point is that overall, our subsidiaries made good progress from a business standpoint with notable market share gains, whether in Switzerland, France or Spain where some segments are booming. I already mentioned volumes. EBIT stood at €71m, up considerably on 2020 and above 2019.

Clearly, the entire **Caribbean region** was exposed for the known reasons of tourism and aviation, which make up a large part of the business. Since March 2020 and on a full-year basis in 2020 and almost all H1 2021, there was very little activity in the aviation business. From H2 2021, the market has been recovering. Nevertheless, 2021 levels of activity were half of those reported in 2019. So, there is still growth potential with a recovery in these volumes in 2022-2023. As you can see, volumes were up 5% between 2020 and 2021. For this reason, they were down 10% on 2019 levels. Our earnings came out at €82m, stable on €80m reported in 2020, but considerably lagging on 2019. This performance is explained by the brutal decline of Haiti over the period, owing to economic, political and social reasons and compounded by COVID and authorities' abandonment of the price structure regime which resulted in a significant downturn in results. That said, in the last few months of 2021, we saw an effort by the Haitian government to kick-start discussions with the petroleum industry in an effort to find a solution to better regulate prices. In terms of the situation, admittedly as a country, Haiti remains chaotic but there is growing awareness among officials that it's vital to make progress since opening up access to the petroleum industry is a must. With the current situation in Haiti, which remains unchanged, the second factor that has obviously had a negative impact is aviation, an industry that saw robust year-end growth.

Now, on to **Africa**. Africa's financial year performance was characterised by a second record year for bitumen. East Africa reported robust growth, particularly Kenya and the surrounding countries. What's more, LPG once again performed well. If we look at the bitumen sector as a whole, upstream, Support & Services, and Retail & Marketing, it was a record year for sales and results. So, it was a year of progress. We succeeded in entering new markets, both in Western and South Africa, which represents a new window for Rubis, since this market has become short of bitumen this last decade with the closure of at least two refineries. This put the region, which was previously an exporter, in a clear import situation or rather balanced things out. So, we're focused on taking up positions. We've also taken up positions in Gabon. We're also actively seeking to enter the market in Angola and Guinea. There's a significant effort and large demand, since Africa needs materials to build infrastructure and this includes bitumen. Regarding East Africa, which is a region we moved into in 2019, as you know, a wide-scale development project is underway. As of end-2021, and obviously management has taken charge of this, we reviewed all our contracts and re-set the terms and conditions with certain key accounts. Managerially speaking, we performed a large-scale clean-up of our operations. The challenge also lay in getting our clients back at our service stations. This was first achieved by rebranding the service stations under the Rubis brand, and it was also achieved by rebranding and installing convenience stores in the service stations. We then noticed that in the two or three months following the rebranding of these service stations, we experienced a robust increase in footfall as well as average throughput of each service station. To date, we've rebranded nearly 170 service stations across East Africa. If we consider Kenya alone, in the 2021 financial year, volumes were up 26% on 2020, considering that 2021 was another year in which the country and region were severely penalised by COVID health restrictions. So, the prospects are there.

Last but not least, the **Indian Ocean** was adversely affected in 2020. We saw a positive rebound in earnings, except for Madagascar, where for the last eight months or so authorities have decided to freeze prices, so pricing policy and structure is no longer applied, which has led to a shortfall in results. Admittedly, there has been a shortfall in results, but authorities have understood the situation to a certain extent and have allowed us to not pay our taxes. So, basically, impact on results but no impact on cash. As a result, we managed to offset the lack of gross margin through less cash outflow since taxes are deducted at the start of the year and not reimbursed We experienced a very similar situation in 2018, until a decree declared the non-payment of taxes as a status quo, allowing us to erase what we call the shortfall in this area. EBIT for the financial year was €136m, up on both 2020 and 2019.

This next slide provides summarises what I just said, *i.e.,* EBIT by region with the various impacts mentioned.

Let's move on to **Support & Services**, which is the upstream part of our business, so, refining, supply, trading and logistics. Earnings further increased for the financial year to €123m, with an atypical scenario for SARA. A quick reminder that SARA is the refinery that operates under a system of regulated prices and above all regulated profitability, corresponding to 9% return on equity. This year marked a discrepancy between the accounting result and the cash flow. Cash flow was stable at €42m. This represents average cash flow for the financial year based on the past five financial years. However, this year we had a major shutdown, corresponding to major works, resulting in provisions for depreciation and factoring in these major works, which impacted earnings in terms of EBIT, but neutralised in terms of cash flow as well as dividends that will be paid to the shareholders, and final net income, since the 9% of net income at the social level 9% of the shareholders' equity will go to the shareholders.

Fuel oil trading and bitumen operations ended at +€8m and +€11m, turning in an excellent performance with new ships joining the fleet, which have enabled us to better optimise our routes and assuredly generate productivity gains. So, we’re talking about growth in earnings. The same is true of bitumen thanks to new logistics tools. Moreover, in the Indian Ocean, we are active in Réunion Island and Madagascar, which also contributed €15m in EBIT, up year-on-year. So, good performance in Support & Services, strong in bitumen, strong in Caribbean trading, and as for SARA, decline in EBIT but stable cash flow.

Let’s turn our attention to our second main division, which is now the **Rubis Terminal JV**. Rubis Terminal is an expert in bulk liquid storage, fuel and edible oils, and not forgetting chemical products and fertilisers. Note on the graph presented to you that in the space of three years, the Group’s structure has changed, in that the capabilities and petroleum revenues have decreased from 60% to 45%, so below 50%, due to the acquisition we made of the Spanish company, which contributed chemicals and biofuels, and the recent exit from Turkey, which was a specialised depot, with 600,000 m^3 of petroleum products. Clearly, we’ve rebalanced Rubis Terminal in chemicals, agri-foods and biofuels. Extending the curve to 2022-2023, we see a further decrease in exposure to petroleum products, since a large part of the Rotterdam depot—about 75,000 m^3 which was allocated to heavy products, *i.e.,* bunkering for ships—fuel oil is already being prepared to be leased 100% to Shell, which is in the process of transforming its large Rotterdam refinery in Pernis into a bio-refinery. As such, Shell was looking for storage capacity in the vicinity, so we leased them our facilities on a long-term basis. So, these heavy fuel oil capacities will transform into 100% capacities for the bio-fuel, decreasing the share of petroleum products to 40%.

