



Local Energies – Positive Impacts

FY 2021 Annual Results

October 2021





JULIEN MOULIN

Executive Chairman

Joined in 2009

Entrepreneur with 20 years of experience in the investment (Barclays, UBS, Maoming IM...) and renewable energy sector (Envision...)



ANTOINE FORCINAL

Chief Executive Officer

Joined in 2015

Engineer with 15 years of experience in management of E&P gas developments globally



AURELIE TAN

Chief Financial Officer

Joined in 2020

Financier with 18 years experience in the energy sector working for banks (BNPP, Natixis, Standard Bank...) and corporate (Seplat Petroleum)



A major player in the
ecological transition

A UNIQUE ENERGY PRODUCER



Energy Producer with negative carbon footprint

Over 1 Million tons of CO₂eq emissions currently avoided annually (of which 602 kT certified)*



Important barriers to entry

20-25 years exclusive concession

Limited competition: Only two active players in Europe/UK



Owner of 10 existing production sites

- ◆ 6 sites producing electricity
- ◆ 2 sites to inject gas
- ◆ 2 sites producing heat



Sustainable development

Long term certified gas reserves equivalent to almost 150 years of existing production



Revenues with long term visibility

- ◆ Over 63% of revenues secured with 15-20 years long contract/feed in tariffs
- ◆ All clients are highly rated clients and the French State

* Sources: Ineris 2019, LFDE



AN ENHANCED PORTFOLIO OF ENERGY SOLUTIONS

FROM ABANDONED MINE METHANE



GAS



GREEN
POWER



HEAT

CLIENTS



FROM LORRAINE GAS



GAS

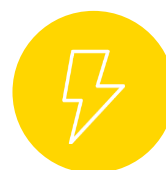


HYDROGEN



CARBON
STORAGE

FROM SOLAR ENERGIES



POWER



HEAT

PARTNERS



CLIENT





17 MW CAPACITY
INSTALLED SO FAR



**1 Million tons CO2eq
Emission**
AVOIDED ANNUALLY (of which 602 kT
certified)*



OUR CONTRIBUTION
TO THE UNITED NATIONS
SUSTAINABLE DEVELOPMENT
GOALS



AFFORDABLE AND
CLEAN ENERGY



INDUSTRY, INNOVATION
AND INFRASTRUCTURE



CLIMATE
ACTION

CREATING TAILORED-MADE ENERGY SOLUTIONS AROUND GAS, ELECTRICITY AND HEAT

FIGHTING GLOBAL WARMING BY PRODUCING LOCAL ENERGY FOR LOCAL CONSUMERS

REDUCING THE CO2 EMISSIONS OF THE ENERGY PRODUCED AND CONSUMED

* Sources: Ineris 2019, LFDE



64/100

ENVIRONMENT

Environmental policies
Energy and GHG

55/100

GOVERNANCE

CSR policies
Business ethics

71/100

SOCIAL

HSE
Personal Development

55/100

STAKEHOLDERS

Relationships with suppliers
Relationships with clients and
civil society

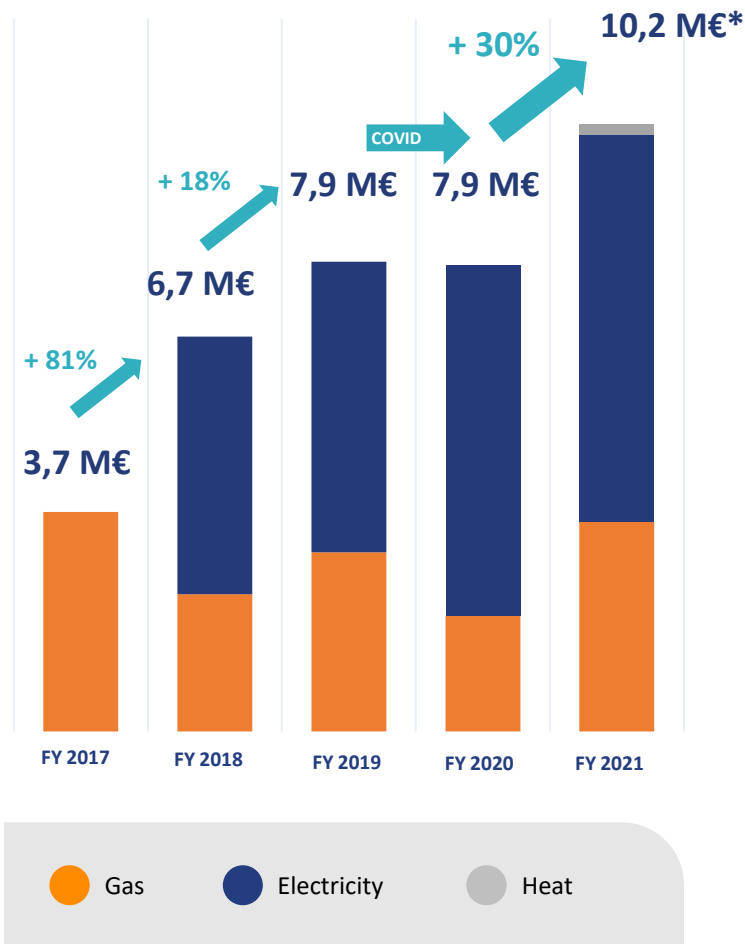
#1 Energy company
in France < €150M
revenues

