



FUTUREN increased its revenue and EBITDA in 2017. Nevertheless, the net result is negative because of non-recurring items

<i>(in thousand euros)</i>	2017	2016
Revenue	61,758	56,651
EBITDA ⁽¹⁾	34,493	27,956
Operating income	6,352	12,338
Financial income	(8,106)	(8,017)
Income tax	(3,544)	(1,526)
Net income of the consolidated Group	(5,249)	2,822
Of which Group share	(5,408)	2,924

(1) Current operating income before amortization and non-operational risk provisions.

With the commissioning of two new wind farms in late 2016 and early 2017, FUTUREN's consolidated revenue increased by + 9% and its consolidated EBITDA by + 23% in 2017. The operating income decreased by 49% and the net result was a loss of 5.2 million euros

The Group confirms its ambition to develop new wind farms in order to strengthen its activity of Sales of electricity.

In connection with the publication of the 2017 annual results, Alexandre Morin, CEO of FUTUREN declared:

"FUTUREN confirms its growth plan with the commissioning of the 54 MW currently under construction and the completion of a second phase of Les Monts wind farm for approximately 35 MW."

1 Key highlights of the year 2017

Further development

With the support of its new reference shareholder, FUTUREN is pursuing its development policy that aims at commissioning new wind farms for own account in order to strengthen its core business as electricity producer.

At the beginning of January 2017, FUTUREN commissioned Les Mont wind farm. Located in the Aube department, in France, on the territory of the Sainte-Maure and Saint-Benoît-sur-Seine municipalities, this wind farm comprises 4 wind turbines of 3.3 MW, for a cumulative capacity of 13.2 MW. Construction works started in March 2016 and ended successfully as planned. This commissioning brought to 373 MW the installed capacity operated by FUTUREN for its own account.

In March 2017, FUTUREN secured a bank loan and launched the construction works for its Courant-Nachamps project, located on the territory of the Courant and Nachamps municipalities, in the Charente-Maritime department, in France. With 7 wind turbines delivering a unit capacity of 3 MW, the total installed capacity of the wind farm will reach 21 MW. According to the planned schedule, construction works started in March 2017.

In May 2017, FUTUREN obtained a new building permit, free of any third-party claim, to install 9 wind turbines on the territory of the municipality of Demange-aux-Eaux, in the Meuse French department. In November 2017, FUTUREN concluded a turbine supply agreement for the purchase of 9 wind turbines with a unit capacity of 2.2 MW for this project. The future wind farm's capacity will reach 19.8 MW. According to the planned schedule, construction works started in September 2017. This new authorization brought to 88 MW the cumulative capacity of wind projects owned by the Group in France which already received all necessary authorizations and are free of any third-party claim, including the Courant-Nachamps wind project, the 35 MW second tranche of Les Monts in the Aube department; the 12 MW Faydunes wind project in the Aveyron department and now the Demange wind project.

Acquisition of a majority stake in the capital of FUTUREN by the EDF Energies Nouvelles group

During the first half of 2017, FUTUREN analyzed the strategic options and possible changes for the Group and its shareholding structure. This led to the implementation of a competitive process aimed at bringing into the capital a long-term majority shareholder, at the end of which the EDF Energies Nouvelles group was selected. On June 9, 2017, the EDF Energies Nouvelles group acquired 61.6% of FUTUREN's ordinary shares (at a unit price of €1.15) and 96.0% of its convertible bonds (at an ex coupon price of €9.37) from the controlling group of shareholders, representing 67.2% of the share capital of the Company on a fully-diluted basis reflecting the conversion of the convertible bonds.

Simplified public tender offer on FUTUREN securities by the EDF Energies Nouvelles group

In compliance with applicable laws and regulations, following the acquisition of a majority stake, the EDF Energies Nouvelles group filed, on June 20, 2017, with the *Autorité des Marchés Financiers* ("AMF") a draft simplified public tender offer for all FUTUREN's remaining shares and convertible bonds at a price of €1.15 per share and an ex coupon price of €9.37 per convertible bond, that being the same terms that prevailed for the acquisition on June 9, 2017 from the former majority shareholders of FUTUREN.

The draft offer received the compliance decision from the AMF on July 4, 2017. The tender offer was open from July 6 to July 19, 2017.

As at the close of the simplified public tender offer, the EDF Energies Nouvelles group held 240,855,625 FUTUREN shares ⁽¹⁾⁽²⁾, representing the same amount of voting rights, i.e. 87.5% of the share capital and at least 87.2% of the voting rights of FUTUREN, as well as 105,601 OCEANES.

On the basis of the temporarily adjusted conversion ratio of 8.16 FUTUREN shares by OCEANE (instead of 7.266 FUTUREN shares by OCEANE without temporary adjustment), the EDF Energies Nouvelles group converted, on July 28, 2017, the 105,601 OCEANES it held and received 861,704 new FUTUREN shares.