What's next? Over the full financial year, revenues were up. We are at 6% EBITDA growth excluding Turkey, a high capacity utilisation rate, almost 95%, with excellent integration of the Spanish Tepsa business. This makes Rubis Terminal a rather unique player in Europe, since it's one of the few to be active in both the ARA zone and the Mediterranean with a significant position in France. So, Rubis Terminal is positioned in the central ARA zone and France/Mediterranean. The division therefore came through Covid unscathed, regularly reporting increased earnings. That's what we see on this slide, with revenues in excess of €230m, excluding Turkey, EBITDA at €121m, and crucially, a considerable increase in FCF factoring in... We have presented data excluding Turkey since the disposal of the depot at the end of FY 2021[4]. If we factor in maintenance investments, FCF was up over the period, by 15% over 2021. In terms of cash return—FCF after tax and after financial expense—which were considerable since shareholders decided to structure a high level of financing, representing c.€38m in financial expense—we weren't impacted as such. This is part of the leverage mechanism developed with our partner, I Squared. After financial expense and taxes, FCF ended at €50m, giving a 9% cash return for shareholders, so compared to our peers, this is quite high.

There's potential for improvement with the possibility in the next few years, or perhaps the year, of reviewing the current debt structure and benefiting from lower interest rate levels, with financial expense savings of €12-15m, from €38m in 2021.

Now, summarizing the **income statement**. As you know, revenue isn't the best way to look at this. This year, in 2021, if we sold 4 to 4,500,000 with a barrel price at $120+, revenue may end at $6bn. But this performance is really about margins and net income rather than revenue. Ultimately, the most important thing here is the restatement presented to you. I'm talking about net income adjusted for continuing operations. For the 2021 period, excluding Rubis Terminal, growth was €288m. This was up 16% on 2020, and practically stable at -1% from our record 2019. And clearly this 2019 performance excluded Rubis Terminal. In this case, then, we're comparing things that are fully comparable since we didn't factor in total 2019 earnings, which at the time, was fully consolidated and we restated the earnings share for joint ventures as part of Rubis Terminal – so the €5.9m and €4.3m you see on the slide for 2020. Like Jacques said, these past three years have provided further proof of Rubis' resilience and our ability to achieve growth.

Next, **cash flow**. We commented on cash flow before changes in working capital. Crucially, if we look between 2020 and 2021, there's a significant swing as mentioned in the intro, with barrel prices collapsing in 2020 before somewhat recovering towards year-end, and considerably rising in 2021. This has resulted in cash flow due to working capital changes of between €113m, -€200m, giving a €300m swing over the two financial years. So, quite clearly, this has significantly impacted the balance sheet. Capital expenditure came out at €200m, with almost a third in growth investments and two thirds in maintenance. I think we already mentioned the different acqusitions and disposals these past two years. FY 2021 was mostly

[4] *As a reminder, in January 2022, Rubis Terminal has completed the divestment of its activities in Turkey.*

characterised by the HDF acquisition for €79m. There was also the €250m share buyback conducted in 2021[5], which was of course followed by share cancellations. Despite the significant change in working capital and the material amount of investments and share buybacks, the Group's financial debt at €438m, measured in relation to EBITDA, remained at very modest levels, less than 1. So, we're now entering a turbulent and unpredictable period supported by solid results.

That's it for 2021 financials.

Clarisse Gobin-Swiecznik: Good evening, ladies and gentlemen. For those of you who don't know me, I'm Clarisse Gobin-Swiecznik and I've been with the Group for 11 years. I spent nine years in Rubis subsidiaries, seven years at Rubis Terminal, two years at Rubis Énergie, and I joined Rubis as Managing Director a year and a half ago, in charge of the energy transition, CSR and Communications.

I'll now discuss our **CSR approach**, which has kept us busy for the past two years. In 2020, we structured our Group-wide CSR approach. Then, in 2021, we integrated CSR challenges into the Group's strategy. Now for a quick word on our commitments and initiatives in 2021. During the half-year presentation, I discussed our first roadmap for 2022-2025, which we're currently implementing in all our subsidiaries, and which is structured around the three main pillars of the CSR approach, *i.e.,* Environment-Climate, Social, and Societal, and is based on 19 indicators. I'd also like to mention our membership in the United Nations Global Compact, which formalises all our actions undertaken these past few years, and which is part of the approach that we currently seek to implement and structure for the Group. This year, we also joined an initiative called Sea Cargo Charter, which concerns maritime transport and the challenges of decarbonisation in this sector. And in terms of international benchmarks, this year for the first time, we responded to the CDP, which is an non-financial agency specialised in environmental issues, and we obtained a B rating, which is promising indeed for the Group. I should also mention the two investments we made this year as part of our energy transition, in **renewable energies**. First, an 18.5% investment in the IPO of HDF Energy last June, which makes us the second largest shareholder of the HDF group. What's particularly interesting is that it's supported by a memorandum of understanding for priority and majority investment in the projects that HDF is developing, in the regions where the Group is established. And second, of course, is the 80% stake acquisition of Photosol announced at end-2021. More on these acquisitions later, but I think this gives a clear indication of our intended focus on decarbonised energies that complement our historical business. Both these activities and the activities that follow in this field of expertise will be branched into a third division called **Rubis Renouvelables**. Long-term, the goal is to balance our historical business with totally decarbonised energy transition activities.

Under this CSR approach, another priority objective for Rubis is to **decarbonise** our historical business as much as possible, providing support to engage in diversification. Full details on our non-financial data will be provided in our 2021 URD, published at end-April.

[5] *To be more precise, the entire share buyback programme is €250m, of which €150m has been implemented.*

In 2022, we'll step up our action plan to attain the targets set in our roadmap, particularly the implementation of our climate strategy, setting a target to reduce our scope 3A CO_2 emissions, and determining an internal carbon price. On the social side, we'll focus more on training to upskill our employees, and on the societal side, we'll work on human rights mapping. So, I won't spend too much time on this slide. It shows us the non-financial rating agencies we refer to as part of our CSR approach. We selected four of them, and we think they're the best fit for Rubis' profile. And as I said a few minutes ago, we obtained a B rating from CDP, which puts us in the top 25% of our sector, which is very encouraging.

