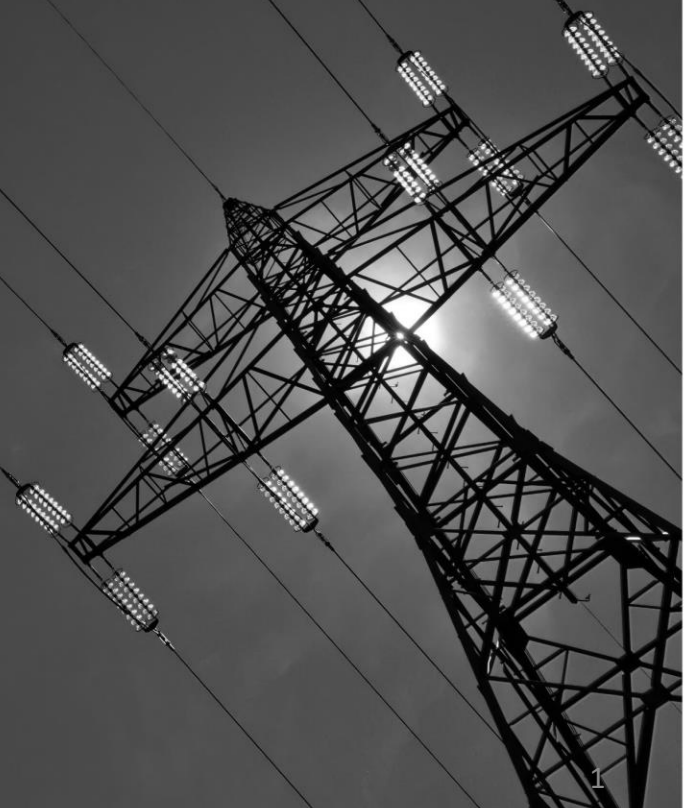


MANAGEMENT PRESENTATION

June 2017



DISCLAIMER

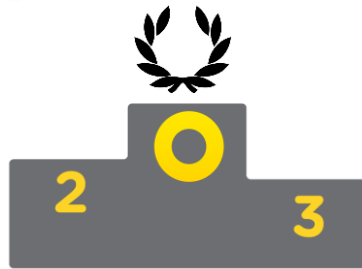
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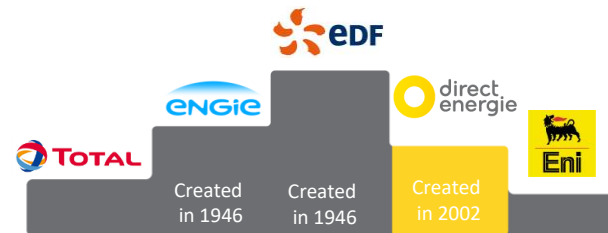
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A KEY PLAYER IN THE FRENCH ENERGY MARKET

