



## FUTUREN’s results increase thanks to the recent commissioning of four wind farms

The Group consolidated financial statements for the first half of 2019 were approved by the Board of Directors during its meeting on September 11, 2019, in the presence of the Statutory Auditors.

The 2019 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 2019	First half of 2018	Change
<b>Revenue</b>	37,303	33,772	3,531
<b>EBITDA</b>	21,473	18,809	2,664
<b>Operating income</b>	9,120	5,022	4,098
<b>Financial income</b>	(3,195)	(1,670)	(1,525)
<b>Income tax</b>	(2,954)	(1,998)	(956)
<b>Net income of the consolidated Group</b>	<b>2,972</b>	<b>1,354</b>	<b>1,618</b>
<b>Of which Group share</b>	<b>2,753</b>	<b>846</b>	<b>1,907</b>

Benefiting from the full-year effect of two wind farms commissioned in 2018 and the commissioning of two new wind farms since the beginning of the year, the first half of 2019 shows a strong improvement in operating aggregates. Despite the increase in financial cost and in income tax, the consolidated net profit totaled 3.0 million euros in the first half of 2019.

### 1 Key highlights of the first half of 2019

#### **20 MW commissioned in the first half of 2019**

In the first half of 2019, 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 April 2019, FUTUREN commissioned the Faydunes wind farm, located on the territory of the Saint-Affrique municipality, in the Aveyron department, in France. The wind farm comprises 6 wind turbines with a unit capacity of 2.3 MW, for a total capacity of 13.8 MW.

In June 2019, FUTUREN commissioned the Joncels wind farm, located on the territory of the eponymous municipality, in the Hérault French department. The wind farm comprises 7 wind turbines, for a total capacity of 6.3 MW.

The commissioning of these two wind farms brought to 448 MW the gross installed capacity operated by FUTUREN for its own account, of which 220 MW are located in France.

### ***28 MW put in construction in the first half of 2019***

The Mazurier project, located on the territory of the Chatillon-lès-Sons municipality, in the Aisne French department, will include 4 wind turbines with a unit capacity of 3.2 MW, for a total capacity of 12.8 MW. In accordance with the schedule, construction began in January 2019.

The Mottenberg project is also currently under construction. Located in the municipalities of Zimming and Narbéfontaine, in the Moselle department, in France, it will include 7 turbines with a unit capacity of 2.2 MW, for a total capacity of 15.4 MW.

These two projects under construction are in addition to the Coteaux project (38 MW), under construction since 2018, bringing to 66.2 MW the capacity of wind farms under construction for FUTUREN in France.

### ***One new building permit obtained in the first half of 2019***

The Antezant-Saint Pardoult wind project, located on the territory of the towns of Antezant-la-Chapelle and Saint-Pardoult, in the Charente-Maritime French department, obtained all the necessary authorizations for its construction and operation. These are now free of any third-party claim. The project will include 4 wind turbines whose model is being selected.

### ***Purchase of minority stakes in the investment vehicle Theolia Utilities Investment Company***

On May 21, 2019, FUTUREN bought the minority stakes of Badenova and IWB in Theolia Utilities Investment Company ("TUIC"), an investment vehicle focusing on the acquisition and operation of wind farms, mainly in France.

TUIC was founded in 2011 to buy, build and operate wind projects. FUTUREN held 40% of TUIC, Badenova and IWB 30% each. TUIC today is involved in four wind farms in France, for a cumulative installed capacity of about 68 MW.

### ***Changes in FUTUREN's Board of Directors***

Bruno Fyot's terms as director and Chairman of the Board of Directors expired at the close of the Shareholders' Meeting of June 14, 2019. Since that date, Nicolas Couderc has been Chairman of the Board of Directors.

The General Meeting of June 14, 2019 also appointed Géraldine Anceau as a director of the Company and ratified the cooptation as a director of the Company of Maud de Galard.

2

## The Group's activity over the first half of 2019

### CONSOLIDATED INCOME STATEMENT

- **Consolidated revenue**

Thanks to the recent commissioning of wind farms, FUTUREN's consolidated revenue amounted to 37.3 million euros for the first half of 2019, an increase of + 11% compared to the first half of 2018.

