



HALF-YEAR FINANCIAL STATEMENTS

31 DECEMBER 2020



An energy producer with
a negative carbon footprint...



... and large local resources



**Hauts-de-France
and
Lorraine**



Wallonie

Group's key financials



17 MW
INSTALLED
CAPACITY
IN 2021



**750,000
TONS**
OF CO₂ EQ AVOIDED
PER YEAR⁽¹⁾



4 M€
REVENUES
1H2021
(61% SECURED BY
FEED-IN TARIFF)

EBITDA



Operating income



Net income⁽²⁾



INVESTMENTS

6.3 M€

EQUITY⁽²⁾

54.6 M€

CASH AVAILABLE

4.9 M€

**NET DEBT
TO EQUITY**

33%

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HALF-YEAR REPORT

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ACTIVITIES FOR THE FIRST HALF OF FISCAL YEAR 2020-2021

TURNOVER

As of 31 December 2020, sales for the semester were slightly down 3.8% compared to the first half of fiscal year 2019, reaching **€4,020K**, close to pre-COVID levels despite gas prices still being significantly below their usual levels.

However, La Française de l'Énergie showed a strong increase in sales in the second quarter of the year, up by **69% compared to the first quarter**, therefore reaching €2.5M.

As a reminder, La Française de l'Énergie benefits from a feed in tariff for its electricity activity in France, allowing the Group to **decorrelate over 61% of its revenues** from the economic situation.

Sales trends between 1H 20 and 1H 21

| € | 1H 21 | 1H 20 | Var. | Var. (%) |
|-----------------------|------------------|------------------|-----------------|--------------|
| France – Gas | 1,113,229 | 1,074,890 | 38,339 | 3.6% |
| France – Electricity | 2,466,917 | 2,656,695 | -189,778 | -7.1% |
| Belgium – Electricity | 439,755 | 448,120 | -8,365 | -1.9% |
| Total REVENUES | 4,019,901 | 4,179,704 | -159,804 | -3.8% |

Gas Activity (France)

Gas sales volumes increased significantly from 80,907 MWh to **101,324 MWh** (up 25%) for the half-year ended 31 December 2020. This strong increase in volumes, achieved despite several weeks' maintenance of the GRTgaz network in September 2020, confirms the reliability of the Avion site following the investments made in 2019 and 2020.

This strong operational performance offset the negative price effect of the period, with the average selling price dropping from €13.29/ MWh to €10.99/ MWh between 1H20 and 1H21 (-17%), despite a price recovery since November 2020 at more than €14/ MWh. Revenues from the gas business thus showed an increase of **3.6%**, to **€1.1M** in the first half of the year.

Electricity Activity (France and Belgium)

Volumes of electricity produced continued to increase in the second quarter of the year, reaching **45,754 MWh** over the half-year and a turnover of **€2.9M**.

The first quarter was impacted both by the high temperatures of August 2020 which required a reduction in cogeneration power to avoid any damage due to overheating, and by a long period of maintenance on a cogeneration in France following premature wear of the engine block.

During the second quarter, the production of electricity from abandoned mine methane posted an improvement in sales, rising to €1.6M (up 26% compared to 1Q21). This good performance was bolstered by the increase in volumes in the Hauts-de-France (**up 23%**) and the Belgium's Anderlues site (**up 12%**). The Group's 8 cogenerations have been operating optimally since the end of September 2020, with an **average overall availability rate exceeding 94%**.

The price effect was minimal over the period, with only the price changes related to the rate decree rising from €71.79 / MWh to **€72.41 / MWh**.

The activity in Belgium accounts for 11% of the Group's total turnover. During this semester, volumes sold reached **11,684 MWh**, with an increase in volumes between October and December 2020. The average selling price at the market rate in Belgium stood at **€37.6 / MWh, up 10.3%** from €36.4 / MWh in 1H 2021, confirming the price recovery post-COVID. Thus, the Group took advantage of favourable market conditions to hedge the selling price for 50% of Anderlues' volumes in 2021.

The Group is also continuing its efforts with the Walloon administration to be able to monetise the Green Certificates obtained in 2019 but still not credited to our Gazonor Benelux subsidiary. The valuation of these certificates is estimated at nearly €1.4M per year.

This good momentum in the electricity-generation business is expected to continue throughout the second half of the year with an additional two cogeneration coming online following the completion of the commissioning of the Béthune site in January 2021. Regarding the gas-production business, the Group also expects a confirmation of the upward market price trend following the post-COVID economic recovery.

EBITDA AND OPERATING RESULTS

Despite the health and economic crises that marked Calendar Year 2020, **EBITDA rose by 27%** against the first half of the previous year, reaching **€907K** (compared to €712K in the H1 20). It should be noted that the valuation of the Research and Innovation Tax Credit for Calendar Year 2020 is included in the operating income for a total amount of €266K, as is a subsidy for the solar activity for €130K.

This performance is due, in particular, to the good operational costs control, confirmed once again during this semester. The cost of goods and services per MWh has thus decreased by more than **16%**, to **€13.19 / MWh** (compared to €15.69 / MWh in 2020). Administrative expenses remained pretty much unchanged, despite new projects under development during this half-year, and even decreased by 9% per unit produced, thus confirming the Group's ability to develop its business while controlling its cost structure.

As a result, operating income more than doubled to **€287K** this semester (against €112K in 1H20).

INVESTMENTS

During 1H21, the Group continued to invest in new projects focused on two key projects. First, the Group completed the construction of the largest solar-thermal-power plant in France that started selling its heat production to the district heating network in Creutzwald (€1.7M investment on 31 December 2020, bringing the total invested to €2.3M to date). Then, the group engineered and built the new production site dedicated to the supply of gas, electricity, and heat to the inhabitants of the city of Béthune (€4.8M in investments as of closing date). These investments allowed to the projects to become operational in 4Q20, with sales expected in 2H21.

In addition, the construction of an office complex and a warehouse in Faulquemont (Moselle), financed by leasing, has been completed (€895K in investments as of 31 December 2020) and is now hosting La Française de l'Énergie's new headquarters since December 2020.

CASHFLOW AND FINANCING

The Group's net cash position on 31 December 2020 was **€4.9M**, a **€1.1M** improvement over 30 June 2020. This favourable development can be explained by positive operating flows and increased financing flows, which thus helped finance part of the investment activity that

remained strong in 1H21 (€6.3M in total, which also benefited from €652K in subsidies).

Indeed, the Group's operating activities had a positive impact on cashflow for €1.4M during the half-year, with a reduction in the change in Working Capital Needs. The cashflow forecasts for the next 12 months confirm the Group's ability to continue operating, meeting its cash requirements, and settling its Balance Sheet debts.

Financing cashflows benefited from the completion of two new external borrowings over this 6-month period:

- €0.7M one-year advance and €1.3M in project financing over 20 years, concluded between Cellcius and La Caisse d'Épargne in November and December 2020 respectively, in order to refinance the costs incurred for the construction of the solar-thermal field in Creutzwald; and
- €2.4M crowdfunding obtained by Gazonor Béthune in December 2020, to cover part of the equity injected by the Group to develop for its gas, electricity and heat project in Béthune. This fundraising initially divided into two separate €2.25M campaigns, targeted to raise €4.5M for the project. This first campaign, which ended on 31 December 2020, exceeded its original target for the first phase of the project.

In terms of debt, the Group's ratio of net financial debt to equity remains quite conservative, amounting to 33% at the end of December 2020 (against 29% at the end of June 2020), leaving ample room to finance the Group's structuring developments.

At the date of preparation of these Financial Statements, the Group was engaged in several discussions with banking partners to finance the investments made and to come in the Hauts-de-France, Belgium and the Grand-Est.

Based on these discussions and its past experience, the Group remains optimistic about its ability to implement its development prospects, particularly the installation of additional cogenerations in the Hauts-de-France and in Belgium and the start-up of its new 15 MW photovoltaic project in the Grand-Est.

ADDITIONAL FINANCIAL IMPACTS

The recovery of mine gas – a fatal gas – at the Louches, Divion, Avion, and Lens sites continues to make an exemplary contribution to the effort to reduce the Hauts-de-France region's carbon footprint, with 602,000 tonnes of CO₂ Eq avoided per year¹. The contribution of abandoned mine methane capture at the Anderlues site since April 2019 (and its contribution in terms of reducing the carbon footprint of the Walloon Region) has not yet been measured by an independent certifier, but is currently estimated at 150,000 tonnes of CO₂ Eq avoided per year. Furthermore, for the Béthune site, which become operational in January 2021, the Group estimates that 150,000 tonnes of CO₂ emissions will be avoided each year thanks to the recovery of abandoned mine methane that will be transported to Béthune, where two cogeneration units will transform it into electricity and heat that will be used in the City's heating network. This project will reduce the energy bill of connected households by more than 30% and the carbon footprint of the energy used by this network by more than 35%.

The start of heat production from the Creutzwald solar-thermal-power plant also allows La Française de l'Énergie to reduce the territory's carbon footprint by 560 tonnes per year.

¹ Source: INERIS study – January 2019

HIGHLIGHTS OF THE HALF-YEAR

OPERATING PROJECTS

First photovoltaic project – Tritteling-Redlach (14.92 MW) and creation of FalkenSun S.A.S

On 20 October 2020, La Française de l'Énergie was awarded a 14.92 MW photovoltaic power-plant project in the last solar tender of the Energy Regulatory Commission ("Commission de Régulation de l'Énergie", or CRE).

This plant will be located in the Grand-Est region, on the site of a former landfill located in Tritteling-Redlach. The site will produce c. 16 GWh per year and will provide electricity to the equivalent of over 7,000 people, i.e. nearly 30% of the population of the urban community (Faulquemont Urban District). Construction of the plant will begin in the second half of Calendar Year 2021.

The award of this project confirms La Française de l'Énergie's expertise in terms of energy solutions that provide value to the territory. This success is all the more satisfying because it was achieved in the context of a highly competitive tender, marked by an average price of selected projects of €57.4/ MWh, down 7.4% from the previous tender, demonstrating the Group's ability and agility to develop economically and environmentally competitive projects.

This success also marks a key step for the Group in the deployment of its solar strategy since, with a capacity of 15 MW, the plant is the largest of the six photovoltaic projects selected for the Grand-Est region in this CRE tender.

The Group also intends to develop several ground-based photovoltaic power-plant projects in the Grand-Est and Hauts-de-France, at the heart of its business basins, in order to provide local consumers with an increasingly decarbonised energy, produced in short circuits.

A new entity has been created to implement this project, FalkenSun S.A.S., part of the Group's consolidation scope as of 31 December 2020. The company was founded on 02 December 2020 with an initial capital of €1K, with only marginal costs being recorded at the end of December 2020.

Solar-thermal field – Commissioning

France's largest solar-thermal park connected to an urban heating network, built in partnership with the Énes authority and supported by ADEME, came into operation in November 2020, with sales expected in 2H21. It will produce 2,610 MWh annually, representing almost all of the summer needs of the heat system corresponding to the requirements for 190 homes.

The project is carried out by Cellcius S.A.S, a subsidiary of La Française de l'Énergie, in which the Enes municipal authority owns 49% interest. The EnR rate of the heat network, currently at 1.7%, will increase to more than 15% with the solar thermal-power plant. Since 1996, Enes has been supplying heat to a significant number of customers, including: 2 sports complexes, 7 public education institutions, 3 industries, 1 municipal technical centre, 1 supermarket, 13 SMEs/SMIs, 1 multi-purpose hall, 1 nautical stadium, 1 logistics storage hall, 2 shopping centres, and 32 substations for the residential sector.

6049 m² of panels were installed (379 tables) on an old pithead of the mine. They capture the sun's energy to warm a heat-carrying fluid, which connects to a 2000-m³ storage tank through a thermal exchanger, from which heat is injected into the urban network. The project represents a total investment of €2.4M and was carried out without any delay or costs

overrun in the midst of a pandemic.

This project highlights, once again, La Française de l'Énergie's ability to create innovative energy solutions to reduce the carbon footprint of consumers within the territory.

Béthune Project – Commissioning of cogenerations (2.7 MW)

The two cogenerations of the Group's new production site dedicated to the supply of gas, electricity, and heat to the inhabitants of the city of Béthune and neighbouring municipalities that can be connected to the urban heat network, were installed and commissioned in December 2020, in accordance with the timetable set by the Group.

In 2017, the municipality of Béthune chose the solution proposed by Dalkia and built around La Française de l'Énergie's supply of clean energy as part of the public-service concession ("délégation de service public", or DSP) of its heat network serving the equivalent of 6,500 homes. This innovative and eco-responsible solution responds to the Béthune municipality's desire to reduce its energy bill and strengthen the greening of its energy mix.