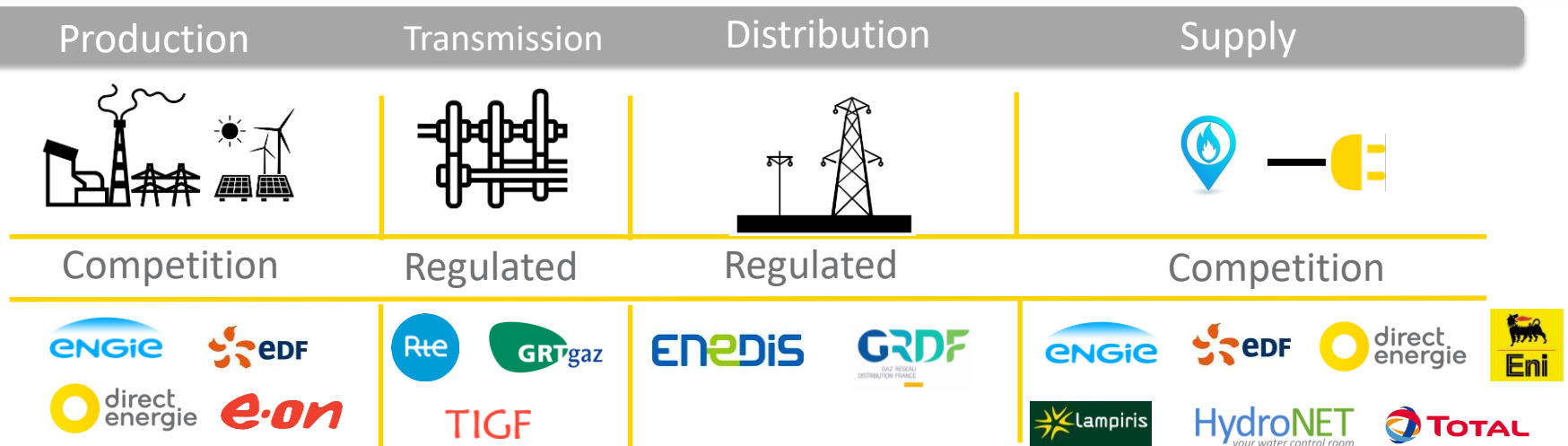


Leading French alternative
on the energy supply market

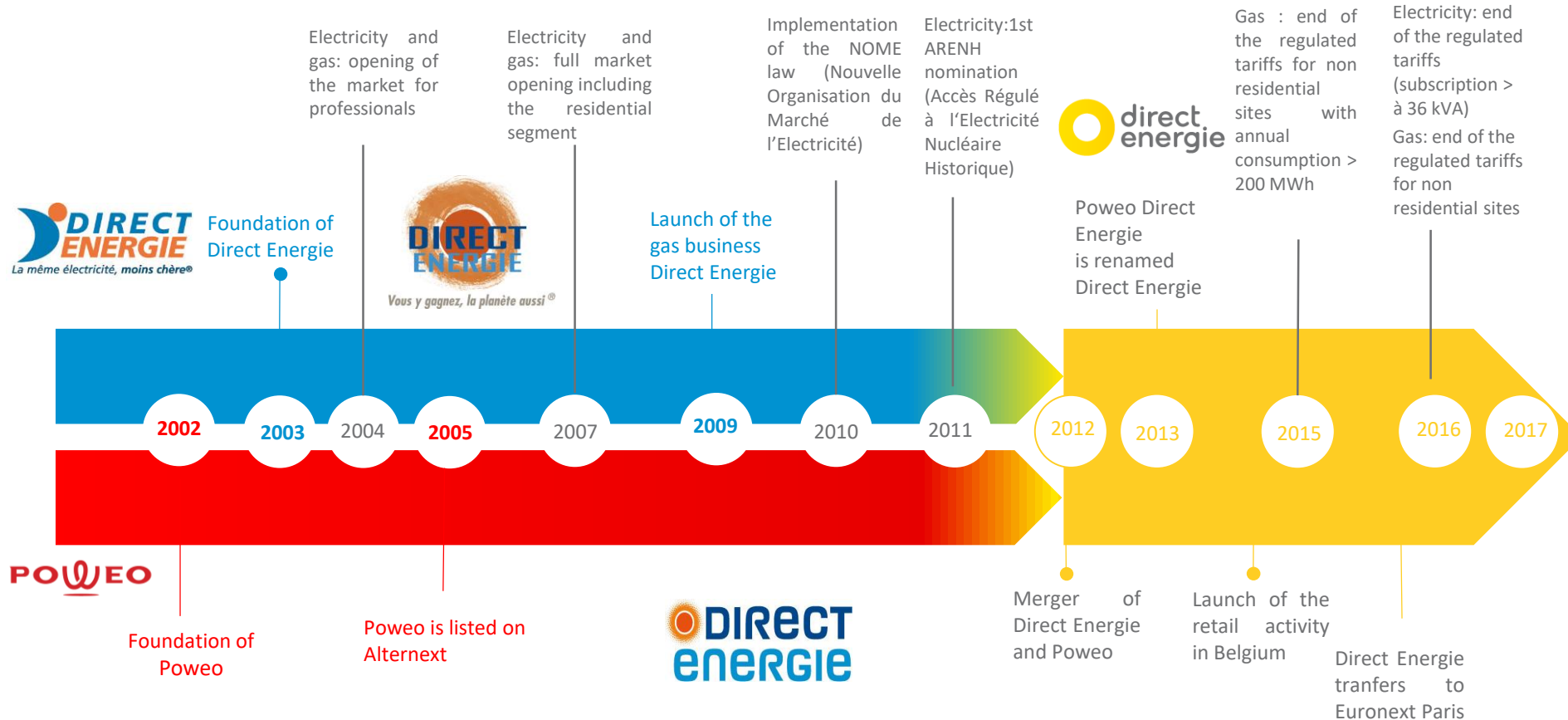


Third largest French electricity and gas supplier
Also active in Belgium

Structure of the French market



MAJOR MILESTONES



TOP MANAGEMENT

From left to right

Martial HOULLE – Secretary general

Joined Direct Energie in 2008

Expert in negotiation of complex contracts and elaboration of legal strategies in deregulated markets

Formerly : legal manager of the operator division of France Telecom

Graduate diploma in law at Greenwich University

Sébastien LOUX - Deputy CEO Operations

Joined Direct Energie in 2009

Formerly : auditor for Deloitte & Touche, he then joined the Quicksilver Group as Financial Director before becoming Vice President in charge of finances and operations

Graduate of Université de Toulouse (Master & DEA in Economical analysis)

Xavier CAÏTUCOLI – Co-founder & CEO

Cofounded Direct Energie in 2003.

Formerly : he held different positions as Director of Operations in the Group LVMH.

Graduate of the Ecole Polytechnique and Ponts et Chaussées

Louis Mathieu PERRIN - CFO

Joined Direct Energie in 2014.

Expert in the energy sector

Formerly : auditor for Arthur Andersen before joining Pictet as a fund manager in specific sectors (water and services). He was then appointed by EY where he supervised financial and audit missions for large utilities.

Graduate of Science Po Paris



Fabien CHONÉ - Co-founder & Deputy CEO Strategy and Energy

Co-founded Direct Energie in 2003

Formerly held several positions in EDF at the Strategy Department

Chairman of the Association Nationale des Opérateurs Détaillants en Energie (A.N.O.D.E).

Graduate of the Ecole Polytechnique and Ponts et Chaussées

Romain VERDIER - Energy Director

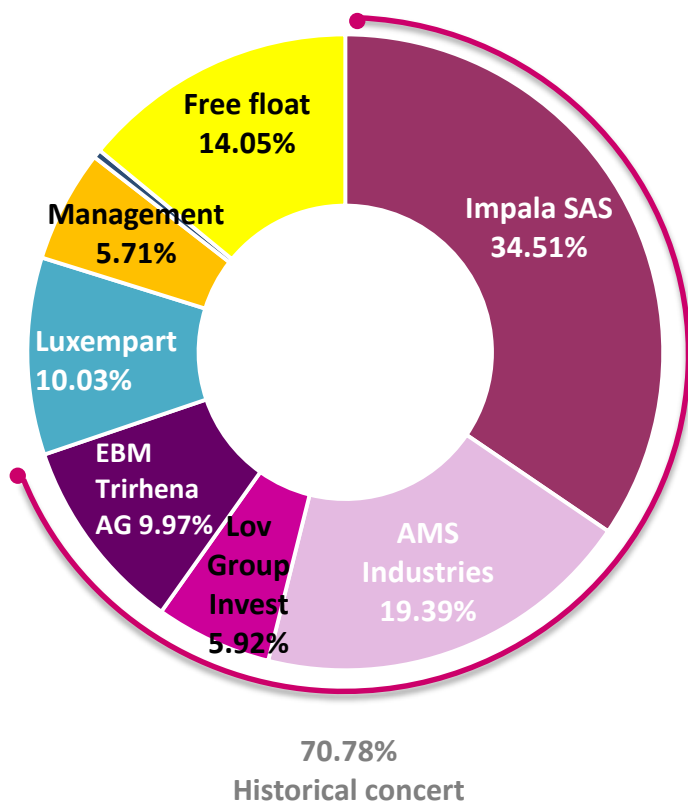
Joined Direct Energie in 2008.

Expert in the energy sector

Formerly held several positions in the EDF Group in the Sourcing Department before joining the Finance Department

Graduate of the Dauphine University and Supélec

SHAREHOLDERS



- **Historical shareholders still involved**
- **2016 : increase in free float**
 - Successful reclassification of the ECOFIN equity investment in June 2016 (1,684,656 shares representing 4.11% of the capital)

Dividend per share

2017 : € 0.25
2016 : € 0.20
2015 : € 0.15

IMPALA, REFERENCE SHAREHOLDER

Spin off of the Louis Dreyfus Group set up by Jacques Veyrat in 2011 , Impala is an private group that operates in various sectors in over 30 countries (energy, brands, asset management). Impala employs approximately 6,000 people.

Jacques Veyrat, graduate from Ecole Polytechnique and Ponts et Chaussées, joins the Louis Dreyfus Group in 1995 after a first experience in various ministerial offices. He builds up the Neuf Cegetel Group in the telecom sector and closes a disposal agreement with SFR end of 2007.

This major successful transaction led him to take over the head of the Louis Dreyfus Group in 2009 after the passing away of Robert Louis Dreyfus. Following disagreement with the new owner, he chooses to leave the group against cash and assets thus leading to the Impala spin off.