<i>(in thousand euros)</i>	<b>Sales of electricity</b>	<b>Development and management of wind farms</b>	<b>Other activities</b>	<b>Consolidated total</b>
<b>First half of 2019</b>	33,578	1,122	2,603	37,303
<b>First half of 2018</b>	29,194	2,137	2,441	33,772
<b>Change</b>	<b>+ 15,0%</b>	<b>- 47,5%</b>	<b>+ 6,6%</b>	<b>+ 10,5%</b>

The **Sales of electricity** activity registered a revenue of 33.6 million euros in the first half of 2019, up by + 15% compared to the first half of 2018. The activity benefited in particular from the commissioning of two new wind farms in the first half of 2019 and from the full-year revenue of two wind farms commissioned in 2018.

The **Development and management of wind farms** activity registered a revenue of 1.1 million euros in the first half of 2019, a sharp decline compared to the first half of 2018, a contract for third parties having expired at the end of 2018.

The revenue from Ecoval 30 in the **Other Activities** segment amounted to 2.6 million euros in the first half of 2019, up by + 7% compared to the first half of 2018.

- **EBITDA**

Benefiting from the recent commissioning of wind farms, FUTUREN's consolidated EBITDA reached 21.5 million euros for the first half of 2019, an increase of + 14% compared to the first half of 2018.

<i>(in thousand euros)</i>	<b>Sales of electricity</b>	<b>Development and management of wind farms</b>	<b>Other activities</b>	<b>Consolidated total</b>
<b>First half of 2019</b>	24,689	(1,482)	(1,734)	<b>21,473</b>
<b>First half of 2018</b>	21,090	(2,664)	383	<b>18,809</b>
<b>Change</b>	<b>+ 17,1%</b>	<b>+ 44,4%</b>	<i>n/a</i>	<b>+ 14,2%</b>

In line with the trend in revenue, the EBITDA of the **Sales of electricity** activity amounted to 24.7 million euros in the first half of 2019, an increase of + 17% over first half of 2018. In particular, the EBITDA of the activity benefited from the positive impact of the commissioning of wind farms in 2018 and in the first half of 2019, as well as from the 1.1 million euros reduction in rents following the first application of the IFRS 16 standard. The EBITDA/Revenue margin of the activity amounted to 74% in the first half of 2019, compared to 72% in the first half of 2018.

The EBITDA of the **Development and management of wind farms** activity improved in the first half of 2019. The activity benefited in particular from the reduction in operating expenses and the cancellation of old rent debts.

The EBITDA of the **Other activities** sector fell sharply in the first half of 2019, penalized by a write-down of trade receivables. Ecoval 30 has a structurally negative EBITDA. Due to this difficult financial situation, a mediation was opened at the end of 2018 with the aim of allowing the return to breakeven for this activity (see paragraph 3, Significant events after the date of closing of the half-year financial statements).

In total, the consolidated EBITDA/revenue margin reached 58% in the first half of 2019, compared to 56% in the first half of 2018.

- **Operating income**

FUTUREN's operating income recorded strong growth and reached 9.1 million euros in the first half of 2019, compared to 5.0 million euros in the first half of 2018.

<i>(in thousand euros)</i>	<b>First half of 2019</b>	<b>First half of 2018</b>
<b>EBITDA</b>	21,473	18,809
<b>Amortization</b>	(12,763)	(10,970)
<b>Impairment</b>	(349)	(1,106)
<b>Other</b>	759	(1,711)
<b>Operating income</b>	<b>9,120</b>	<b>5,022</b>

Amortization, most of which is related to wind farms owned by the Group, increased sharply in the first half of 2019, due to the commissioning of wind farms in 2018 and in the first half of 2019, and to the 0.9 million euros impact from the first application of the IFRS 16 standard.

In the first half of 2019, the Group recorded an impairment loss of 0.3 million euros on the goodwill related to an operating wind farm in Germany. Inversely, the Group recorded, in the "Other" item, reversals of depreciations related to wind projects in France, the development of which has progressed.

It is reminded that in the first half of 2018, the Group recorded an impairment loss related to its subsidiary Ecoval 30 and depreciated an old receivable for an amount of 0.9 million euros

- **Financial income**

FUTUREN's financial income deteriorated in the first half of 2019 and represented a net cost of 3.2 million euros, compared to a net cost of 1.7 million euros for the first half of 2018. The financial income for the first half of 2018 benefited from the positive impact of two non-recurring items for a cumulative amount of 1.7 million euros.