Now, on to our **climate strategy**. It is based on three points, reflecting our ambition to step up the decarbonisation of our historical business as well as diversifying Rubis Énergie's distribution activities and developing new activities in renewable energies. As for our ambitions to decarbonise our business, we identified initiatives that should enable us to achieve a -30% reduction in our scopes 1 and 2 carbon emissions, in line with the SBT well below 2° trajectory, versus the 20% announced last September. Our subsidiaries have identified around 150 actions in the rollout of this decarbonisation plan. Examples include solarising the assets of our Rubis Antilles Guyane subsidiary, as well as Kenya and other subsidiaries of the Group, installing biomass boilers at SARA, and using alternative biofuels for shipping. As regards CO_2 emissions, we had based our 2019 carbon footprint assessment on ADEME methodology. This year, we reviewed our working methodology to align our carbon footprint assessment with the GHG Protocol, ensuring a consistent carbon footprint assessment worldwide. With respect to diversifying Rubis Énergie's activities, it's an interesting point we've worked on a lot this year. It'll be based on three major themes: a study on mobility developments in the Caribbean and in Africa, diversification concerning the bioproduct distribution, which I touched on last time, with HVO, bioLPG, RDME, among others; and innovative solutions for our professional clients to combine facilities running on LPG diesel with photovoltaics. We're starting with B2B hybridisation for professional clients located in the Africa/Indian Ocean regions.

In terms of our two investments in **renewables**, before I bring in David and Robin to present Photosol and our shared ambition, I want to talk a bit more about Hydrogène de France. Hydrogène de France is a leading hydrogen-electricity player, developing non-intermittent renewable electricity production plants from solar and wind energy, and building the high-power fuel cells needed for hydrogen power plants. By combining its expertise with green electricity production, HDF stores it and this storage through hydrogen allows them to make up for the intermittency. These projects make perfect sense in the islands where we operate, where electricity is expensive, carbon-intensive and unreliable. A typical example is the CEOG project with construction starte in 2021. And we'll now be replicating the CEOG project in Barbados. CEOG is expected to be operational by 2024 and by end-2025 in Barbados. In terms of the Photosol acquisition, I believe it gives us the platform to become a multi-energy group. Photosol is the second independent player in France's solar market, and the transaction will be completed by the end of H1 2022. This transaction marks a major milestone in our transition to renewable energies, and we're now a key player in solar energy in France. Let me also add that, medium-term, this acquisition will represent 25% of the Group EBITDA, compared to our historical business. And as I already said, all these activities will be branched into a third division called **Rubis Renewables**. Our ambition with this third division is to continue studying all potential opportunities in an effort to leverage these developments. We hope to achieve many things with Robin and David, who will now present Photosol.

Jacques Riou: So, we'll now hand over to Robin and David. And look, we've already got a shared remote control which just shows the connection. Don't forget to mention the story behind how you created the group – I personally find this fascinating.

Robin Ucelli: Absolutely. First off, I want to thank Clarisse, Jacques, and Bruno for putting your trust in us over the many months we've now known each other. Thank you for giving us the opportunity to come and present **Photosol**. This is all a bit new to us. Well, less so for David and he'll explain why. We'll present Photosol in the simplest possible way. We'll also present our business, our daily activities and Photosol's ambitions.

Photosol produces photovoltaic electricity, meaning that we produce electricity that is resold. Basically, we generate revenue through the resale of electricity. But before we can resell electricity, there are different skills sets to implement, the first being project development. This first involves securing the land through lease agreements which take 5 to 6 years, since it currently takes 5/6 years in France to get projects to take off, to conduct studies on plants, wildlife, landscapes, impact studies, and to obtain a building permit. It's a long-term project demanding a lot of time and effort. Once we obtained the permit to sign a contract for the resale of electricity, until now with EDF, we're talking about lengthy 20-year contracts. David will discuss this further on, but we're increasingly focused on contracts with private companies and wholesalers.

Photosol is first and foremost a developer, but once we've developed a project and have all the required authorisations, we finance and own 100% of our plants. Financing is essentially bank debt and projects, without recourse to shareholders, on long maturities of 20, 22 and 23 years, which are a bit longer than the contract term for the resale of electricity, with establishments like Natixis, La Banque Postale, BPI, and the leading French banking institutions. We own 100% of our power plants. We develop them for ourselves to own the power plants, and once the power plant is built, we operate and maintain the power plant. So, we receive all the data from the power plant, and we're then able to operate in a preventive or curative way to optimise the power plant.

Photosol currently operates just over 450 megawatts of power plants, making it the third or fourth largest portfolio in France, behind giants such as Engie, Total and EDF, who have achieved significant external growth. Photosol's power plant portfolio is really driven by internal growth. We have a pipeline of about 3.5 giga, that's 4,000 hectares. To give you an idea of size, 4,000 hectares is the equivalent of just over 4,000 football fields. We're basically a small fish in the middle of a pond with a few big fish. We're also small on staff, with 80 people in France, including 60 in Paris and 20 in the regions. Our 20 regional staff conduct power plant maintenance and operations. As you can see on the map, our geographic positioning in France is Central-Southwestern. This was a strategy from the beginning of Photosol, which I'll explain further on.

Founded in 2008, Photosol has become a leader in the French photovoltaic market within a decade. To date, we've won all our tends and are the second independent player. We're a long way off the giants I just mentioned, though. We established our market positioning over the years and there are basically two phases to Photosol's growth. A first period from 2008 to 2014-2015, when we both started from scratch, in our Paris apartments, developing our first projects. We built Photosol step-by-step, with a third, fourth and fifth person gradually joining our business lines. One of our biggest challenges was convincing banking institutions to support us. We're talking about capital-intensive businesses, where you need 80-90% leverage to get a project up and running, so it took a few years to build trust. But from 2015 onwards, all the foundations were in place, we had our first power plants, our banking partnerships, our teams, our operations and maintenance business, and we've been able to considerably accelerate since 2015, and particularly since 2018. In 3 years, I think we've had to recruit twice... there were 40 of us, increasing to 80 in 2 years, with operations up from 200 to 450 mega in 2, 3 years, and then the pipeline increased four times in a couple of years. Since 2018, we've substantially accelerated, which is one of the reasons for the Rubis merger.