KEY FIGURES 2016

*Consolidated financial statements
as at 31/12/2016*

Revenue
€1.7 billion

Customer sites
2.1 million

Current operating
income
€86.8 million

Load curve delivered
19.8 TWh



Employees
419

1,200 MW

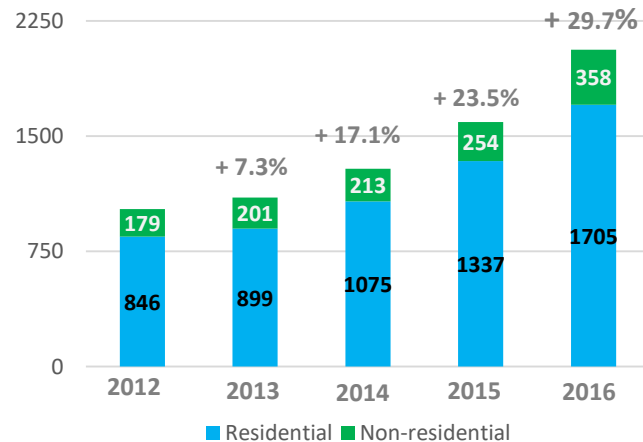


400 MW in France (Bayet) in operation
400 MW in Belgium (Marcinelle) in operation
400 MW in project (France)

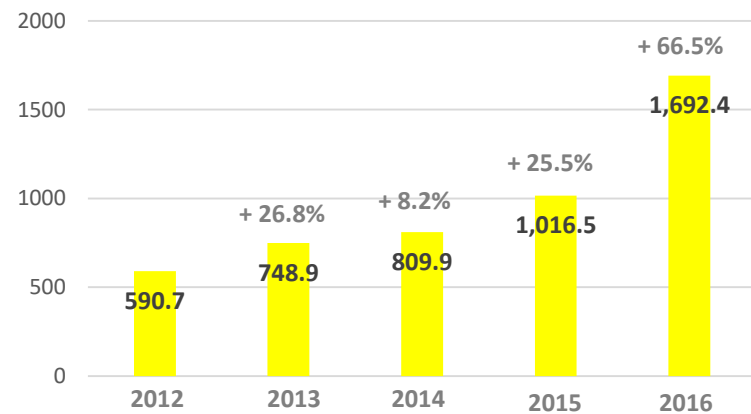


2012-2016 ACHIEVEMENTS

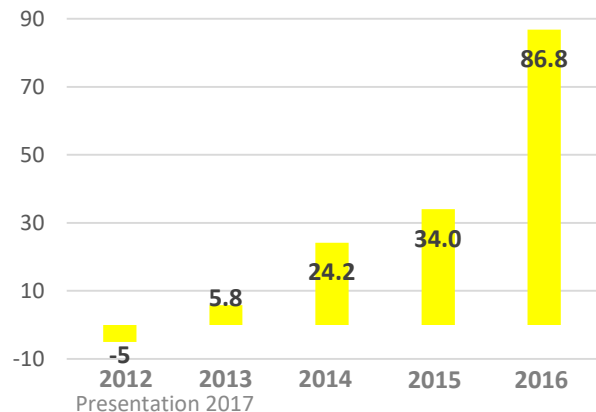
Customer sites by segment
(in thousands)



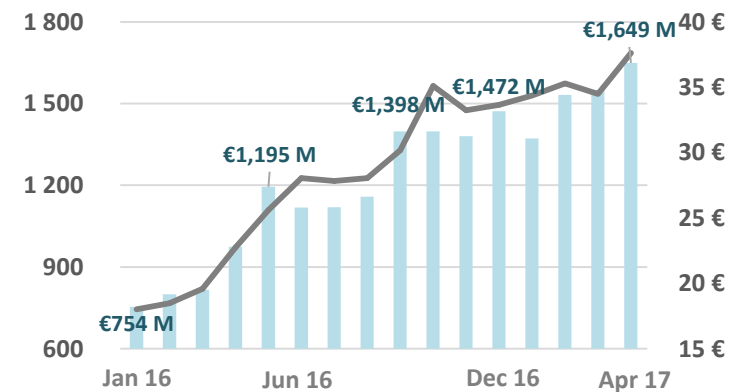
Revenue
(in € millions)



Current operating income (in € millions)



In € millions Stock price and capitalisation



A PROVEN BUSINESS MODEL



Growth in revenue mainly driven by sustained customer acquisitions

- Revenue mostly related to the commercial trade segment (contribution > 90%)
- Presence on all market segments (residential, non-residential) and energies (electricity and gas)
- Significant growth potential on the domestic market (over 27 million residential electricity sites still served by the incumbent)



Supply strategy focused on margins

- Progressive hedging strategy (forward purchases up to 3 years)
- Optimisation with ARENH sourcing (option to buy nuclear baseload at a price set by law to secure up to 70% of the load curve)
- Vertical integration (upstream generation with CCGT's) to secure margins



Sharp monitoring of the cost structure to boost current operating income

- Automatic IT processes to maximise the cost to sell / cost to serve
- Operational leverage thanks to controlled operational costs
- Structure sized to absorb the acquisition pace with limited additional capex

COMPETITIVE ADVANTAGES

**A young and agile group in a new competitive environnement
Opportunities to catch given the position still held by the incumbents**

- Asset light player
- Optimized cost structure
- Highly customer-oriented
- Strong focus on innovation through major partnerships

STRATEGIC LINES OF ACTION



Continue to gain market shares in France



Build growth drivers internationally by capitalising on the existing systems and processes



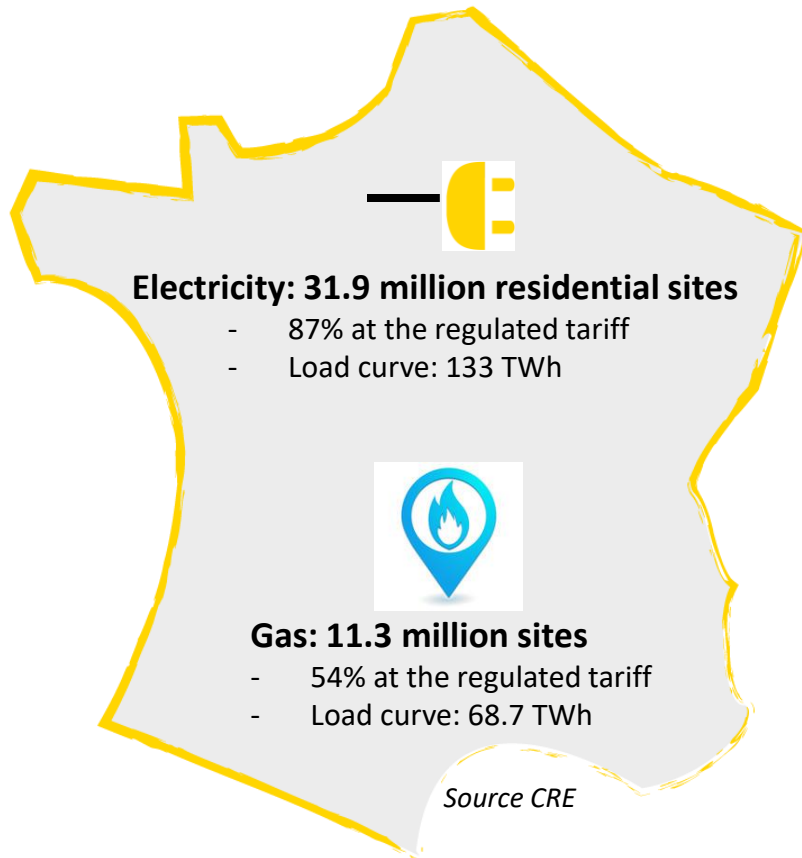
Vertical integration by way of secured and flexible investments in power generation



Be an operator at the cutting edge of innovation in energy services



CONTINUE TO GAIN MARKET SHARE IN FRANCE



Strong growth potential on the domestic market

- Processes and IT system in place enabling to manage the sustained customer acquisition pace without a major CAPEX step
- A recognised customer service at the centre of relationships
- An innovative and digital approach: chatbot, mobile application,...