62/100



FY 2021 annual results

SIGNIFICANT INCREASE IN REVENUES



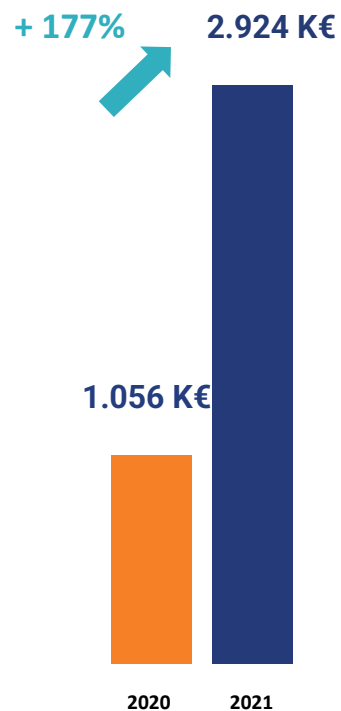
- FY21 Sales: **+30%**, driven by a further improvement in volumes, the contribution from new low-carbon energy production sites, and the ongoing increase in prices
- New contribution from the Bethune and Creutzwald projects: **€ 942,000** of additional sales, including heat, backed by long term contracts at fixed price.
- Gas activity: **+81%** compared to last year, thanks to a significant increase in its volumes (+33%) and selling price reaching €14.9/MWH in FY2021
- Electricity activity: ongoing optimal production on the Group's historic sites, despite the 30,000 hours maintenance on the machines installed in France. Average selling price in Belgium of 41,7 €/MWH (+42%)

57% OF REVENUES SECURED

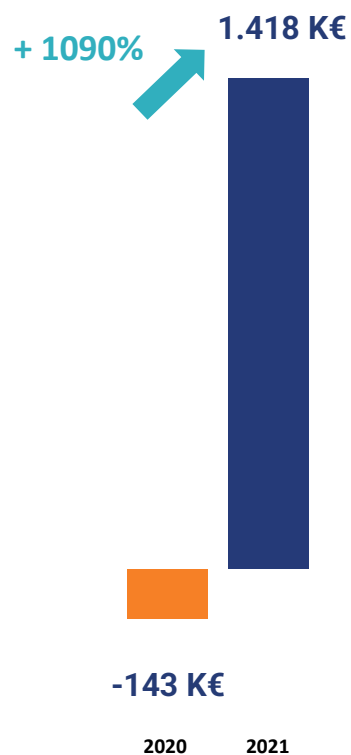
* Does not include the Green Certificates in relation to its Belgian production since 2019