This growth is based on a few factors, which for me, make us stand out from competitors. Number one: right from the start of Photosol, we decided to focus on projects and regions I'd describe as different and atypical. Earlier on the map, I showed you how we're based in Central and Southwestern France which aren't the most sunny regions. Heading Southeast, to the Mediterranean region, there's 15-20% more radiation, representing 15-20% more revenue. However, our positioning in this second free zone of France was decided by an opportunity to have more and cheaper land, better and faster connection conditions, and stronger local political support, rather than setting up in the most competitive area. So, we opted for a less mainstream regional positioning. We also chose to position ourselves on projects that other players didn't consider. For instance, landfills and military bases – the Creil military base which everyone was interested in – and we ended up winning this project. It's an incredible project supplying close to 200 megawatts on agricultural land. David will talk about this shortly. We believe strongly in agrivoltaics, and our first agrivoltaic power plants date back to 2013, while our competitors have been using agrivoltaics for a couple of years. And there you have it. Basically, our positioning is outside the mainstream and a bit atypical compared to the market. This is how we've developed a strong positioning in the French market. Number two: we stand out from other players of our size by integrating all our businesses. We're our own developers, we provide all the financing, we monitor construction, and we own 100% of our assets, whereas many players develop and sell, and we also have our own maintenance teams. I believe that Photom, our maintenance company, is one of the leading maintainers in France, with nearly 700 megawatts in maintenance. More often than not—players of our size at least—are developers and maintainers working for third parties, or they develop and keep the plant for a year before reselling it to move capital around. We decided to integrate all the businesses because the value lies in all these segments and business lines of development, financing, refinancing, operations, portfolio size, and soon repowering, *i.e.,* the redevelopment and rebuilding of these plants. We were able to create value by owning a plant, which made a lot of sense to us. Number three, I don't actually know if it distinguishes us but it's still very important to us, is that we place a lot of value on people and entrepreneurship. David and I have been entrepreneurs at heart for 13 years, and we've built a team around us of a dozen autonomous, skilled, and agile managers. Our business development is based on two strong pillars, local agility and a solid balance sheet. We built up the balance sheet little by little, now others have a much stronger balance sheet than we do, but you have to stay agile while at the same time having the firepower of a multinational.

A few words about the business model and why it's particularly resilient and relevant against a background of inflation or rising interest rates. It's crucial to understand that once the plant is built, it generates cash flows that are easy to forecast. Revenue is a feed-in tariff defined by a contract, usually signed with EDF, or with a reputable third party. We're dealing in 20-year contracts, with a fixed tariff, an indexation clause, and with revenue also based on irradiation. When you consider lengthy contract terms of 20+ years, irradiation varies by 2/3% on average. So, our topline and revenue are extremely easy to forecast. Under this are expenses that are mostly contractual: a maintenance contract, an insurance contract, scheduled interest rates, rent in a lease renewable over 20 years – 10 years plus another 10. So, we have strong forecasting on the EBITDA of a photovoltaic power plant, which allows us to set up long project financing of 20 to 23 years, with fixed rates from the first year. I see some bankers in this room, and we've been fortunate in recent years as banks have fought for financing, so we also have extremely low margins of around a hundred basis points. When a plant is not yet built, so, when we have a building permit and it's pre-financing, during tenders, we're able to set our electricity resale price. That's the price we'll demand and that will be in the contract, based on economic parameters. It's essentially based on CAPEX, costs to date, inflation, and our projections, so even if prices go up for photovoltaic modules, components, construction, steel, raw materials, logistics, and transport, we can actually pass on these increases by responding to tenders. Ultimately, the risk occurs between the time of winning the tender and our signing of a financing contract which lasts a few months. During this period, we may be a bit exposed to significant macroeconomic developments. Naturally, though, the overall market environment for developing renewable and photovoltaic energies is extremely positive. David, do you want to say something on this?

David Guinard: Thank you, Robin. I'm David Guinard, CEO and co-founder of Photosol. Within Photosol and the partnership formed between Robin and I, Robin focuses more on financials whereas I concentrate on development. So, let me discuss development in more detail, and particularly two major issues we face on a daily basis, which are also very topical right now. On the one hand, there's the entire political context with discussions on energy, the future of energy in France, and more generally, as Robin mentioned earlier, we're talking about a few hundred hectares of land in the portfolio we're operating today. But on the scale of France's ambitions, which were recently announced by the French President, and in the framework of several reports that have been published, we're talking about several hundred thousand hectares that must be mobilised in the years ahead to accommodate photovoltaics. These issues need addressing and this development must be carried out, both in respect of biodiversity and uses, so, without artificialisation and conflict with other uses, such as producing food. This is why we're focusing all our efforts on agrovoltaics. The truth is we're talking about exciting topics that are ever more inspiring against the current backdrop with France's upcoming Presidential election and more tragically with the current energy issues we're experiencing. However, from one standpoint... let me start off by giving you some important key figures, when we created the company 14 years ago, the first contracts we were able to sign—and we still have a power plant that sells its electricity at that price—we sold electricity at around €600-650 per megawatt hour, whereas today, in the last tender that was published the day before yesterday, the average price was €58. This was up compared to a previous tender where we had gone down to €56 per megawatt hour, so a ratio of more than 10 or 10/12 in a dozen years also, and the downward trend continues. Parallel to this, we face baseline prices at €42 of the main price, the price at which EDF resells electricity to its competitors, but especially the market price which averaged higher than €100 per megawatt-hour in 2021. This figure is unprecedented, and though I haven't checked the latest figures, but it's more than double this as of today. Clearly a lot of work has been done to make solar energy become competitive, with an important role in the energy mix, which is no longer denied by anyone. And lately, there has been a lot of talk about a revival in nuclear power. Many people ask us if "it's the end of photovoltaic if we bring back nuclear power plants?" In reality, we're not operating in the same timeframe. So, today, even if—and I'd like things to move faster—we develop a photovoltaic project in 3 to 4 years, it's still much shorter than the development of a new nuclear power plant. Crucially, we can develop this across France, with much larger volumes, with electricity produced some other time. The electricity we produce is obviously complementary to wind and hydro power as well as nuclear, and so, this is the positioning of photovoltaics that is being developed in France's general mix. To achieve this, you need hectares of land and you need to develop projects on land. The RTE[6] report published a few months ago mentions hundreds of thousands of hectares, and even up to more than 200,000 hectares to be mobilised, and it must not compete with other uses. A decade ago, Photosol decided to work with farmers on mixed-use projects and to develop power plants that maintain agricultural activity under panels and even find innovative solutions that increase yield per hectare. It was something of a science to begin with and many people were skeptical. We commissioned INRAE[7] to analyse 10 years of feedback on plants, and we published a report this winter. In recent months, we, along with the industry, have succeeded in leading the discussions which have also involved the French government. A few weeks ago, France's National Assembly carried out a flash mission, during which we were heard and which led to a recommendation. And the Assembly is in the process of issuing a regulation that distinguishes effective agrivoltaic initiatives from supporting projects. This new regulation will pave the way to wider-scale mobilisation of land across France, and Photosol is one of the best positioned players given our decade-long experience in agrivoltaic projects.

