



Local energy,
positive impact

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
30 JUNE 2023



Energy solutions in production and under prospection



GAS



ELECTRICITY



HEAT

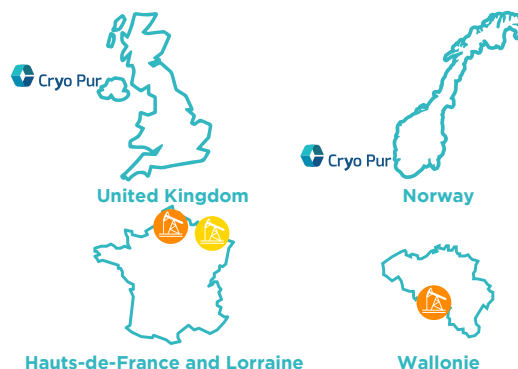


HYDROGEN



CO2

Local energy production in our territories



The Group's key financials



22.5 MW OF COGENERATION CAPACITY
INSTALLED IN FY2023

EBITDA

FY 2023 **+77% vs. 2022** **26.7 M€**



MORE THAN 3.5 MILLION TONS OF CO2 EQ AVOIDED
PER YEAR IN FY2023 ⁽¹⁾

Operating income

FY 2023 **+13% vs. 2022** **16.1 M€**



39.2 M€ REVENUES FY2023
+50% vs. FY2022,
+48% AVERAGE ANNUAL GROWTH
SINCE 2017

Net profit⁽²⁾

FY 2023 **+64% vs. 2022** **12.0 M€**

INVESTMENTS

10.3 M€

EQUITY⁽²⁾

74.0 M€

CASH AVAILABLE

43.0 M€

NET DEBT TO EQUITY

34%



⁽¹⁾ Sources: FDE, based on the updated INERIS 2019 certification with a GWP of 82.5 (AR6 - IPCC 2021), and University of Mons, and including the Béthune site

⁽²⁾ Net group share

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1. DECLARATION OF THE PERSON IN CHARGE

I hereby certify that, to the best of my knowledge, the financial statements for the past fiscal year were prepared in accordance with the applicable accounting standards and provide a true image of the assets, liabilities, financial position and results of the Company and all companies included in the Group's scope, and the management report included in this annual financial report presents a true picture of changes in the business, results and financial position of the Company and of all companies included in the Group's scope, as well as a description of the main risks and uncertainties they face.

Done in Pontpierre, on 31 October 2023

A handwritten signature in black ink, which appears to read 'Julien Moulin'.

Julien MOULIN
Chairman

2. STATUTORY AUDITORS

2.1 LEAD SATUTORY AUDITORS

■ Mazars

Member of the Compagnie Régionale des Commissaires aux Comptes de Colmar (Colmar Regional Association of Statutory Auditors).

Represented Ms Laurence Fournier

1, rue des Arquebusiers, 67000 Strasbourg, France

Appointed by decision of the shareholders on 29 November 2019 for a six-year term, expiring at the end of the general meeting called to approve the financial statements for the fiscal year ended 30 June 2025.

■ BDO

Member of the Compagnie Régionale des Commissaires aux Comptes de Paris (Paris Regional Association of Statutory Auditors).

Represented by Mr Sébastien Haas

43/47 avenue de la Grande Armée, 75116 Paris

Appointed by decision of the shareholders on 3 December 2020 for a six-year term, expiring at the end of the general meeting called to approve the financial statements for the fiscal year ended 30 June 2026.

3. GROUP FINANCIAL REPORT AND PRESENTATION

Dear Sir, Madam,

Pursuant to Articles L. 225-100, L. 233-26, and L. 232-1 of the French Commerce Code, we hereby present the Financial Report, including the Management Report of La Française de l'Energie S.A. (hereinafter referred to as the "Company" or "FDE") and the Group (hereinafter referred to as the "Group") for the fiscal year from 01 July 2022 to 30 June 2023.

3.1 BUSINESS ACTIVITY AND DEVELOPMENT OF THE COMPANY AND GROUP DURING THE PRECEDING FISCAL YEAR

3.1.1 Group's perimeter

FDE is the Group's parent company and top company within the scope of consolidation.

Subsidiaries held directly and indirectly by the Company are described below. As of 30 June 2023, none of the Company's subsidiaries were listed on a regulated or unregulated market.

Information on the Group's subsidiaries appears below:

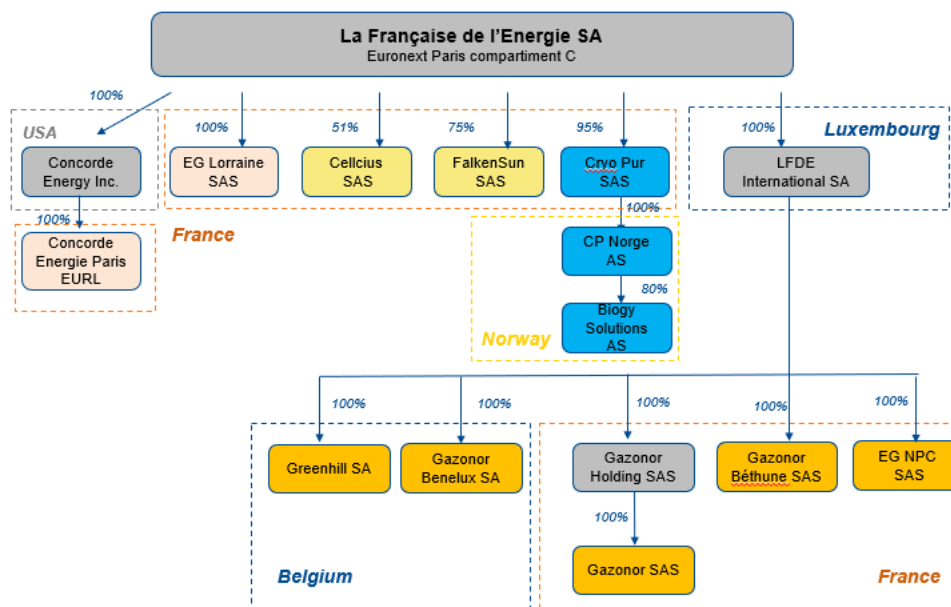
Address and Trade and Companies Registration No.	Share capital	% Equity Interest	Activity
FRENCH COMPANIES			
Cellcius SAS Avenue du District 57380 Pontpierre (France) RCS 879 065 449	€1,000	51%	Operating company (Creutzwald solar thermal project)
Concorde Energy Paris EURL 1 avenue Saint-Rémy 57600 Forbach (France) RCS 529 069 825	€1,000	100%	Operating company (including PER La Folie de Paris)
Cryo Pur SAS 4 rue du Vaulorin 91320 Wissous RCS 811 286 178	€1,619,722	95.08%	Operating company (liquefied biogas "LBG" and Bio-CO ₂ production)
EG Lorraine SAS Avenue du District 57380 Pontpierre (France) RCS 790 110 639	€868,544	100%	Operating company
EG NPC SAS ZAL Fosse 7 62210 Avion (France) RCS 790 090 880	€624	100%	Operating company (30 MW cogeneration project, including Avion 7)
FalkenSun SAS Avenue du District 57380 Pontpierre (France) RCS 891 933 434	€1,000	75%	Operating Company (Trittelung Solar Photovoltaic Project)

Gazonor Béthune SAS Rue du Siège Zal de la Fosse 7 62210 Avion (France) RCS 884 370 032	€10,000	100%	Operating company (Béthune cogeneration project)
Gazonor Holding SAS Zal Fosse 7 62210 Avion (France) RCS 451 506 612	€8,450,000	100%	Holding company
Gazonor SAS ZAL Fosse 7 62210 Avion (France) RCS 381 972 439	€1,400,000	100%	Operating company (including PER and Concessions Désirée and Poissonnière and PER Valenciennois)
FOREIGN COMPANIES			
Concorde Energy Inc. 1537 Bull Lea Road Lexington, Kentucky 40511 (USA)	\$6,391,199	100%	Holding company
Cryo Pure Norge Fredrik Selmers vei 6 0663 Oslo (Norway)	NOK 30,000	100%	Holding company
Biogy Solutions AS Eldøyane 177 511 Stord (Norway)	NOK 5,000,000	80%	Operating Company (LBG and Bio-CO ₂ production in Norway)
Gazonor Benelux SA Avenue Hermann Debroux 54 1160 Auderghem (Belgium)	€300,000	100%	Operating company (including operating Anderlues concession, Wallonia)
Greenhill SA Voie de l'Air Pur 17-19 4052 Chaudfontaine (Belgium)	€65,000	100%	Operating company
LFDE International SARL 76-78 rue de Merl 2146 Luxembourg (Luxembourg)	€1,000,000	100%	Operating company

The scope of consolidation changed over this financial year compared to 30 June 2022, with the incorporation in Norway of two subsidiaries of Cryo Pur, a French company specialised in **biogas treatment and liquefaction into Liquefied Biogas (LBG) and Bio-CO₂**; Cryo Pur Norge and Biogy Solutions.

Apart from these two companies, the only change in the percentage interest in the consolidated entities during this financial year concerns Cryo Pur SAS, whose participation fell slightly to 95.08% due to the capital increase subscribed by FDE, as well as the minority shareholders as at 30 June 2022.

The organisation chart below presents the legal organisation of the Group including subsidiaries held directly and/or indirectly by the Company, as at 30 June 2023.



3.1.2 Business activity and development

(i) Company and Group activities

La Française de l'Energie ("FDE") is a carbon-negative energy producer. FDE currently operates seven cogeneration (Combined Heat and Power or "CHP") sites in Europe, two gas injection sites, two heat production sites and two LBG and Bio-CO₂ production sites where Cryo Pur technology is deployed.



Cogeneration activity: Gas, electricity and heat generation

FDE is the main producer of gas, electricity and heat from abandoned mine methane capture in France and Belgium. The Group valorizes, in short circuits, this fatal gas found in the former mining basins of the North of France (Hauts-de-France) and in the South of Belgium (Wallonia) in order to avoid its release into the atmosphere. In particular, the Group operates 15 cogeneration plants of 1.5 MW, i.e. an installed capacity of 22.5 MW.

