



Press release

September 14, 2018

## FUTUREN records a net profit in the first half of 2018 and continues the implementation of its numerous projects

The Group consolidated financial statements for the first half of 2018 were approved by the Board of Directors during its meeting on September 13, 2018, in the presence of the Statutory Auditors.

The 2018 half-year financial report is available on the Group's website [www.futuren-group.com](http://www.futuren-group.com).

| <i>(in thousand euros)</i>                  | First half of 2018 | First half of 2017 as restated | Change       |
|---|--------------------|--------------------------------|--------------|
| <b>Revenue</b>                              | 33 772             | 31 494                         | 2 278        |
| <b>EBITDA</b>                               | 18 809             | 17 704                         | 1 105        |
| <b>Operating income</b>                     | 5 022              | 2 904                          | 2 118        |
| <b>Financial income</b>                     | (1 670)            | (3 752)                        | 2 082        |
| <b>Income tax</b>                           | (1 998)            | (2 250)                        | 252          |
| <b>Net income of the consolidated Group</b> | <b>1 354</b>       | <b>(3 099)</b>                 | <b>4 453</b> |
| <b>Of which Group share</b>                 | <b>846</b>         | <b>(3 278)</b>                 | <b>4 124</b> |

The first half of 2018 benefited, in particular, from more favorable wind conditions than in the first half of 2017, that was, for its part, impacted by a non-recurring expense of 3.6 million euros related to the preparation of the capital transactions initiated by FUTUREN.

### 1 Key highlights of the first half of 2018

#### **Further development**

In the first half of 2018, FUTUREN pursued its development policy that aims at commissioning new wind farms for own account in order to strengthen its core business as electricity producer.

In this way, FUTUREN commissioned in May 2018 the Courant-Nachamps wind farm, located on the territory of the eponymous municipalities, in the Charente-Maritime department, in France. The wind farm comprises 7 wind turbines delivering a unit capacity of 3 MW, for a total capacity of 21 MW.

**This commissioning brings to 408 MW the gross installed capacity operated by FUTUREN for its own account.**

FUTUREN also continued the construction works for its Demange project, located in the municipality of Demange-aux-Eaux, in the Meuse department, in France. This project comprises 9 wind turbines with a unit capacity of 2.2 MW, for a total capacity of 19.8 MW.

Furthermore, in early 2018, the Group signed a turbine supply agreement to purchase 6 wind turbines for the construction of its Faydunes project, located on the territory of the municipality of Saint-Affrique, in the Aveyron department, in France.

Finally, FUTUREN obtained a new building permit, free of any third-party claim, to install 7 wind turbines in the Hérault French department. The installed capacity of the future wind farm is estimated at 6.3 MW,

**This new authorization brings to approximately 75 MW the capacity owned by FUTUREN which already received all necessary authorizations and are free of any third-party claim and ready to be built**, including the Faydunes project (in the Aveyron department), the Demange project (in the Meuse department), the second tranche of Les Monts project (in the Aube department) and now a new project in the Hérault department.

## 2 The Group's activity over the first half of 2018

### CHANGES IN ACCOUNTING STANDARDS

FUTUREN's consolidated financial statements for the first half of 2018 take into account two main events:

- the reintegration of Ecoval 30 using the global integration method in the "Other activities" segment;

Ecoval 30 is a company specialized in the treatment of solid waste. As FUTUREN was actively pursuing the disposal of the company, Ecoval 30 was consolidated as a non-current asset classified as held for sale (IFRS 5 standard) as at December 31, 2017.

Since the discussions for the disposal of the company have not been successful, Ecoval 30 does no longer meet the criteria for application of the IFRS 5 standard as at June 30, 2018 and is therefore reintegrated into FUTUREN's consolidated financial statements using the global integration method in the first half of 2018. A new "Other activities" segment has been created for that purpose.

The Group continues to favor the sale of the Ecoval 30 entity.

- the application of the new IFRS 15 standard as from January 1<sup>st</sup>, 2018.