Here you have a nice picture of sheep at one of our power plants. Now it may seem rather anecdotal, but it's true that the ambitions announced by the French President—100 gigawatts by 2050, 25 gigawatts by 2028, and the RTE report mentioning 214 gigawatts by 2050—cannot be achieved without these projects. Admittedly, we place a lot of emphasis on this and all the meetings we had a few months ago with Rubis made them smile since I constantly mentioned sheep. Now I'm a big fan of sheep, but truthfully, they're central to the Group's development strategy.

Second, we'll talk later about the reasons that led us to meet Rubis and collaborate on our shared future. For me, the four items displayed on this slide are part of the reasons why we met Rubis Group and which made Robin and I, and our entire Photosol team, develop a shared future based on these four themes. We're using evocative language here, but when we founded Photosol, the idea was that it was created in a business segment, producing electricity, which mainly comprised the largest players. So we thought, with our niche expertise, we've got the capabilities to compete with EDF which will develop large-scale projects, systematically ensuring that, for each megawatt installed on a plot of land, we'll maximise megawatt production and that we'll have the best maintenance teams to generate the most electricity from each of the panels installed on our land. This is the real identity of Photosol. Clearly, and Robin touched on it earlier, we came to the market with our strong entrepreneurial culture, which I think, has inspired our entire team. I think this was something

[6] *Réseau de Transport d'Électricité ("Electricity Transmission Network"), usually known as RTE, is the electricity transmission system operator of France.*
[7] *France's National Research Institute for Agriculture, Food and Environment.*

that attracted us to Rubis. Despite its size, and it's much bigger than Photosol, Rubis was able to uphold this entrepreneurial mindset. We'll continue to work with that because, as Robin said earlier, agility is a core value in obtaining building permits, to be able to innovate and continue innovating in markets that are constantly in transition and to succeed in finding new niches that will enable us to step up electricity production that is cost effective and on as much land as possible.

I don't want to expand on our vision of positioning ourselves in specific regions of France that were less popular with our competitors. Today, one of the niches we've worked on for 2 or 3 years, and perhaps a little further upstream than some of our competitors, is reselling electricity outside the regulatory framework of the French Energy Regulation Commission and tenders. We've actively sought direct electricity buyers interested in signing private contracts. It's what we call the *corporate pipiers* who operate on similar timeframes of around 20 years since the goal is to maintain this long-term visibility on the resale of electricity. But it's also about finding buyers who are interested in securing a price for green electricity, which is competitive today versus the rest of the market, and which, above all, will guarantee long-term visibility. This will be an effective growth driver in the development of future projects. And then, Clarisse talked a lot about CSR which is one of the cornerstone issues for Rubis. Our ambitions are perfectly aligned with indicators that are a little different since we don't address the exact same types of markets, but when we compared Rubis' approach to CSR and ours and what we do day in day out, we have many things in common. It's not just that we both work in a green business segment.

As for the reasons behind the acquisition, and what attracted us to Rubis, we mentioned this earlier. But our market, from the beginning and even more so today, with our shared ambitions – Photosol in the French market – and with the political ambitions to develop solar energy in France, we need a solid balance sheet and a robust sales team to accelerate development and seize an increasing number of opportunities. A few months ago—about a year and a half ago—we started thinking about joining forces with a player who would help us to take things to the next level. Photosol's lifecycle comprises several phases. The idea was to kick-start a new one to accelerate our development, succeed in producing 3/3.5 gigawatts which is in the pipeline and eventually consider other market developments. Rubis brought this vision to the table. A vision of fulfilling the ambition we had, of providing the resources and jointly having the means to achieve our goals. Rubis also helped us to carefully consider potential synergies, because even if we operate in two different business segments, we were already familiar with Rubis Group after collaborating with some of its subsidiaries to develop land and set up photovoltaic projects on this land. So, the idea is to continue to thinking about all the co-development strategies and synergies that we can have with the Group, and to succeed in accelerating our joint growth. There is a lot of talk about hydrogen at the moment, and Hydrogène de France is one of the leading industry players in a few specific niches of this vast market. We're also giving this some thought at Photosol, and there are multiple potential synergies and complementarities between solar electricity production and hydrogen activities. This is one of the topics we've been and will be considering in the months ahead.

Let me end with our outlook for development. Clearly, our top priority is to finish what we started 14 years ago, particularly our work these past 3-4 years. We want to successfully implement our projects and our pipeline in the French market. Going further, we need to consider all potential areas for development that may complement our business. I briefly mentioned *corporate pipiers* makers and to replicate our business model in foreign markets as well as having a strictly French positioning is clearly limited. Our conviction is that there's so much potential for synergies with similar activities in other European markets. We also believe in deploying a strategic overall approach and this is something we'll be working on ASAP. And then, our focus will shift to all the Rubis Group locations, followed by its ancillary activities. We haven't mentioned storage, for instance. In the years ahead, energy and electricity storage will be a key challenge. Photosol is working with its Innovation Center on and it's something that also needs addressing. I hope we'll have the opportunity to discuss in more detail at other meetings like this.

Either way, I was delighted to be on this side of the stage. 15 years ago, I was one of you, working for an industry player. This side of the business is still new to me and if I may say so, it's quite the surprising task!

Jacques Riou: Thanks to you both, David and Robin. I think you now understand our passion for Photosol, because you've been able to measure their enthusiasm and their success as entrepreneurs, and you've been able to measure the strategic vision of our two friends. What's more they've shown they're able to implement these strategic visions in an extremely thorough and coordinated manner to achieve remarkable results. Thank you for being on the right side—or new side—of the fence! I'd now like to...

Conclusion and outlook. So, to recap: In 2021, volumes were good, we delivered solid unit margins, earnings were good, operational cash flow is increasing, our financial position is healthy, and the dividend is up 3%. This year, there will be no offer of a share-based dividend payment, it will be cash only.