During FY2023, FDE also benefited from a buoyant market environment, in particular on its gas and electricity sales activities, also optimising the valuation of revenues associated with the Group's facilities by signing Power Purchase Agreements with leading partners, while maintaining high visibility on revenue generation by setting the selling price for the coming quarters at attractive levels.



Solar activity: Electricity and heat generation

With the same approach as a producer of local low-carbon energy valorized in short circuits, the Group is developing its activity in photovoltaics (15 MW installed in the Grand-Est) and solar heat (2 MW installed in the Grand-Est).



Biogas activity: production of LBG and liquefied Bio-CO₂

Through its subsidiary Cryo Pur, FDE continues to expand its know-how, allowing it to purify and liquefy all types of gases (biogas, landfill gas, flare gas, rare gases, etc.) using its own technology.

Cryo Pur was created in 2015 on the initiative of Denis Clodic, former director of the Energy and Processes Centre at Mines ParisTech and **co-winner of the Nobel Peace Prize in 2007 for his contributions as a member of the IPCC** (Intergovernmental Panel on Climate Change).

Drawing on 35 years of Research & Development, Cryo Pur has developed a patented breakthrough technology that transforms biogas into Bio-CO₂ and LBG without releasing CO₂ into the atmosphere in order to valorize these two products. Cryo Pur's technology is based on a cryogenic system that separates and liquefies the various components of the gases.

Bio-CO₂ produced using the Cryo Pur process can be recycled in short circuits by food industry players, but also by producers of synthetic fuels who are very demanding very pure biogenic CO₂; LBG, on the other hand, enables customers in the transport sector to replace their fossil fuels with this green energy.

Thanks to these processes backed by **eight major families of international patents**, LBG and Bio- CO₂ obtained meet the needs of all types of application. Accordingly, this technology enables farmers, cooperatives, industrial and energy companies to efficiently recover the full energy potential of their products and waste while **reducing diffuse methane and CO₂ emissions**. Indeed, biomethane operators use membrane or amine purifications (PSA) to purify the biogas and transform it into biomethane without consideration for CO₂ which is therefore released into the atmosphere during the purification process, which the Cryo Pur technology allows to avoid.

Almost €30M has been invested in the development of the Cryo Pur process before its acquisition by FDE, and the technology is now in operation in the United Kingdom and Norway at 2 biogas production sites owned by industrial and agricultural players, with a total production capacity of 4,000 tonnes of LBG and 5,500 tonnes of Bio-CO₂ per year respectively.

The integration of Cryo Pur will therefore allow to maximize the value of FDE's large gas reserves, but also to strengthen its position on the strategic green gas and CO₂ markets.



Gas and Hydrogen business: gas and hydrogen production

As exclusive owner of the largest gas resources in continental Europe in Lorraine, the Group would be able to supply local gas to households and industry in the region under the highest standards from an environmental perspective, with a carbon footprint ten times lower than

that of gas consumed in France ¹, thereby also further securing the region's supply. As a reminder, Lorraine's certified reserves amount to 6.7 billion m³ of gas (1P, 2P and 3P). Meanwhile, the net asset value of Lorraine's gas was estimated at €318M in January 2022.² The delays and administrative restrictions for the granting of the Bleue Lorraine Concession are inconsistent with the desire to reduce the carbon footprint of the energy used in France and to strengthen the country's energy sovereignty. Especially since France has become the largest importer of shale gas in Europe and is only increasing its imports of LNG from increasingly distant origins with an ever higher carbon footprint.

Pending the awarding of the Bleue Lorraine concession, the Group is continuing to make progress on the technical aspects of the two strategic priorities involving (particularly natural) hydrogen, as well as CO₂ capture and storage.

In this tense geopolitical and energy landscape, the relevance of FDE's business model is even more compelling. Indeed, the Group continues to contribute to the energy independence of the regions concerned through its energy production in short circuits, by supplying local, economically and ecologically competitive energy, which already allow to avoid more than 3.5 million tonnes of CO₂eq emissions per year³. The integrated short-circuit power generation model, which FDE has been successfully developing for a decade, is still proving its high value.

(ii) Status and development of ESG issues

FDE conducts its activities in an environmentally, economically and socially sustainable manner at all times.

In its constantly enhanced Corporate Social Responsibility policy, the company, its employees and its partners are committed to a business attitude characterised by integrity and compliance for the law. In addition to protecting the environment, this commitment also includes upholding and supporting the Universal Declaration of Human Rights as adopted by the United Nations, labour standards as established by the International Labour Organisation (ILO), a zero-tolerance policy towards corruption, fraud or money laundering, protection of data and intellectual property, compliance with all relevant laws and regulations, as well as good corporate citizenship in general.

While supporting all 17 “**Sustainable Development Goals**” (SDGs), as defined in 2015 September by the United Nations for the period 2015–2030, FDE mainly contributes to the objectives linked to its own areas of expertise and more specifically the following objectives:



- Goal 7: Affordable and clean energy
- Goal 9: Industry, innovation and infrastructure
- Goal 11: Sustainable cities and communities

¹ Study by the Institut für Energie und Umweltforschung in Heidelberg (Baden-Württemberg, Germany) in 2016

² The net present value (NPV) represents the cash flows discounted at 10% over the duration of the concession integrating revenues with an average gas sale price of €28.08/MWh (source EEX - PEG Nord France 2030 - 12/01/22), investments, operating costs and annual fixed and variable expenses.

³ Figures not certified at this stage, 1.4 million tonnes certified. Source: Inéris 2019 certification, updated with a Global Warming Potential of 82.5 (AR6 - IPCC) and including the Béthune site and Avion 7 (FDE extrapolation), Study by Université Polytechnique de Mons 2022

- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 17: Partnerships for the goals

FDE considers itself uniquely positioned to contribute to its goals, as the Group has already demonstrated the effectiveness of its approach to sustainably reducing the carbon footprint of energy use, developing better distributed infrastructure and providing affordable energy to local consumers in order to develop sustainable ecosystems.

The aim is to achieve this by investing in additional power generation capacities and other low-carbon energy solutions without limiting the Group to specific technologies. While FDE believes that its technical and operational capabilities are relevant to capturing methane from abandoned mines and producing green electricity and heat from this waste gas, they are also relevant to the development of green heat and green power generation from solar energy. FDE's technical know-how and particular competence in the development of energy production projects from design to implementation, operation and maintenance also allow it to confidently expand into **LBG, Bio-CO₂, hydrogen production as well as energy storage and sustainable and carbon sequestration** through the installation of carbon sinks.

These different segments are at the heart of the ecological transition and absolutely critical to develop in order to **achieve the 2050 carbon neutrality targets** that the European Union and its various members have committed to. It is on this set of complementary solutions that FDE concentrates its efforts in order to continue to strengthen the resilience of the territories affected by its activity while reducing the carbon footprint of the energy used in these regions.

The Group's commitment to quality with regard to all the stakeholders in its operations (teams, customers, investors, subcontracting partners, elected officials, residents and creditors) remains at the heart of its efforts to maintain **ISO 9001 certification** for all the Group's operations in Hauts-de-France. This certification is the international standard for Quality Management Systems (QMS), in order to guarantee the quality of the product supplied and the continuous improvement of the company's processes.

The commitment to sustainable development and implementation of short circuits continues with a new crowdfunding being secured at the subsidiary FalkenSun's level, which raised €2.5M on the Lendosphere platform for the construction of its photovoltaic plant in Tritteling-Redlach, with the support of 889 investors and the participation of La Nef, a cooperative bank committed to the ecological transition.

During FY2022 and FY2023, the Group also issued **a green bond** for an initial amount of €40M, supplemented by a second tranche of €20M for the development of its low-carbon energy portfolio. This financing provided by Edmond de Rothschild Asset Management (EDRAM), one of the leading energy and infrastructure investment funds in Europe, once again confirms the relevance of FDE's positioning on low-carbon energy and the energy transition. This green bond is used for financing the Group's existing energy portfolio as well as deployment of other low-carbon projects such as hydrogen and LBG in Europe. The financing is classified as a "Green Bond" and the issuance has been assessed to be compliant with the Green Bond Principles of the International Capital Market Association (ICMA) through an opinion from EthiFinance, a recognised independent expert.

This bond allows FDE to commit significant financial resources to fast-track its development

strategy without diluting the company's equity in its assets: **A 100 MW capacity will be installed by 2026 and 10 million tonnes of CO₂eq** emissions will be avoided annually by implementing these various low-carbon energy production projects.

FDE's continued commitment to ESG issues is also reflected in the improvement for the 6th consecutive year of its **Gaïa Research** rating, which assesses the ESG (Environmental, Social and Governance) performance of companies listed on European markets, enabling FDE to maintain its leadership among SMEs in the energy sector. Gaïa Rating is the reference rating agency for listed French medium-sized companies, where stocks are rated based on more than 170 extra-financial criteria.

Today, FDE is included in the **Greenfin France green finance label** in the circular economy category, for its contribution to the ecological transition effort thanks to its mine gas activity. As a reminder, the Greenfin France green finance label is the flagship public label for the "Energy and ecological transition for the climate". It specifically singles out investment funds that contribute to the energy and ecological transition. Indeed, this is a guarantee of quality and transparency of the environmental characteristics of such funds and their contribution to the energy transition and the fight against climate change.

Finally, following various workshops held with stakeholders, FDE formalised CSR commitments including, in particular, quantified objectives on short- and medium-term multi-year trajectories on the climate change mitigation component, i.e. the total emissions avoided during the year. This climate transition strategy was adopted by the FDE shareholders' general meeting on 30 November 2022.

Similar work is underway concerning adaptation to climate change, as well as on the group's GHG emissions reduction objectives with the creation of a consolidated carbon balance sheet, on scopes 1.2 and 3, thus enabling the identification of its main emission items and their quantification.