Thus, Gazonor Béthune began the production of electricity and heat with its 2 cogenerations (2.7 MW_{th}) benefiting from a feed-in tariff, similar to the 6 cogenerations currently operated by Gazonor in the Hauts-de-France, and a heat-supply contract with Dalkia at a fixed price up to the end of 2035. The direct delivery of abandoned mine methane to the Dalkia boiler room complements the energy-sales mix to maximize the greening of the heat network in the city of Béthune.

Launch of the Avion and Anderlues site extensions

In order to continue its development plan, which will lead to 49.5 MW of installed electricity capacity in the Hauts-de-France and Belgium, La Française de l'Énergie has ordered 5 additional units from its partner 2G, to increase Anderlues' installed capacity by an additional 4.5 MW and that of Avion by 3 MW, all on very competitive commercial terms. These cogenerations will be operational in the summer of 2021.

The additional cogenerations, planned as part of the development plan up to the end of 2022, will mainly be deployed at new sites in France and Belgium. The Group therefore continues to move ahead on the administrative aspects related to these new sites.

Geographical extension of the Désirée concession in the Hauts-de-France

By decree dated 24 December 2020, the perimeter of the concession, owned by Gazonor, has been extended by an additional 198.87 square kilometres, to 266.88 square kilometres. The extension of the concession is granted until 23 December 2042 and consolidates the exclusive perimeter held by La Française de l'Énergie on the Hauts-de-France mining basin for the development of abandoned mine methane operations.

The area known as Valenciennois contains large volumes of gas, tested during the testing campaigns previously carried out within this perimeter. La Française de l'Énergie will therefore work to certify these volumes of gas with an upcoming certification of reserves, expected within the first six months of calendar year 2021.

Stronger corporate governance

After a first step reached ahead of its IPO in 2016, with the establishment of a Board of Directors composed mainly of independent and non-executive directors, a new step has been launched with the permanent dissociation of the functions of President and CEO

and the appointment of Antoine Forcinal as CEO. This new governance will meet the most demanding criteria and best market practices.

FINANCING

Project funding for the solar-thermal project

An advance was signed on 13 November 2020 between Cellcius SAS and La Caisse d'Épargne et de Prévoyance Grand Est Europe. This loan has a nominal amount of €700K and relates to the pre-financing of the Ademe subsidy obtained for this project, which amounts to €1,300K. The maturity of this loan is 1 year, with a final settlement on 15 December 2020, and a fixed interest rate of 0.41% per annum. Among the guarantees granted under this loan is the pledge to the bank of the trade receivables held by Ademe.

A loan was also taken out by Cellcius from La Caisse d'Épargne et de Prévoyance Grand Est Europe on 15 December 2020, for a nominal amount of €1,300K, intended to refinance the costs incurred for the construction of the solar-thermal field in Creutzwald. This loan has a 20-year maturity with quarterly instalments from April 2021, at an interest rate of *Livret A + 1%* per annum, *i.e.* 1.5% on 31 December 2020.

This loan includes a mortgage on the emphyteutic lease of the land on which the solar plant is built, a pledge on the plant's equipment and material, the transfer of trade receivables (heat-supply agreement, service contract, insurance contract), a pledge over the shareholders' financial securities accounts, a DSCRA pledge, as well as a freeze on the current accounts of partners granted for a sum of €700K until 31 December 2023.

Phase 1 of the Crowdfunding of €2,427K for the Béthune project

La Française de l'Énergie is diversifying its financing mix and, through Gazonor Béthune SAS, has raised €2,427K from 1,148 lenders thanks to crowdfunding set up with the Lendosphere platform, which is specialized in crowdfunding projects related to the energy transition. This loan covers part of the equity injected by the Group for the Béthune production project.

This fundraising, carried out in several campaigns, seeks to raise a maximum of €5.5M for the project. This first campaign, which ended on 31 December 2020, exceeded its original target for the first phase of the project.

This financing has a maturity of 4 years, with linear repayment after one year, for a fixed interest rate of 4.75% per year. This loan is guaranteed by La Française de l'Énergie throughout its term.

Significant events since the end of this 1H 2021 period

New concession in Wallonia following the acquisition of Greenhill SA

On 19 February 2021, the Group completed the purchase of 100% of Greenhill SA, a subsidiary of the Brederode SA group in Belgium and holder of the Monceau-Fontaine, Marcinelle and Nord de Charleroi Concession (No. 038) for an acquisition cost of €203,000, *i.e.* a net consideration of €95,000 given Greenhill SA's available cash position. This entity generated no revenue at the date of acquisition, and its various financial aggregates are not significant, except for deferred losses that may be used by the Group.

The Monceau-Fontaine, Marcinelle and Nord de Charleroi Concession covers 74 km². This concession contains large volumes of gas found in the former mining galleries, which were

the subject of several positive tests in 2018. Pressures of over 2 bars and methane levels above 90% were noted at two sites during these tests. 6 mine shafts over 1,000 metres deep, connected to the old mining works, are available for rapid testing over a longer period to validate the planned development of this perimeter.

Total Crowdfunding of €5,500K for the Béthune project (Phases 1 and 2)

On 15 February 2021, within less than two months, Gazonor Béthune had raised a total of €5.5M in crowdfunding through the Lendosphere platform, to cover the equity used by the Group for this flagship project, which represents one of the largest crowdfunding collections carried out in France.

1,708 citizens participated in this fundraising for the development of a sustainable and virtuous local project, at the heart of the Rev3 (“Third Industrial Revolution”) initiative developed by the Region, which will enable the city’s heat network to be among the greenest and most competitive in France.

Nearly 40% of the funds raised came from inhabitants of the Hauts-de-France region, demonstrating once again the relevance of the short-circuit model promoted by La Française de l’Energie.

Gaia Rating’s 2020 ESG Ranking

Gaia Rating is the foremost rating agency for French mid-sized listed companies. The rating of values considers over 150 extra-financial criteria, covering environment, social issues and governance matters.

For the fourth year in a row, the Company recorded an improvement in its Gaia rating. La Française de l’Energie achieved an overall score of 62/100, thus ranking first among companies in the energy sector with a turnover of less than €150M. LFDE also exceeds the average performance of the «conventional and renewable energy» category, as well as that of the Gaia panel, which comprises 230 companies.

La Française de l’Energie is distinguished, notably, by the significant improvement in its corporate governance and, particularly, by the functioning of its governance bodies, as well as by the quality of its Social Policy, its Environmental Policy, and its impact on Greenhouse Gas.

This improvement compared to the score received in 2019 confirms the fulfilment of La Française de l’Energie’s commitments on issues such as the safety of its teams, its operations, or the fight against climate change.

TRANSACTIONS WITH RELATED PARTIES

With the exception of the transactions described below, no new transactions with related parties occurred during the first half of the year ended 31 December 2020.

Put in place in 2017, the shareholder loan had an initial face value of €3,977K at an interest rate, excluding commissions, of 1.98% and a maturity on 27 December 2019. This agreement was amended twice over this six-month period:

- an amendment was concluded on 30 September 2020 that postponed the December 2020 maturity as follows: €2,330K of the nominal due on 30 December 2020, €1,000K of the nominal due on 30 June 2021, and €1,300K of the nominal + commissions and interest due on 31 December 2021. This amendment did not change the original interest rate;

- an amendment was reached on 29 October 2020 which extended the maturities to 30 June 2021 for €3,450K of the nominal and 31 December 2021 for €1,300K of the nominal + commissions and interest. In addition, following the sale of its equity position and withdrawal from the Company's capital, Deltec Bank and Trust transferred this shareholder loan to another shareholder of La Française de l'Énergie, NEL, and so notified the Company of the transfer on 12 November 2020.

Furthermore, another shareholder of La Française de l'Énergie agreed to a shareholder loan of €325K as of 13 November 2020. The maturity is 1 year, with final repayment on 01 January 2022 and a fixed interest rate of 2% per year.

These amendments were motivated by the Company's desire to have short-term cash available in order to accelerate the development of its activities in the Hauts-de-France and Belgium.

Note 4.5, «Related Parties», of the Appendix to the condensed half-year Consolidated Financial Statements provides all necessary information regarding ongoing transactions with related parties, their nature, and the amounts to be considered for this half-year.

GROUP PROSPECTS FOR FY21

Thanks to its know-how in the production and development of energy in short circuits, La Française de l'Énergie continues to contribute to the reduction of the carbon footprint of the territories involved.

The Group thus pays special attention to measuring the extra-financial impacts of its business and seeks to eliminate, by the end of 2025, 3 million tonnes of CO₂ emissions per year, thanks to its mine-gas capture activity, which eliminates a pollution.

On the financial side, La Française de l'Énergie also confirms its target of reaching €35M in annualized sales by the end of December 2022, and an EBITDA margin of 45%.

This objective corresponds to an installed capacity of nearly 50 MW of electricity generation from mine-gas captured in the former mining galleries of France and Belgium, therefore avoiding the release of this fatal gas into the atmosphere.

As a reminder, 1 MW of installed capacity in electricity generated from gas abandoned mine methane is equivalent to 3.6 MW of wind and 6.48 MW of solar energy.²

La Française de l'Énergie's ambition – to accelerate its growth and profitability by developing new ways of producing energy and providing local solutions to climate change – remains unchanged, and the goal for the next 18 months is to demonstrate the relevance of its unique model.

In 2021, with the signing of a three-year framework agreement with 2G for the supply of cogeneration units dedicated to the production of electricity, La Française de l'Énergie continues with its plan to deploy new electricity production sites in France and Belgium, with 5 new cogeneration units expected to be deployed this summer at the Avion and Anderlues sites (3 MW in the Hauts-de-France and 4.5 MW in Wallonia).

In addition, the acquisition of Greenhill SA in Belgium allows the Group to extend its footprint, in a market still considered very promising for the Group, and to develop this energy through short circuits in the form of electricity and heat while securing the overpressure in the subsoil.

In Lorraine, after having obtained favourable opinions as reported by public investigators

² Source: <https://opendata.reseaux-energies.fr/>; LFDE – 2020 data, load factors: wind – 26.35%; solar – 14.65%; abandoned mine methane – 95%

during the evaluation of the application for the Bleue Lorraine concession, the Group is finalizing its technical and economical feasibility study on the recovery of its gas reserves in the form of decarbonized hydrogen, produced through pyrolysis or steam reforming. The latter includes the possibility of storing CO₂ in coals and the recovery of secondary compounds produced by the transformation of coal gas into hydrogen. The aim is to finalise the study of the various possibilities available to the Group to recover the Lorraine gas, in order to select the most competitive local solution, both economically and ecologically.

Finally, as for solar energy, the Group, which won a tender from the Energy Regulatory Commission for a 15 MW photovoltaic project, will begin construction of this ground-based power plant in 2021.

RISKS AND UNCERTAINTIES FOR FY21

Compared to the risks presented in Part 7 – MAIN RISKS AND UNCERTAINTIES FACING THE COMPANY, in its annual Financial Statements, as published on 30 October 2020, the Group has identified no additional risks that should be considered regarding its activities during the second half of the fiscal year ended 30 June 2021.

Among these risks, those considered to be the most significant are:

- changes and negative volatility in gas prices, which may have an adverse effect on the Group's business;
- lower-than-expected yields of its industrial equipment, especially at cogeneration sites, which are not achieving the expected levels of growth and profitability;
- difficulties in obtaining new financings under the conditions and set timeframes, which could hinder the Group's expansion plans and new projects;
- unanticipated developments or new regulatory constraints that might lead to delays or challenges to development projects.

Coronavirus Outbreak: Situation Update on the Group's Activities

In a macro-economic and health context marked by the spread of COVID-19, at the date of these half-year Consolidated Financial Statements, the risk analyses carried out reveal that the Group's operational activities have not been significantly affected to date by the consequences of the virus's spread.

Notably, all facilities are managed and controlled remotely, and the activity and organization of the Group's operational teams have been adapted to deal with new operational and regulatory constraints.

Risks that have an impact on the Group's operations at this stage are:

- the fall in the price of gas and electricity in Belgium, due to changes in economic situation;
- delays in processing and obtaining administrative approvals (building permits, connection, etc.).