As for an update on our operations these first two months of 2022, we're off to a good start, continuing year-end trends. So, the outlook is good. Activities comprising our current business—bitumen, LPG, and networks and as Bruno also described, the revival and growth of networks in East Africa which we acquired in recent times—all of this continues to drive our activities. As for the more delicate points, I think like in Haiti, and to a lesser extent Madagascar, these are issues we always encounter in the business, and that always end up being resolved. For instance, with political activity in Haiti, I can't make a prognosis, but we get the impression that things ever so slightly improving. When it comes to the relationship between a petroleum company and a government, long-term, we must work together. Together, we always end up finding effective solutions. I would add that as far as Rubis Terminal is concerned, I would remind you that Rubis Terminal delivered growth in both 2020 and 2021. The fundamentals are still very much active. There will probably be a refinancing of the debt that Bruno mentioned, which should further improve the performance. That's all I want to say on our historical business.

In our renewables division, which is our new growth driver, as you can see, there are substantial investments. We'll have invested more than €800m with complementary investment programs over the next few years. And we'll quickly reach an enterprise value of around €1.5bn. Remember that, as things stand, Rubis' enterprise value is around the €3bn mark. So, Clarisse is spot on when she says "We're becoming a multi-energy company." This is a meaningful statement even in terms of the relative weighting between assets. In this field of expertise, which we just discussed at length, the outlook for growth is extremely buoyant. Just think about the official development plan in France for photovoltaic energy or the European plan. Think about the even greater need to vary sources of energy which we've discovered in recent weeks from a collective standpoint. It has never been clearer that we can't depend on a single energy source. Lastly, these are age-old principles that have recently gained influence. Each source of energy has an important place, and clearly as current events have showed, it is never a good idea to restrict yourself to a single energy source. I think many people have now got the message. With regard to photovoltaics, I'm recycling an idea that you developed, David, which is that "photovoltaics directly connect us to hydrogen." Not only that, but it also connects us to the development of a market for green hydrogen. Naturally, to date, this market is not properly defined. It's still in its infancy, and we arrive in what we consider will be a mass market. As we join forces with Photosol and HDF, it will be up to our Group to identify the segments that reflect our identity and our future purpose, in order to find our place in this specialised market, which is complementary to green hydrogen.

So, to complete the picture, yes, Rubis has become a multi-energy group, with two major divisions, one of which is carbon-based but which is obviously working on decarbonising its activities. A carbon-based division with a single-digit growth in internal growth, the green division which has double-digit growth, very strong growth, one which provides a large free cash flow, the other more green which needs to invest and which also provides cash flow but which is used to reduce the debt of each of the SPV operations. A business with a higher WACC, a business with a much lower cost of capital, so these two areas will develop concurrently. We are lucky enough to have them now. In other words, depending on the geography of Europe, outside Europe, the market segments, and the different customers we serve, we are able to provide extremely diverse solutions, either separately or in combination. So this is really, the plan we are proposing to you, it is in fact the best of both worlds in the field of energy, and it is the way in which the Rubis Group will continue its development over the coming years and in the medium to long term. I think we have discussed everything with our presentation. Thank you very much for listening, we will be happy to try to answer your questions.

It's your turn on the mic! Thank you.

Jean-Luc Romain [CIC]: Good evening, Jean-Luc Romain, CIC. I'd like to ask a question about Rubis Terminal. What is the level of debt today in terms of leverage or amount, which you can indicate? And what are the ambitions in this area? And on the expansion of bitumen, does it involve acquiring new sources of bitumen as you may have attempted a few years ago? The very sharp, very rapid rise in prices over the last few weeks, how does that translate into your distribution margins? Three questions in one, actually. Thanks again.

Bruno Krief: On Rubis Terminal, the debt today, at the end of 2021, reaches 760 million. 760 million net of course, which represents an EBITDA multiple of 5.5x, so here is the answer to your question. Concerning, then obviously Rubis Terminal has a culture of development, of growth. There has been a lot of internal growth, that's true. There was a large external growth in 2020 which represented almost a third of the assets with the Spanish subsidiary Tepsa. There is also a capacity, an agility, a capacity to maneuver, a capacity to move with the exit of Turkey, just recently. Rubis Terminal has deeply evolved these last 10 years, as you know, in its portfolio of stored products. He went towards biofuels, he was a pioneer in the launch of a certain biofuel sector in France. It has innovated and started from scratch in the ARA zone in the 2010s to become a major player in Antwerp and Rotterdam in chemicals, with, for example, the major contracts we have with large manufacturers such as Shell, but also with other very large petrochemical companies in the region. There is an important role to play at Rubis Terminal in the energy transition, you know that the business of Rubis Terminal is to be anchored also on the territory, it is not the territory, it is not agrivoltaism, but it is in the ports, it is in the logistics nodes, it is in the logistics hubs, and has this ability to respond to logistical issues, to store liquid products. I think that in the energy transition, there will be new needs, whether it is storage of other liquids, biofuels, or gas storage needs, tomorrow or the day after tomorrow, hydrogen, why not. So there is a whole logistic to build, and Rubis Terminal, from its locations, which are essential, which make the value, is trying to position itself to participate in this development, clearly. It has the means, it has the expertise, and Rubis and its shareholder I Squared are powerful shareholders to help it propel itself. I believe there was a question about asphalt as well?

Jacques Riou: Yes there was a question about bitumen and what underlies the development actually. So naturally, if we want to do external growth, you know that in the group, it's something we know how to do and that we like to do, but that can't be planned, we can't make a plan. What is certain is that in terms of bitumen, and here we are talking about Africa, there are commercial breakthroughs that are quite remarkable. Our starting point has been the Nigerian market where we have a major market share, and the contiguous countries in Western Africa. But we have found a way to penetrate African markets that do not have the magnitude of either Nigeria or South Africa, and which allows us to insert ourselves between a very powerful bulk logistics system, which adapts itself, as I said, mainly to Nigeria and South Africa, and logistics systems that are widespread throughout Africa based on drums. Therefore, they are extremely easy to handle, etc., but they do not offer operators, I was going to say serious in the sense of a certain size, guarantees of origin, quality, regularity, etc. So we have set up a logistics system based on specialised containers, bitutainers, and equally specialised vessels, which enable us to deliver a certain number of these bitutainers to commercial ports, and thus to offer our new customers, for intermediate quantities, the high level of service and quality of an international group. We have managed to attack countries like Cameroon and Gabon from scratch. We are now in the process of entering South Africa, and here I am taking up something Bruno said, South Africa, which was long on bitumen, is becoming short on bitumen, and therefore requires imports, as well as East Africa, which we are in the process of entering. So there is a dynamic on the part of the Rubis Group in Africa. And this internal growth dynamic is already enough to boost this part of the business. I mean, I think there was a question about prices, so I don't know if we can publish…

Bruno Krief: It's coming, it's coming... we anticipated your question.