Prix obtenu pour la **10ème** année consécutive





BUILD GROWTH DRIVERS INTERNATIONALLY

French group,
active in Belgium
since 2014 (above
50,000 customer
sites)

International strategy:

- Identify new markets (analysis of the regulatory framework, presence of an incumbent, regulated tariffs, number of players...)
- Expand abroad at limited cost using the French infrastructure and resources





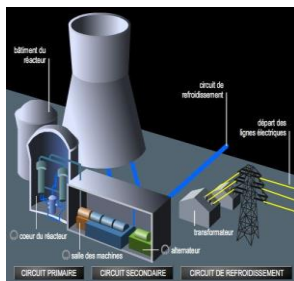
VERTICAL INTEGRATION STRATEGY

RATIONALE

- **Build a balanced generation segment** compared to supply activity
- **Optimise supply costs** by an upstream and downstream presence (hedging between retail and production)
- **Secure mandatory capacity requirements** (1st auction came out at €10 thousand/MW for 2017)

MEDIUM-TERM OBJECTIVE: ENSURE PRESENCE IN ALL MEANS OF PRODUCTION (DIVERSIFIED ENERGY MIX)

Nuclear



Semi-baseload, flexible



Peak load



Others





A PRODUCTION DIVISION IN LINE WITH OBJECTIVES

800 MW in operation

- Bayet plant (France) / 400 MW

- Purchased in December 2015 from the Swiss group Alpiq for €45 million
- 4,050 running hours in 2016 (annual production of 1,373 GWh)
- Contribution in line with target: impact on current operating income of about €(5) million
- Asset "certified" as part of the French capacity mechanism

- Marcinelle plant (Belgium) / 400 MW

- Purchased in December 2016 from the Italian group Enel for an enterprise value of €36.5 million
- Production program to be included in the supply strategy starting 2017

400 MW at project stage

- Landvisiau plant (France) / 400 MW / partnership with Siemens

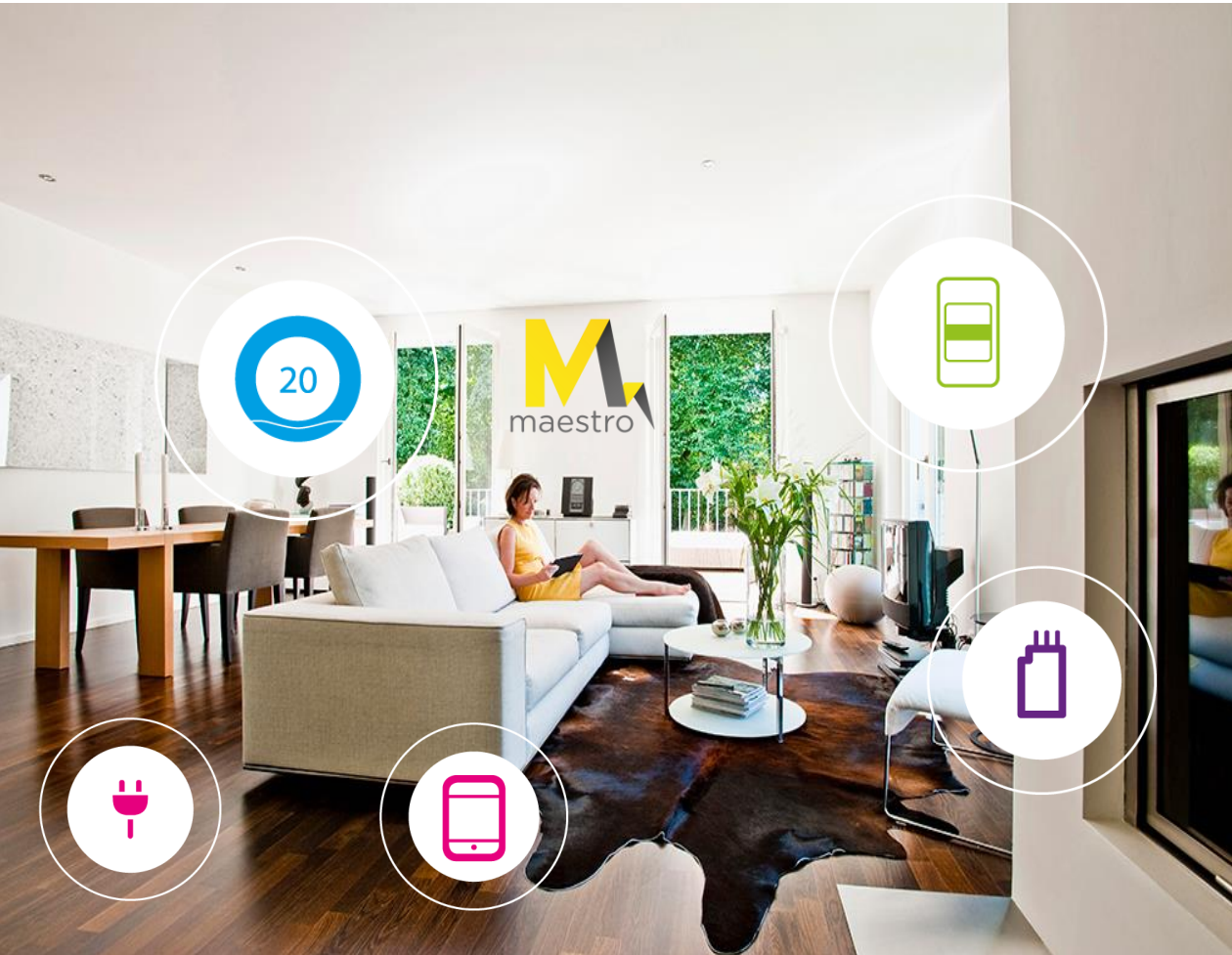
- Agreement by the European Commission just received (validation of the guaranteed annual capacity premium during the plant's lifetime)
- Construction expected to start end of H1 2018 (appeals to be dealt with)

Presentation 2017





BE AN OPERATOR AT THE CUTTING EDGE OF INNOVATION IN ENERGY SERVICES



LAUNCH OF SERVICES FOR A CHANGING ECOSYSTEM

- **OnOff:** remote control
- **Maestro:** connexion with Linky (smart meter)
- **Nest:** smart thermostat
- **Octopus:** supervision and management of multi sites

NEW PROJECT FOR MOBILITY

GridMotion: smart charging process for electric vehicles ; teaming up with majors partners such as Groupe PSA and Enel.