IMPROVING FINANCIAL INDICATORS

EBITDA



Operating Income

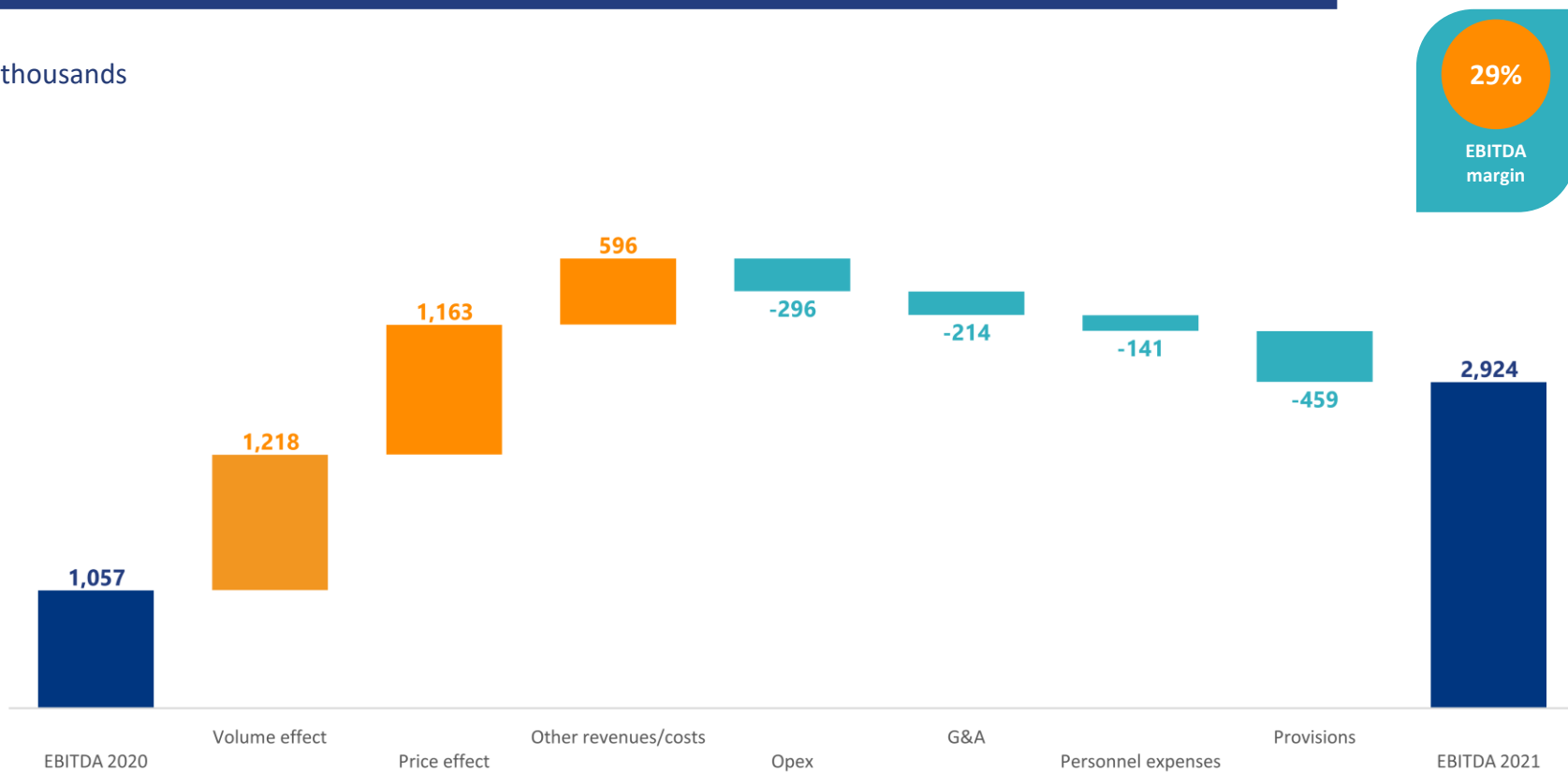


Net Income (group share)



SOLID EBITDA thanks to efficient Operating cost control

€ in thousands



**-12 % cost reduction (opex and G&A) per MWh produced
at 22,5 €/MWh**

INCREASED GROUP PROFITABILITY

€ thousand		2021	2020
REVENUES		10 236	7 855
Other operating income		711	282
Opex		(4 231)	(3 934)
G&A		(3 560)	(3 205)
Other revenues and expenses		91	(77)
Dotations nettes sur provisions		(324)	135
EBITDA		2 924	1 057
% of revenues		29 %	13 %
Depreciation and amortisation	1	(1 506)	(1 200)
OPERATING INCOME		1 418	(142)
% of revenues		14 %	(2) %
FINANCIAL RESULT	2	(1 196)	(562)
Current and deferred taxes	3	71	753
NET INCOME GROUP SHARE		274	109
% of revenues		2,7 %	1,4 %
Interest share not giving control	4	19	(61)
NET INCOME		293	48

- 1 Amortisation related to the new CHPs in Béthune and thermal solar plant in Creutzwald
- 2 Increased financial costs due to loan arrangement and new financings
- 3 Tax for the year of 91 K€ and activation of deferred tax expenses (outstanding group tax losses carried forward of 1.557 K€)
- 4 Net income from Cellcius (51% owned) related to thermal solar activities and FalkenSun (75% owned) dedicated to the 15 MW photovoltaic project

STRENGTHENED FINANCIAL STRUCTURE

ASSET EQUITY & LIABILITIES

107 M€

Exploration assets
(Lorraine) : 45,5 M€

Proven mining rights
(Gazonor et Gazonor
Benelux) :
24,5 M€

Tangible assets:
19,8 M€

Non current
assets
93,8 M€

Equity
54,3 M€

Non current
liabilities
26,2 M€

ST financial debt:
20,8 M€

LT financial debt :
6,3 M€

Current
assets
13,2 M€

Current
liabilities
19,2 M€

7 M€

Cash

JUNE 30th 2021

36%

Net Debt
to Equity

Investments FY 2021
(Cellcius, Béthune,
Anderlues 2, Avion 2,
Greenhill, FalkenSun)