The application of the new IFRS 15 standard as from January 1<sup>st</sup>, 2018 has two main consequences for the recognition of the revenue of the FUTUREN Group's Sale of electricity activity:

- compensation received in Germany from the network operator when the latter restricts access to the network is now recognized as "Revenue" whereas it was recognized as "Other operating income" until December 31, 2017; and
- inversely, price supplements awarded in Italy as a wind energy support mechanism, recognized as "Revenue" until December 31, 2017, are now recognized as "Other operating income".

The application of the IFRS 15 standard reduced the revenue recorded in the first half of 2017 by a cumulative amount of 0.8 million euros.

A restatement of all these impacts is presented for the first half of 2017 for comparative purposes.

## CONSOLIDATED INCOME STATEMENT

### • Consolidated revenue

FUTUREN's consolidated revenue reached 33.8 million euros for the first half of 2018, up by + 7% compared to the first half of 2017 as restated.

| <i>(in thousand euros)</i>            | Sales of electricity | Development and management of wind farms | Other activities | Consolidated total |
|---------------------------------------|----------------------|--|------------------|--------------------|
| <b>First half of 2018</b>             | 29,194               | 2,137                                    | 2,441            | <b>33,772</b>      |
| <b>First half of 2017 as restated</b> | 26,537               | 2,559                                    | 2,398            | <b>31,494</b>      |
| <b>Change</b>                         | <b>+ 10%</b>         | <b>- 16%</b>                             | <b>+ 2%</b>      | <b>+ 7%</b>        |

The **Sales of electricity** activity registered a revenue of 29.2 million euros in the first half of 2018, up by + 10% compared to the first half of 2017 as restated. The activity benefited in particular from more favorable wind conditions in France in the first half of 2018 than in the first half of 2017, as well as from the commissioning of the Courant-Nachamps wind farm (21 MW in the Charente-Maritime department, in France) in May 2018.

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 86% of the consolidated revenue in the first half of 2018.

The **Development and management of wind farms** activity registered a revenue of 2.1 million euros in the first half of 2018, down compared to the first half of 2017 as restated, mainly because of the termination of some contracts of management for third parties in Germany.

The revenue reported by Ecoval 30 and registered in the "**Other Activities**" segment amounts to 2.4 million euros in the first half of 2018, up by + 2% compared to the first half of 2017 as restated.

### • EBITDA

Following the same trend as the revenue, FUTUREN's consolidated EBITDA reached 18.8 million euros for the first half of 2018, up by + 6% compared to the first half of 2017 as restated.

| <i>(in thousand euros)</i>            | Sales of electricity | Development and management of wind farms | Other activities | Consolidated total |
|---------------------------------------|----------------------|--|------------------|--------------------|
| <b>First half of 2018</b>             | 21,090               | (2,664)                                  | 383              | <b>18,809</b>      |
| <b>First half of 2017 as restated</b> | 18,835               | (1,517)                                  | 387              | <b>17,704</b>      |
| <b>Change</b>                         | <b>+ 12%</b>         | <b>- 76%</b>                             | <b>- 1%</b>      | <b>+ 6%</b>        |

In line with the change in revenue, the EBITDA of the **Sale of electricity** activity amounted to 21.1 million euros in the first half of 2018, up by + 12% compared to the first half of 2017 as restated. The EBITDA/revenue margin of this activity reached 72% in the first half of 2018, compared to 71% in the first half of 2017 as restated.

The EBITDA of the **Development and management of wind farms** activity was down in the first half of 2018. The activity benefited in the first half of 2017 from positive non-recurring impacts, particularly related to the cancellation of a contentious supplier debt.

The EBITDA of the **Other activities** segment amounted to 0.4 million euros in the first half of 2018, in line with the first half of 2017.

In total, the consolidated EBITDA/revenue margin reached 56% for the first half of 2018.

- **Operating income**

FUTUREN's operating income recorded a strong increase and reached 5.0 million euros for the first half of 2018, compared to 2.9 million euros for the first half of 2017 as restated. It should be noted that the first half of 2017 was impacted by a non-recurring expense of 3.6 million euros related to the preparation of the capital transactions initiated by FUTUREN.

| <i>(in thousand euros)</i> | <b>First half of 2018</b> | <b>First half of 2017 as restated</b> |
|----------------------------|---------------------------|---------------------------------------|
| <b>EBITDA</b>              | 18,809                    | 17,704                                |
| <b>Amortization</b>        | (10,970)                  | (10,890)                              |
| <b>Impairment</b>          | (1,106)                   | (189)                                 |
| <b>Other</b>               | (1,711)                   | (3,721)                               |
| <b>Operating income</b>    | <b>5,022</b>              | <b>2,904</b>                          |

The vast majority of amortization is related to wind farms held and controlled by the Group. The slight increase in the first half of 2018 is linked to the commissioning of a 21 MW wind farm in May 2018.