NEW PROJECTS UNDER STUDY

Own consumption



Mobility



Targets

2017

2020



2.5 million customer sites

4 million customer sites

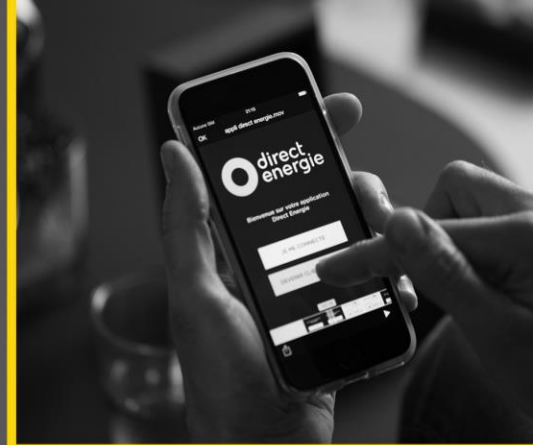


€2,000 M revenue at seasonal average temperatures



€100 M current operating income at seasonal average temperatures

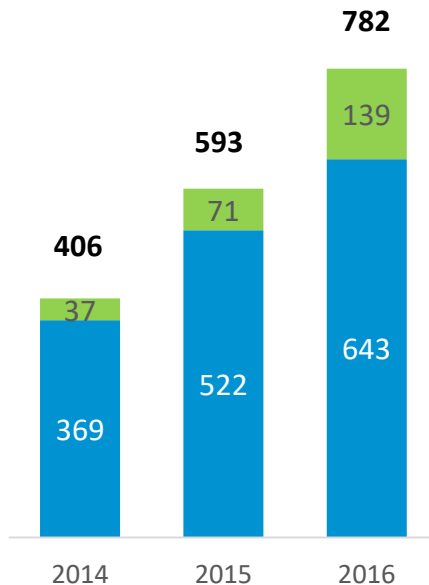
2016 HIGHLIGHTS AND ACHIEVEMENTS



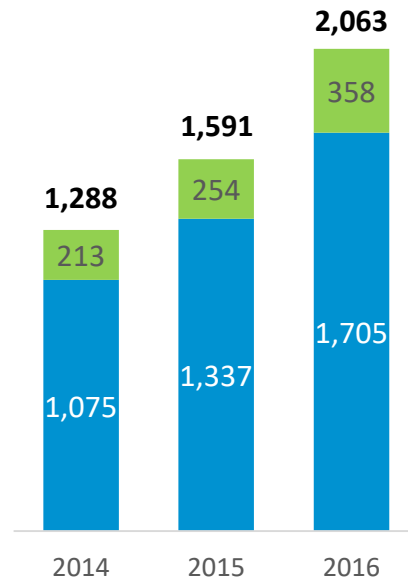
COMMERCIAL MOMENTUM CONTINUING IN FRANCE...

	December 2016	December 2015	
Customer sites acquisitions (gross)	782,000	594,000	↗ +32%
Portfolio customer sites at end of year	2,063,000	1,591,000	↗ +30%

Gross acquisitions
(in thousands of customer sites)

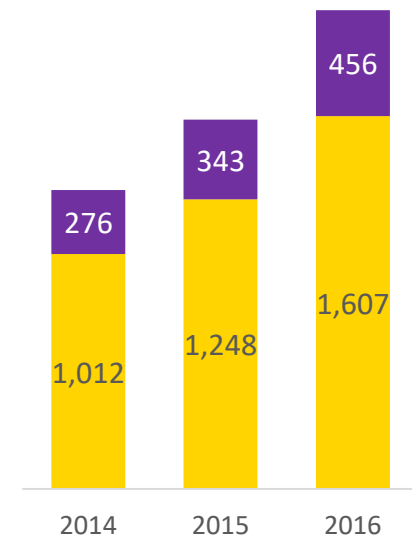


Change in customer base by segment
(in thousands of customer sites)



■ Residential ■ Non-residential

Change in customer base by energy
(in thousands of customer sites)