(1) Including the holding by assimilation of 1,640,565 shares held by Fady Khallouf currently under lock-up period.

(2) Including 48,279,202 shares received upon conversion of 5,916,569 OCEANES on July 14, 2017, on the basis of the temporarily adjusted conversion ratio of 8.16 FUTUREN shares by OCEANE (instead of 7.266 FUTUREN shares by OCEANE without temporary adjustment).

Changes in the Board of Directors of FUTUREN

Acknowledging the change in control over the Company, FUTUREN's Board of Directors duly noted at its meeting on June 9, 2017 the resignation from their duties as directors of Michel Meus, previously the Chairman of the Board, Fady Khallouf and Jérôme Louvet, and appointed three directors proposed by EDF Energies Nouvelles, namely Bruno Fyot, who will also act as Chairman of the Board, Denis Rouhier, who will also act as Chairman of the Audit Committee, and Bénédicte Gendry. FUTUREN's General Meeting of shareholders held on June 28, 2017 ratified these three cooptations and appointed two further directors proposed by EDF Energies Nouvelles, Nathalie Guyot et Nicolas Couderc.

Following the resignation of Thibaut de Gaudemar from his duties as a director and member of the Audit Committee at the close of the Board of Directors' meeting held on September 6, 2017, the Board of Directors held on December 18, 2017 coopted Michel Sirat as independent director until the general meeting called to approve in 2018 the financial statements for the financial year ended December 31, 2017. At the same meeting, Michel Sirat was also appointed member of the Audit Committee.

Changes in the General Management of FUTUREN

The Board of Directors of FUTUREN, during its meeting on July 5, 2017, appointed Alexandre Morin as Chief Operating Officer.

Alexandre Morin, 40, capitalizes on 10 years of experience in the sector of energy and renewable energies, including 8 years at EDF Energies Nouvelles as Chief Financial Officer of EDF Energies Nouvelles France. Before joining EDF Energies Nouvelles, he held various management positions in the financial sector in international companies. He notably spent 3 years in Morocco in a subsidiary of the Technicolor group (ex Thomson).

The Board of Directors of FUTUREN, during its meeting on December 18, 2017, appointed Alexandre Morin as Chief Executive Officer of the FUTUREN Group with effect as from January 1, 2018. Alexandre Morin replaced Fady Khallouf, whose mandate ended on December 31, 2017

Conversions of OCEANEs, early redemption of part of the OCEANEs and new share capital of FUTUREN

On the basis of the temporarily adjusted conversion ratio of 8.16 FUTUREN shares by OCEANE, the conversion of 1,040 OCEANEs led to the creation of 8,486 new FUTUREN shares. On the basis of the non-adjusted conversion ratio of 7.266 FUTUREN shares by OCEANE, the conversion of 20 OCEANEs led to the creation of 145 new FUTUREN shares

As a result of the change in control over the Company on June 9, 2017, the bondholders had the possibility to request the early redemption of all or some of their bonds between July 6, 2017 and July 20, 2017. Upon request of the bondholders, FUTUREN redeemed 48,081 OCEANEs at a unit price of €6.322, increased by the interest payable as from July 1st, 2017, and canceled the corresponding bonds.

Pursuant to the free shares plan decided by the Board of Directors on November 2, 2015, the Board of Directors held on December 18, 2017 definitively granted 1,050,000 performance shares.

As at December 31, 2017, the share capital of FUTUREN comprises 277,134,987 shares, with 277,454,916 voting rights attached.

As at December 31, 2017, 13,594 OCEANEs are outstanding, making negligible the residual bond debt.

2 2017 annual results

The Board of Directors, during its meeting of April 5, 2018, approved the 2017 parent-company financial statements and the 2017 consolidated financial statements, in the presence of the Statutory Auditors. The audit procedures have been performed and the auditors' certification reports are in the process of being issued.

CONSOLIDATED INCOME STATEMENT

- Revenue**

With the commissioning of two new wind farms in late 2016 and early 2017, FUTUREN recorded a consolidated revenue up by + 9% in 2017.

<i>(in thousand euros)</i>	Sales of electricity	Development and Management of wind farms	Consolidated total
2017	56,911	4,847	61,758
2016	49,422	7,230	56,651

The **Sales of electricity** activity, FUTUREN's core business, registered a revenue of 56.9 million euros in 2017, up by + 15.2% compared to 2016. The activity benefited in particular from the commissioning of an 18 MW wind farm in September 2016 and a 13 MW wind farm in January 2017, as well as favorable wind conditions in the fourth quarter of 2017.

The Sales of electricity activity relies on long term electricity buyback contracts (15 to 20 years depending on the country) with guaranteed tariffs. This secure activity accounted for 92% of the consolidated revenue in 2017.