10,7M
€*

TOTAL DEBT OF 27 M€ - NEW FINANCINGS IN FY 2021

Loan Cellcius – Caisse d'Epargne:
0,7 M€ 1 year at 0.4% pa

Project Financing – Caisse d'Epargne:
1,3 M€ 20 years at 1.5% pa

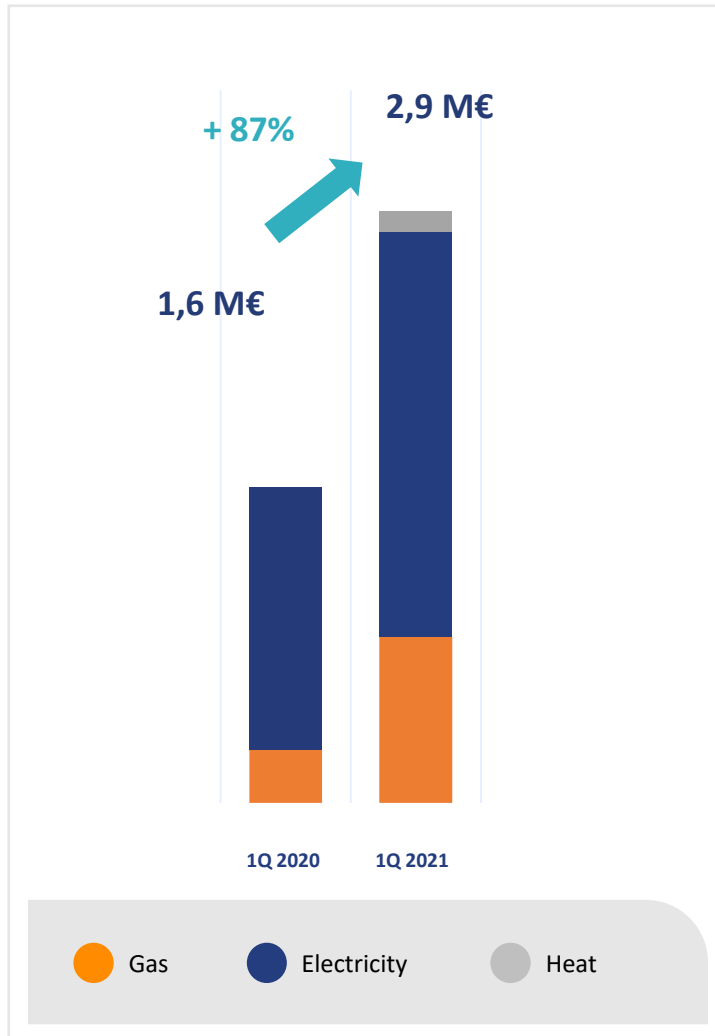
Crowdfunding Béthune:
5,5 M€ 4 years at 4.75% pa