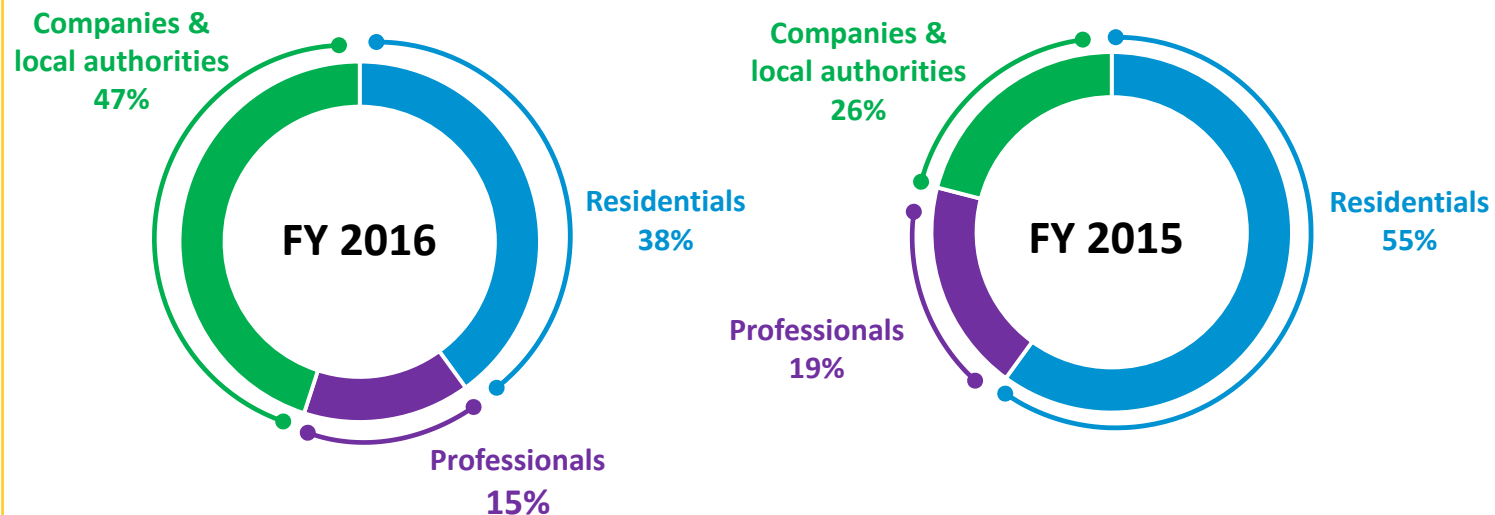


■ Electricity ■ Gas

... WHICH TRANSLATES IN A STRONG INCREASE IN VOLUMES DELIVERED

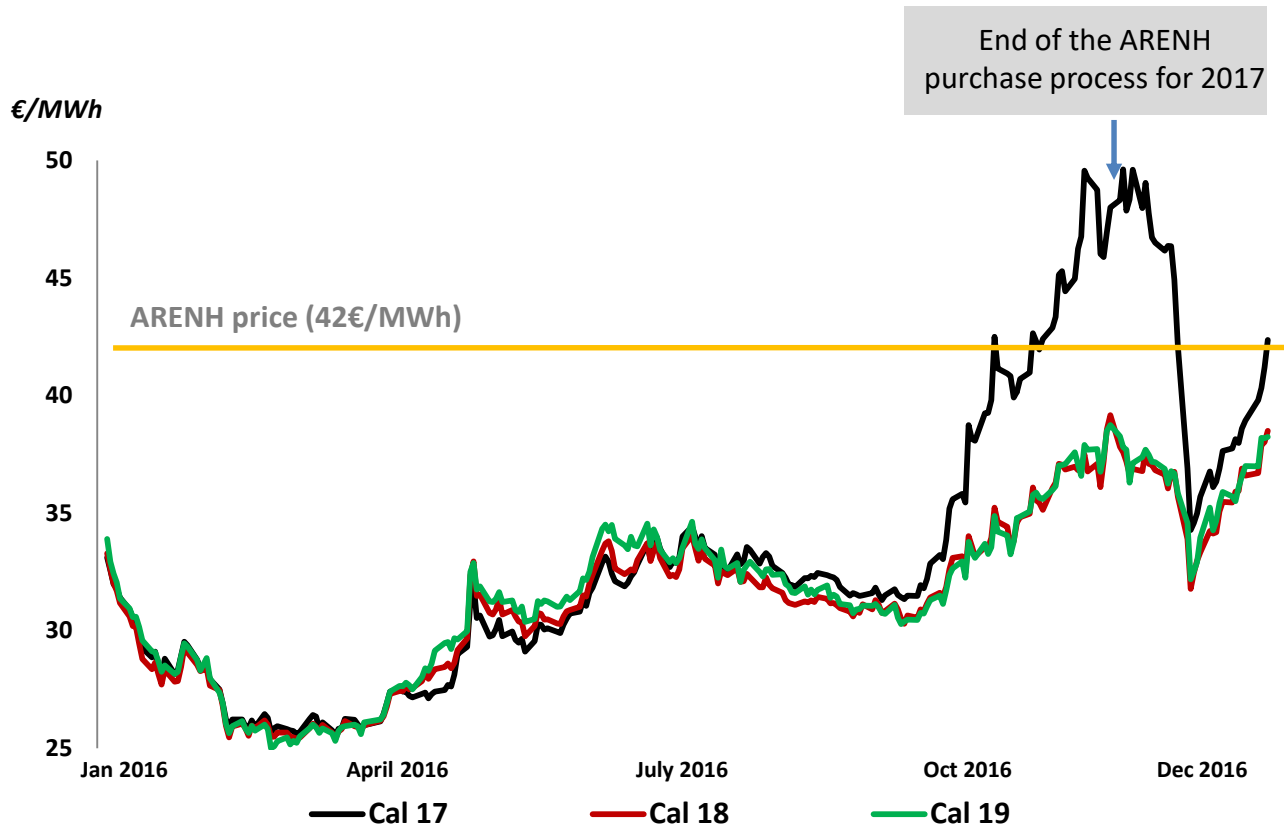
	December 2016	December 2015	
Volumes of electricity sold	13.9 TWh	7.6 TWh	↗ +84%
Volumes of gas sold	5.4 TWh	3.8 TWh	↗ +42%

Breakdown of volumes sold per customer segment



Significant contribution of companies and local authorities following the end of "yellow" and "green" regulated tariffs

ADAPTING TO THE MARKET TRENDS



Supply strategy:

- Wholesale price (baseload) under the ARENH level (€42/MWh) until october
- Purchases on the wholesale market to capture this drop in prices (low point reached at the end of February)
- Implementation of a progressive hedging strategy (forward purchases up to a period of 3 years)

Opportunities seized to secure energy volumes at competitive prices:

- over the long term (visibility on margins)
- in a context of strong acquisitions

IMPACT OF REGULATORY ACTIONS



Confirmation, for the future and past, that the distribution costs included in unpaid invoices are to be borne by the grid operator

Impact : €39.1 million



Extension over 12 months of the service contract from October 2015

Impact : €14.2 million



Booking of a €33.0 million provision for onerous contract (gas transit capacities not included in the supply security mechanism of the grid)

Non-cash impact: €(31.6) million



- Confirmation by the Council of State, in June 2016, of the cancellation of two tariff decrees published in July and October 2014
- New retroactive tariff decrees published in October 2016

Overall impact on the financial year: €21.7 million

2016 FINANCIAL STATEMENTS



SALES AND PROFIT UP STRONGLY

<i>In € million</i>	31/12/2016	31/12/2015	Change
Revenue from ordinary activities	1,692.4	1,016.5	66.5%
Gross margin	233.8	148.5	57.4%
Current operating income	86.8	34.0	155.3%

- SUSTAINED GROWTH IN REVENUE:

- New acceleration of the customer acquisition pace
- Significant increase in volumes sold, notably from the contribution of the “business and local authority” segment

- STRONG INCREASE IN GROSS MARGIN:

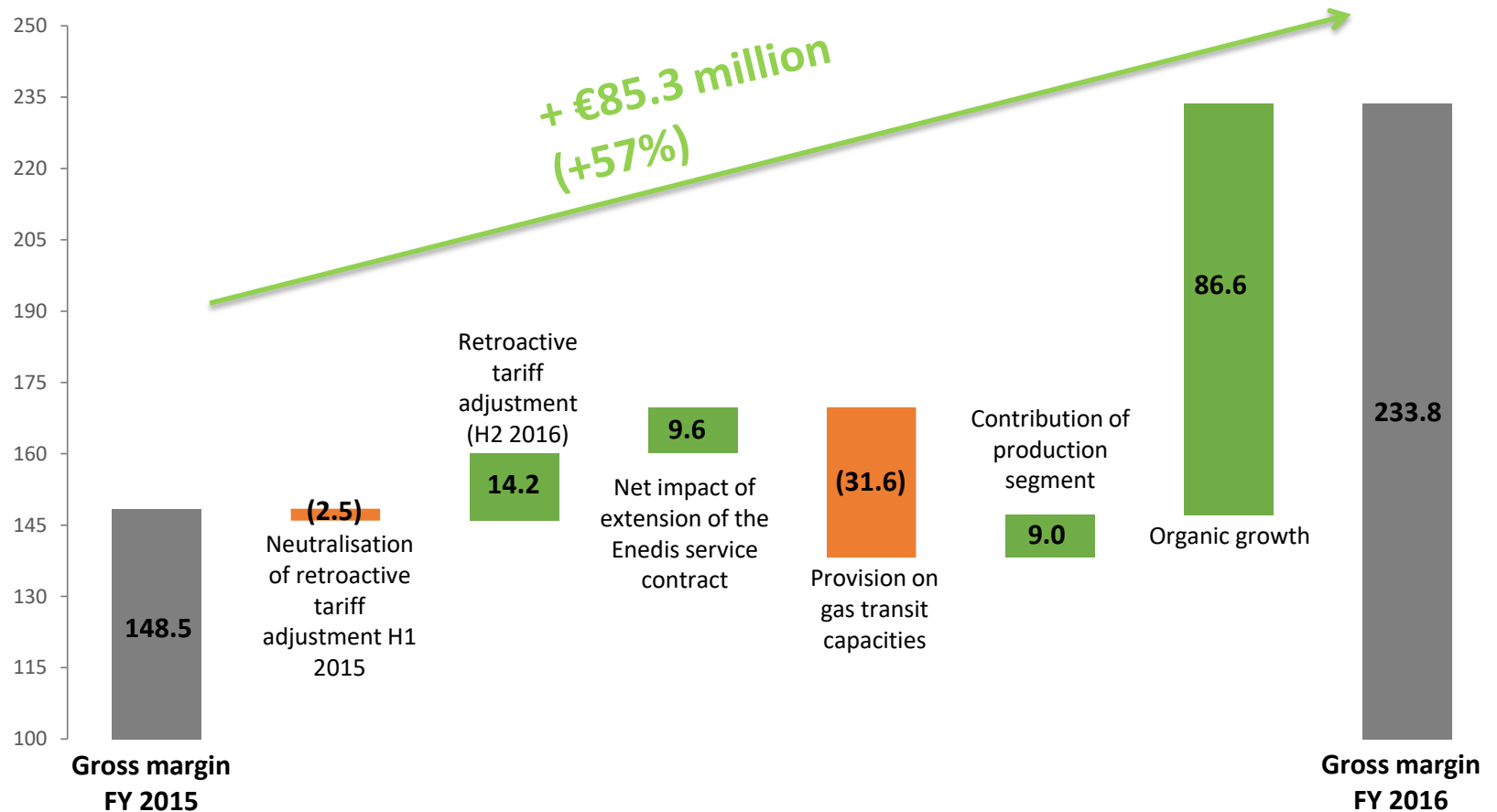
- Supply costs optimised in a context of volatile market prices ,
- Net effect of several regulatory impacts (retroactive tariff adjustment, Enedis service contract, provision for onerous contract) and the decrease in residential regulated electricity tariffs on 1st August 2016

- CURRENT OPERATING INCOME MULTIPLIED BY 2.5:

- Control of operating expenses (leverage effect) in a context of robust business growth (France and Belgium) and investments in production capacities,
- Unpaid gas distribution costs prior to 2016 assumed by GrDF

CHANGE IN GROSS MARGIN

(in €million)



STRONG GROWTH IN NET INCOME

<i>in € millions</i>	31/12/2016	31/12/2015	Change
Current operating income	86.8	34.0	x 2,5
Change in fair value of financial derivatives operational in nature	21.4	(11.6)	
Disposal of non-current assets	(2.6)	(6.5)	
Income and expenses related to changes in scope of consolidation	(0.6)	(0.1)	
Operating income	105.0	15.7	x 6,7
Financial income / (loss)	(11.2)	(3.7)	
Corporate income tax	29.5	17.0	
Share of net income from companies accounted for by the equity meth.	0.4	(0.1)	
Net income from discontinued operations	-	(1.8)	
Net income	123.6	27.2	x 4,5

- FINANCIAL CHARGES:

- Increase from additional financing to support growth

- GROWTH IN NET INCOME HIGHER THAN IN OPERATING INCOME:

- Recognition of deferred taxes associated with improvement in the group's results prospects
- Change in fair value of financial instruments generating a non-cash impact of + €21.4 million, mainly under the effect of the increase in wholesale electricity prices

STRENGTHENING OF THE BALANCE SHEET

<i>in € millions</i>	31/12/2016	31/12/2015
Non-current assets	223.2	145.5
Current assets	1,006.3	468.1
TOTAL ASSETS	1,229.5	613.6
Group's share capital (excluding change in fair value)	203.9	80.6
Change in fair value of hedging instruments	13.6	(110.0)
Shareholders' equity	217.5	(29.4)
Non-current liabilities	255.6	224.5
Current liabilities	756.4	418.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,229.5	613.6

- INCREASE IN CURRENT ASSETS:

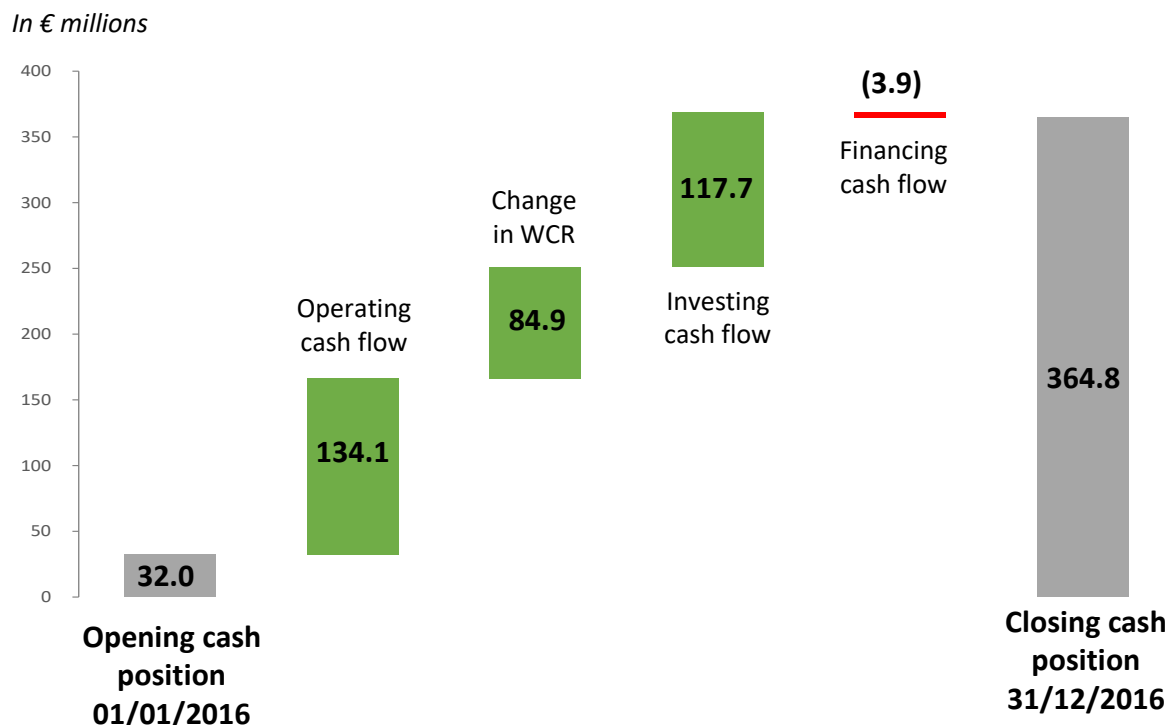
- Increase in trade receivables in line with business growth
- Strong cash flow generation, which significantly strengthens the cash position