MANAGEMENT AND SUPERVISORY BODIES AS OF 31 DECEMBER 2020

BOARD OF DIRECTORS

Julien Moulin
Chairman

Antoine Forcinal
Managing Director

Jean Fontourcy ^(a)

Christophe Charlier ^(b)

Cécile Maisonneuve ^(b)

Alain Liger ^(b)

ACCOUNTS AND AUDIT COMMITTEE

Christophe Charlier
Chairman

Julien Moulin

Jean Fontourcy

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Jean Fontourcy
Chairman

Cécile Maisonneuve

Alain Liger

STATUTORY AUDITORS

MAZARS ^(c)
represented by Laurence Fournier

BDO ^(d)
represented by Sébastien Haas

(a) *Non-Executive Director*

(b) *Independent director*

(c) *Expiry of mandate: General Assembly ruling on Financial Statements for the year ended 30 June 2025.*

(d) *Expiry of mandate: General Assembly ruling on Financial Statements for the year ended 30 June 2026.*

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

| 6-month period ended 31 December 2020 | Notes | 31 December 2020 | 31 December 2019 |
|--|-----------|------------------|------------------|
| Revenue | 2.1 | 4,019,901 | 4,179,704 |
| Other operating income | 2.2 | 479,472 | 144,884 |
| Costs of goods and services sold | 2.3 / 2.4 | (1,939,929) | (2,043,770) |
| Other administrative and operational expenses | 2.3 / 2.4 | (1,691,113) | (1,651,166) |
| Other revenue/(charges) | | 23,029 | (70,702) |
| Net appropriations to provisions | | 15,752 | 153,446 |
| EBITDA | | 907,113 | 712,396 |
| Depreciation and amortisation | | (619,772) | (600,188) |
| Operating income | | 287,341 | 112,208 |
| Financial revenues | | 324 | 0 |
| Cost of gross long-term debt | 2.5 | (344,700) | (247,037) |
| Other financial expenses | 2.5 | (38,999) | (16,460) |
| Earnings before taxes | | (96,034) | (151,289) |
| Current and deferred taxes | 2.6 | 168,168 | 344,724 |
| Net income | | 72,133 | 193,436 |
| Net income, Group's share | | 102,131 | 193,436 |
| Net income, share of non-controlling interests | | (29,998) | 0 |
| <i>Earnings per share, Group's share</i> | | | |
| - Basic earnings per share | | 0.02 | 0.04 |
| - Diluted earnings per share | | 0.02 | 0.04 |

CONSOLIDATED REPORT ON OVERALL EARNINGS

| 6-month period ended 31 December 2020 | Notes | 31 December 2020 | 31 December 2019 |
|---|-------|------------------|------------------|
| Net income | | 72,133 | 193,436 |
| | | - | - |
| Items to be reclassified to profit or loss in subsequent periods | | - | - |
| Actuarial gains and losses on pension plans | | 0 | 0 |
| Tax effect | | 0 | 0 |
| Items not reclassified to profit or loss in subsequent periods | | 0 | 0 |
| Comprehensive income | | 72,133 | 193,436 |
| Comprehensive income, Group's share | | 102,131 | 193,436 |
| Comprehensive income, share of non-controlling interests | | (29,998) | |
| <i>Earnings per share, Group's share</i> | | | |
| - <i>Basic earnings per share</i> | | 0.02 | 0.04 |
| - <i>Diluted earnings per share</i> | | 0.02 | 0.04 |

CONSOLIDATED BALANCE SHEET

| 6-month period ended 31 December 2020 | Notes | 31 December 2020 | 30 June 2020 |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Exploration assets | 3.1 | 45,402,139 | 45,059,192 |
| Other intangible assets | | 6,438 | 6,149 |
| Proven mining rights | 3.2 | 24,636,816 | 24,744,251 |
| Other tangible assets | 3.3 | 16,010,041 | 10,756,750 |
| Non-current financial assets | | 1,272,462 | 1,253,562 |
| Deferred tax assets | 2.6 | 2,245,651 | 2,101,286 |
| Non-current assets | | 89,573,546 | 83,921,190 |
| Inventories | | 392,256 | 375,252 |
| Trade and related receivables | 3.4 | 1,707,434 | 948,367 |
| Other current assets | 3.4 | 3,167,533 | 3,260,671 |
| Advances and prepayments on orders | 3.4 | 206,874 | 115,581 |
| Cash and cash equivalents | 3.5 | 4,892,371 | 3,768,677 |
| Current assets | | 10,366,468 | 8,468,548 |
| | | 0 | 0 |
| Total Assets | | 99,940,014 | 92,389,737 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Share capital | 3.6 | 5,163,970 | 5,155,890 |
| Share premium reserve | 3.6 | 44,070,875 | 44,078,955 |
| Other reserves | | 5,220,226 | 5,012,023 |
| Net income, Group's share | | 102,131 | 108,542 |
| Other equity items | | 3,855 | 3,854 |
| Shareholders' Equity – Group's share | | 54,561,058 | 54,359,264 |
| Non-controlling interests | | (88,632) | (60,594) |
| Consolidated Shareholders' Equity | | 54,472,426 | 54,298,670 |
| Non-current financial debt | 3.8 | 14,291,531 | 12,559,901 |
| Non-current provisions | | 4,567,178 | 4,179,420 |
| Provisions for pension commitments | | 29,605 | 31,177 |
| Deferred tax liabilities | 2.6 | 6,360,247 | 6,388,855 |
| Other non-current liabilities | | 984,125 | 986,692 |
| Non-current liabilities | | 26,232,687 | 24,146,045 |
| Current financial debt | 3.8 | 8,713,310 | 6,836,549 |
| Current provisions | | 87,159 | 106,249 |
| Trade and related payables | | 1,859,035 | 1,299,163 |
| Fixed-asset suppliers | | 6,277,613 | 3,893,229 |
| Other current liabilities | | 2,297,786 | 1,809,832 |
| Current liabilities | | 19,234,902 | 13,945,022 |
| Total Shareholders' Equity and Liabilities | | 99,940,015 | 92,389,737 |

CONSOLIDATED CASHFLOW STATEMENT

| 6-month period ended 31 December 2020 | Notes | 31 December 2020 | 31 December 2019 |
|---|-------|--------------------|--------------------|
| | | € | € |
| Operating activities | | | |
| Consolidated net income | | 72,133 | 193,436 |
| Tax expense and deferred-tax changes | 2.6 | (168,168) | (344,724) |
| Net depreciation and impairment of intangible and tangible fixed assets | | 619,772 | 600,188 |
| Net allocations on provisions | | (15,752) | (153,446) |
| Change in operating working capital requirement | 4.1 | (304,154) | (821,172) |
| Change in WCR – Other assets and liabilities | 4.1 | 578,524 | 183,509 |
| Expense related to free stock award plan | | 66,744 | 39,057 |
| Cost of gross long-term debt | 2.5 | 344,700 | 247,037 |
| Taxes paid | | (4,815) | 0 |
| Other non-monetary items | | 167,889 | 142,583 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | 1,356,872 | 86,468 |
| Investment activities | | | |
| Capitalised exploration costs | 3.1 | (226,877) | (224,272) |
| Tangible and intangible investments | 3.3 | (6,063,115) | (303,291) |
| Proceeds from the disposal of tangible and intangible assets | 3.3 | 0 | 100,054 |
| Change in fixed-asset supplier debts | | 2,384,384 | (837,095) |
| Subsidies received for investment activities | 3.3 | 652,188 | 167,956 |
| Acquisition of financial assets | 3.8 | 29,286 | 0 |
| Disposal of financial assets | | 0 | 20,560 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | (3,224,135) | (1,076,088) |
| Financing activities | | | |
| Bond flows | | | |
| Borrowings and financial debts (excluding fees) | 3.8 | 4,752,500 | 5,240,000 |
| Repayment of loans and financial debts | 3.8 | (1,001,134) | (861,910) |
| Other current financial debts | 3.8 | (530,039) | 267,657 |
| Cost of net debt: interests paid | | (163,090) | (176,338) |
| Fees paid on loans | | (67,117) | (52,500) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | 2,991,119 | 4,416,909 |
| NET CHANGE IN CASH FLOWS | | 1,123,857 | 3,427,289 |
| Net cash and cash equivalents at beginning of the period | | 3,767,479 | 1,164,684 |
| NET CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | 4,891,336 | 4,591,973 |

Net cash at the date of closing in the Consolidated Cashflow Statement consists of bank accounts net of outstanding banking loans, cash accounts, and the cash portion of the Liquidity Contract implemented by the Group.

TABLE OF VARIATION OF CONSOLIDATED SHAREHOLDERS' EQUITY

| 6-month period ended 31 December 2020 | Shares | | Equity | Premium | Other equity items | Net income and other reserves - Group's share | Total Shareholders' Equity - Group's share | Non- controlling interests | Total Consolidated Shareholders' Equity |
|---|------------------|--------------|------------------|-------------------|--------------------------|--|---|----------------------------------|--|
| | Number | Par Value | | | | | | | |
| | | € | € | € | € | € | | | |
| As of 30 June 2019 | 5,150,659 | 1 | 5,150,659 | 44,084,186 | 4,011 | 4,963,623 | 54,202,479 | | 54,202,479 |
| Net income | | | | | | 19 3, 436 | 193,436 | | 193,436 |
| Other elements of comprehensive income | | | | | | | | | |
| Free stock award plan | | | | | | 39,056 | 39,056 | | 39,056 |
| Other variations | | | | | | 19, 957 | 19, 957 | | 19,957 |
| Capital increase (free shares) | 5,231 | 1 | 5,231 | (5,231) | | | | | |
| As of 31 December 2019 | 5,155,890 | 1 | 5,155,890 | 44,078,955 | 4,011 | 5,216,072 | 54,454,928 | 0 | 54,454,928 |
| As of 30 June 2020 | 5,155,890 | 1 | 5,155,890 | 44,078,955 | 3,854 | 5,120,564 | 54,359,263 | (60,594) | 54,298,669 |
| Net income | | | | | | 102,131 | 102,131 | (29,998) | 72,133 |
| Other elements of comprehensive income | | | | | | | | | |
| Free stock award plan | | | | | | 66, 744 | 66,744 | | 66,744 |
| Other variations | | | | | | 32,919 | 32,919 | 1,960 | 34,879 |
| Capital increase (free shares) | 8,080 | 1 | 8,080 | (8,080) | | | | | |
| As of 31 December 2020 | 5,163,970 | 1 | 5,163,970 | 44,070,875 | 3,854 | 5,322,359 | 54,561,057 | (88,632) | 54,472,425 |

The €8K increase in capital over the six-month period ended 31 December 2020 is due to the Chairman's attestation on 09 July 2020 of the final award of employees shares to beneficiaries of the third plan implemented in 2018 by the Board of Directors, in the context of the delegation given by the General Assembly of 23 March 2016.

Following the completion of all the conditions of attendance and the end of the acquisition period provided for by the Regulations of the plan, 8,080 shares were awarded, with capital increase by incorporation of share premiums.

APPENDIX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING RULES, METHODS AND PRINCIPLES

1.1. General Principles and Consolidated Financial Statements Preparation Base

The consolidated Financial Statements for the first half of the fiscal year ended 31 December 2020, ie the period from 01 July 2020 to 31 December 2020, were approved by the Board of Directors of La Française de l'Énergie S.A Group on 19 March 2021.

These accounts were drawn up in accordance with IAS 34 for intermediate accounts as well as with the IFRS (International Financial Reporting Standards) standards and interpretations as published by IASB, adopted by the European Union, and applicable as of 31 December 2020.

The condensed half-year consolidated Financial Statements are prepared using the same rules and methods as those used to prepare the annual Financial Statements for the fiscal year ended 30 June 2020. In addition, the Group's activities are not considered to be subject to a particular seasonality on an annual basis and the comparability of the half-year and annual Financial Statements is consequently not affected.

Moreover, in a macro-economic and health context marked by the spread of COVID-19, at the date of these half-year Consolidated Financial Statements, the Group's operational activities have not been significantly affected to date by the consequences of the virus's spread. Notably, all facilities are managed and controlled remotely, and the activity and organization of the Group's operational teams have been adapted to deal with new regulatory constraints.

The consolidation scope changed during this half-year compared to 30 June 2020, as FalkenSun joined the consolidation scope as of 02 December 2020, when it was created. This company, under French law, is 100% owned by La Française de l'Énergie, has presented no operational activity since its inception, and has no employees.

There was no change in the percentage of the stake in the consolidated entities during the period.

The Group's consolidated Financial Statements are presented in euros, which is the functional currency of the parent company and its subsidiaries, excluding Concorde Energy Inc. (US dollar) which does not have any activity during the six-month period and in previous comparable periods.

The new amendments published in the Official Journal of the European Council, which are mandatory, were considered, but they had no impact on the Group's half-year Consolidated Financial Statements as of 31 December 2020:

- amendments to the conceptual framework in IFRS standards;
- amendments to IAS 1 and IAS 8 on the definition of "significant";
- amendments to IFRS 9, IAS 39 and IFRS 7 in connection with the reform of benchmark interbank rates ("benchmark rates");
- amendments to IFRS 3 on the definition of an "activity";
- amendments to IFRS 16 on rent relief related to COVID-19.

Finally, the Group did not opt for the early application of any standards or amendments in its

consolidated half-year Financial Statements as of 31 December 2020.

The preparation of the Financial Statements according to IFRS standards requires the Group's Executive Management to use estimates, assumptions and judgments which affect the information presented in the condensed half-year consolidated Financial Statements and their ancillary notes, in particular the assets, liabilities and potential liabilities recognised or presented on the closing date as well as incomes and expenses recognised during the period.