FDE is now working to implement the monitoring and measurement of the data necessary to effectively meet the requirements of the new European Sustainable Development Reporting Directive (CSRD). As a reminder, in 2022 November, the European Commission officially adopted the CSRD, a new directive on corporate sustainability reporting that aims to provide a more comprehensive picture of companies' sustainability performance.

In particular, the focus here is on type 3 emissions, which generally represent the majority of a large company's climate impact, and the need for reporting from 2024 onwards for certain companies.

Group CSR Commitments

The use of local energy in short circuits fosters sustainable development in the territories, favouring an effective climate transition. This is the DNA and "raison d'être" of FDE: valorize local resources to develop energy solutions with a positive impact, therefore reducing the carbon footprint of the regions.

Each of the energy sources produced by the Group contributes to a reduction in greenhouse gas emissions compared to the French energy mix. Since its inception, FDE has approached the energy question pragmatically, continuously measuring the environmental impact of its activities.

The alignment of the Group's DNA and its daily actions with its climate ambition is crucial for FDE, its teams and the stakeholders in the territories where the Group operates.

Clear medium and long-term objectives, focused on climate impact

FDE set itself as a long-term objective to remain a producer with a negative carbon footprint.

Thanks to the low-carbon energy solutions developed by the Group, particularly the capture and recovery of abandoned mine gas in former mining basins, FDE is one of the few producers with a negative carbon footprint in France and in Europe.

Mine gas accumulates in old coal mine galleries and rises to the surface through old mine shafts, before escaping into the atmosphere if not recovered. This gas is mainly composed of methane, a gas with a Global Warming Potential (GWP) 82.5 times greater than CO₂ over a 20-year period, according to the latest IPCC assessment report (AR6) published in 2021.

Immediate action is particularly valuable for the planet. The efforts of our employees, whose performance is also conditional on the climate objective, have enabled the Group to have a negative carbon footprint for the seventh successive year.

In 2023, with 22.5 MW of installed electrical production capacity, a record impact was achieved with more than 3.5 million net tonnes of CO₂eq emissions avoided in FDE's two main operational areas, Belgium and France.

The key goal the Group has committed to is to avoid more than 10 million tonnes of CO₂eq emissions to the atmosphere annually by 2026 through its activities, achieving an installed electrical production capacity of 100 MW from abandoned mine methane by 2026, while continuing to develop its activities in photovoltaics, solar heat, LBG, and Bio-CO₂, following the same approach of local and green energy production.

An investment process aligned with the environmental strategy

FDE also encourages its subcontractors, partners, suppliers and customers, via certain contractual clauses in its contracts and tenders, as well as by sharing best practices, to decarbonize these actors in the Group's ecosystem. While no specific objectives have been formalized on these aspects, the goal is to measure and cover the emissions of scopes 1, 2, and 3 by the end of FY2026.

Furthermore, all of FDE's activities in production or under development (gas abandoned mine methane, coal bed methane, solar, solar thermal, LBG, Bio-CO₂, hydrogen and CO₂ sequestration) are part of the European taxonomy which designates the European classification of economic activities with a favourable impact on the environment. Its aim is to direct investments towards "green" activities necessary to achieve the European climate objective of carbon neutrality by 2050.

The investment and financing decision-making process, including the issuance of €60M in green bonds since 2021, incorporates the CO₂ impact of the Group's projects and their implications for these objectives.

(iii) Turnover and production

FDE achieves annual turnover of **€39.2M**, a sharp increase **(+50%** compared to 2022), driven by an increase in the Group's electricity production capacities and the continuous associated price optimization.

Evolution of sales between FY2022 and FY2023:

Turnover breakdown (in M€)	30 June 2023	30 June 2022	Var.
Gas sales - France	12.3	11.8	5%
Electricity sales - France	14.6	6.0	144%
Electricity sales - Belgium	11.0	6.9	617%
Heat sales - France	0.5	0.4	26%
Equipment and services Cryo Pur	0.9	1.2	-24%
Annual turnover	39.2	26.2	50%

Income from electricity production almost doubled in 2023 to **€25.6M** **(+98%** compared to the previous year), driven by a further increase in **electricity production** volumes, up **23%** over **the year**. Indeed, the FY2023 benefited from the commissioning of **two additional cogeneration plants in the Hauts-de-France** region in 2022 July and the **15 MW photovoltaic park in the Grand-Est** region in January 2023. In addition, electricity sales prices continued to be optimized via PPA (Power Purchase Agreements) contracts, representing 73% of the cogeneration portfolio, and reached over **€176/MWh on average over** the financial year (for the feed-in tariff and PPA portfolios, versus €109/MWh over 2022).

Gas production activity remained dynamic over this financial year and **stood at €12.3M in revenue over FY2023 (+5%), despite the long unavailability of the GRT Gas transport network**, which was brought back into compliance at the end of August 2023. In addition, the Group optimizes the flexibility of its assets in order to maximise its revenues according to network and market constraints, and studies additional valuation options, in particular in the form of electricity and liquefied gas.

Revenues from the sale of heat in Béthune and Creutzwald rose to **€459K** in FY2023 (FY2022 €363K). **Cryo Pur's** contribution, associated with the operation and maintenance contracts for the LBG and Bio-CO₂ production units in Ireland and Norway, was **€894K over the FY2023**, pending the establishment of new LBG and Bio-CO₂ production sites in Europe.

(iv) EBITDA and operating result

Thanks to continued growth in production volumes and a sustained energy price environment, EBITDA (before provisions) increased by 77% over this financial year and stood at **€26.7M** in 2023 (2022: €15.1M), with an EBITDA margin on 68% (2022⁴: 58%), already above the Group's margin targets set for year-end 2026.

In an inflationary environment, this solid performance was made possible by **the Group's continued cost control** with lower costs of goods and services despite the growing volume of activity, thereby accounting for **13% of FY2023 revenues (2022: 24%)**. **Administrative expenses** (excluding recognition of free-awarded shares in IFRS) amounted to **€6.7M** over

⁴ It should be noted that EBITDA is now presented before provisions. Historical EBITDA (after provisions) increased by 60% over this financial year and stood at **€26.1M** in 2023 (2022: €16.4M), with an **EBITDA margin on 67%** (2022: 62%)

the financial year (+16%), due to developments inherent in the redeployment of Cryo Pur (of which the cost structure of €2.4M, under rationalisation, contributes fully to this financial year) and to FDE's growth, with in particular increased personnel and fees expenses.

It is worth noting that the valuation of the Research and Innovation Tax Credit for calendar year 2022 is included in the operating income for a total amount of €614K.

During the financial year, the Group recognised the abandonment of the Diebling well located in Lorraine (not necessary to development of the concession), for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well, thus impacting the Operating Profit. However, this increased from €14.3M in 2022 to **€16.1M** in 2023, i.e. a 13% growth year-on-year.

(v) Investments

During FY2023, FDE continued its investment policy, reinforcing its unique positioning through the deployment of local low-carbon energy solutions in France, with 2 new 1.5 MW cogeneration units at the Avion site (3 MW) and expenditure associated with the 4 additional cogeneration units to be installed during FY2024, for a total investment of roughly €3.9M during the fiscal year.

FDE also confirmed its development in photovoltaics with the commissioning in January 2023 of its 15 MW ground-based photovoltaic power plant in Tritteling-Redlach in Moselle, with more than €4.0M invested during FY2023.

(vi) Cash flow and financing

The Group's net cash position at 30 June 2023 was €43.0M, up by €19.0M vs 30 June 2022.

This substantial improvement was due to buoyant operational activity, boosted by additional financing raised to enable the Group to sustain an active investment policy over the period.

The Group's operating cash flow was positive for the year, with operating cash of **€21.8M**, (versus €7.9M in 2022, i.e. + €14.0M). This was positively impacted by rising production volumes, gas and electricity prices and good management of working capital requirements.

Cash flows from investment activities were negative at **€8.0M** (versus €-13.6M as at 30 June 2022). These investment flows confirm the Group's growth, particularly with the extension of the cogeneration portfolio in France, the 15-MW ground-mounted photovoltaic project at Tritteling and the development of Cryo Pur, particularly in Norway, even if the contribution this year remains low.

Cash flows from financing activities were positive by **€5.1M** compared to €22.9M last year, with the Group having carried out a share buyback programme for an amount of €3.2M, while benefiting from the €20M drawdown on the new green bond for the development of its low-carbon energy portfolio, subscribed by Edmond de Rothschild Asset Management (EDRAM) in September 2022 and the last €2.5M drawdown on the ING loan for Belgium.

In particular, the support from financial institutions will enable the development of biogas and its liquefaction into LBG and Bio-CO₂ to be accelerated, and proves the relevance of the FDE model based on energy solutions with strong environmental, economic and social

impacts in its territories, while allowing the Group to limit the use of its own funds and **maintain a low cost of capital**, particularly in a context of rising interest rates.

The Group's debt remained low with a net debt to equity ratio of **34% at the end of June 2023** (down from 50% at the end of June 2022) and a **Net Debt to EBITDA ratio of less than 1** - a conservative level that will enable the Group to finance its expansion with confidence.

EXTRA-FINANCIAL IMPACTS

Pursuant to Articles L 225-102-1 and L 22-10-36 of the French Commercial Code, this section presents the social, environmental and societal implications of the Group's activity.

In order to measure extra-financial impacts, FDE is guided by its fundamental values of excellence, trust, respect and accountability. These apply to all our operations and to each of the communities in which the Group operates.

Informed by its Code of Conduct and Business Ethics, FDE meets or exceeds the requirements of all applicable laws and standards in the communities where we operate, across all our activities in each region of France and Belgium. In doing so, FDE is committed to being transparent and respectful towards all its stakeholders, including (investors, employees, partners, suppliers and communities, etc.).