Crowdfunding Avion 2:
3,3 M€ 5 years at 4.75% pa

* Before subsidies received for 652 K€

Q1 2022 REVENUES: CONFIRMATION OF GROWTH GOING FORWARD

63% OF REVENUES SECURED



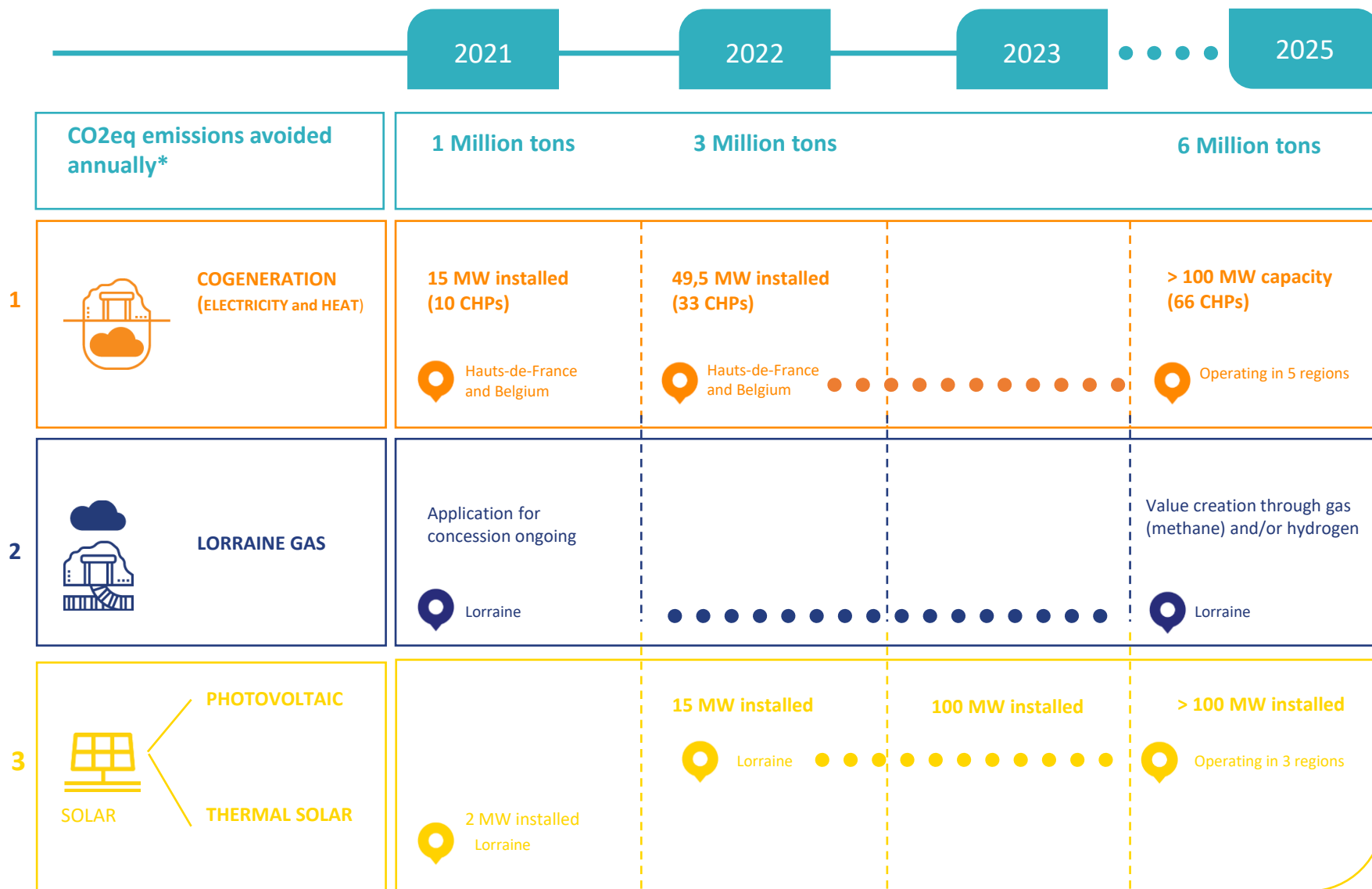
- 1Q22 Sales: **+87%** yoy, driven by a further improvement in volumes, the contribution from new low-carbon energy production sites (Béthune and Creutzwald) and the ongoing increase in prices
- Gas activity: **+210%** yoy, thanks to a significant increase in volumes (+25%) mainly due to the recovery of the economy and selling price reaching €28,12/MWH in Q1 2021 (€11,33/MWH last year)
- Electricity activity: **+55%** yoy, with an increase in productivity of the CHP units when outside temperatures are high (summer time). Average selling price in Belgium of €62,5 €/MWH (€33,3 €/MWH the previous year)

NEW €40M GREEN BOND issued with Edmond de Rothschild Asset Management in September 2021 and available for the development of FDE's lowcarbon energy portfolio in France and Belgium.