Jacques Riou: This is the magic graph of the Rubis Group on its carbon part. Since now we have to talk about the carbon part or the other. You have here, over 10 years in fact, on the screen, about 10 years, we could have done it over 20 years, the graph would have the same structure. You have the quotations for low-sulphur diesel in the red curve, and the average unit margins of the Group –

<u>Bruno Krief</u>: The variations, at least the variations.

<u>Jacques Riou</u>: – Yes, blue curve for changes. It's pretty self-explanatory. For example, in 2015, you have a 30% drop in quotes, a 15% increase in margins. In the years 2017-2018, you have increases of 20 to 24% in quotations, which is still, in the price of a product, something considerable, and you see that the margins have remained stable, and even slightly growing. The situation closest to ours, so 2020, you remember that we were, well this is anecdotal, went into negative price for a few days on oil, but you have a 40% collapse in the price of oil products at that time, down to almost 15 dollars, margins increased by 5%. Conversely in 2011, that's why I liked to talk to you about this 2-year period 2020-2021 which is extremely significant, you have a 54% growth, and the margins have barely dropped 5%, that's it. This is a fundamental graph of our activities, it is the capacity to transmit the violent variations of international prices to the final markets. And so, to answer your question about these price variations, there is no doubt that we will be able to do just as well in the future, which is the characteristic of energy markets in general, and of petroleum product markets in particular.

<u>Mourad Lahmidi [BNP Paribas Exane]</u>: Yes good evening, Mourad Lahmidi, BNP Paribas Exane. So I had two questions. The first one is a neophyte question, so sorry for the naivety of the question, about Photosol. On a photovoltaic installation, so you were talking about 20 years of operation. So over these 20 years, can you give us an idea of the amount to be invested and the cumulative operating result of the facility. And then, after 20 years, is it ultimately no longer usable, or can you still operate it?

<u>Jacques Riou</u>: Maybe I'll let our friends answer if you want. The last question is very simple for me, yes. It's still usable. Finally, land is an asset, and will increasingly become an essential asset. So then you'll put in panels of any color and the techniques progress. Sorry, it's not my place to answer.

<u>David Guinard</u>: So, yes indeed, maybe just to complete this point. I didn't mention repowering earlier, you mentioned the term. In fact, today, the panels that we install, and that we have been installing for about 10 years, have a life span that is estimated to be around 35 to 40 years, so we are on things that are very long term. There are a certain number of elements that need to be changed regularly in a power plant, but these are extremely minor elements, mainly the inverters, and this is why it is important to have an operator, a maintainer within Photosol, because this allows us to have a better knowledge of the functioning of the whole power plant, and to have an extremely important and reliable preventive maintenance, which also allows us to increase the life span of the plants.

And so, on the other hand, it is true that the fact of the land, of having leases, we have most of the leases have a duration of 40 years, we anticipate the fact on the one hand that we will be able to go beyond the first phase of 20 years of sale of electricity, and then potentially to reinvest in panels that have a constant improvement of their performances. So today, we are already working on repowering our power plants from 10 years ago. What you need to know is that the first 20-year period is important because it is the one on which the financing, the bank financing, is sized. So beyond the 20 years, we are on a logic where in fact most of the cost has disappeared, since roughly speaking, it is going to be complicated to have the exact figures on the cumulative EBITDA over the 20 years. On the other hand, to give you an order of magnitude, roughly speaking, the economic model of an SPV over its first 20 years is about 80% of the turnover, or at least of the cash generated, which goes to repay the debt, and only 20% to cover costs and the margin. But when you get to the end of the debt repayment, and over the remaining 20 years of electricity production, you are on something where finally the operating costs are extremely low, and therefore there is a real value on the resale of electricity beyond that. And then on your first question which was the average cost of a plant. So it depends, it depends on the location, it depends on the nature of the land, it depends on the complexity, but we are between 70 and 80 cents per watt installed, so I let you do a little calculation on a plant…

Robin Ucelli: I will perhaps complete with two three ratios that may be interesting. These are very capital-intensive businesses. The construction of photovoltaic power plant, a lot of CAPEX at the beginning, and then as David says, it is necessary to pay back the debt which is 80/90% over the 20 years. And we have a small ratio that works quite well at Photosol, it's the operating result on the investment, and that is obviously very correlated to the level of debt, since the margin is between the two. When we started the first Photosol plants, we had an RoI (operating result on investment) of about 12% on the plants, today we are on more like 8. Except that at the time we were financing ourselves at 5% over 15 years, and today we are financing ourselves at 1%, 1.2% over 23 years. So there's a real... well, the interest is to see what the difference is between the operating result and the debt, that's a criteria of value creation. The second criteria for value creation is the quality of the development, and what the part, the development business will be able to bill or generate in fact as value on the plant at the time of its financing. We charge for project management costs, development costs if you like, this is upfront value creation. So the more sun the plant will have, the lower the connection, the lower the CAPEX, we will be able to generate value upfront. And then the third source of value creation is maintenance, the operating & maintenance, and this time it obviously depends on the location of the power plant, do we have many power plants to operate at the same time, so can we mutualise the costs. Is it an easy power plant, *i.e.* on a very flat ground, or on the contrary is it on a waste treatment center with gas outlets on all sides and you have to cut the grass by hand because it is so complicated. And so the interest, why I am talking about this, is that the interest is to be able to be present in the different businesses: development, financing, holding assets which even allows for refinancing when the macroeconomic situation allows it, and also operations to seek margin year after year. So there is no direct answer to your question, I apologise. But here's the thing, I wanted to talk about pockets of value and Photosol's positioning in each of those pockets of value.

Mourad Lahmidi [BNP Paribas Exane]: Thank you, Robin. I had another question about share buybacks. I believe there was a plan of about 289 million euros.

Bruno Krief: 250 million.

Mourad Lahmidi [BNP Paribas Exane]: 250 yes. Have you finalised this 250 million euros since the launch?