<i>(in thousand euros)</i>	<b>First half of 2019</b>	<b>First half of 2018</b>
<b>Net interest cost related to wind farms</b>	(3,490)	(3,832)
<b>Other</b>	295	2,162
<b>Financial income</b>	<b>(3,195)</b>	<b>(1,670)</b>

Net interest cost related to wind farms was down over the half-year, mainly due to nominal repayments between the two periods.

The "Other" item mainly includes interest recorded on loans and advances granted to companies accounted for under the equity method.

The "Other" item also included, in the first half of 2018, the proceed from the sale of the shares in a non-consolidated subsidiary for 1.0 million euros and the positive impact of the revaluation of an old swap for 0,7 million euros.

- **Net income of the consolidated Group**

The consolidated net income for the first half of 2019 is a profit of 3.0 million euros, compared to a profit of 1.4 million euros recorded in the first half of 2018.

## DEBT AND CASH POSITION

The Group's net financial debt amounted to 169.7 million euros as at June 30, 2019, an increase of 39.7 million euros in the first half of 2019. This increase mainly reflects new advances granted by the majority shareholder to finance the development of the Group and the registration of a new financial lease debt following the first application of the IFRS 16 standard (offset by a similar asset).

<i>(in thousand euros)</i>	<b>2019/06/30</b>	<b>2018/12/31</b>
<b>Wind farm bank financing</b>	(135,238)	(144,628)
<b>Cash advances granted by the majority shareholder</b>	(110,824)	(59,138)
<b>IFRS 16 financial debt</b>	(20,108)	
<b>Other financial liabilities</b>	(6,053)	(28,218)
<b>Cash and cash equivalents</b>	92,450	80,720
<b>Other financial assets (receivables granted)</b>	10,055	21,241
<b>Net financial debt</b>	<b>(169,719)</b>	<b>(130,024)</b>

Bank financing related to the operating wind farms reduced by 9.4 million euros over the half-year period, following normal loan repayments. 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 2019, the majority shareholder granted 51.7 million euros as cash advances to the Group, mainly to finance the ongoing construction of wind farms.

The application of the new IFRS 16 standard as of January 1, 2019 led to the recognition of main leases (essentially leases of the lands on which the Group's wind farms are located and the leasing of transport vehicles and computer equipment) in the form of a right-of-use asset, in front of a financial lease debt. As at June 30, 2019, this financial lease debt, representing the discounted amount of rents to be paid according to contracts, amounted to 20.1 million euros.

As at December 31, 2018, "Other financial liabilities" included loans granted by TUIC, a subsidiary accounted for under the equity method, to its fully consolidated subsidiaries for 22.0 million euros. Since the purchase of minority stakes in TUIC (see Key highlights of the first half of 2019 above), these loans became intra-group, canceled in consolidation.

FUTUREN's cash position increased by 11.8 million euros over the half-year. Operating activities generated a net cash inflow of 20.6 million euros and the majority shareholder granted new advances for 51.7 million euros. The Group has thus been able to continue its investments at a very sustained pace by spending 26.1 million euros on the progress of its projects, buying out TUIC's minority stakes and honoring its commitments (repayment of bank loans, payment of interest and rents) for a cumulative amount of 34.3 million euros.

As at December 31, 2018, "Other financial assets" included loans totaling 11.5 million euros that FUTUREN had granted to TUIC, a subsidiary accounted for under the equity method. Since the purchase of minority stakes in TUIC, these loans became intra-group, canceled in consolidation.

### 3

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

During the month of August 2019, 500 OCEANEs were converted, resulting in the creation of 1,118 new shares.

On August 28, 2019, FUTUREN proceeded to the early redemption of the remaining 13,094 OCEANEs outstanding. Since that date, there is no more outstanding OCEANE.

With a structurally loss-making activity and old receivables remaining unpaid, Ecoval 30, a subsidiary specializing in the treatment and recovery of waste by tri-composting, started, at the end of 2018, a mediation procedure aimed at restoring its financial equilibrium. The mediation ended on September 3, 2019 without reaching any agreement.

During the mediation, FUTUREN granted further advances to Ecoval 30, repayable on August 31, 2019. Unable to honor this commitment, Ecoval 30 is preparing to file a declaration of insolvency in the near future. The main accounting implications of this situation are included in these 2019 half-year financial statements.

## 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: France, Germany, Morocco and Italy. In total, the Group manages 668 MW for its own account and for third parties.

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