The **Development and Management of wind farms** activity registered a revenue of 4.8 million euros in 2017, down compared to 2016, when the Group recorded a non-recurring revenue linked to third-party development services.

• EBITDA

Consolidated EBITDA amounted to 34.5 million euros in 2017, compared with 28.0 million euros in 2016, up by + 23.4%, confirming the solidity of the Group's operating fundamentals. The EBITDA margin on consolidated revenue reached 55.8% in 2017, compared to 49.3% in 2016.

<i>(in thousand euros)</i>	Sales of electricity	Development and Management of wind farms	Consolidated total
2017	40,590	(6,096)	34,493
2016	33,408	(5,452)	27,956

Following the same trend as the revenue, the EBITDA of the **Sales of electricity** activity reached 40.6 million euros in 2017, an increase of + 21.5% compared to 2016, driven by the positive impact of the recent commissioning of two wind farms in France and favorable wind conditions in the fourth quarter of 2017. The EBITDA margin on revenue of the activity amounted to 71.3% in 2017, compared to 67.6% in 2016.

The EBITDA of the **Development and Management of wind farms** activity was a loss of (6.1) million euros in 2017, compared to a loss of (5.5) million euros in 2016. The activity benefited in particular from non-recurring positive impacts in 2016 related to development services.

• Operating income

FUTUREN's operating income reached 6.4 million euros in 2017, compared to 12.3 million euros in 2016. The 2017 financial year has notably been impacted by a non-recurring expense of 3.8 million euros related to the capital transactions initiated by FUTUREN. In 2016, the Group had benefited from several positive effects, notably related to the cleaning of its situation in Italy.

<i>(in thousand euros)</i>	2017	2016
EBITDA ⁽¹⁾	34,493	27,956
Amortization	(21,692)	(20,301)
Impairment	(1,789)	(6,500)
Other non-current income and expenses	(4,829)	(9,111)
Net reversals of provisions	172	6,816
Share in income of joint ventures and associates	(2)	13,478
Operating income	6,353	12,338

(2) Current operating income before amortization and non-operational risk provisions.

The vast majority of amortization is related to wind farms held and controlled by the Group. The increase in 2017 is mainly linked to wind farms that have been recently commissioned by FUTUREN in France.

The operating income for the 2017 financial year was impacted by several non-recurring items, mainly:

- costs related to the transactions on the share capital of the Company (3.8)
- an additional depreciation of the value of wind turbines purchased in 2008, not yet installed (1.4)
- other net impairment, notably on operating wind farms in France (0.4)

representing a cumulative negative impact of 5.6 million euros on the operating income.

On the contrary, in 2016, the Group had also recorded a number of non-recurring items, which improved the operating income by approximately 4.1 million euros, mainly:

- a reversal of provisions following the cleaning of the situation of Italian subsidiaries accounted for by the equity method, for 13.6 million euros, recorded in the Share in income of joint ventures and associates;
- partially offset by an impairment for an amount of 6.5 million euros, related to the goodwill of the German holding and to wind turbines purchased in 2008; and
- new provisions related to the German business for an amount of 3.0 million euros.

- **Financial income**

The Group's financial income represented a net cost of 8.1 million euros in 2017, in line with 2016.

<i>(in thousand euros)</i>	2017	2016
Interest cost related to the convertible bond	(1,175)	(3,725)
Net interest cost related to operating wind farms	(7,208)	(6,577)
Other	277	2,285
Financial income	(8,106)	(8,017)

Interest cost related to the OCEANEs amounted to 1.2 million euros, a decrease of 2.5 million euros compared to 2016, following conversions of OCEANEs and early redemptions made in 2017.

Net interest cost related to bank loans of operating wind farms increased over the year, mainly due to the debt drawn down for recently commissioned wind farms.

Net income recorded under "Other" mainly includes interests on loans and receivables granted to companies accounted for under the equity method.

- **Income tax**

The income tax represented a net cost of 3.5 million euros in 2017 compared to a net cost of 1.5 million euros in 2016. This change mainly concerns deferred taxes.

- **Net income**

The consolidated net income for the 2017 financial year is a loss of (5.2) million euros, mainly impacted by a non-recurring cost of 3.8 million euros related to capital transactions initiated by FUTUREN, as well as by a further depreciation of the turbines stored.

FUTUREN had recorded a profit of 2.8 million euros in 2016.

DEBT AND CASH POSITION

The Group's net financial debt reached 103.3 million euros as at December 31, 2017, a decrease of 29.5 million euros over the year.

<i>(in thousand euros)</i>	2017	2016
Convertible bonds (OCEANES)	(87)	(49,937)
Operating wind farm bank financing	(165,328)	(149,101)
Other financial liabilities	(40,925)	(28,275)
Financial debt	(206,341)	(227,313)
Cash and cash equivalents	82,760	74,748
Other financial assets (loans and receivables granted)	20,327	19,782
Net financial debt	(103,254)	(132,783)

Convertible bond (OCEANES)

The debt related to the convertible bonds decreased by 49.9 million euros in 2017, mainly as a result of conversions and redemptions made during the year. As at December 31, 2017, there are 13,594 OCEANES outstanding.