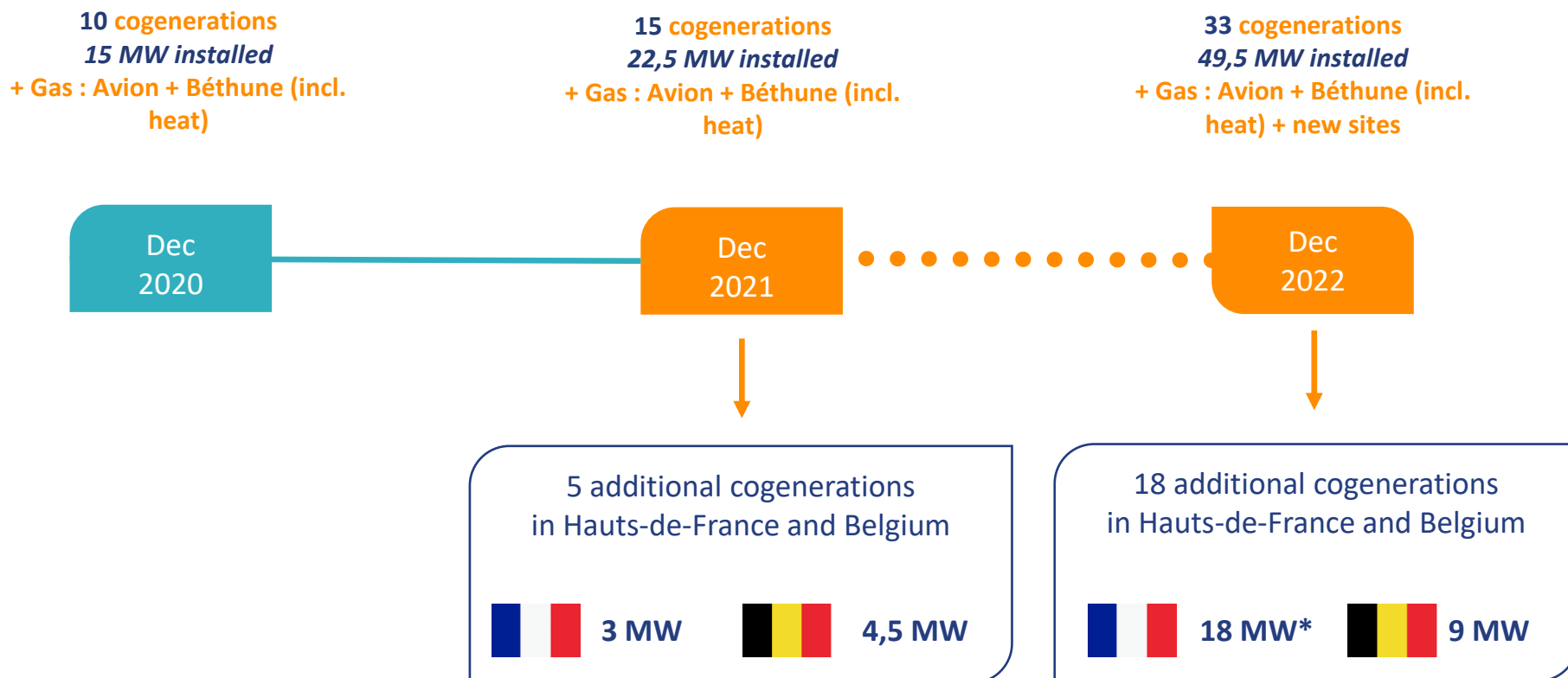


Growth outlook confirmed

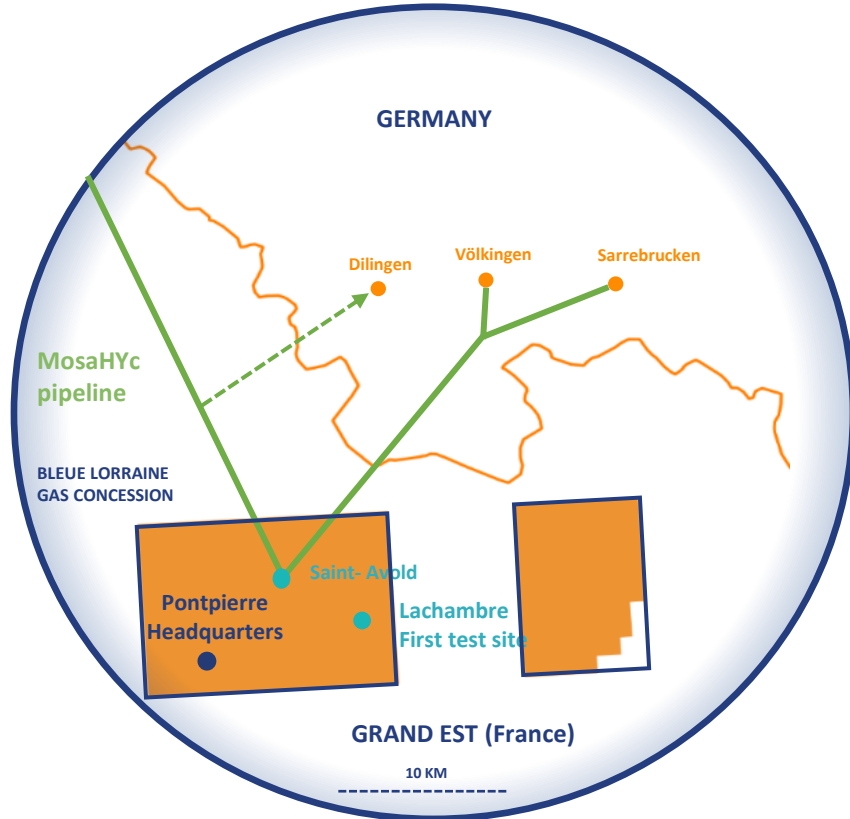
AN EXTENDED GROWTH PLAN



COGENERATION: SECURE DEPLOYMENT ON CURRENT CONCESSIONS



* Administrative autorisations in process, to be completed by June 2022



- Key FDE location: less than 5 km away from the MosaHYc pipeline.
- Ownership: 100% LFDE (operator)
- Certified Gas Resources: **2.1 BN of m3 (2P), 87 BN of m3 (2C)***
- 42 certified gas production sites in the Bleue Lorraine Concession

Sources: Sproule 2018, LFDE

Steam Methane Reforming

- Mature technology
- Widely deployed with a significant REX
- Better yield compared to other reforming processes
- Need to capture and store CO₂**
- Competitive production cost

Plasma Pyrolysis

- Technology under development
- Produces carbon black/graphene as by-product
- No CO₂ production**
- Potentially competitive production cost compared to green H₂