These estimates, assumptions and judgments are based on past experience and other factors considered as being reasonable at the time when the Financial Statements were being prepared. They are regularly reviewed by the Group's Executive Management and can therefore be significantly revised in the event of a change in circumstances or as a result of new information. Some of these estimates, assumptions or judgments could have significant effects on the information presented and the final figures could also be different from the amounts included in the consolidated Financial Statements and their ancillary notes.

The implementation of these estimates, assumptions and judgments as part of the preparation of the consolidated half-year Financial Statements and their ancillary notes as of 31 December 2020 mainly concerns the implementation of the going-concern principle, the application of the so-called successful efforts method for oil exploration activities, asset impairment and determination of their recoverable value, provisions for restoration of the sites and provisions for major revisions, recognition of deferred tax assets and liabilities, and the valuation of stock-based payments.

1.2. Accounting rules and methods

Only those rules and methods deemed significant in relation to the Group's activity or the events that occurred during the first half of the fiscal year ending 31 December 2020 are presented hereunder.

A/ Consolidation Principles

As per the provisions of IFRS 10, the Group retains the full-consolidation method as long as the following three conditions are cumulatively met to demonstrate control:

- holding of power over the entity;
- exposure or rights to variable returns of the entity;
- the ability to use its power to impact yields.

Reciprocal transactions, assets and liabilities between the consolidated companies, as well as realised internal profits, are eliminated.

B/ Going-concern principle

When the consolidated Financial Statements are drawn up, the Executive Management assesses the Group's ability to continue operating.

In particular, the Group's Executive Management regularly reviews its financing options to ensure that the continuity of operations is safeguarded, taking into account, in particular, the maturity of its various assets and liabilities and its forecast cashflows, including those from its gas and electricity sales.

The Group's operating cashflow for 1H21 amounted to €1,356K, compared to €86K in the previous year. On 31 December 2020, following the three loans taken out during the year, the

Group's cash position was positive, at €4.9M.

Group Management's forecasts and estimates of its ability to continue operating are based in particular on the following factors: continued electricity and gas production at Gazonor, and electricity production at Gazonor Benelux, according to the plans and assumptions (changes in gas prices in France and electricity in Belgium, quantity and quality of volumes produced on site, ability to inject into the network), stability of general and administrative expenses, execution of maintenance operations and of major revisions needed for the proper operation of its facilities, notably of the cogenerations installed in the Hauts-de-France and in Wallonia.

With regard to significant investment projects that may be initiated in the next twelve months (including the installation of new electrical cogenerations in the Hauts-de-France and Wallonia and the supply of photovoltaic electricity in the Grand-Est), the Group is looking into obtaining various sources of financing.

The Group's forecasts to 31 December 2021 show that it will generate enough cash to ensure the continuation of its activities.

Based on these data and forecasts, the Group considers it has the ability to continue its operating activity during FY21 and, more generally, for the next 12 months, to meet its cash requirements, and to settle the debts shown in its Balance Sheet.

The Group's consolidated Financial Statements as of 31 December 2020 were thus prepared on the basis of the going-concern principle.

C/ Recognition of revenue

The revenue is recognised when a performance obligation is met by the transfer of a good or service to the customer, with this transfer being considered to have taken place when the Group is no longer involved in either the management or the effective control of the transferred goods and services.

The performance obligations are originally identified and determined on the basis of contractual terms and customary business practices after identification of contracts that fall within the scope of IFRS 15. The transaction prices are for their part allocated to each performance obligation in proportion to their separate selling price.

Gas and electricity sales are recorded in accordance with the contractual terms with the Group's main customers, Total Direct Energie, EDF-OA and EDF Luminus.

D/ Current and deferred taxes

The tax expense for the period includes current tax and the deferred tax change since the previous closing date. The Group calculates its taxes on profits in accordance with the tax laws which are in force in the countries where the profits are taxable, particularly in France and Belgium.

The temporary differences between the consolidation values of assets and liabilities, and those resulting from the application of tax regulations, give rise to the recognition of deferred taxes.

The tax rate used for the calculation of deferred taxes is the rate known on the closing date and applicable to the periods during which the assets will be liquidated or the liabilities paid off: the effects of the rate changes are recorded for the period during which the decision on this rate change is made, and this is as a result except when they concern transactions recognised directly in shareholders' equity. No rate changes were recorded for FY 2021.

Tax savings resulting from tax losses carried forward are recorded as deferred tax assets. All such deferred tax assets are depreciated if deemed unrecoverable, with only the amount likely to be used being posted in the assets of the balance sheet. As of 31 December 2020, the amount of unrecognized deferred tax assets stood at €11.6M for the LFDE International (Luxembourg) entity.

E/ Exploration expenses

Expenses recorded in exploration assets on the consolidated Balance Sheet consist of all costs incurred in the prospecting phases and exploration drilling. Study and analysis costs, as well as all costs incurred prior to obtaining mining titles, are charged to results immediately. Geological and geophysical expenditures, including seismic exploration campaigns, are also accounted for directly in expenses for the period.

The Group applies IFRS 6 when recording exploration expenses. Recording of the rights and assets for the exploitation of sub-soil resources is carried out in accordance with the successful efforts method.

Exploration drilling is accounted for and subject to impairment tests on an individual basis, as follows:

- The cost of exploration drilling that has uncovered proven reserves is carried and subsequently depreciated according to the production unit method, based on the proven reserves developed;
- While waiting to determine whether they have uncovered proven reserves, exploration costs are carried when the following two conditions are met:
 - The well has demonstrated a sufficient volume of gas to justify, if necessary, its production on the assumption that the investments necessary for production are made;
 - The Group is making sufficient progress in determining the reserves and the technical and economic viability of the project. Such progress is assessed on the basis of criteria such as additional exploration work (wells, seismic work or significant studies) being carried out or included in a firm schedule, carrying out development studies, and taking into consideration the fact that the Group may be awaiting the approval of a government or third party for a proposed project or the availability of transport or processing capacity at an existing facility.

Exploration costs which do not meet these conditions are recorded as expenses.

F/ Investment grants

In accordance with the two possible accounting treatments under IAS 20, investment grants are recorded as a deduction from the gross value of the assets to which they relate.

The €250K grant from the Grand Est Region for an exploration program focused on the development of Lorraine coal gas in short channels, in partnership with the University of Lorraine, has been recorded under "Other Non-Current Liabilities" since 2018, pending the fair distribution of the eligible expenses it covers between exploration investments and personnel charges.

A €1,304K ADEME subsidy, notified on 29 November 2019 to Cellcius, which will be released gradually on the basis of expenditures made for the construction of a solar-thermal field in the commune of Creutzwald (Moselle). Eligible expenses to be considered for this project amount to €2,363K. As of the date of writing these half-year Consolidated Financial

Statements, €652.2K had been received by the Group, of which €522K as an investment grant.

The European aid under the ERDF-ESF (European Regional Development Fund – European Social Fund) programme awarded to Gazonor for a sum of €2.8M as of 24 October 2019 for the installation of 20 new cogeneration units on the concessions currently held by the Group in the Hauts-de-France, in order to enhance the mine gas recovered in short channels and thus eliminate all firedamp emissions in the former mining basin of this area. The eligible expenses for this project amount to €9,190K.

As of 31 December 2020, €605k were recorded in the Consolidated Financial Statements, as a portion of the eligible investments on the Béthune project were submitted on that date.

2. NOTES APPENDED TO THE HALF-YEAR INCOME STATEMENT

2.1. Turnover

In the first half of the year ended 31 December 2020, the Group achieved a turnover of €4,020K, i.e. €1,113K related to gas production and €2,907K related to the production of electricity. Of the latter amount, €440K relates to the production of the two cogeneration units installed in Anderlues in April 2019, with the balance corresponding to the activity of the Group's four production sites located in the Hauts-de-France.

Gas and electricity sales in France are made to the same customers, Total Direct Energie and EDF OA respectively, while electricity in Belgium sold to EDF Luminus.

The growth in gas sales compared to the first half of the previous year was due to an increase of more than 25% in production volumes, which offset the decline in the average gas price, which dropped from €13.29 / MWh to €10.99 / MWh (-17%) following the economic situation related to COVID-19.

Electricity sales were affected by the warm temperatures of August, requiring a reduction in cogeneration power, and by an extended maintenance in September on a cogeneration in France. The Group's 8 cogenerations have been operating optimally since the end of September 2020, with an average availability rate in excess of 94%, allowing for an increase in volumes in the Hauts-de-France (up 23%) and the Anderlues site in Belgium (up 12%) in 2H21, which did not fully offset the performance of the first quarter.

The breakdown of half-year sales is as follows:

| Breakdown of sales | 31 December 2020 | 31 December 2019 |
|-----------------------------------|---------------------|---------------------|
| | € | € |
| Gas sales – France | 1,113,229 | 1,074,890 |
| Green electricity sales – France | 2,466,917 | 2,656,694 |
| Green electricity sales – Belgium | 439,755 | 448,120 |
| Annual turnover | 4,019,901 | 4,179,704 |

2.2. Other operating income

Other operating income recorded during the six-month period corresponded mainly to the valuation of the Exploration and Innovation Tax Credits for Calendar Year 2020, amounting to €266K (2019 tax credit revenues were not recorded in the half-year Financial Statements as of 31 December 2019 but rather in the second half of the year ended 30 June 2020), a subsidy for the solar activity of €130K (nil as of 31 December 2019), and rebilling services related to certain projects carried out during the half-year.

2.3. Costs of goods and services, administrative and operational expenses

The cost of goods and services sold includes the following production costs directly related to gas and electricity sales by Gazonor and Gazonor Benelux, which dropped by 5% over the period.

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| Costs of goods and services sold | € | € |
| Stored purchases, small equipment and equipment | 95,773 | 186,007 |
| Electricity costs | 833,051 | 799,437 |
| Natural gas purchases – GRT services | 148,417 | 240,290 |
| Outsourcing and technical services | 139,128 | 108,488 |
| Maintenance and servicing | 501,233 | 506,662 |
| Rental of industrial equipment | 7,361 | 18,517 |
| Other costs – transport, external staff | 11,919 | 18,263 |
| Staffing expenses | 203,047 | 166,106 |
| Total costs of goods and services sold | 1,939,929 | 2,043,770 |

Administrative and operational expenses break down as follows, and are mainly in connection with La Française de l'Energie and Gazonor:

| | 31 December 2020 | 31 December 2019 |
|--|---------------------|---------------------|
| Administrative and operational expenses | € | € |
| Rentals | 49,496 | 18,712 |
| Fees | 312,992 | 308,108 |
| Studies and exploration | 60,524 | 196,414 |
| Travel and business trips | 36,780 | 45,564 |
| Communication | 100,101 | 68,211 |
| Banking services | 46,102 | 142,041 |
| Insurance | 89,887 | 60,460 |
| Software and IT | 47,590 | 32,656 |
| Other costs | 58,212 | 33,331 |
| Taxes and levies, excluding Corporate Tax | 62,958 | 71,177 |
| Staffing expenses | 759,728 | 635,435 |
| Employee shares | 66,744 | 39,057 |
| Total administrative and operational expenses | 1,691,113 | 1,651,166 |

Fees are mainly for legal counsels, accountants and statutory auditors, with no major changes compared to the first half of FY20.

Studies and exploration costs show a decrease compared to the previous year, and are related to the development of new projects, in particular the Béthune project and the solar projects led by Cellcius and La Française de l'Energie.

2.4. Staffing expenses

The Group's higher payroll taxes amounted to €963K in 1H21 (compared to €802K in 2020), following the increase in the number of employees over the period.

| | 31 December 2020 | 31 December 2019 |
|--------------------------------------|---------------------|---------------------|
| Staffing expenses | € | € |
| Gross wages | 731,482 | 589,287 |
| Social-security contributions | 231,293 | 212,252 |
| Cost for the employee shares awarded | 66,744 | 39,057 |
| Total Staffing expenses | 1,029,519 | 840,596 |
| Staff | 31 December 2020 | 31 December 2019 |
| Managers | 9 | 7 |
| Workers and employees | 12 | 9 |
| Total staff at closing | 21 | 16 |

The table includes the Company's executive directors with 10 employees at La Française de l'Energie and 11 at Gazonor.

2.5. Financial expenses

Financial expenses consist of:

| | 31 December 2020 | 31 December 2019 |
|--|---------------------|---------------------|
| Financial result | € | € |
| Gross financial debt costs | (344,700) | (247,037) |
| Reversal of discounting of provisions for site restoration | (14,730) | (16,275) |
| Other financial revenues/expenses | (23,945) | (185) |
| Total financial result | (383,375) | (263,497) |

The cost of financial indebtedness consists of interest charges and commissions on the Group's financings; it rose over the six months ended 31 December 2020 following the rescheduling of the shareholder loan. The two new bank and crowdfunded loans set up respectively for Cellcius for €2M and Gazonor Béthune for €2.4M in December 2020 showed a small interest charge for this semester.