As a reminder, extra-financial aspects are mainstreamed in all dimensions of our group and reflected in the following core areas:

- **Governance and ethics:** FDE demonstrates robust and constantly evolving corporate governance with leadership that exemplifies the highest standards of ethics and integrity, as well as a firm commitment to the responsible development of our portfolio of short circuit renewable energy generation assets, as close as possible to the actual needs of the territories concerned. Our leadership model effectively mainstreams ethical, fiscal, environmental and social considerations into all aspects of our Group, resulting in operational excellence and the protection of our human, natural, financial, operational, intellectual and reputational capital.
- **Human capital:** FDE's commitment to people is rooted in our core values: the Group values and cares for our employees, and believes that every employee and partner deserves to be treated with dignity and respect. FDE recognises the principles of the Universal Declaration of Human Rights and have established policies to uphold these principles in our day-to-day operations, including creating a fair and equal workplace. The Group encourages its employees to give their very best, and value teamwork, collaboration, dialogue and innovation that combine to create a healthy workplace and added value for the company.
- **Health, safety and environment (HSE):** FDE is committed to conducting its business in a way that protects the health and safety of its employees, contractors and the public while minimising its environmental impact and footprint. Its HSE culture is recognised as an exemplary model by its industry and stakeholders. Each company stakeholder is responsible for the proper application of the HSE policy and is actively involved in the continuous improvement of HSE performance.
- **Communities:** FDE strives to support the communities in which the company operates using a shared value model. We are keen on developing business and employment opportunities, building positive relationships and contributing to meaningful and mutually-beneficial partnerships that empower the community and boost our business capacity.

Its short circuit approach and the maximisation of all the positive impacts associated with our projects encourages local investment and contributes to enhance quality of life of our communities by improving social, economic, environmental and cultural aspects.

The quality of the Group's extra-financial performance is illustrated by its ESG ranking obtained specifically with its **Gaïa Research** rating where FDE maintains its leadership among energy sector SMEs by improving its rating for the 6th consecutive year.

The Group is also the **only energy producer with a negative carbon footprint in France and Belgium** due to the methane emissions FDE captures in order to avoid their release into the atmosphere.

Abandoned mine methane accumulates in old coal mine galleries and rises to the surface through old mine shafts, before escaping into the atmosphere if it is not captured. This gas is mainly composed of methane, a gas with a **Global Warming Potential (GWP) 82.5 times greater than CO₂ over 20 years** according to the **latest IPCC assessment report (AR6) published in 2021**.

To date, the Group is the largest contributor to the effort to reduce the carbon footprint in the Hauts-de-France region, by **the CO₂eq emissions avoided yearly** at its various abandoned mine methane sort-circuit capture and valorisation sites.

In Belgium, abandoned mine methane capture and exploitation in the form of electricity and, eventually heat, using five cogeneration plants with a total installed capacity of 7.5 MW, allows to avoid the emission of **808,000 tonnes de CO₂eq yearly**, according to the full impact assessment conducted by **Université Polytechnique de Mons (UMONS) in 2022**. This is equivalent to CO₂ emissions by a city of 100,000 inhabitants, i.e. equivalent to 2.7 % of the Wallonia Region's population⁵.

Also using the IPCC's updated 20-year baseline (AR6) ⁶, the Group's abandoned mine methane capture and recovery activity will help to avoid **more than 3.5 million tonnes of CO₂eq** during FY2023, with **a target of 10 million tonnes of CO₂eq avoided per year by 2026**, thereby confirming FDE's pre-eminent role in Europe's ecological transition.

Heat production from the Creutzwald solar thermal power plant also enables FDE to reduce the carbon footprint of this territory by 560 tonnes per year.

Additionally, as part of its **Green Bond Framework**, FDE confirmed the allocation on 30 June 2023 of 78% of the proceeds of its green bond to eligible green assets, including 47% to the development of its abandoned mine methane cogeneration business, 21% to the development of its photovoltaic business in France, and 10% to the development of its LBG business. As at 30 June 2023, 22% remained available to finance the group's development in green assets.

European Taxonomy

The Taxonomy Regulation (EU) 2020/852 (the "Regulation") establishes a common classification system within the European Union which aims to identify economic activities that are considered sustainable, by reference to six environmental objectives. These six

⁵ Source: World Bank 2018

⁶ Source: FDE, based on the updated 2019 INERIS certification with a GWP of 82.5 and including the Béthune and Avion 7 facilities

environmental objectives specified in Article 9 of the Regulation are as follows:

- mitigation of climate change;
- adaptation to climate change;
- sustainable use and protection of aquatic and marine resources;
- transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

For the purposes of Article 3 of the Regulation, an economic activity is considered environmentally sustainable if it:

- substantially contributes to one or more of the environmental objectives set out in Article 9,
- does not cause material harm to any of the environmental objectives set out in Article 9,
- is operated in compliance with the minimum guarantees provided for in Article 18 of the Regulations; and
- complies with the technical examination criteria established by the Commission

Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing the Regulation specifies the following definitions:

- a taxonomy-eligible economic activity (“Eligible Activity”) is an economic activity described in Delegated Regulation (EU) 2021/2139 of 4 June 2021, whether or not it meets all or part of the technical examination criteria set out in that Delegated Regulation;
- a non-taxonomy-eligible economic activity is an economic activity that is not described in Delegated Regulation (EU) 2021/2139 of 4 June 2021;
- a taxonomy-aligned economic activity (“Aligned Activity”) is an economic activity that meets the requirements set out in Article 3 of the Regulation.

The following Group activities are specifically listed in the European Green Taxonomy and are therefore eligible under the first objective “Climate Change Mitigation”:

- Photovoltaic plant;
- Solar thermal power plant;
- Processing and liquefaction of LBG and Bio-CO₂;
- Blue/turquoise hydrogen production;
- And CO₂ sequestration.

The following activities are not listed in the first version of the European Green Taxonomy but qualify taking into account their environmental benefits:

- Fatal gas capture (abandoned mine gas);
- Natural hydrogen;
- Gas, present in coals, recovered and recycled in short circuits;
- CO₂ capture.

3.1.3 Significant events during the financial year

KEY HIGHLIGHTS OF THE YEAR

OPERATIONAL PROJECTS



Commissioning of two new cogeneration units at the Avion 7 site

In order to pursue its development plan, which will culminate in 100 MW of electrical capacity installed by 2026, to valorize mine gas in five regions of Europe, FDE **brought into operation two additional cogeneration units in July 2022**, thereby raising the Avion site's installed capacity from 3 MW to 6 MW.

This increased production capacity is taking place in a particularly favourable electricity price environment. The electricity from these units is valorized under a **3-year PPA (Power Purchase Agreement)**, and the Group has secured **prices for FY 2024 of more than €300/MWH for a large proportion of its production** from its two cogeneration plants at Avion, thereby enabling it to optimize the value of the revenues associated with these facilities with predictable cash flows.



Installation of the first 15 MW ground-mounted photovoltaic project in Tritteling-Redlach

In October 2020, FDE was awarded a **14.92 MWc** photovoltaic power plant project in the latest call for solar tenders issued by the French Energy Regulatory Commission (CRE).

This plant is located in the Grand-Est region, on the site of a former landfill in Tritteling-Redlach, and was **commissioned in January 2023**.

Over a 25-year period, this site will produce 16 GWh per year to supply green energy, representing the equivalent of more than 7,000 people or nearly **30% of the population of the metropolitan community (District Urbain de Faulquemont)**. Initially, the project will benefit from attractive market price conditions for 18 months, with no price cap.

The implementation of this project confirms FDE's expertise in energy solutions that enhance the territory and marks a key milestone for the Group in the deployment of its solar strategy, which will eventually have 100 MW installed by 2026.



Incorporation of Cryo Pur Norge and Biogy Solutions, new Norwegian subsidiaries of Cryo Pur in order to develop production sites for LBG and Bio-CO₂ in Scandinavia

During the financial year, FDE announced the incorporation of Cryo Pur Norge, a Norwegian subsidiary 100% owned by Cryo Pur, thus strengthening the Group's positioning in Scandinavia on energy production solutions focused on biogas purification and liquefaction, and integrated carbon capture and storage solutions.

This development follows the inauguration in 2022 May of Renevo's new LBG plant in Stord, west Norway by Norwegian Prime Minister Jonas Gahr Støre. The plant uses Cryo

Pur technology and is the first of its kind in Scandinavia. Indeed, the Stord plant is the largest commercial renewable biogas plant in western Norway and **produces the equivalent consumption of 4,000 households per year**. The plant can supply the region with renewable fuel, LBG as well as valuable organic fertiliser for the agricultural sector. The CO₂ captured in the process, the first of its kind in Norway for this type of facility, will be used in the aquaculture and food industries, thereby increasing the plant's overall value creation.

Building on this initial success, Cryo Pur Norge AS is actively working on the development of 6 new LBG and Bio-CO₂ production projects in Norway, with construction to start by the end of 2024.



Natural hydrogen discovered in the Lorraine mining basin

FDE discovered high **concentrations of natural hydrogen (known as “white or native hydrogen”)** in one of the wells previously drilled by FDE. As part of the Regalor research project, carried out in collaboration with the University of Lorraine and the CNRS, an innovative programme of measurements deployed on the Folschviller well has made it possible to quantify significant **levels of dissolved hydrogen** in the Carbonifere aquifer at varying depths.

FDE has thus submitted an application for the granting of an exclusive mine research permit known as **the “Permis des Trois-Évêques”** for the exploration of natural hydrogen (H₂) in the Lorraine mining basin. The licence application submitted covers an area of 2,254 km² in the Moselle and Meurthe-et-Moselle departments. In this context, FDE already plans to carry out new hydrogen concentration measurements in three existing wells in order to enrich studies on the mechanisms of formation, transfer and production of white hydrogen in the Lorraine geological context. A **pilot site will then be identified to initiate local production and recovery of natural hydrogen in the Grand-Est region**.

This permit for the exploration of natural hydrogen is therefore part of the Group's development strategy in the **H₂ ecosystem of the Greater Region (Grand-Est, Wallonia, Luxembourg, Saarland and Rhineland-Palatinate)** in order to provide **local production of ecologically and economically competitive energy** to the inhabitants, industrialists and communities of these territories, which are major energy consumers. This project will also benefit from the **future commissioning of MosaHYc** supported by GRTgaz and CREOS, which will enable the transport of H₂ via a 100% hydrogen cross-border pipeline.