- INCREASE IN CURRENT LIABILITIES:

- Increase in operating liabilities in line with business growth
- New regime for the repayment of the CSPE (tax collected)
- Increase in wholesale prices generating significant cash-in of margin calls from counterparties (around €130 million)

Shareholders' equity restored thanks to the increase in net income and the reversal of the temporary impact of the change in the fair value of hedging derivatives

CHANGE IN CONSOLIDATED CASH: + €332.8 million



- A SOLID CASH POSITION

- Very strong increase in cash flow thanks to business growth
- Positive change in WCR mainly associated with the new repayment terms of the CSPE since January 2016
- Positive investing cash flows, consequence of margin calls received from the Group's counterparties (opposite situation at the end of 2015)

A SOUND FINANCIAL STRUCTURE

New lines secured to support growth:

€120 million	RCF doubled (undrawn)
€55 million	Credit line set by the energy market clearer for margin calls (undrawn)
€68 million	New private placement in the form of bond debt

Positive net cash situation

Net financial debt :

€(43.6) million against €88.1 million on 31/12/2015

Improvement of financial flexibility

- **Net cash:** €365 M
- **Net cash excluding margin calls:** €236 M
- **Lines not drawn:** €206 M

Q1 2017



CONTINUED STRONG BUSINESS GROWTH



Revenue : €648.5 million, up 25.7% compared to the same period in 2016



Record customer acquisition: 240,000 new customer sites



2017 annual targets confirmed

APPENDICES

Profit & Loss

<i>In thousands of euros</i>	31/12/2016	31/12/2015
Revenues excluding Energy Management Margin	1 676 957	1 016 870
Energy Management Margin	15 472	(335)
Revenue from ordinary activities	1 692 429	1 016 535
Cost of sales	(1 458 660)	(868 083)
Gross margin	233 769	148 452
Personnel expenses	(34 583)	(26 391)
Other operational income and expenses	(83 242)	(65 588)
Depreciation and amortisation	(29 186)	(22 507)
Current operating income	86 758	33 965
Changes in fair value of Energy financial derivative instruments operational in nature	21 394	(11 636)
Disposals of non-current assets	(2 453)	(5 929)
Impairment of non-current assets	(112)	(550)
Income and expenses related to changes in scope of consolidation	(628)	(120)
Operating income	104 959	15 731
Cost of net debt	(10 819)	(3 743)
Other financial income and expenses	(389)	65
Financial income/(loss)	(11 208)	(3 678)
Corporate income tax	29 454	17 010
Share of net income from companies accounted for by the equity method	352	(62)
Net income from continuing operations	123 557	29 001
Net income from discontinued operations	-	(1 754)
Net income	123 557	27 247
Earnings per share (in euros)	3,01	0,67
Diluted earnings per share (in euros)	2,85	0,64

Balance Sheet (assets)

<i>In thousands of euros</i>	31/12/2016	31/12/2015
Intangible assets	50 170	40 949
Property, plant and equipment	76 217	47 661
Investments in associates	1 434	902
Non-current derivative financial instruments	19 334	8 494
Other non-current financial assets	1 342	1 458
Other non-current assets	8 210	5 279
Deferred tax assets	66 467	40 780
Non-current assets	223 173	145 522
Inventory	38 458	36 245
Trade receivables	413 279	220 596
Current derivative financial instruments	137 084	35 843
Other current financial assets	18 364	70 688
Other current assets	30 263	69 500
Cash and cash equivalents	368 867	35 230
Current assets	1 006 314	468 102
TOTAL ASSETS	1 229 487	613 624

Balance Sheet (liabilities)

<i>In thousands of euros</i>	31/12/2016	31/12/2015
Share Capital and share premiums	15 307	9 003
Retained earnings and profit or loss	188 769	71 717
Treasury shares	(207)	(88)
Other comprehensive income	13 630	(109 981)
Shareholders' Equity - Group share	217 499	(29 350)
Non-controlling interests	-	-
TOTAL SHAREHOLDERS' EQUITY	217 499	(29 350)
Non-current provisions	37 658	5 051
Non-current derivative financial instruments	17 311	81 354
Other non-current financial liabilities	182 843	114 829
Other non-current liabilities	4 759	2 164
Deferred tax liabilities	13 065	21 130
Non-current liabilities	255 637	224 528
Current provisions	14 169	6 776
Trade payables	242 602	187 818
Current derivative financial instruments	103 925	83 851
Other current financial liabilities	145 689	69 113
Other current liabilities	249 966	70 887
Current liabilities	756 351	418 446
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1 229 487	613 624

Cashflow

<i>In thousands of euros</i>	31/12/2016	31/12/2015
Consolidated net income	123 557	27 247
Tax expenses/income	(29 454)	(17 010)
Financial income/(loss)	11 208	3 678
Income before taxes and financial expenses	105 311	13 915
Depreciation and amortisation	29 186	22 507
Impairment	112	550
Provisions	31 926	6 212
Effect of changes in consolidation scope and other gains and losses on disposals	0	234
Expenses related to share-based payments	1 738	1 351
Change in fair value of financial instruments	(25 280)	8 658
Other financial items with no cash impact	2 138	7 465
Share of income from associates	(352)	62
Items with no cash impact	39 468	47 040
Income tax paid	(10 636)	-
Change in working capital requirement	84 873	(79 755)
Net cash flow from operating activities	219 016	(18 800)
Acquisition of fixed assets	(33 770)	(25 749)
Disposals of fixed assets	-	3
Change in deposits and guarantees	184 812	(55 511)
Acquisition of shares in companies not fully consolidated	(10)	-
Acquisition of available-for-sale securities	0	(26)
Acquisition of subsidiary and merger, net of cash acquired	(35 453)	(43 934)
Loss of control of subsidiaries net of cash and cash equivalents sold	-	3 672
Change in financial assets	-	27 871
Net change in loans originated by the company	2 154	3 803
Net cash flows used in investment activities	117 733	(89 872)
Sums received from shareholders during capital increases	6 304	-
Treasury shares	(119)	13
Proceeds from borrowings	185 541	120 876
Repayment of borrowings	(177 117)	(840)
Interest paid	(11 173)	(5 220)
Interest received	901	647
Dividends paid	(8 242)	(6 119)
Cash flows from financing activities	(3 904)	109 357
Net change in cash and cash equivalents	332 844	685
Cash and cash equivalents at beginning of year	31 993	31 308
Cash and cash equivalents at end of year	364 837	31 993

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