An amount of €14K was recorded in the condensed half-year Consolidated Financial Statements at the end of December 202, and resulted from the discounting effect on provisions for site restoration at La Française de l'Energie, Gazonor and Gazonor Benelux up 2040, 2042, and 2038 respectively.

2.6. Current and deferred taxes

For the six-month period ended 31 December 2020, the current tax charge corresponds only to the minimum wealth tax owed by the Luxembourg-based subsidiary LFDE International, i.e. €5K.

No other current taxes are owed by the other companies of the Group for this period, on the basis of projections for FY21.

On 01 July 2018, a tax integration was set up with La Française de l'Energie as the primary integrating company, which also includes Gazonor Holding, Gazonor, EG Lorraine, EG NPC, and now Gazonor Béthune.

Finally, no changes in tax rates occurred in 1H21, as the 2020 Law on Finances enacted in France had renewed the legislation existing in 2019, including the gradual reduction of tax rates to 25% to 01 January 2022.

The tax expense for this half-year and the previous comparable half-year breaks down as follows:

| | 31 December 2020 | 31 December 2019 |
|--------------------------|---------------------|---------------------|
| Tax expense | € | € |
| Current tax for the year | 4,815 | 4,815 |
| Current tax | 4,815 | 4,815 |
| Change in deferred taxes | (172,983) | (349,539) |
| Deferred taxes | (172,983) | (349,539) |
| Total tax expense | (168,168) | (344,724) |

Analysis of deferred taxes

Sources of deferred taxes posted in the Balance Sheet consist mainly of tax-loss carryforwards and mining rights, as for the previous period.

| Breakdown and source of deferred taxes on Balance Sheet | 31 December 2020 | 30 June 2020 |
|---|--------------------|--------------------|
| | € | € |
| Tax-loss carryforwards | 2,169,655 | 2,010,365 |
| Employee shares | 35,746 | 35,746 |
| Energy Saving Certificates | 31,175 | 7,794 |
| Lease and IFRS 16 – Lease contracts | 1,674 | 9,919 |
| Provision for pension commitments | 7,401 | 37,462 |
| Deferred tax assets | 2,245,651 | 2,101,286 |
| Mining reserves | (6,117,107) | (6,146,608) |
| Large revisions provisions | (241,432) | (241,269) |
| Dismantling in Belgium | (1,708) | (978) |
| Deferred tax liabilities | (6,360,247) | (6,388,855) |
| Total net deferred taxes on Balance Sheet | (4,114,596) | (4,287,569) |

Deferred taxes on tax-loss carryforwards slightly decreased and were calculated for each company or each tax integration pool where appropriate, based on the prospects for recoverability.

As of 31 December 2020, losses that did not result in the recognition of deferred taxes assets represent amounts carried forward of €11,635K for the Luxembourg-based company (the Group having recognized €149K in deferred tax assets, taking into account the substance given to LFDE International to carry out an operational activity in the near future).

The deferred tax liability initially recorded for the mining reserves based on the purchase price by La Française de l'Energie of the group LFDE International/Gazonor is amortised annually at the same rate as the underlying depreciation and amortization.

Reconciliation of the effective tax rate and the theoretical rate

The reconciliation between the theoretical tax rate, which is the legal rate applicable to French companies on the basis of their results, i.e. 28% for a pre-tax income of €72K, and the effective tax rate recorded in the consolidated Financial Statements, is as follows:

| | 31 December 2020 |
|--|---------------------|
| Reconciliation of effective tax rate and theoretical rate | € |
| Consolidated Net Income | 72,133 |
| (Corporate tax) | (168,168) |
| Earnings before tax | (96,034) |
| French tax rate | 28.00% |
| Theoretical tax expense | 26,890 |
| Revision of deferred tax assets on losses (25% rate) | 159,300 |
| Other | (18,022) |
| Tax expense in Income Statement | 168,168 |

3. NOTES APPENDED TO THE BALANCE SHEET

3.1. Exploration assets

As explained in the accounting rules and methods, expenses recorded as exploration assets in the consolidated Balance Sheet consist of all costs incurred in the prospecting and exploration drilling phases.

The increase in these exploration assets over the year is mainly due to routine maintenance work carried out at the sites of the Lorraine basin (Bleue Lorraine permit), particularly at the Lachambre site.

As of 31 December 2020, the gross value of these exploration costs amounted to €45,718K, including site reclamation costs of €1,501K, based on the latest calculation assumptions (discount rate of 0.34%, compared to 0.74% on 30 June 2020).

Changes in gross and net values between 30 June 2020 and 31 December 2020 are as follows:

| Changes – Gross value | 30 June 2020 | Acquisitions | Sale | Other | 31 December 2020 |
|-----------------------------|-------------------|----------------|----------|----------|-------------------|
| | € | € | € | € | € |
| Assets - Bleue Lorraine ELP | 41,275,889 | 205,727 | | | 41,481,616 |
| Assets - Other ELP | 2,713,620 | 21,150 | | | 2,734,770 |
| Provision for restoration | 1,385,770 | | | 116,070 | 1,501,840 |
| Total – Gross value | 45,375,279 | 226,877 | 0 | 0 | 45,718,226 |

| Variations - Amortisation and impairment | 30 June 2020 | Provision for amortisation | Provision for impairment | Draw-downs | 31 December 2020 |
|--|-------------------|----------------------------|--------------------------|------------|-------------------|
| | € | € | € | € | € |
| Assets - Bleue Lorraine ELP | - | | | | - |
| Assets - Other ELP | (294,367) | | | | (294,367) |
| Provision for restoration | (21,720) | | | | (21,720) |
| Total – Amortisation and impairment | (316,087) | 0 | 0 | 0 | (316,087) |
| Total – Net value | 44,059,192 | | | | 45,402,139 |

Broken down by exclusive exploration permit or concession (excluding provision for site restoration), exploration assets consist as of the following:

| Permits/concessions | Status | 31 December 2020 | 30 June 2020 |
|---|--|-------------------|-------------------|
| | | € | € |
| Bleue Lorraine | <i>Application for concession in progress</i> | 41,481,616 | 41,275,889 |
| Bleue Lorraine Sud (1) | <i>Non-extension, contentious appeal</i> | 303,573 | 303,573 |
| Bleue Lorraine Nord | <i>Explicit rejection – contentious appeal</i> | | |
| La Grande Garde | <i>Explicit rejection – contentious appeal</i> | | |
| Lons-le-Saulnier | <i>Rejection decree – contentious appeal</i> | | |
| La Folie de Paris | <i>Renewed until 07 August 2021</i> | 2,126,255 | 2,115,680 |
| Valenciennes | <i>Extended until 24 October 2022</i> | | |
| Sud-Midi (2) | <i>Extended until 24 October 2023</i> | | |
| Poissonnière (3) | <i>Concession until 23 December 2042</i> | | |
| Désirée (3) | <i>Concession until 23 December 2042</i> | | |
| Anderlues | <i>Concession until 2038</i> | | |
| Total – Exploration assets (net value) | | 43,911,444 | 43,695,142 |

- (1) The Bleue Lorraine Sud permit, for which the second validity period ended on 07 November 2016, was the subject of an extension application in July 2016, confirmed by acknowledgement of receipt of the Authorities on 03 October 2016.

Despite a favourable opinion given by the services of the prefecture of Moselle, this request was rejected by ministerial decree of 29 December 2017 (Ministry of the Environment and Ministry of Industry), motivated by the deemed too low amount of expenses incurred under this exclusive exploration permit by La Française de l'Énergie compared to the commitments made for the renewal for the second period.

Following this rejection, and the implicit rejection of an informal appeal, La Française de l'Énergie filed a legal challenge on 10 September 2018 in order to obtain the extension of this permit. The litigation appeal was rejected by the Strasbourg Administrative Court on 22 July 2020, and the Company did not appeal. An indemnity application is still being finalized.

- (2) The Administrative Court of Lille, in a judgment dated 04 April 2019, defeated the decree of 15 March 2017 by which the Minister of the Environment, Energy and the Sea and the Minister of Industry had expressly rejected its application for an extension. This application concerned the second period of validity of this permit, which was to last until 23 July 2020.

The same court ordered the Ministry of Ecological and Solidarity Transition to issue the extension of this permit within two months of said judgment, subject to a penalty of €500 per day of delay. However, the State appealed the decision of the Administrative Court of Lille to the Administrative Court of Appeal in Douai.

At the same time, this permit was indeed extended until 23 July 2020 by an order dated 12 June 2019, but solely for the execution of the aforementioned judgment, which could be repealed in the event of a contrary judgment of the Court of Appeal. This extension covers an area of 416 km². The judgment of the Douai Administrative Court of Appeal on 23 June 2020 overturned the judgment handed down by the Administrative Court of Lille on 04 April 2019. An appeal to the Council of State has been lodged.

- (3) By ministerial decree dated 29 May 2015, the period of validity of these two concessions has been extended to 23 December 2042, to the benefit of Gazonor.

An application to extend the Désirée concession over an area of 198 km² was filed on 20 October 2017. By decree dated 24 December 2020, the perimeter of the Désirée concession has been extended to 266.88 km². The extension of the concession is granted for the duration of the concession, *i.e.* until 23 December 2042.

3.2. Mining rights

The mining rights recorded since the Group's acquisition of the LFDE International/Gazonor are subject to annual amortization at the production unit, by comparing the quantities of gas produced by the various sites of Gazonor to the quantities of reserves held at the beginning of the fiscal year.

| | 31 December 2020 | 30 June 2020 |
|---|---------------------|-------------------|
| Mining rights | € | € |
| Hauts-de-France – Gross value | 25,366,331 | 25,366,331 |
| Hauts-de-France – Amort. and cumulative impairments | (919,571) | (814,211) |
| Anderlues – Gross Value | 206,822 | 206,822 |
| Anderlues – Amort. and cumulative impairments | (16,766) | (14,691) |
| Mining rights – net worth at closing | 24,636,816 | 24,744,251 |

During the six months ended 31 December 2020, a depreciation of €105K was recorded, based on a half-year production of 1.34 BCF (billion cubic feet) for a volume of 2P reserves of 312.76 BCF at the beginning of the year.

These reserve quantities are based on a report from DMT updated and issued in October 2017, taking into account the coefficient existing between the potential quantities of production of pure methane and those of mixed gas. The Group's Management also confirmed its ability to produce the reserves within the concessions duration.

At the Anderlues site, which was commissioned in late April 2019, the gross value of €207K corresponds to the matching assets of the dismantling provision as recorded as of 30 June 2019, which assets are amortized at the production unit.

3.3. Other tangible assets

| Changes – Gross value | 30 June 2020 | Acquisitions | Sale | Other | 31 December 2020 |
|-------------------------------|-------------------|------------------|----------|-----------|-------------------|
| | € | € | | € | € |
| Land | 24,113 | | | | 24,113 |
| Buildings | 332,748 | | | | 332,748 |
| Plant and equipment | 10,110,454 | 256,958 | | 65,917 | 10,433,329 |
| Other tangible assets | 51,692 | | | | 51,692 |
| Construction work in progress | 2,638,773 | 5,196,657 | | (654,618) | 7,180,812 |
| Utilisation rights – IFRS 16 | 123,680 | 308,051 | | 588,701 | 1,020,432 |
| Total – gross value | 13,281,460 | 5,761,666 | 0 | 0 | 19,043,126 |

| Changes – Amortisation and impairment | 30 June 2020 | Provision for amortisation | Provision for impairment | Draw-downs | 31 December 2020 |
|--|--------------------|----------------------------|--------------------------|------------|--------------------|
| | € | € | € | € | € |
| Land | 0 | | | | 0 |
| Buildings | (160,753) | (6,592) | | | (167,345) |
| Plant and equipment | (2,186,133) | (452,076) | | | (2,638,209) |
| Other tangible assets | (95,371) | (6,510) | | | (101,881) |
| Construction work in progress | 0 | | | | 0 |
| Utilisation rights – IFRS 16 | (82,453) | (43,197) | | | (125,650) |
| Total – Amortisation and impairment | (2,524,710) | (508,375) | 0 | 0 | (3,033,085) |
| Total – Net value | 10,756,750 | | | | 16,010,041 |

Acquisitions for the six-month period were mainly as follows:

- In the Hauts-de-France, the Group has made €4,870K in investments for its project to supply gas, electricity and heat at the Béthune site, of which €3,734K were invested over the period (gross amounts exclude subsidies of €606K recorded at 31 December 2020);
- In the Grand-Est, Cellcius has finalized its investments for its solar-thermal project with gross investments over the period of €1,748K and a total investment of €2,342K (excluding Ademe subsidy of €522K at 31 December 2020);
- In Belgium, additional investments over this half-year for the Anderlues extension project (Phase 2) were made for €322K (in addition to the €365K investment registered on the balance sheet at the opening).