In the first half of 2018, FUTUREN recorded an impairment loss of 1.1 million euros to reduce the net assets of its subsidiary Ecoval 30 to fair value and depreciated an old receivable for an amount of 0.9 million euros

- **Financial income**

FUTUREN's financial income significantly improved and represented a net cost of 1.7 million euros for the first half of 2018, compared to a net cost of 3.8 million euros for the first half of 2017 as restated.

| <i>(in thousand euros)</i>                               | <b>First half of 2018</b> | <b>First half of 2017 as restated</b> |
|--|---------------------------|---------------------------------------|
| <b>Net interest cost related to the convertible bond</b> | (2)                       | (1,170)                               |
| <b>Net interest cost related to wind farms</b>           | (3,832)                   | (3,665)                               |
| <b>Other</b>   | 2,164                     | 1,083                                 |
| <b>Financial income</b>                                  | <b>(1,670)</b>            | <b>(3,752)</b>                        |

The conversion of almost all outstanding OCEANEs during the months of July and August 2017 made the net interest cost related to the convertible bond negligible in the first half of 2018.

The net interest cost related to wind farms increased slightly over the past half-year period, mainly due to the commissioning of a wind farm in May 2018.

In the first half of 2018, the "Other" item benefited from the positive impact of the sale of the shares in a non-consolidated subsidiary for 1.0 million euros.

- **Net income of the consolidated Group**

The consolidated net income for the first half of 2018 is a profit of 1.4 million euros, compared to a loss of 3.1 million euros recorded in the first half of 2017 as restated.

## DEBT AND CASH POSITION

The Group's net financial debt reached 116.0 million euros as at June 30, 2018, recording an increase of 11.5 million euros over the first half of 2018. This increase mainly reflects the new cash advances granted by the majority shareholder to finance the development of the Group.

| <i>(in thousand euros)</i>                               | <b>2018/06/30</b> | <b>2017/12/31 as restated</b> |
|--|-------------------|-------------------------------|
| <b>Wind farm and project bank financing</b>              | (158,388)         | (165,329)                     |
| <b>Cash advances granted by the majority shareholder</b> | (29,978)          | (12,829)                      |
| <b>Other financial liabilities</b>                       | (29,660)          | (29,562)                      |
| <b>Cash and cash equivalents</b>                         | 81,075            | 82865                         |
| <b>Other financial assets (loans and receivables)</b>    | 20,928            | 20,329                        |
| <b>Net financial debt</b>                                | <b>(116,023)</b>  | <b>(104,526)</b>              |

Bank financing related to the wind farms and projects held and controlled by FUTUREN reduced by 6.9 million euros over the half-year period, as normal loan repayments were higher than new drawings. It should be noted that this bank 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.

During the first half of 2018, the majority shareholder granted 17.1 million euros as cash advances to the Group, mainly to finance the ongoing construction of wind farms.

FUTUREN's cash position decreased by 1.8 million euros over the half-year period. Operating activities generated a positive net cash inflow of 15.7 million euros. Loan drawings and new cash advances net of repayments enabled an additional cash inflow of 9.9 million euros. A sale also allowed to cash-in 1.0 million euros. On the other hand, the Group continued to invest at a very sustained pace, spending 25.5 million euros on the progress of its projects, and paid interest due for an amount of 2.8 million euros.

### 3

## Significant events after the date of closing of the half-year financial statements

None.

### About FUTUREN

FUTUREN is a group active in the field of wind energy, present throughout the entire wind value chain. The Group develops, builds and owns wind farms in four countries: Germany, France, Morocco and Italy. In total, the Group manages 632 MW for its own account and for third parties.

#### CONTACT

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The stock is listed on the compartment B of Euronext Paris, symbol: FTRN.