Bruno Krief: There was never a commitment to buy back up to 250 million euros. The resolution was for a maximum of 250 million. We have used this resolution, for the amount you know, that is 150. Don't forget that in the meantime, there has been a small investment of 80 million made in Hydrogène de France. There is a slightly larger investment of 760 million in Photosol that will require further investment. So, the priority, instead of being Malthusian and buying back our own shares, is to build the future. And building the future is not done by buying your own shares but by buying new assets that complement existing ones and create the profitability of tomorrow. So that's a little bit of our view on share buyback. We did it, very well. It is difficult to measure the result. There is a great academic debate about the effect of a share buyback. You know better than we do, you know how Rubis' share price has performed over the last two years. Well, it's not very famous, is it. Go and find out how the share buyback came into the value of Rubis today, but clearly, our share buyback, the resolution that was voted in December 2019 is valid until May 2022, I let you clearly guess that we do not have in view, in the next two months a share buyback.

Mourad Lahmidi [BNP Paribas Exane]: Right, okay. Final question please. To rebound on oil prices which are at a high level: in periods when oil prices are at a high level, there is a non-negligible risk that some countries, some authorities decide to question the price formulas. This has happened to you in the past. Do you see this kind of risk emerging in the areas in which you operate today over the coming months?

Jacques Riou: You are right. In general, all systems have their limits. And indeed, we have known it, it is the case of Madagascar in fact. You know, this is something we've talked about. But what I want to express is that, as I said, energy is essential. We are in markets that are always importing, we cannot sell at a loss, so the governments know the situation well. And in fact, we have to live in the long term, that is to say, the governments and ourselves, operators and importers of petroleum products in this case, it is a long-term relationship. The experience that goes back to the last century shows that this partnership, year in and year out, works. So, from time to time, we can have this type of problem. Very often, governments recognise, as in the case of Madagascar, recognise the kind of debts, if I may say so, of the various operators, and the negotiation is to know when and how the regularisation can take place. And there, there is no absolute rule, it also depends on... it can depend on the dates of the elections, it is not only in France that there are elections that allow us to know the promises of each other, but it can depend on that. It can also depend on the reflux of prices, since what went up extremely fast, can as well see the curves that you have in front of you, can as well go back down when the situations rebound. But I would say that it is the core business of an oil company to manage this kind of relationship with governments, and I would like to specify that it concerns relatively well-defined geographies, *i.e.* islands or specific countries with price structures. This is not the case in all countries, of course. This is not the case for all markets either. That is to say, you can have, you have very frequently islands in which the prices in the service stations are regulated, but not the prices concerning aviation or the bunkering of ships, or possibly the CNI, that is to say the large accounts, etc., you see. So it is with all these parameters that we have to play. Do we have any other questions?

Charles-Louis Scotti [kepler Cheuvreux]: Yes, good evening. Charles-Louis Scotti, Kepler Cheuvreux I just have a question about external growth policy. You mention in the press release that you want to continue to grow through acquisition. Can you tell us what the priority is today, is it in renewable or carbonised energies, and do you consider today that you have enough assets or can you continue to invest in other sources of renewable energy, beyond hydrogen or photovoltaic panels? And can you tell us a little bit about your M&A financial firepower afterwards, once the Photosol acquisition is in the books.

Jacques Riou: So as far as the external growth policy is concerned, you know that this is a constant policy for us. This is something we want to continue to develop. Are we going to invest in carbonized, or decarbonized energies, I would say we are going to try to invest in good quality companies that complement our portfolio. That is to say, naturally, we will continue to invest in the petroleum products part, which are evolving because petroleum products are going to become biofuels, and Clarisse had largely mentioned it, we are working a lot on sourcing LPG products or others, decarbonated. So all that is missing is the accelerated conversion of a number of refineries into bio-refineries so that we, as distributors, have access to these biofuels, and naturally, as soon as it is possible to replace a conventional fuel with a liquid biofuel, we do so in the most efficient way possible. So that's it for the carbon part.

Of course, we will also continue to invest in the photovoltaic part. Our friends here have clearly shown what their ambitions are and soon ours in this area. We have ambitions, but they have yet to be strategically defined in this emerging market, which is green hydrogen. For the other energy sources, look, I think the overview for us is pretty much finished, that is to say, smiling, we have ruled out nuclear for the moment isn't it, hydro is a bit complex, we have to manage to find a free dam. In France, it is not very simple, nor in many countries. Geothermal energy is an activity that for the moment has not been successful for many people either, but curiously enough. We could say to ourselves that it's easy, there is a hot spring somewhere, we will get something out of it. This is an industry that to my knowledge, for the moment, is not developing that much. We have tried to invest in biogas and we have not found a parameter that can satisfy us, that can suit a group of our size, without being the size of our big competitors, starts to be worth 3 billion, it suits us to invest in extremely developed groups so that the fact of saying "We are multi-energy" means something in terms of ratio in the assets that make up our balance sheet. So, this is a bit of a pleasant topic, but photovoltaics, the markets that are attached to it, I think will be suitable for accelerated development for a long time.

Bruno Krief: Financial capacity, I believe, was your second question. We told you earlier that we ended the year with a net debt to EBITDA ratio of 0.9. The acquisition of Photosol will increase this 0.9 to 2.5. I would say that on this 2.5x EBITDA, you have a ratio of 1.7 that can be compared to the traditional business, that is to say the 500 million generated by Rubis Énergie, right? And the rest being, 400 million in debt housed in what we call SPVs, so project financing, non-recourse. And so, it is rather the 1.7 corporate debt that we need to see and how much we can raise this corporate debt, I would say that we can live with raising this 1.7 debt to say 2.2, which is still a turn of EBITDA, let's say 500 million of investment capacity. And if I add to this that the Photosol project itself integrates some 700 million of investment over the next 5 years, but almost self-financed by debt and cash flow generated by the existing SPVs, we finally find, globally, our billion of financing capacity. That is to say the 700 million that will be spent at Photosol and that will be almost pre-financed by the use of a leverage of almost 90% or 100%, so there will be no cash injection from the shareholders for these first 700 million, plus between 300 and 500 million available at Rubis Énergie. So we find, through this hybrid model, almost 1 billion development capacities.

Jacques Riou: With that, shall we wrap things up? Thanks to all of you for your attention. We'll look forward to seeing you in person at future presentations unless any of you have any further questions? No? OK. See you soon for our next financial presentations. Thank you, Robin.

Bruno Krief: Thank you. You are welcome to join us for a drink in the room next door. Thanks again.

[END OF TRANSCRIPT]