FINANCINGS

Issuance of a new €20M green bond

In September 2022, acting through its subsidiary LFDE International, FDE issued a new €20M green bond tranche for the development of its low-carbon energy solutions in Europe. This financing is provided by Edmond de Rothschild Asset Management (EDRAM), one of Europe's leading energy and infrastructure investment funds.

This green bond will finance the Group's portfolio of existing energy solutions, and more specifically the **future LBG and Bio-CO₂ projects** currently operated by its subsidiary Cryo Pur.

This financing represents the second tranche of the financing contracted in September 2021 with BRIDGE, EDRAM's infrastructure debt platform. This "green bond" has been assessed in light of the International Capital Market Association (ICMA) Green Bond Principles via an opinion from Ethifinance, a recognised independent expert.

The bond's a seven-year maturity enables FDE to secure the financial resources required to fast-track its development strategy and achieve its objectives for FY2026, at an initial rate of 6%, to be reduced to 5.5% when the borrowing group achieves a €25M EBITDA. This pricing, closed in soaring interest rates environment, confirms **FDE's low credit risk profile and expertise in building and operating world-class low-carbon energy production assets.**

Closure of ING Financing for Anderlues phase 2

A financing contract was signed on 26 July 2021 between ING Lease and Gazonor Benelux, covering the refinancing of the two cogeneration plants in Anderlues the implementation of a new financial leasing to cover the investment needs of the three new cogeneration plants in Phase 2 of Anderlues. The entire loan, i.e. €8.4M, was drawn on the financial year-end date.

Launch of a share buyback programme

In January 2023, FDE announced the launch of a share buyback programme for a **maximum amount of €50M** pursuant to the authorisation granted by FDE's general meeting of shareholders on 30 November 2022. FDE may not hold more than 10% of the shares in its capital.

The Group's investments in its energy activities in recent years have yielded substantial recurring cash flows and strengthened its balance sheet. In the opinion of FDE's board and management, **the current market capitalisation is considerably below the value of the portfolio of profitable, low-carbon energy solutions developed by the group.** In this context, share buybacks are expected to increase the intrinsic value of FDE shares, to the benefit of existing shareholders.

The **Group's current balance sheet structure and ongoing cash generation are more than sufficient to achieve the projected development plan for FY2026** and FDE will ensure that any share buybacks do not reduce the consolidated cash and cash equivalents position below €15M.

On 24 March 2023, FDE redeemed 51,282 of its shares. This redemption was carried out over-the-counter for a value of €2M, with the price of the redeemed shares set at €39. Compared to the average closing price of the security over the 20 trading days preceding 24 March 2023 (i.e. a price of €40.2), the price per share in the context of the share redemption implies a discount of 2.97%.

On 8 May 2023, FDE redeemed 32,718 of its shares. This redemption was carried out over-the-counter and represents an envelope of €1.15M, with the price of the redeemed shares being set at €35.15. Compared to the average closing price of the security over the 20 trading days preceding 8 May 2023 (i.e. a price of €36.94), the price per share in the context of the share redemption implies a discount of 4.85%.

At the end of this transaction, **FDE thus holds 1.62% of its capital** (excluding own shares held under its liquidity contract).

3.1.4 Significant events since the end of the fiscal year

FDE and the HECO2 consortium dedicated to clean hydrogen production by Plasmalyse Hybride, selected by the Walloon government

The **HECO2** consortium - **PLASMALYSE HYBRIDE** of which FDE is a member, via its subsidiary Gazonor Benelux – has been selected by the Walloon government to promote the use of decarbonised hydrogen in the region's energy mix by 2050.

This consortium is made up of several leading Belgian and international industrial and research stakeholders: AGC Glass Europe, GATE2, EDF Luminus, Vanheede Environment Group, the Polytechnical University of Mons (UMONS) and the Materia Nova research centre.

HECO2 is a project aimed at the construction of a clean hydrogen production pilot by Plasmalyse Hybride. This patented technology converts various methane sources into clean hydrogen and into solid, renewable forms of carbon (carbon black, graphite, graphene) without emitting CO₂ into the atmosphere.

The ultimate goal is to build a 15,000 tonne hydrogen and 45,000 tonne solid carbon material plant at the end of the project, with particular focus on reducing the plant's direct CO₂ emissions.

3.2 PRESENTATION OF THE COMPANY'S FINANCIAL STATEMENTS

FDE's annual financial statements for the financial year ending 30 June 2023 were prepared in accordance with the rules of presentation and valuation methods, in compliance with the regulation of the French Accounting Standards Authority (*Autorité des Normes Comptables*) No. 2014-03 of 5 June 2014 on the General Accounting Plan, as well as with subsequent regulations amending certain articles thereof. These rules and methods are identical to those of the previous financial year ended 30 June 2022.

The Company's annual financial statements accounts for the financial year ended 30 June 2023, including the balance sheet, income statement and notes, are included in Section 8.1 of this report.

3.2.1 Income statement

Year ended 30 June 2023	30 June 2023	30 June 2022
	€	€
Turnover		
Production in stock / fixed assets	188,401	-85,991
Reversals of depreciation and provisions, expense transfers	302,078	14,143
Other income	2,178,418	1,525,658
Total operating income	2,668,897	1,453,809
Costs of goods and services sold	-1,702,317	-1,833,443
Taxes, duties and similar levies	-16,973	-19,894
Salaries and benefits	-898,910	-735,859
Social security costs	-241,313	-579,050
Allowances for depreciation and others	-20,572	-2,561
Provision allowances	0	-623,825
Other expenses	-54,391	-50,619
Total operating expenses	-2,934,475	-3,845,252
Operating result	-265,578	-2,391,443
Reversals of provisions and expense transfers	0	10,436
Other financial income	69,804	17,074
Financial allowances for depreciation and provisions	-122,589	-150,000
Other financial expenses	-416,010	-143,505
Financial result	-468,795	-265,996
Exceptional income	106,625	532,511
Exceptional expenses	-7,153,377	-133,323
Extraordinary result	-7,046,752	399,188
Income tax	2,795,087	2,018,836
Net income	-4,986,038	-239,414

(i) Operating income

During the year ended 30 June 2023, the Company recognised other income of €2.2M vs €1.5M during the previous year. As in 2022, these mostly involved central and operational services charged back to the operating subsidiaries (particularly Gazonor, Gazonor Bénélux, EG NPC, Gazonor Béthune, FalkenSun and Cryo Pur), mainly associated with personnel and structural costs incurred by FDE on behalf of its subsidiaries, as well as development services charged to some of its subsidiaries in connection with their new projects. The invoiced development services represent €1.3M as at 30 June 2023 compared to €1M as at 30 June 2022

(ii) Operating expenses

Other external purchases and expenses fell during the financial year with an optimisation of banking fees and other fees necessary for the Group's development and growth, and in

particular the acquisition of Cryo Pur in 2022. The Company's personnel expenses amounted to €1.1M over FY2023 (€1.3M in 2022).

(iii) Financial result

For the financial year ended 30 June 2023, the financial result mainly consists of the interest expense on current account advances with respect to its subsidiaries, as well as the impairment of current accounts of two subsidiaries.

(iv) Extraordinary result

As at 30 June 2023, the exceptional result mainly includes the abandonment of the Diebling well located in Lorraine, for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well.

(v) Income tax

FDE recognised net tax income of €2.8M for the entire tax group. As of 30 June 2023, the Company had unused tax losses carried forward from the Group amounting to €3.8M.

The Research Tax Credit for calendar year 2022 recognised in the 2023 accounts amounted to €240K.

3.2.2 Balance sheet

At 30 June 2023	Gross 30 June 2023	Depreciation, provisions	Net 30 June 2023	Net 30 June 2022
	€	€	€	€
Concessions, patents and similar rights	76,306	43,774	32,533	1,685
Other intangible assets	37,234,856	755,704	36,479,153	43,541,275
Technical facilities and industrial equipment	35,892	20,256	15,636	16,237
Other tangible assets	45,016	29,225	15,791	13,976
Assets under construction	68,177		68,177	57,537
Other investments	5,159,847	1,018,544	4,141,303	4,141,303
Receivables related to participating interests	17,951,038		17,951,038	17,951,038
Other long-term securities	3,209,100		3,209,100	60,069
Other financial assets	4,552		4,552	12,052
Fixed assets	63,784,785	1,867,503	61,917,282	65,795,172
Stocks	249,193		249,193	60,792
Trade receivables and related accounts	1,987,766	746,414	1,241,352	816,728
Other receivables	6,587,904		6,587,904	4,678,857
Cash and cash equivalents	207,907		207,907	218,683
Current assets	9,032,769	746,414	8,286,356	5,775,059
Prepaid expenses	79,659		79,659	25,234
Total Assets	72,897,213	2,613,917	70,283,297	71,595,466

(i) Fixed assets

Fixed assets amounted to €61.9M, with in particular the shares buy-back program for €3.2M, which more than offset by the abandonment of the Diebling well.

Other intangible assets comprise all costs incurred for the prospecting and exploration drilling phases in Lorraine, and amounted to €36.5M as at 30 June 2023, with the effect of the abandonment of the Diebling well for €6.6M.

(ii) Current assets

Trade receivables at 30 June 2023 comprised gross receivables of €945K, an impairment of €749K and invoices to be issued to its subsidiaries for services charged back amounting to €1M.

Other receivables mainly include the Research Tax Credit, the tax consolidation receivable related to the tax due by subsidiaries, recoverable VAT receivables as well as receivables related to Group current accounts (with current accounts in credit recorded as liabilities).

(iii) Cash and cash equivalents

Cash assets reached €208K as at 30 June 2023, stabilising compared to €219K as at 30 June 2022.