Gross utilisation rights as of 31 December 2020 also include €897K related to the leasing operation that financed the construction of offices and warehouses in Faulquemont (Moselle). The amortization expense for the period is €2K, as the building was commissioned in early December 2020.

3.4. Customer receivables and other current assets

| | 31 December 2020 | 30 June 2020 |
|--|---------------------|------------------|
| Customer receivables and other current assets | € | € |
| Receivables and related accounts | 1,707,434 | 948,367 |
| Other current assets | 3,167,533 | 3,260,671 |
| Prepaid expenses phased over time | 206,874 | 115,580 |
| Total receivables and other current assets | 5,081,841 | 4,324,617 |

As of 31 December 2020, the customer balance consists of the December invoices issued to customers Total Gas & Power, EDF Obligation d'Achat, and EDF Luminus.

The other receivables mainly concern deductible VAT receivables as well as social and tax receivables, including a €543K debt related to the Exploration and Innovation Tax Credit for the years 2019 and 2020, as well as a subsidy of €606K.

3.5. Cash

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| Cash and cash equivalents – assets | € | € |
| Bank accounts | 4,799,387 | 4,592,568 |
| «Liquidity» portion of liquidity contract | 92,983 | 148,431 |
| Total cash – assets | 4,892,371 | 4,740,999 |

3.6. Share capital and share premiums

As of 31 December 2020, the share capital of La Française de l'Energie stood at €5,163,970, and was divided into 5,163,970 ordinary shares with a par value of €1.00 each, fully paid up.

Over the six-month period, 8,080 new shares were issued following the final award of employee shares awarded to beneficiaries of the third plan implemented in 2018 by the Board of Directors as part of the delegation granted by the General Assembly on 23 March 2016. This capital increase was made by incorporating share premiums, after the Chairman has noted on 09 July 2020 the definitive award of employee shares to their beneficiaries.

No other transactions have taken place with respect to the share capital since 01 July 2020.

Share premiums amounting to €44,071K represent the difference between the total of the share premiums relating to the Group's initial public offering and conversion of the previously issued bonds, for a total premium of €45,374K, and the amount, net of tax, of the costs incurred by the Group at the time of the initial public offering, i.e. €1,204K, as well as the successive impacts of the award of employee shares plans, amounting to €99K.

3.7. Payments based on shares/free shares

The Shareholders' General Assembly of La Française de l'Energie dated 23 March 2016 has authorised the Board of Directors to proceed with the award of up to 5% of the share capital in employee shares for the Group's employees and corporate officers. This distribution of shares must be carried out through a capital increase transaction by incorporating reserves or share premium reserves.

Following the opinion of the Appointments and Compensation Committee, a first plan was agreed to on 30 June 2016 and was finalised for 85,485 shares in November 2018 (out of 85,601 shares initially awarded to the beneficiaries).

The Board of Directors, on 30 June 2017, adopted the Settlement Plan implemented in 2016 and determined the initial beneficiaries of the second plan, for 5,231 shares, definitively awarded in December 2019. The third plan, initiated on 09 July 2018, resulted in the final award of 8,080 shares over the six-month period.

Two other plans were initiated on 12 December 2019 and 04 September 2020, providing for the award of shares distributed among the Group's employees and managers, summarised in the following table:

| Free share plans | Number of shares initially awarded | Number of shares as of 31 December 2020 | Fair value (course) |
|-------------------|------------------------------------|---|---------------------|
| 12 December 2019 | 8,919 | 8,919 | 17.4 |
| 04 September 2020 | 9,791 | 9,791 | 15.3 |

All of these cumulative awards represent a total of about 2% of the capital, which is less than the cap set as part of the original authorisation.

These employee shares will be awarded definitively to the beneficiaries within two years of their initial award date, provided that these beneficiaries retain their function within the Group for that period, and that the other conditions set out in this free-share award plan are met.

Under IFRS 2, benefits under this plan are accounted as staff costs.

As part of this shares plan for all employees and officers, the unit value of the shares is based on the share price on the award date, taking into account the evolution of the beneficiary workforce. The accounting of the corresponding charge is spread over the entire duration of the acquisition of the rights attached to these shares, from the date of the award, i.e. the date on which the beneficiaries are considered to have been fully informed.

The expense recorded for this semester amounted to €66.7K, compared to €39K in the first half of the 2019/2020 fiscal year.

3.8. Borrowings and financial debts

The Group's financial loans and debts on 31 December 2020 are as follows, with the last three put in place in the 1H21:

Shareholder Loan – La Française de l'Energie and Nextgen Energy (NEL)

Set up in 2017, the initial shareholder loan from Deltec Bank & Trust had a face value of €3,977K at an interest rate of 1.98% and a maturity on 27 December 2019.

This agreement was amended four times, extending the deadline, including two amendemnts this semester:

- an amendment was concluded on 30 September 2020 that postponed the December 2020 maturity as follows: €2,330K of the nominal on 30 December 2020, €1,000K of the nominal on 30 June 2021, and €1,300K of the nominal + commissions and interest on 31 December 2021. This amendment did not change the original interest rate;
- an amendment was reached on 29 October 2020 which extended the maturities to

30 June 2021 for €3,450K of the nominal and 31 December 2021 for €1,300K of the nominal + commissions and interest. In addition, following its withdrawal from the Company's capital, Deltec Bank & Trust transferred this shareholder loan to another shareholder of La Française de l'Énergie, NEL, and notified the Company of the transfer on 12 November 2020.

These amendments were motivated by the Company's desire to have short-term cash in order to accelerate the development of its activities in the Hauts-de-France and Belgium.

Bond loan – Gazonor Holding and CAP3 RI

A €3M bond loan taken out in January 2018 for the Gazonor subsidiary by CAP 3RI, an investment company dedicated to the Third Industrial Revolution in Hauts-de-France. This loan was obtained at Gazonor Holding's level with a maturity set at 31 December 2024. 6,383 convertible bonds were issued, with each holder having the option to exercise at any time, in whole or in part, a conversion right of 1 Gazonor Holding share for 1 bond.

A non-conversion premium is included in the bond contract, its amount being based on the consolidated Gross Operating Surplus and the consolidated net debt according to an agreed formula, with a minimum capitalised rate of 3% per annum.

Bank loan – Gazonor SAS and Landesbank SAAR / Bpifrance Financement

A bank loan of €6.4M obtained for Gazonor on 09 May 2018 jointly from Landesbank SAAR and Bpifrance Financement, with a maturity date of 02 April 2024 and a repayment schedule by quarterly instalments. Repayments which have to be made during the fiscal year ended 31 December 2020 are presented in the current financial debts.

The following specific terms are related to this bank loan:

- A reserve account of €725K represents a cash account blocked in the books of Landesbank SAAR and could be used for servicing the debt and is pledged in favour of the lenders until the loan's maturity. This account bears interest at the remunerative rate for the equivalent depots. As of 31 December 2021, this reserve account is listed in non-current financial assets.
- The Company Gazonor undertakes not to grant any credits, advances or loans in any form or of any nature whatsoever to any natural person or legal entity, except for:
 - Existing advances to Group members on the date when the loan contract was signed,
 - From current account or cash advances to other Members of the Group authorized by lenders.
 - Credits and payment periods granted to its co-contractors in the normal course of business and up to a maximum of €100K.

This loan comes with a financial ratio to be complied with, known as the DSCR ratio, for any 12-month period ending at the close of a fiscal year. This is a debt-service ratio, corresponding to the "cashflows generated/total debt service" ratio, which must remain above 1.3. As of 30 June 2020, the test for this ratio was satisfactory.

Bank Loan – Gazonor SAS and Bpifrance Financement

Loan taken by from Gazonor from Bpifrance Financement, dated 22 October 2019, for a nominal amount of €1.34M, intended to refinance costs incurred for the acquisition of the three Siemens-type electric motors installed at the Avion site. This loan has a maturity of 6 years, with monthly linear repayment, for a fixed interest rate of 1.5% *per annum*.

The guarantees attached to this loan are presented in Note 4.3 of this Annex to the consolidated Financial Statements.

State-Guaranteed Loan – Gazonor SAS and LCL and Société Générale

In June 2020, as a result of the COVID-19 health crisis and the fall in gas and electricity prices in Belgium, Gazonor obtained a State-Guaranteed Loan for €1.6M to strengthen its cashflow, especially to assist in its future developments. This loan from LCL and Société Générale bears interest at a rate of 0.25% and has a lifespan of 12 months, with a depreciation option of up to 5 years.

Project Funding – Gazonor Benelux and Triodos Bank NV

Loan obtained by Gazonor Benelux from Triodos Bank NV, domiciled in Belgium, signed on 11 December 2019. The loan, with a face value of €4.24M, was to refinance the construction of the two cogenerations of the Anderlues site, including a series of intangible costs incurred (sub-soil modelling, reservoir engineering, etc.). Maturity of this loan is 6 years from 15 December 2019, through semi-annual maturities, with a fixed interest rate of 1.65% *per annum*.

In addition to the guarantees given by the Group and presented in Note 4.3 of this Annex, the following terms are attached to this bank loan: a reserve account is set up for €340K and represents an account blocked in the books of Triodos Bank, that could be used for the debt service until full repayment of the loan.

Finally, the loan comes with financial ratios that must be met with the delivery of a compliance certificate with the annual Financial Statements:

- DSCR Ratio: debt service coverage ratio (including arrangement fee), corresponding to the ratio of “net cash flow / total debt service”, to remain above 1.05.
- LLCR ratio: coverage ratio over the duration of the credit, corresponding to the ratio “(current value of net cash flows up to maturity of the loan + reserve account) / total amount of the balance of the outstanding loan due”, to remain above 1.15.

The first calculation of these ratios was based on Gazonor Benelux’s annual Financial Statements as of 30 June 2020. As of 30 June 2020, the test for these ratios was satisfactory.

Lease-Purchase Agreement – La Française de l’Energie and Finamur (LCL)

Lease-purchase agreement concluded on 21 October 2019 between La Française de l’Energie and Finamur by notarial deed, covering a total investment of €940K to build offices and warehouses in the Pontpierre/Faulquemont business area. Work was completed over the six-month period, and the Company took possession of the premises on 03 December 2020.

This lease provides for a maturity of 12 years, with the possibility for La Française de l’Energie to exercise its option earlier, after a 7-year rental period; the purchase option’s price at contract’s end is €94K.

Project Funding – Cellcius SAS and Caisse d'Epargne

An advance was signed on 13 November 2020 between Cellcius SAS and La Caisse d'Epargne et de Prévoyance Grand Est Europe. This loan amounts to a nominal amount of €700K and relates to the pre-financing of the Ademe subsidy obtained for this project. The maturity of this loan is 1 year, with a final settlement on 15 December 2020, and a fixed interest rate of 0.41% *per annum*.

A long-term loan was also taken out by Cellcius from La Caisse d'Epargne et de Prévoyance Grand Est Europe on 15 December 2020, for a nominal amount of €1,300K, to refinance the costs incurred for the construction of the solar-thermal field in Creutzwald. This loan has a 20-year maturity with quarterly instalments from April 2021, at an interest rate of *Livret A + 1% per annum*, *i.e.* 1.5% as of 31 December 2020.

Finally, the loan comes with a financial ratio that must be met, with the delivery of a compliance certificate to be delivered with the annual Financial Statements: Debt Service Coverage Ratio, corresponding to the «cashflow available / debt service» ratio, to remain above 1.15.

Shareholder Loan – La Française de l'Energie and EGL

Another shareholder of La Française de l'Energie agreed to a shareholder loan of €325K as of 13 November 2020. The maturity is 1 year, with final repayment on 01 January 2022 and a fixed interest rate of 2% *per annum*.

Crowdfunding loan – Gazonor Béthune SAS

A crowdfunding loan of €2.43M, raised by Gazonor SAS from 1,148 lenders, to refinance part of equity put by the Group in this production project in Béthune.

This fundraising, divided into two separate campaigns of €2.25M each, seeks to raise a maximum of €4.5M for the project. This first campaign, which ended on 31 December 2020, exceeded its original target for the first phase of the project. As of 31 December 2020, 24,275 bonds, with a face value of 100 euros each, have been subscribed.

This financing has a maturity of 4 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by La Française de l'Énergie.

Taking these financings into consideration, the Group's current and non-current financial debt on 31 December 2020 breaks down as follows:

| | 31 December 2020 | 30 June 2020 |
|--|---------------------|-------------------|
| Current and non-current financial debts | € | € |
| Bond and crowdfunded loan | 5,766,819 | 3,281,404 |
| Bank loans | 7,396,284 | 8,728,202 |
| Shareholder loan (including commissions) | 322,239 | |
| BPI Export advances | 14,625 | 14,625 |
| Lease-Purchase debt and IFRS 16 | 863,790 | 623,500 |
| Issuance commission | (72,226) | (87,831) |
| Non-current financial debts | 14,291,531 | 12,559,900 |
| Bond loan | | 37,397 |
| Bank loans | 4,340,984 | 2,005,440 |
| Shareholder loan (including commissions) | 4,750,000 | 3,891,767 |
| Debt on factoring | 396,860 | 926,900 |
| Lease-Purchase debt and IFRS 16 | 37,688 | 46,105 |
| Issuance commission | (813,256) | (72,240) |
| Current bank financing | 1,034 | 1,180 |
| Current financial debts | 8,713,310 | 6,836,549 |
| Total financial debt | 23,004,841 | 19,396,449 |

Factoring debt corresponds to receivables assigned with recourse under the factoring contract and amounted to €397K as of 31 December 2020.