Underground CO₂ Storage

- Very good CO₂ storage capacity in coal seams
- Possibility to enhance CBM production

- ◆ **Pyrolysis (Turquoise H₂):** technology not mature at industrial scale but very promising in terms of carbon footprint. **FDE involved in 2 world class consortiums:**

- ◆ HyMEPP consortium with PLENESYS in order to validate the technology on an existing FDE site (Polytec Milan, Luxcarbon, GRTGaz, Plenesys, FDE...)
- ◆ HECO2 Plasmalyse Hybrid (Materia Nova, Plasma Engineering, FDE, EDF LUMINUS) from abandoned mine methane
- ◆ Evaluation of additional plasma torches technologies

- ◆ **Carbon Storage:** massive opportunity on FDE acreage, **injection pilot to be sized up.** 3D Modelling performed by SCHLUMBERGER team of experts.



Review of detailed scope of work

Feasibility study / Business Case

Pilot (Pyrolysis and CS)

H1 2021

October 2021

H2 2022

SOLAR: FIRST 15MW PHOTOVOLTAIC PLANT

- ◆ Dedicated SPV created
- ◆ **16.5 GWh/year (35700 modules) over 24 Ha. Fixed price over 20 years : 56 € / MWh**
- ◆ Electricity injected into the local distribution network (UEM)
- ◆ **€ 10 M investment**
 - ◆ € 2.5 M bridge financing already raised through crowdfunding
 - ◆ Ongoing due diligence for project financing
- ◆ No significant equity investment from LFDE



EPC Contract

Bridge Financing
completed

Financing
(90% debt) being raised

Financing
10% Crowdfunding

Connection to the grid: technical
studies

Construction ongoing
(civil work completed)

Start of production
Q3 2022



CALENDAR YEAR END 2022 TARGETS CONFIRMED

35 M€
annualized
revenues

EBITDA
margin
 $\geq 45\%$

KEY CORPORATE INFORMATION (as of 25 October 2021)

Listing	Euronext Paris
Share price	€24.80 / share
Shares outstanding	5.2M
Market capitalisation	€ 129 M€



SELL SIDE COVERAGE



Target Price: €28

April 2021

Analyst: Henning.Breiter@ha-ib.de



HAUCK & AUFHÄUSER
PRIVATBANK SEIT 1796



Target Price: €31

October 2021

Analyst: aderyckx@midcapp.com



Target Price: €30

October 2021

Analyst: anis.zgaya@oddo-bhf.com



ODDO BHF



Annexes



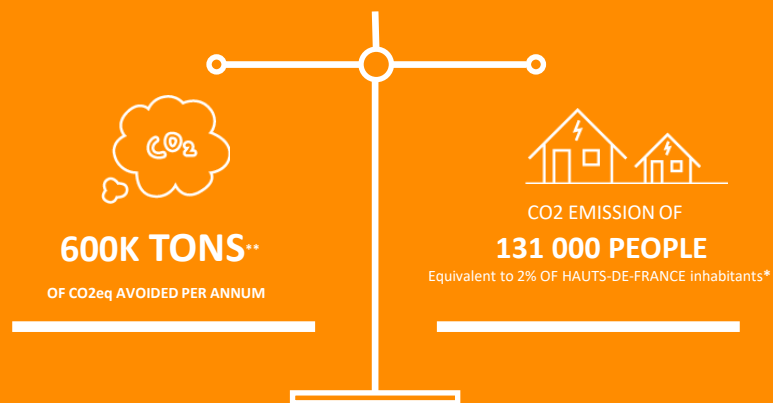
A MAJOR PLAYER IN THE ECOLOGICAL TRANSITION



ABSOLUTE IMPACT from Abandoned Mine Methane

 Hauts de France
and Wallonia

By capturing methane in abandoned mines
and avoiding its release to the atmosphere