At 30 June 2023	30 June 2023	30 June 2022
	€	€
Share capital	5,182,604	5,172,813
Issue premiums	44,052,241	44,062,032
Legal reserve	105,762	105,762
Other reserves	72,142	72,142
Carry forward	-1,169,627	-930,214
Financial year result	-4,986,038	-239,414
Investment grant	250,000	250,000
Shareholders equity	43,507,084	48,493,121
Provisions for charges	1,245,624	1,644,792
Provisions for risks and charges	1,245,624	1,644,792
Borrowings and other financial debts	21,541,661	16,815,443
Trade payables and related accounts	1,132,018	992,406
Tax and social security debts	1,367,878	1,871,948
Debts on fixed assets and related accounts	1,426,677	1,476,733
Other debts	2,355	256,021
Advances and prepayments on orders	60,000	45,000
Debts	25,530,588	21,457,552
Translation adjustment liabilities		
Total liabilities	70,283,297	71,595,466

(iv) Shareholders' equity

As of 30 June 2023, FDE's share capital stood at €5,183K, broken down into 5,182,604 ordinary shares with a par value of €1.00 each, all fully paid up.

During the year, 9,791 new shares were issued following the final allocation of free-awarded shares to beneficiaries of the fifth plan implemented in 2020. This capital increase was made by incorporating share premiums, following confirmation by the Chairman on 02 September 2022 that free-awarded shares had ultimately been awarded to their rightful beneficiaries.

Apart from the loss to be carried over and the recognition for the period, loss being carried over and the recognition of the profits for the period, no other changes impacted equity during the year ended 30 June 2023.

(v) Provisions

Provisions comprised €1.2M in provisions for restoration, down by €0.4M due to the annual accretion expense and changes in discount rate assumptions for FY2023. The sites concerned are still Folschviller, Tritteling, Lachambre and Pontpierre.

(vi) Debts

Borrowings and other financial debts grew from €16.8M at 30 June 2022 to €21.5M at 30 June 2023, comprising Gazonor, EG NPC and LFDE International current accounts.

3.3 PRESENTATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

The Group's consolidated financial statements for the year ended 30 June 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, adopted by the European Union and applicable at the balance sheet date of 30 June 2023.

The Group's consolidated financial statements for the year ended 30 June 2023 are set out in Section 9.1 of this report.

3.3.1 Consolidated Income Statement

Year ended 30 June 2023	30 June 2023	30 June 2022
	€	€
Turnover	39,226,787	26,220,447
Other operating income	1,048,358	460,922
Cost of goods and services sold	-5,208,204	-6,342,743
Other administrative and operating expenses	-8,449,812	-6,385,880
Other income/(expenses)	37,201	1,143,251
EBITDA	26,654,330	15,095,997
Net provisions	-541,463	1,268,866
Depreciation and amortisation	-3,126,013	-2,110,102
Current operating income	22,986,854	14,254,761
Other non-current income and expenses	-6,854,304	0
Operating income	16,132,550	14,254,761
Financial income	345,994	2,336
Gross financial debt cost	-1,983,508	-4,388,584
Other financial expenses	-119,459	-182,956
Pre-tax earnings	14,375,577	9,685,556
Current and deferred taxes	-2,545,320	-2,486,572
Net income	11,830,256	7,198,984

(i) Turnover / other operating income

Up sharply compared to the year ended 30 June 2022, revenues comprised €12.3M in gas sales, €25.6M in electricity sales (including €11M in Belgium), €0.5M in heat sales, and €0.9M in Cryo Pur revenues.

As recalled in section 3.1 of this report, this strong increase in revenues was mainly driven by an improvement in the volumes of electricity sold (with the commissioning of two additional cogeneration plants in the Hauts-de-France region in July 2022 and the 15 MW photovoltaic park in the Grand-Est region in January 2023); as well as by the increase in gas and electricity prices.

Other operating income stood at €1.0M on 30 June 2023 and mainly relates to the valuation of the Research Tax Credit declaration for the 2022 calendar year for an amount of €614K and rebilling of services linked to certain projects carried out during the year.

(ii) Operating expenses

The bulk of the Group's operating expenses are related to energy, electricity and natural gas costs, totalling €1.4M as of 30 June 2023 (FY2022: €2.6M), as well as maintenance expenses of €1.7M (2021: €1.4M). The drop in the costs of goods and services sold from €6.3 M to €5.2 M is mainly due to the drop in costs associated with the purchase of electricity (-45%).

Operating expenses also included personnel costs totalling €5.0M in 2023 vs €3.6M in the previous year. This increase is explained by the recognition of free-awarded shares according to IFRS 2, for an amount of €1.8M this year, due to the fifth, sixth and seventh plans (2022: €633K).

Depreciation and impairment for this financial year ended 30 June 2023 are increasing and mainly reflect the abandonment of the Diebling well located in Lorraine, for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well, thus impacting the Operating Profit, which nevertheless went up at €16.1M (2022: €14.3M).

(iii) Financial result

The Group's cost of debt amounts to €2.0M and consists mainly of interest expenses and commissions on the Group's financings. Despite the issue of the new green bond contracted with EDRAM, the FY2023 financial charges recorded a drop of -€2.4M, following the resumption of the non-conversion premium for the CAP3-RI loan greater than the amount actually repaid in 2023.

(iv) Current and deferred taxes

The current tax charge was €4.2M at 30 June 2023, composed of €2M in tax payable with respect to the French tax consolidation group headed by FDE, €2.2M of tax payable in Belgium and €5K for an annual contribution in Luxembourg. Taking into account a change in deferred taxes of +€1.6M, in particular linked to deferred-tax recognised on previous deficits of the subsidiary LFDE International (Luxembourg), the consolidated tax expense comes out at €2.5M, stable compared to the previous financial year.

3.3.2 Consolidated Balance Sheet

Year ended 30 June 2023	30 June 2023	30 June 2022
	€	€
ASSETS		
Goodwill	4,574,012	5,758,856
Exploration assets	38,917,911	45,996,551
Other intangible assets	759,784	3,546
Proven mining rights	23,976,139	24,261,443
Other tangible assets	38,188,233	29,033,205
Non-current financial assets	1,810,432	1,818,714
Deferred tax assets	3,789,463	1,667,469
Non-current assets	112,015,974	108,539,784
Stocks	411,044	563,433
Trade receivables and related accounts	5,279,234	8,762,185
Other current assets	2,253,400	4,361,505
Prepaid and deferred expenses	242,275	261,646
Cash and cash equivalents	42,965,614	23,985,203
Current assets	51,151,567	37,933,971
Total Assets	163,167,541	146,473,756

(i) Non-current assets

Excluding the change in exploration assets already commented on in the FDE parent company accounts, other tangible fixed assets increased by 32%, following investments made at Anderlues 2, Avion 7 and Tritteling.

The positive goodwill recognised at 30 June 2023 mainly reflects the acquisition of Cryo Pur and, to a lesser extent, Greenhill (see note 3.1 to the consolidated financial statements), after allocation of a portion to goodwill (patents and differed-tax) during 2023.

Mining rights are made up of €24.0M in net value of reserves at the Hauts-de-France sites (valuation based on allocation of Gazonor acquisition price by FDE) and counterpart asset in provisions for restoration works at the Anderlues facility.

(ii) Current assets

The trade receivables balance at 30 June 2023 was made up of pending payments from EDF Luminus and invoices for the month of June 2023 issued to the customers Axpo, EDF Obligations d'Achats, EDF Luminus, Dalkia, GazelEnergie, Save, etc.

Other current assets mainly comprised deductible VAT receivables and social security and tax receivables.

Explanations of changes in net cash are provided in section 3.3.3 of this report.

Year ended 30 June 2023		30 June 2023	30 June 2022
		€	€
EQUITY CAPITAL AND LIABILITIES			
Capital	3.10	5,182,604	5,172,813
Premiums	3.10	56,552,241	65,519,886
Other reserves		212,221	-14,707,621
Net earnings, group share		11,973,094	7,314,163
Other equity capital items		30,866	25,853
Equity capital - group share		73,951,027	63,325,093
Non-controlling interests		-276,005	-232,168
Equity capital of the consolidated group		73,675,022	63,092,925
Non-current financial debt	3.12	59,580,836	48,861,166
Non-current provisions		2,496,800	3,183,758
Provisions for pension liabilities		57,586	63,709
Deferred tax liabilities	2.7	6,670,497	6,427,840
Other non-current liabilities		1,244,595	1,563,750
Non-current liabilities		70,050,313	60,100,223
Current financial debt	3.12	8,527,884	6,910,409
Current provisions	3.14	685,970	283,576
Trade payables and related accounts	3.13	507,176	4,386,301
Fixed assets suppliers	3.13	5,733,056	3,980,142
Other current liabilities	3.13	3,988,119	7,720,179
Current liabilities		19,442,205	23,280,608
Total equity capital and liabilities		163,167,540	146,473,756

(iii) Equity

Excluding net profit for the year, the change in consolidated equity stemmed in particular from neutralisation of the expense for the three current free-awarded share plans, totalling €1.8M and recognised in the year ended 30 June 2023 (vs €633K in the previous year), and from the redemption of treasury shares for €3.2M.

(iv) Non-current liabilities

Non-current liabilities due in more than one year mainly comprised financial debts of €59.6M, an increase of €10.7M following the issue of a €20M green bond by LFDE International, and new loans secured to finance the Group's developments, in particular Anderlues 2.

Non-current provisions reflect provisions for restoration works in Lorraine, Hauts-de-France and Belgium amounting to €2.5M.

(v) Current liabilities

Current financial debt mainly comprises the current portion of loans from Group subsidiaries for €8.5M.

Supplier debts fell at Group level, by almost €3.9M, due in particular to the renegotiation of Cryo Pur's liabilities.