4. OTHER BRIEFING NOTES

4.1. Cashflow

The change in working capital requirements in 1H20 and 1H19 presented in the Cashflow Statement is as follows:

| | 31 December 2020 | 31 December 2019 |
|--|---------------------|---------------------|
| Change in Working Capital Requirements | | |
| | € | € |
| Inventories | (13,666) | 73,760 |
| Customer receivables | (759,068) | (446,960) |
| Supplier payables | 559,871 | (584,531) |
| Other operating assets (prepaid charges, spread costs) | (91,293) | 136,559 |
| Change in operating WCR | (304,156) | (821,172) |
| Other assets | 93,137 | 397,957 |
| Other liabilities | 485,386 | (214,448) |
| RegaLor subsidy reclassification | | |
| Change in WCR – other assets and liabilities | 578,523 | 183,509 |
| Change in global WCR | 274,368 | (637,663) |

4.2. Lease contract commitments

Real-estate leases outside IFRS 16's scope

La Française de l'Énergie is engaged in lease agreements on land and parcels located in the Lorraine region, concluded with private owners for very long periods (maximum tenor: 2091), but with early termination clauses.

The corresponding commitments amount to €2,565K over the entire possible rental period, with no significant change compared to 30 June 2020.

4.3. Other commitments

Commitments on financial debts

The current and non-current financial debts granted to the Group as of 31 December 2020 include the following commitments and guarantees:

Bank Credit – Landesbank SAAR and Bpifrance Financement (€6.4M)

- Pledge of tangible assets granted by Gazonor to guarantee the obligations of payment and repayment of any sum owed as part of the relevant financing. This pledge concerns the facilities and equipment mentioned in the financing contract, i.e. 6 Jenbacher JGC 420 GS heat and energy production units and 2 gas compression units.
- Personal and joint guarantee given by Gazonor Holding as security for any sum owed and due by Gazonor.
- Pledge on the reserve account amounting to €725K in favour of the lenders as a guarantee for the obligations of payment and repayment of any amount due.
- First-ranking mortgage deed in favour of the lenders for €50K in principal and €10K in fees and incidental costs on the lands of Gazonor (lands on which the four operating

and gas-production sites and mine-gas processing and compression facilities are located).

Bank credit – Bpifrance Financement (€1.34M)

- First-ranking pledge of tangible assets of the financed equipment, *i.e.* three electric motors, Siemens 1LA 690V 1500 TR/MIN, and electronic speed-variation system, Siemens G150 12pulses 690V, installed at the Avion site, in favour of Bpifrance.
- Joint guarantee by La Française de l'Énergie for €1.34M for the term of the financing.
- Risk-participation agreement in the Bpifrance Financement guarantee for 40%, under the “Développement Cas/Cas 2019” national guarantee fund

Bank credit – Triodos Bank NV (€4.24M)

- Pledge of 100% of Gazonor Benelux shares in favour of Triodos Bank.
- The credit balance of all bank accounts (excluding the distribution account) of the relevant Anderlues project is pledged.
- Pledge in Triodos Bank's favour of all receivables from the operation of the project, *i.e.* but not limited to: the sale contract of electricity and green certificates, the service and maintenance contract, any construction contract, insurance policies.
- Pledge of all the tangible elements of the Anderlues project, including the two units of cogeneration and electrical equipment.
- Delegation of the benefit of all insurance policies underwritten by Gazonor Benelux to Triodos Bank.
- La Française de l'Énergie's commitment to cover any possible cost overruns in the construction budget (including, among other construction claims, costs induced by tax changes... that may impair the coverage ratios).

Leasing - Finamur

- Pledge in favour of the lessor, Finamur, of the intangible elements resulting from the lease agreement and the benefit of the sale option as stipulated in the notarized contract. Through this collateral, Finamur will have all the rights, actions and privileges on the various elements of the lease as are conferred by law on the creditors benefitting from this pledge.

Bank credit La Caisse d'Épargne et de Prévoyance Grand Est Europe (€0.7M):

- Pledge in the bank's favour of the trade receivables held by ADEME

Bank credit La Caisse d'Épargne et de Prévoyance Grand Est Europe (€1.3M):

- Mortgage from the emphyteutic lease of the land on which the project is built
- Non-possessory pledge on the plant's equipment and material
- Transfer of trade receivables (heat-supply agreement, service contract, insurance contract)
- Pledge of shareholders' financial securities accounts
- DSCRA pledge (3 months of debt service)
- Blocked shareholders current accounts for a sum of €700K

Financial commitments regarding permits

The following table describes the Group's financial commitments related to three major permits currently held by the Group, with the relevant investments and exploration expenses recorded as of 31 December 2020:

| Exclusive Exploration Permit Commitments | Initial financial commitments | Investments made* | Residual commitments |
|--|-------------------------------|-------------------|----------------------|
| | € | € | € |
| Bleue Lorraine | 7,700,000 | 41,481,616 | nought |
| Bleue Lorraine Sud | 7,250,000 | 303,573 | 6,946,427 |
| La Folie de Paris | 5,400,000 | 2,126,255 | 3,273,745** |

*Excluding personnel and other expenses recorded in expenses, which are not recorded on the Balance Sheet as exploration assets.

**In the process of being completed

Each exploration permit granted to the Group includes financial commitments in terms of exploration expenses to be incurred during the term of the permit, which will be amongst the key elements in any possible renewal by the State. Furthermore, the expenses recognised in the Bleue Lorraine ELP also concern the studies on well architectures, the quality and strength of drilling equipment and tools, and the characteristics of Lorraine coals which may be appropriate for the Bleue Lorraine Sud ELP.

The Bleue Lorraine permit was the subject of concession request in November 2018, while La Folie de Paris permit has been renewed until 7 August 2021.

4.4. Commitments to purchase tangible assets

Commitments on firm orders (particularly for the Béthune project and future Group developments) stands at €2,627K (excl. VAT) as of 31 December 2020.

4.5. Related parties

As part of its activities, La Française de l'Énergie Group was engaged in a number of transactions with persons or entities deemed to be related parties for the first half of the year ended 31 December 2020. The amounts resulting from these transactions and recognised in the consolidated Financial Statements are presented below, as well as the various significant relations which were formed during this six-month period.

| Transactions with related parties | 31 December 2020 |
|-----------------------------------|------------------|
| | € |
| EGL Loan | 325,000 |
| NEL Loan | 4,750,000 |
| Debts | 5,075,000 |
| NEL services | 77,500 |
| Services rendered – charge | 77,500 |
| Interest on NEL loan | 34,707 |
| Interest on loan EGL | 854 |
| Interest expense | 35,561 |

Relationships with related parties

- (i) Amendments of the shareholder loan originally held by Deltec Bank & Trust were concluded on 30 September 2020 and 29 October 2020 in order to extend the maturities as follows: €3,450K of the nominal on 30 June 2021, and €1,300K of the nominal + commissions and interest on 31 December 2021. This amendment did not change the original interest rate.

In addition, following its withdrawal from the Company's capital, Deltec Bank & Trust transferred this shareholder loan to another shareholder of La Française de l'Energie, NEL, and notified the Company of the transfer on 12 November 2020.

- (ii) Since 01 July 2016, a service-providing contract has been in place between LFDE International and NEL, the personal holding company of the Chairman of La Française de l'Energie, to cover the promotion of the Company's activities, particularly with European Union authorities, and the search for external growth and financing transactions. In return for these services, LFDE International pays NEL a monthly fee of €15.8K excl. taxes since 01 October 2020 and a charge of €77.5K was recorded during 1H21.
- (iii) Another shareholder of La Française de l'Energie granted a one-year shareholder loan of €325K on 13 November 2020.

The total remuneration of the Executive Directors of the Board is presented below (and also included the €77.5K paid to NEL).

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| Compensation for major senior executives | | |
| NextGen Energy Contract | 77,500 | 60,000 |
| J. Moulin Compensation | 46,099 | 62,906 |
| A. Forcinal Compensation | 167,830 | 138,875 |
| Total | 291,430 | 261,781 |

Attendance fees recorded for the participation of members of the Remuneration and Audit Committees, as well as the Board of Directors, amounted to €57.5K for the six months ended 31 December 2020.

4.6. Liquidity risk, asset and liability maturities

The exposure of the La Française de l'Énergie Group to the liquidity risk can be assessed on the one hand by the ratio of its current assets to its current liabilities and on the other hand in relation to its financial debt of less than one year, net of cash and cash equivalents.

The Executive Management of La Française de l'Énergie regularly reviews its financing options in order to ensure that the Group is protected as a going concern, especially in view of its asset and liability maturities.

Paragraph B, "Going-concern principle", of Note 1.2 of this Annex to the consolidated Financial Statements indicates the various items which demonstrate this going-concern principle on the date of preparation of the Group's Financial Statements for this half-year of 2021.

The table below shows the Group's financial asset and liability maturities as of 31 December 2020 and 30 June 2020:

| Asset and liability maturities – 31 December 2020 | Up to 1 year | 1 to 5 years old | Over 5 years | Total |
|--|---------------------|---------------------|------------------|---------------------|
| | € | € | € | € |
| Non-current financial assets | | 1,253,562 | 18,900 | 1,272,462 |
| Trade receivables | | | | 1,707,434 |
| Other receivables, including prepayments | | | | 3,374,407 |
| Cash and cash equivalents | | | | 4,892,371 |
| Financial debts (excluding amortised expenses) | (7,900,054) | (13,254,039) | (965,266) | (22,119,359) |
| Trade payables | | | | (8,136,648) |
| Other liabilities | (2,297,786) | (984,125) | | (3,281,911) |
| Net amounts by maturity - 31 December 2020 | (10,197,840) | (12,984,602) | (946,366) | (22,291,244) |

| Asset and liability maturities – 30 June 2020 | Up to 1 year | 1 to 5 years old | Over 5 years | Total |
|--|--------------------|---------------------|------------------|---------------------|
| | € | € | € | € |
| Non-current financial assets | | 725,000 | 528,562 | 1,253,562 |
| Trade receivables | 948,367 | | | 948,367 |
| Other receivables, including prepayments | 3,376,251 | | | 3,376,251 |
| Cash and cash equivalents | 3,768,677 | | | 378,677 |
| Financial debts (excluding amortised expenses) | (6,764,309) | (11,400,246) | (1,071,805) | (19,236,360) |
| Trade payables | (5,192,393) | | | (5,192,393) |
| Other liabilities | (1,804,334) | (992,190) | | (2,796,524) |
| Net amounts by maturity - 30 June 2020 | (5,667,741) | (11,667,436) | (543,243) | (17,878,421) |

The amount of supplier debts on 31 December 2020 includes, as on 30 June 2020, a disputed amount of €2,465K to Entrepouse Drilling, which the Group does not expect to settle in the year ended 30 June 2021.

4.7. Disputes and legal proceedings in progress

As of the date of preparation of the consolidated Financial Statements for the fiscal year ended 31 December 2020, the Group is involved in various disputes and court cases.

- (i) A dispute between La Française de l'Énergie and the company Entrepose Drilling S.A.S. concerns drilling and other services invoiced by the latter for the Lachambre drilling campaign. The Company considers that the deficiencies in the drilling equipment used by Entrepose Drilling failed to meet the objectives set for this drilling and that these deficiencies delayed the Company's drilling campaign, causing it a major prejudice which justifies the suspension of the payment of the last invoices for this drilling. Entrepose Drilling disputes the Company's position and has initiated summary proceedings to obtain payment of these invoices as well as compensation for termination of the contract signed with La Française de l'Énergie. The total amount demanded was €3,041K, excluding taxes. The Company disputed this fact, blaming the contract's termination on Entrepose Drilling itself. On 08 September 2017, the Commercial Court of Paris, ruling in summary proceedings, ordered La Française de l'Énergie to pay Entrepose Drilling the sum of €984K, excluding taxes; decision carried out.

Entrepose Drilling has initiated a dispute on the merits before the Commercial Court of Paris for the invoices the payment of which was rejected by the Tribunal's summary ruling, concerning a balance of invoices of €2,067K, excluding taxes. The Company, for its part, filed a counterclaim for compensation for damages due to deficiencies in the drilling services provided by Entrepose Drilling and the abusive termination by the latter of the contract binding it to La Française de l'Énergie. In this context, the summary conclusions were filed with the Commercial Court of Paris on 21 February 2019 by La Française de l'Énergie, based on a report by Mr Pierre Gié, produced on 07 February 2019, with the Company requesting an amount of €6,337K as well as the return of the amounts already paid under the original contract (*i.e.* €1,184K paid in execution of the summary ruling of 08 September 2017 and €1,381K paid in settlement invoices as part of the resolved contract).