Operating wind farm bank financing

As at December 31, 2017, bank project financing loans amounted to 165.3 million euros, compared to 149.1 million euros as at December 31, 2016.

Bank project financing loans increased by 16.2 million euros over the year: normal annual amortization of 26.4 million euros was offset by drawdowns for projects under construction or recently commissioned in France for an amount of 42.6 million euros.

It is reminded that FUTUREN's project financing debt is non-recourse or with limited recourse against the parent company. Each special purpose vehicle holding a wind farm directly takes out financing with the bank and ensures reimbursement through the cash flows generated by the operation of the wind farm.

Other financial liabilities

Other financial liabilities include the fair value of the interest rate hedging instruments, the amount of equity provided by the investment vehicle Theolia Utilities Investment Company ("TUIC") to its four wind farms, as well as advances granted by the majority shareholder. This item increased by 12.6 million euros in 2017.

The fair value of the interest rate hedging instruments (swaps) is evaluated at each closing of the accounts. As at December 31, 2017, the related value amounted to 6.2 million euros, a decrease of 2.3 million euros over the financial year.

The equity provided by TUIC to its subsidiaries amounted to 21.7 million euros as at December 31, 2017, up by 2.0 million euros over the year, mainly corresponding to yearly interest not paid.

Lastly, since its acquisition of a majority stake on June 9, 2017, the EDF Energies Nouvelles group provided FUTUREN with cash advances, mainly to finance the construction of the Demange project in France, for an amount of 12.8 million euros as at December 31, 2017.

Cash and cash equivalents

The gross cash flow from operations totaled 30.4 million euros in 2017. It was notably impacted by a non-recurring expense of 3.8 million euros related to the capital transactions initiated by FUTUREN. The change in working capital requirements was negative by 4.6 million euros in 2017. During the year, the Group reduced its debt, one part having been paid and the other part having been canceled. On the contrary, trade receivables increased, with a portion of electricity sales being exceptionally cashed in January 2018. The change in working capital requirements was positive by 4.3 million euros in 2016. In total, operating activities generated 24.3 million euros of cash in 2017, compared with 22.6 million euros in 2016.

In 2017, the Group finalized the construction of Les Monts wind farm (13.2 MW), continued the construction of the Courant-Nachamps wind farm (21 MW) and launched the works of the Demange wind farm (19.8 MW) in France. Overall, the Group spent 27.9 million euros on its investments in 2017, compared with 29.4 million euros in 2016.

In 2017, loans and other debt increased by 55.5 million euros, partly due to drawdowns on bank financing for 42.7 million euros and advances provided by the majority shareholder for 12.8 million euros, all funds being used for wind farm construction.

In return, the Group repaid its loans and other debt in the amount of 37.1 million euros in 2017, corresponding, on the one hand, to normal repayments of project financing related to operating wind farms held and controlled by FUTUREN, for an amount of 26.4 million euros, on the other hand, to early redemptions of the convertible bonds, for an amount of 10.7 million euros.

In 2017, the Group paid out interest in the amount of 8.3 million euros, regarding project financing related to operating wind farms held and controlled by FUTUREN and OCEANES.

In total, in 2017, the net cash flow from financing activities represented an inflow of 10.1 million euros, compared to 8.9 million euros in 2016.

Overall, the cash position of the Group increased by 8.0 million euros in 2017.

Other financial assets

Financial assets presented as deducted from the financial debt mainly correspond to loans and receivables granted to subsidiaries accounted for using the equity method (Theolia Utilities Investment Company and the Aerochetto company that holds the Giunchetto wind farm). They increased by 0.5 million euros in 2017, mainly due to yearly interest.

3 Events since December 31, 2017

Further development

FUTUREN is pursuing its development policy that aims at commissioning new wind farms for own account in order to strengthen its core business as electricity producer.

In the beginning of 2018, the Group concluded a turbine supply agreement to purchase 6 wind turbines for the construction of the Faydunes project, located on the territory of the town of Saint-Affrique, in the Aveyron department. In addition, FUTUREN is pursuing the construction of the Courant-Nachamps wind farm in the Charente-Maritime department and the Demange wind farm in the Meuse department.

These three wind farms under construction represent a cumulative capacity of 54 MW, that will be commissioned in 2018 and 2019.

About FUTUREN

FUTUREN is a producer of wind energy, active over the entire wind value chain. The Group develops, builds and operates wind farms in four countries: Germany, France, Morocco and Italy. In total, the Group operates 620 MW for its own account and for third parties.

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