3.3.3 Consolidated Cash Flows

Year ended 30 June 2023	notes	30 June 2023	30 June 2022
		€	€
Operating activities			
Net earnings of the consolidated group		11,830,256	7,198,984
Current and deferred tax expense	2.6	2,545,320	2,486,572
Net depreciation and impairment of tangible and intangible assets		9,980,316	2,110,102
Net provisions		541,463	-1,268,866
Gain/loss on asset disposals		104,495	
Changes in operating working capital	4.1	-880,392	-8,206,836
Changes in working capital - other assets and liabilities	4.1	-1,314,523	308,114
Share-based payment expense		1,760,875	632,784
Gross financial debt cost	2.5	1,983,508	4,388,584
Paid tax		-5,107,658	-4,815
Other non-monetary items		400,634	268,307
OPERATING CASH FLOW		21,844,295	7,912,930
Investment activities			
Capitalised exploration costs	3.1	-244,312	-309,475
Tangible and intangible investments	3.3	-10,008,341	-11,183,137
Proceeds from disposal of tangible and intangible assets	3.3	24,996	43,406
Change in payables on fixed assets		1,752,914	-875,866
Grants received on investment activities	3.3	471,161	578,747
Acquisition/disposal of financial assets	3.8	53,372	225,461
Acquisition of shareholding net of cash		0	-2,117,548
CASH FLOW FROM INVESTING ACTIVITIES		-7,950,210	-13,638,412
Financing activities			
Capital contribution to subsidiaries		138,016	
Redemption of own shares		-3,150,000	
Issuance of loans and financial debts (excluding expenses)	3.8	22,455,870	31,132,381
Repayment of loans and financial debts	3.8	-9,221,061	-7,384,583
Other financial debts	3.8	-2,265,900	1,840,303
Cost of net debt: interest paid		-2,630,598	-1,931,116
Fees paid on borrowings		-240,000	-786,250
CASH FLOW FROM FINANCING ACTIVITIES		5,086,326	22,870,735
NET CHANGE IN CASH AND CASH EQUIVALENTS		18,980,411	17,145,253
Net cash and cash equivalents at the beginning of the year		23,985,203	6,839,950
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		42,965,614	23,985,203

Cash flows from operating activities were positively impacted by the development of the Group's activities and increased production volumes, as well as robust gas and electricity prices in Belgium.

The Group's net cash position at 30 June 2023 was €43.0M, soaring by €19.0M vs 30 June

2022. This favourable development is reinforced by financing flows of €5.1M, as the Group has contracted new loans, including a second tranche of green bond debt, while continuing its investments during the year, in particular in cogeneration and photovoltaics.

3.4 OUTLOOK

The Group confirms its objective of sustained growth with the development in abandoned mine methane capture and exploitation in short circuits, expansion of its solar-related operations and development of new LBG and Bio-CO₂ projects in France and internationally. The production of natural, blue or turquoise hydrogen as well as CO₂ storage operations are also relevant growth segments for the Group.

FDE continues to develop its strategy based on the implementation of energy solutions in order to produce and exploit low carbon footprint energy in short circuits and contribute to the reduction of the carbon footprint of the territories where it operates.

Building on the Group's positioning developed over more than a decade as a low-carbon local energy producer, **the targets for FY2026** are anchored around three key indicators:

- An enhanced environmental contribution with more than **10 million tonnes of CO₂eq emissions** avoided per year, supported by its abandoned mine methane capture operations, thereby preventing an otherwise unavoidable pollution;
- Strong growth to achieve **annual revenues in excess of €100M**; and
- Continued improvement in profitability with **EBITDA exceeding €50M**.



Cogeneration (gas, electricity and heat)

The additional cogeneration units to be built under the development plan to achieve **100 MW by the end of FY2026** will mainly be deployed at new sites in France and Belgium, and ultimately in five regions.

FDE is continuing its organic growth with the implementation of new low-carbon local energy solutions over the coming months, and the installation of **4 additional cogeneration plants during FY2024**. The Group has therefore begun construction work on its new site in the municipality of Angres (62): the pit in Fosse 6 – 6bis de Liévin (or Transvaal pit) will be the first of the 6 new sites that will be put into service in the coming months, once the final administrative authorisations from the French State have been obtained.

At the same time, the Group continues to optimize operational and financial aspects, including the optimisation of sales contracts at attractive price levels for existing installations. PPA-type contracts representing more than 70% of the French and Belgian portfolio, and to date more than 60% is set at more than €178/MWH for the remainder of FY2024.



Solar (thermal and photovoltaic)

During the financial year, FDE also brought into operation its first photovoltaic plant with an installed capacity of 15 MW, which will contribute positively to the 2024 result. The Group also aims to develop **100 MW of ground-based solar farms by the end of FY2026** in the

heart of its business areas, in order to provide local consumers with low-carbon energy produced in short circuits. FDE has already secured the necessary land in the Grand-Est and Hauts-de-France regions, as well as Belgium, and the first constructions are expected by 2024.



LBG and Bio-CO₂

Contracts for new projects in Europe with Cryo Pur's technology are being finalised as the Group rolls out its industrial optimisation and standardisation strategy to meet the growing demand for LBG and Bio-CO₂.

FDE's industrial optimisation and project management expertise will allow for an efficient deployment of the patented technologies developed by this subsidiary by applying the operator model successfully developed by FDE for abandoned mine methane and solar operations in France and Belgium.

FDE, through its new Norwegian subsidiary, Cryo Pur Norge AS, is thus actively working on the development of 6 new LBG and bio-CO₂ production projects in Norway. Land acquisition, securing of inputs and engineering of the facilities are ongoing in order to be able to start the first constructions in 2024.

The Group anticipates that the revenues from these projects will be a major additional growth area for FDE in the medium term.



Lorraine's gas and hydrogen

The inclusion of gas as a transition energy in the European taxonomy confirms the positioning of gas as a key primary energy to tackle the challenges of the ecological transition in Europe. As exclusive owner of the largest gas resources in continental Europe in Lorraine, the Group would be able to supply local gas to households and industry in the region under the highest standards from an environmental perspective, with a carbon footprint ten times smaller than that of gas consumed in France ⁷, thereby also further securing the region's supply. As a reminder, Lorraine's certified reserves amount to **6.7 billion m³ of gas** (1P, 2P and 3P). Meanwhile, the net asset value⁸ of Lorraine's gas was estimated at €318M in January 2022.

Pending the awarding of the Bleue Lorraine concession, the Group is continuing to make progress on the technical aspects of the two strategic priorities involving hydrogen and CO₂ storage.

FDE is developing the production of hydrogen by methane pyrolysis, particularly via a large-scale industrial consortium which will lead to the development of a decarbonised hydrogen production pilot project ahead of possible industrial development.

⁷ Study by the Institut für Energie und Umweltforschung in Heidelberg (Baden-Württemberg, Germany) in 2016

⁸ The net present value (NPV) represents the cash flows discounted at 10% over the duration of the concession integrating revenues with an average gas sale price of €28.08/MWh (source EEX - PEG Nord France 2030 - 12/01/22), investments, operating costs and annual fixed and variable expenses.

FDE is also continuing its development in natural hydrogen, with in particular the implementation by the end of 2023 of new concentration measurements of white or native hydrogen in three existing FDE wells in Lorraine in order to determine the extent of the deposit more precisely. These projects have already demonstrated the rich potential of the Lorraine basin for the recovery of this local energy with a reduced carbon footprint.

In relation to the storage of CO₂, after 6 years of work in partnership with the University of Lorraine and the CNRS, combined with support from the Region and the State (State-Region Pact), and investments of roughly €5M, the large CO₂ storage capacity has been demonstrated in the laboratory for the coal reservoirs in Lorraine. The water contained in the natural fractures of the rock has a basic pH that is highly favorable to the storage of important quantities of CO₂ in mineral form. Once dissolved, the CO₂ cannot migrate outside the coal seams, thus creating a particularly interesting opportunity for CO₂ storage, hence contributing to achieving carbon neutrality in this region, which is incidentally characterised by high significant emissions.

Additionally, the Group continues to prospect for **external growth operations** in order to consolidate its footprint as a key European player engaged in reducing greenhouse gas emissions from both industrial and private consumers.

4. CORPORATE GOVERNANCE

Preliminary comments

Pursuant to Order no. 2017-1162 of 12 July 2017 and Decree no. 2017-1174 of 18 July 2017, applicable to the financial year starting 1 January 2017, a report on corporate governance prepared by the Board of Directors has replaced the Chairman's report on internal control and risk management.

In public limited companies with a Board of Directors, the information required in this report may be presented in a specific section of the management report. This section covers all information required in the corporate governance report.

4.1 MIDDLENEXT CORPORATE GOVERNANCE CODE

Since its shares were listed on Euronext Paris, the Company has referred to the MiddleNext corporate governance code for mid-cap companies, as amended in September 2016 (the "MiddleNext Code").

4.2 NON-CONTROL OF THE COMPANY

To the best of the Company's knowledge as of 30 June 2023, none of the Company's shareholders directly or indirectly, alone or jointly, held control of the Company within the meaning of Articles L. 233.3 et seq. of the French Commercial Code.

4.3 SEGREGATION OF DUTIES OF CHAIRMAN AND MANAGING DIRECTOR

On 12 October 2020, the Board of Directors accepted a new development in the Group's governance, as proposed by its Chairman and Chief Executive Officer, Julien Moulin. Thus, the Group, which already has a Board of Directors composed mainly of independent, non-executive directors, has implemented the permanent segregation of duties of Chairman and Chief Executive Officer by appointing Antoine Forcinal as Chief Executive Officer.

This new governance will allow it to meet the most demanding governance criteria and best market practices.

The Rules of Procedure of the Board of Directors specify the respective powers of the Board of Directors, the Chairman, and the Chief Executive Officer.

As governance is a key factor of FDE's good management, the Board of Directors has identified an area to improve governance, namely, gender parity at the board level. The aim is to apply this practice by the end of the 2024 calendar year in order to enhance the company's governance.

4.4 PREPARING AND ORGANISING BOARD MEETINGS

4.4.1 Information and Board meetings

The Board of Directors has met five times during the financial year, specifically on the following dates: 1 July 2022, 2 September 2022 (Chairman's decision by delegation of the Board of Directors), 19 October 2022, 22 March 2023 and 12 May 2023.

The average annual attendance rate of the directors for meetings held during the financial year was 100%.