At the time of writing these half-year Financial Accounts, the proceedings were still ongoing before the Paris Commercial Court. Entrepose Drilling's liability insurer, HDI Global SE, challenged the findings of La Française de l'Énergie, partly through an expert report by the Erget firm. In December 2019, La Française de l'Énergie had third-party notice served on Entrepose Group, the parent company of Entrepose Drilling. The summary findings of Entrepose Drilling were filed at the procedural hearing on 20 February 2020. Entrepose Drilling sent its conclusions to La Française de l'Énergie in response on 05 January 2021. La Française de l'Énergie is drafting its own conclusions in reply. A procedural hearing is scheduled for March 2021, with the case expected to be argued in the second half of 2021.

- (ii) A dispute between La Française de l'Énergie and Société Générale, following the latter's non-performance of tasks during the Company's IPO in June 2016. As such, the Company is seeking reimbursement of a portion of the €1M in fees levied by Société Générale on the total amount raised. Specifically, La Française de l'Énergie is seeking a reimbursement of €531K on the Société Générale's remuneration, and €634K in reimbursement of expenses incurred solely because of the Société Générale's breaches of its obligations. The opposing party is seeking €50K in damages for wrongful proceedings.

This suit was rejected in the ruling of the Commercial Court of Paris on 27 September 2018, which also ordered La Française de l'Énergie to pay €25K to Société Générale under Article 700 of the Code of Civil Procedure, a payment that took place during the year 2018.

An appeal was lodged by La Française de l'Énergie on 30 October 2018, with its findings being filed in the Paris Court of Appeal on 31 January 2019. Oral arguments were heard on 30 November 2020.

- (iii) A labour-related dispute is currently pending at Gazonor, and all risks to the Group have been properly assessed and recorded in the Financial Statements for the year ended 30 June 2019. By judgment of 18 September 2018, Lens's Labour Court considered that the dismissal was founded, but not on a serious fault, reclassified as dismissal for real and serious cause.

The complainant appealed this decision, findings and responses were exchanged by the parties, the latest by the complainant being produced in July 2019 and those of the Company on 19 October 2020. The hearing is scheduled for 08 September 2021.

- (iv) On 16 August 2019, Gazonor filed an appeal with the Administrative Court of Lille against an implicit decision to reject made by the State on 19 June 2019, following an application dated 16 April 2019. This request was for the reimbursement of the costs incurred by Gazonor for the relocation of part of the pipeline owned by the company for the completion of a development project by the State for a dual, two-lane highway between the municipalities of Vimy and Avion.

Arguing that rerouting costs incurred by Gazonor should be borne by the State, because it was not in the interest of the public property occupied by the pipeline, the company seeks a total compensation of €232K, corresponding to the costs it was forced to incur to move the pipeline, including €164K in direct work.

Discussions with the State have led to partial compensation for Gazonor's the legal and personnel costs incurred and an agreement is currently being drafted for the State to pay out €184K to Gazonor by the end of March 2021.

- (v) On 13 December 2017, one of the subsidiaries of La Française de l'Énergie, Concorde Énergie Paris EURL, was ordered by a judgment of the Paris Court of Appeal to pay Renouveau Énergie Ressources a sum of €157K under a contract for the sale of mining rights signed between these two companies and in connection with the renewal of the "La Folie de Paris" permit on 22 October 2014. As Concorde Énergie Paris did not appeal in cassation, this sentence became final.

A single payment has been made to date, relating to the sum of €5K to which Concorde Énergie Paris was condemned by the same judgment, under Article 700 of the Code of Civil Procedure.

On 17 January 2020, Concorde Énergie Paris was served a summoning to appear before the Judicial Court of Sarreguemines for a hearing on 14 February 2020, which was later postponed to 10 March 2020, at the request of RER Renouveau Énergie Ressources. The summoning sought to open legal redress proceedings against Concorde Énergie Paris because of Concorde Énergie Paris' alleged inability to pay the sum to which it was sentenced in 2017 and the lack of assets to meet the required liabilities.

In response to this summoning, Concorde Energie Paris proposed a staggered payment schedule and, in March 2021, obtained a referral of the case to a later hearing. As no due diligence was carried out, the case was subsequently dismissed, but Renouveau Energie Ressources is threatening to refile its suit. Discussions are under way to try to find an amicable solution to this dispute.

4.8. Sectoral information

The sectoral financial information is presented according to principles which are identical to internal reporting, based on the indicators related to exploration costs, production and EBITDA by operational sector. On this basis, the Group's business activity is grouped into two operational sectors, each of which is characterised by a different model in terms of gas exploitation. As of 31 December 2020, these operating segments are as follows, and are across the geographic areas in which the Group operates today:

- Extraction and exploitation of coal seam gas (CSG) (Moselle – Grand-Est): exploration, certification of coal gas reserves and recovery of this gas for local consumption.
- Extraction and exploitation of abandoned mine methane (AMM) (Pas-de-Calais – Hauts-de-France/Anderlues – Belgium): capture of gas from mines and selling into gas, electricity or heat.

The following tables present, by sector, information on revenue and on the main exploration assets and production concessions owned by the Group as of 31 December 2020 and 30 June 2020. The operating income and EBITDA indicators are not subjected to a sectoral analysis by the Group's General Management.

| As of 31 December 2020 | CSG | AMM | Other sectors | Consolidated Total |
|---|------------|------------|---------------|--------------------|
| | € | € | € | € |
| Revenues (6 months) | 0 | 4,019,901 | 0 | 4,019,901 |
| Mining rights | 0 | 24,636,816 | 0 | 24,636,816 |
| Tangible and intangible assets (including exploration assets but excluding abandonment) | 42,684,373 | 10,392,686 | 3,946,291 | 57,023,349 |
| Investment flows | 216,302 | 4,315,075 | 1,106,427 | 5,637,804 |

| As of 30 June 2020 | CSG | AMM | Other sectors | Consolidated Total |
|--|------------|------------|---------------|--------------------|
| | € | € | € | € |
| Revenues (12 months) | 0 | 7,855,374 | 0 | 7,855,374 |
| Mining rights | 0 | 24,744,251 | 0 | 24,744,251 |
| Tangible and intangible assets (including exploration assets, but excluding abandonment) | 42,236,223 | 9,773,268 | 2,448,550 | 54,458,041 |
| Investment flows | 216,302 | 1,787,045 | 371,410 | 2,521,526 |

Investment flows take into account the leasing operations at La Française de l'Énergie (CSG) as well as energy-saving certificates, lowering investment flows at Gazonor (AMM).

By geographical area, the "outside France" sector only concerns Belgium as of 31 December 2020. This area had a turnover for the half-year of €440K and tangible investments of €420K, compared to €717K and €382K, respectively, in the year ended 30 June 2020.

4.9. Post-closing events

In a judgment handed down on 07 January 2021, the Paris Court of Appeal upheld the first instance judgment dismissing La Française de l'Energie's claims against Société Générale. La Française de l'Energie will not appeal this decision (cf. Note 4.6 (ii)).

On 19 February 2021, the Group completed the acquisition of 100% of Greenhill SA, a subsidiary of the Brederode SA group in Belgium and holder of the Monceau-Fontaine, Marcinelle and Nord de Charleroi Concession (No. 038), at an acquisition cost of €203K, i.e. a net consideration of €95K considering Greenhill SA's available cash position. This entity generated no revenue at the date of acquisition, and its various financial aggregates are not significant, except for deferred losses that may be used by the Group.

4.10. Scope of consolidation

Consolidated companies – 31 December 2020

| | Country | Control % | Interest % |
|---------------------------------|---------------|----------------|----------------|
| La Française de l'Energie S.A. | France | Parent company | Parent company |
| EG Lorraine S.A.S. | France | 100% | 100% |
| EG NPC S.A.S. | France | 100% | 100% |
| Cellcius S.A.S. | France | 100% | 51% |
| FalkenSun S.A.S. | France | 100% | 100% |
| LFDE International S.A. | Luxembourg | 100% | 100% |
| Gazonor Holding S.A.S. | France | 100% | 100% |
| Gazonor S.A.S. | France | 100% | 100% |
| Gazonor Benelux S.A. | Belgium | 100% | 100% |
| Gazonor Béthune S.A.S. | France | 100% | 100% |
| Concorde Energy Inc. | United-States | 100% | 100% |
| Concorde Energie Paris S.A.R.L. | France | 100% | 100% |

As mentioned in Note 1.1 of this Appendix, the consolidation scope changed over this half-year compared to 30 June 2020, with FalkenSun S.A.S. being incorporated thereto as of its inception, on 02 December 2020.

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

LA FRANÇAISE DE L'ENERGIE

Avenue du District
57380 PONTPIERRE

Period from 01 July 2020 to 31 December 2020

On 29 March 2021

BDO Paris Audit & Advisory

Chartered Accountancy Firm registered with the Order of Chartered Accountants of Paris-Ile-de-France region

Auditing Firm registered on the National List of Statutory Auditors, attached to the Paris Regional Company of Statutory Auditors ("CRCC")

RCS Paris B 480 307 131 00056 – Code APE 6920Z

SARL with a capital of 60,000 euros – intra-Community VAT FR82480307131

Mazars

Anonymous accounting and statutory auditors' firm

Firm registered on the National List of Statutory Auditors, attached to the Colmar CRCC

RCS Strasbourg 348 600 990

Capital of 400,000 euros

To the Shareholders,

In carrying out the mission entrusted to us by your General Assembly, and in accordance with Article L. 451-1-2 III of the Monetary and Financial Code, we have carried out:

- the limited review of the condensed half-year Consolidated Financial Statements of La Française de l'Energie for the period from 01 July 2020 to 31 December 2020, as appended to this report;
- the verification of the information provided in the half-year activity report.

The global crisis brought about by the COVID-19 pandemic creates special conditions for the preparation and limited review of the condensed half-year Consolidated Financial Statements. Indeed, this crisis and the exceptional measures taken in the context of the health emergency entail multiple consequences for companies, particularly as regards to their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote work, have also had an impact on the internal organization of companies and the manner in which our work is carried out.

It is in this complex and evolving context that these condensed half-year Consolidated Financial Statements were prepared, under the responsibility of the Board of Directors. It is our duty, on the basis of our limited review, to express our conclusion on these Financial Statements.

I – Conclusion regarding the Financial Statements

We performed our limited review in accordance with the professional standards applicable in France.

A limited review consists essentially of discussing with the persons responsible for Accounting and Financial management and of implementing analytical procedures. This work is less extensive than that required for an audit performed in accordance with the professional standards applicable in France. As a result, the assurance that the Financial Statements, taken as a whole, do not contain significant anomalies obtained as part of a limited review is a moderate assurance, with less weight than the assurance that would result from an audit.

On the basis of our limited review, we found no significant anomalies that would question the compliance of the condensed half-year Consolidated Financial Statements with IFRS standard IAS 34, as adopted in the European Union for intermediate financial reporting. Without questioning the above conclusion, we draw your attention to Note B/, titled “Going-Concern Principle”, in Section 1.2, “Accounting Rules and Methods” of the Appendix to the condensed half-year Consolidated Financial Statements, which outlines the assumptions underlying the application of the going-concern principle.

II - Specific verification

We also verified the information provided in the half-year activity report commenting on the condensed half-year Consolidated Financial Statements on which our limited review was carried out.

We have no comments on their fair presentation and consistency with the condensed half-year Consolidated Financial Statements.

Made in Paris and Strasbourg,
On 29 March 2021



BDO Paris Audit & Advisory
Represented by Sébastien HAAS
Partner

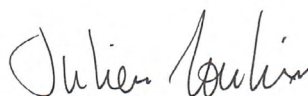


Mazars
Represented by Laurence Fournier
Partner

STATEMENT FROM THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I certify that, to my knowledge, the consolidated Financial Statements condensed for the past six months have been drawn up in accordance with the applicable accounting standards and give a true picture of the Company's assets, of the financial position and results of the Company and of all the companies included in the consolidation, and that the attached half-year business report provides an accurate picture of the major events which occurred during the first six months of the fiscal year, of their impact on the accounts, of the main transactions between related parties, and that it details the main risks and main uncertainties for the remaining six months of the fiscal year.


Forbach, on 29 March 2021,

A handwritten signature in black ink, appearing to read 'Julien Moulin', is centered on the page.

Julien MOULIN

Chairman




FRANÇAISE
DE *l'Énergie*



Limited company with a share capital of 5,163,970 euros
Corporate headquarters : Avenue du District, 57380 Pontpierre
501 152 193 RCS Metz