



Press release

Paris, 15 June 2017

Direct Energie enters into exclusive negotiations to create a French leader in energy with Quadran

A strategic acquisition project as part of the development of Direct Energie

Direct Energie, the third-largest French player in electricity and gas, announces that it has entered into exclusive negotiations for the acquisition from Lucia Holding of 100% of Quadran's share capital, one of the main renewable energy producers in France. The scope of this transaction would include all Quadran's on-shore wind power activities, solar, hydro-electric and biogas activities in France. Through this acquisition, Direct Energie would confirm its role as a global integrated actor with a diversified production mix and a strategic position in power supply.

Following the recent acquisition of two gas-fired plants with a combined capacity of approximately 800 MW, the Direct Energie Group is continuing its vertical integration strategy in accordance with its objective of having, in the medium term, a diversified production mix consistent with the energy transition targets set by France. This merger would represent a major step forward allowing the Direct Energie Group to increase its production capacities and to secure its future margins in a very buoyant sales growth environment.

"We welcome this planned alliance with an essential player in renewable energies, established across the entire country and benefiting from a strong local foothold. This project reinforces even more the Group's strengths and growth prospects" said Xavier Caïtucoli, Chairman and Chief Executive Officer of Direct Energie.

Quadran: a national champion in renewable energies

Quadran is one of the leading independent French renewable energy producers. An integrated operator established in more than 200 production sites across mainland France and in the French overseas territories, the company develops, builds and operates electricity production plants based on renewable energies (wind, solar, hydro-electric, biogas). At 31 December 2016, the scope targeted by the acquisition project included facilities with overall gross capacity of 363 MW (243 MW net in terms of the holding percentage). From January 2017 to end-2018, Quadran plans to commission additional capacity of nearly 450 MW, mainly in wind (about 2/3) and photovoltaic (about 1/3) power, for an estimated investment of €530 million, increasing the installed capacity to more than 800 MW gross. This



program is at a very advanced stage, given Quadran has already commissioned additional capacity of more than 80 MW since 1 January 2017¹.

In addition, Quadran also has significant growth prospects thanks to a project portfolio at different levels of maturity, accounting for approximately 2,000 MW.

Within this context, the scope targeted by the acquisition project, which represented net financial debt of around €265 million at 31 December 2016, should generate an EBITDA² of more than €40 million in 2017, of more than €60 million in 2018, and of more than €100 million in 2019.

Brief presentation of the planned transaction

The acquisition price included in the exclusivity agreement for the considered scope at the date of completion is around €303 million. This amount is combined with an earn out of a maximum amount of €113 million mainly depending on the pace of commissioning of the many projects currently under construction by Quadran, between now and mid-2019.

It should be noted that the earn out could be paid up to €75 million maximum through the issue, immediately and in the future, of new Direct Energie shares at a price equal to the weighted average price during the twenty trading days preceding this announcement which is €49.205 per share.

To finance this transaction, Direct Energie has already secured a range of underwritten facilities with BNP Paribas that will finance all of its commitments.

In this context, the Group plans to launch a capital increase of approximately €100 million, whose terms will be defined at a later stage.

The transaction should be completed by the end of 2017, subject to obtaining the necessary regulatory approvals, specifically by the Competition Authority with respect to antitrust notification, and remains subject to the consultation process with employee representatives.

For this acquisition, Direct Energie is advised by Messier Maris & Associés and BNP Paribas.

On 21 June, Direct Energie will hold a meeting for analysts and investors at 10.00 a.m. (CET) at its offices, 2 bis rue Louis-Armand, Paris. A detailed presentation will be available in French and English on the Direct Energie website prior to this conference: www.direct-energie.com

Disclaimer

This press release contains prospective data based on various assumptions. These data and assumptions are likely to change or be modified due to uncertainties linked in particular to the economic, financial, competitive, regulatory and tax environment, or on account of other factors unknown to Direct Energie at the time of this press release.

¹ <http://www.quadran.fr/index.php/fr/actualites/500-mw-de-puissance-installee-le-groupe-quadran-franchit-un-nouveau-cap-et-met-en-place-un-euro-pp-green-de-46-m-grace-a-l-appui-du-groupe-credit-agricole>

² Definition identical to the one featured in Note 26.3 to the 2016 annual financial statements of Direct Energie Group



The historical figures regarding the Quadran Group included in this press release were provided to Direct Energie by the Quadran Group as part of the process to acquire the Quadran Group. The estimated figures and targets regarding the Quadran Group are based on the information provided to Direct Energie by the Quadran Group, as adjusted on the basis of certain assumptions and estimates considered reliable by Direct Energie. The figures regarding the Quadran Group and the estimated financial data regarding the Quadran Group presented in this press release were not subject to an audit or limited review by the Statutory Auditors of Direct Energie.

This press release does not constitute and may not be deemed as constituting an offer of securities in France, the United States or any other country.

In accordance with Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and was communicated to Direct Energie's primary information provider on 15 June 2017 at 20h30 Paris time.

Next publication:

Revenue and results of the first half of 2017: 27 September 2017 after trading

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About Direct Energie

The Direct Energie Group is France's third-largest electricity and gas provider. It has already acquired and earned the trust of more than 2.2 million residential and professional customer sites in France and Belgium (under the Poweo brand). As an integrated energy group, Direct Energie produces and supplies electricity and gas, and offers energy services to customers. Direct Energie's success has been underpinned for more than 14 years by its technical expertise, excellent customer relationships and capacity for innovation. In 2016, the Group generated consolidated revenues of €1,692.4 million and delivered 19.8 TWh of energy. For more information, visit our website: www.direct-energie.com

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