* Source: World Bank - French average: 4,6 tons of CO₂/inhabitant/year

** Source: INERIS - Institut national de l'environnement industriel et des risques 2019, based on 6 CHPs

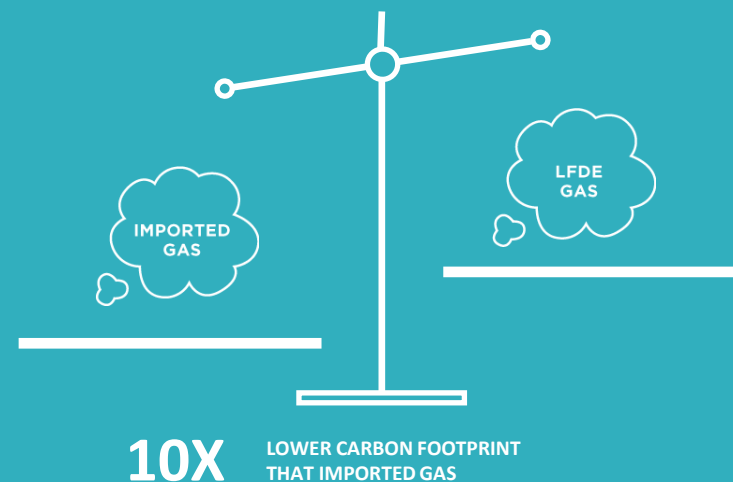


RELATIVE IMPACT from Lorraine Gas

 Lorraine

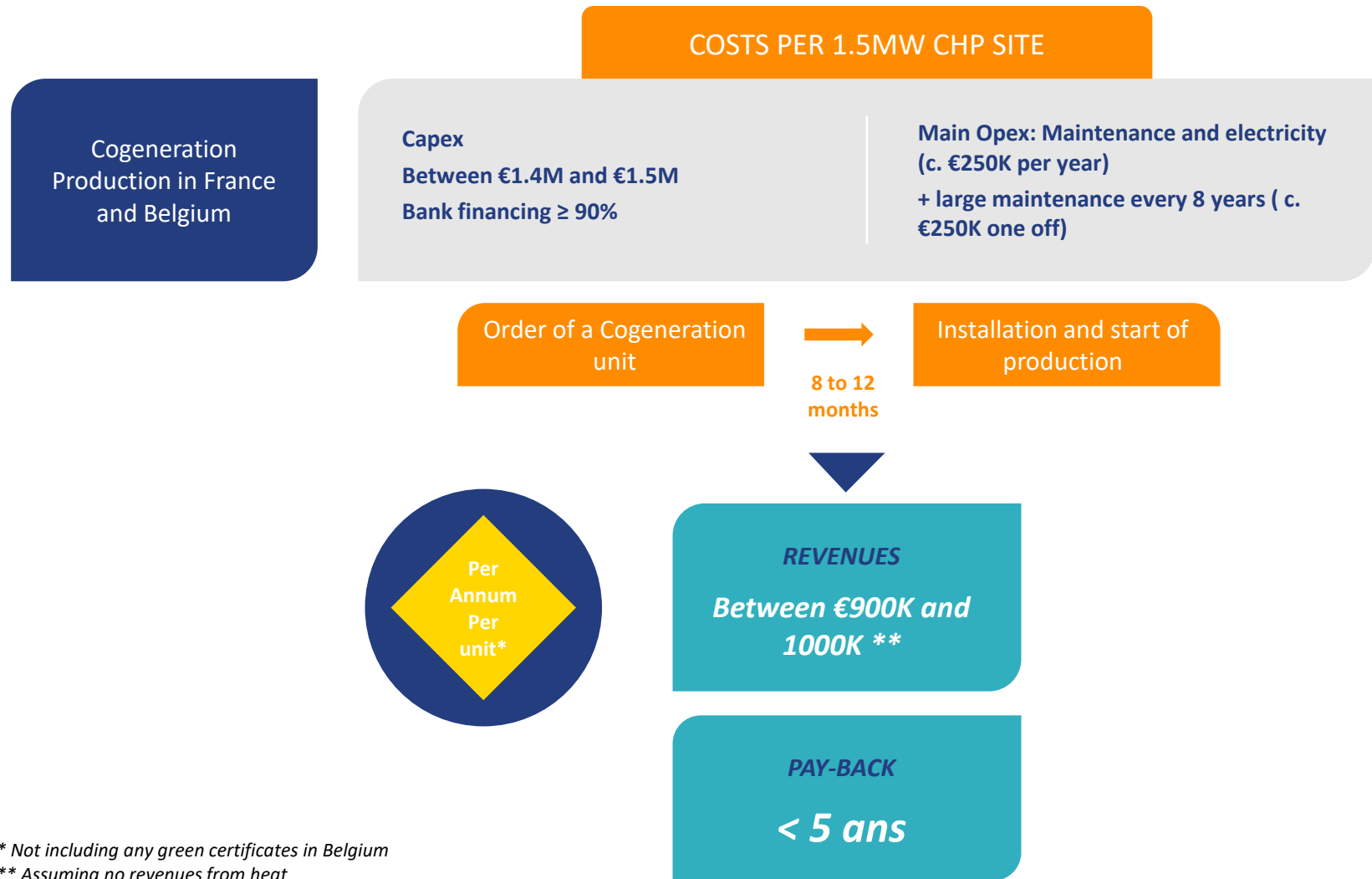
RELATIVE

By replacing imported gas with local gas and blue
hydrogen carrying a lower carbon footprint



* Source: IFEU - Institut für Energy, Heidelberg University, 2017, LFDE

COGENERATION: A SECURE AND EASILY REPLICABLE BUSINESS MODEL





La Française de l'Énergie

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