For each Director, the attendance rate is tabulated as follows:

DIRECTORS	ATTENDANCE RATE
Mr Julien Moulin	100%
Mr Antoine Forcinal	100%
Mr Alain Liger	100%
Mr Christophe Charlier	100%

4.4.2 Appointment and tenure of directors

Board members are appointed by the shareholders' meeting on the proposal of the Board, which in turn receives proposals from the Appointment and Remuneration Committee. Board members may be dismissed at any time by decision of the General Assembly.

Pursuant to the Middlednext Code and Article L.225-18 of the French Commercial Code, Article 12 of the Company's Articles of Association sets the terms of office of directors at six years. This duration is consistent with the specificities of the Company's activity, which call for advanced qualifications in the energy sector and hence for sustainable cooperation.

In order to balance the gender representation on the Board of Directors, the Appointment and Remuneration Committee is actively engaged in selecting and appointing female candidates for the Company's Board membership positions, as the issue of gender balance in Board membership is expected to be tabled during a forthcoming General Meeting.

4.5 COMPOSITION OF THE BOARD

At 30 June 2023, the membership of the Board of Directors stands as follows:

Full names (Date of birth and nationality)	Appointment date and term of office	Positions held in the Group	Other mandates and positions held outside the Group during the past five years
Administrateurs			
Mr Julien Moulin (Born 12 December 1977, French national)	<u>Appointment date:</u> 23 March 2016, reappointed on 30 November 2021 <u>Term of office:</u> Annual General Meeting to approve accounts for the year ending 30 June 2027.	<ul style="list-style-type: none"> – Chairman of the Company; – Chairman of EG Lorraine SAS; – Chairman of EG NPC SAS; – Chairman of Gazonor SAS; – Director of Gazonor Benelux SA; – LFDE-International SARL representative as Chairman of Gazonor Holding SAS; – Chairman of Gazonor Béthune SAS; – LFDE-International SARL permanent representative as Director of Greenhill SA; – Chairman of Cryo Pur SAS; – President of Cryo Pur Norge AS – Director of Biogy Solutions AS 	<ul style="list-style-type: none"> – Director of Nextgen Energy Limited (NEL); – Director of European Gas Limited (dissolved on 6 July 2021)
Mr Antoine Forcinal (Born 10 March 1982, French and Canadian national)	<u>Appointed as director,</u> General Meeting of 22 December 2017 <u>Term of office:</u> Annual General Meeting to approve accounts for the year ending 30 June 2023.	<ul style="list-style-type: none"> – CEO, Director of the Company; – Managing Director of Gazonor SAS; – Director of Gazonor Benelux; – Managing Director of Gazonor Holding; – Sole Manager of LFDE International SARL; – Managing Director of Concorde Energie Paris EURL; – Managing Director of Gazonor Béthune SAS; – Chairman of Cellcius SAS; – Chairman of FalkenSun SAS; – Director of Greenhill SA; – Managing Director of Cryo Pur SAS – Directeur Général de Cryo Pur Norge AS – Managing Director of Biogy Solutions AS 	

Full names (Date of birth and nationality)	Appointment date and term of office	Positions held in the Group	Other mandates and positions held outside the Group during the past five years
Independent Directors			
Mr Christophe Charlier (Born 24 April 1972, French national)	<u>Appointment date:</u> 23 March 2016, reappointed on 30 November 2021 <u>Term of office:</u> Annual General Meeting to approve accounts for the year ending 30 June 2027.	– Member of the Board of Directors and Chairman of the Audit and Accounts Committee	– Chairman of the Board of Directors of Pure Grass Films; – Director of Oxus Acquisition Corp; – Chairman of Renaissance Capital (until 2020) – Director of Barclays Center (until September 2019); – Director of the Brooklyn Nets (until April 2018);
Mr Alain Liger (Born 12 February 1951, French national)	<u>Appointment date:</u> 23 March 2016, reappointed on 30 November 2021 <u>Term of office:</u> Annual General Meeting to approve accounts for the year ending 30 June 2027.	– Member of the Board of Directors and Chairman of the Appointment and Remuneration Committee effective from 31 March 2022	– Managing Director of Tungstène du Narbonnais SAS (until 2020);
*Mr Julien Moulin has also been Chairman of the Company since November 2010 when it had the former corporate form of a simplified joint-stock company.			

4.6 DIVERSITY POLICY AND REPRESENTATION IN BOARD OF DIRECTORS

Article L.225-17 paragraph 2 of the French Commercial Code and Law no. 2019-486 (“*Plan d’Action pour la Croissance et la Transformation des Entreprises*” (Action Plan for Business Growth and Transformation)) promulgated on 22 May 2019 provide for a balanced gender representation on the board of directors (at least 40% of each gender) for companies with more than two hundred and fifty permanent employees for the third consecutive financial year and a net turnover or balance sheet total of at least €50M.

It is specified that a new text resulting from Ordinance no. 2020-1142 in force since 2021 now imposes on listed companies, without threshold conditions, a proportion of directors of each gender that cannot be less than 40%. Where this threshold is not fulfilled, the new regulation in force provides for suspension of payment of directors’ remuneration, and for reinstatement of such payment when the board membership is regularised, including any arrears accrued during the suspension.

Based on this new regulation, the Appointment and Remuneration Committee is actively engaged in selecting and appointing female candidates for the Company’s Board membership positions, as the issue of gender balance in Board membership is expected to be tabled

during a forthcoming General Meeting.

4.7 DIRECTOR SELECTION CRITERIA

The Appointment and Remuneration Committee advises the Board on the selection of candidates for reappointment as Directors on the basis of the following criteria: management skills acquired in international French and foreign companies, familiarity with the Company and its business sector, expertise in environmental, energy, economic, financial and accounting matters and adequate availability.

4.8 INDEPENDENCE OF DIRECTORS

4.8.1 Directors' independence criteria

Pursuant to the Rules of Procedure of the Board, setting out the independence criteria for directors in accordance with the recommendations of the MiddleNext Code, a director is considered independent if that person:

- Is either an employee nor a corporate officer of the Company or of a Group company and has not been one during the last five years;
- Is not and has not been over the past two years in a meaningful business relationship with the company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);
- Is not a dominant Shareholder of the Company and does not hold a significant percentage of its voting rights;
- Does not have a close family relationship with a Corporate Agent or a reference Shareholder of the Company;
- Has not been an auditor of the Company during the last six years.

These criteria are assessed and weighted by the Board, which may decide that a director, not meeting the criteria set out in the internal regulation, can still be classified as independent in light of his/her specific situation or that of the Company, in view of his/her shareholding, or for any other reason, and vice versa.

4.8.2 Assessing independence of directors

According to the MiddleNext Code, it is recommended that at least two board members be independent.

After hearing the opinion of the Appointment and Remuneration Committee in light of the MiddleNext Code independence criteria, the Board examined the independence of the directors and considered that two of the four members of the Board are independent, namely: Messrs Christophe Charlier and Alain Liger.

4.9 MISSION OF THE BOARD OF DIRECTORS

In accordance with the law, the Board is responsible for setting the direction of the Company's activities and overseeing implementation thereof. Subject to the powers expressly vested in the shareholders' meetings and within the scope of the company's purpose, the Board has the power to examine all matters related to the proper functioning of the company and to settle, through its deliberations, all matters pertaining to it.

4.10 ROLE OF THE BOARD CHAIRMAN

The Chairman of the Board organises and directs the activities of the Board and reports accordingly to the General Assembly of Shareholders. The Chairman is responsible for reporting on the organisation of the Board's activities, internal control and risk management. The Board Chairman chairs the General Meetings of Shareholders.

All in all, the Chairman oversees the proper functioning of the corporate bodies and compliance with corporate governance principles and practices, particularly with regard to committees established by the Board. He ensures that directors are able to carry out their mission and are properly informed. It takes the time needed to address issues relating to the future of the Group, particularly those pertaining to its strategy.

Pursuant to the Rules of Procedure of the Board, directors are required to promptly inform the Chairman and the Board of any situation involving a conflict of interest, including a potential conflict of interest, as well as any proposed agreement entered into by the Company in which they are or could directly or indirectly hold an interest.

The Board Chairman presides over Board meetings, prepares and coordinates the activities of same. As such, he:

- Convenes the Board to meetings, depending on the schedule of meetings agreed with the directors, and decides whether to convene the Board at any other time if necessary;
- Draws up the agenda, supervises the preparation of Board meeting documents and ensures that the information contained therein is complete;
- Ensures that certain topics are discussed by committees in preparation for Board meetings, and ultimately serve as a source of proposals for the Board;
- Directs and facilitates the Board's deliberations;
- Ensures that directors comply with the provisions of the rules of procedure of the Board and committees;
- Monitors implementation of Board decisions;
- Prepares and organises periodic evaluation of the Board in conjunction with the Appointments and Remuneration Committee.

The Chairman may promote the Company, particularly with the public authorities, key customers, investors and partners, both in France and abroad. As the Board's main interface with dominant Shareholders, the Chairman conveys Shareholders' views and concerns to the Board. The Chairman seeks to promote the values and image of the Company in all circumstances, and communicates with third parties on behalf of the Board, unless a specific authority is assigned to another director.

4.11 BOARD OF DIRECTORS'S COMMITTEES

4.11.1 *The Accounts and Audit Committee*

(i) The Committee's operations and membership

The Accounts and Audit Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board to review the periodic and annual Financial Statements before they are submitted to the Board. This Committee met three times during FY2023, on 19 October 2022, 31 January 2023, 21 March 2023 and 16 June 2023.

The Accounts and Audit Committee consists of three to five board-appointed members as directors on the recommendation of the Compensation and Appointments Committee. Its Chairman is appointed by the Board.

By decision of the Board of Directors of 23 March 2016, following the transformation of the Company into a public limited company, Mr Christophe Charlier was appointed as Chairman of the Accounts and Audit Committee and Mr Julien Moulin as member of the Committee. Following the non-reappointment of Jean Fontourcy by the general meeting of 30 November 2021, the Board of Directors appointed Mr Alain Liger as a member of this Committee during the Board meeting of 31 March 2022.

The Committee is therefore composed of two independent members, including the Chairman of the Audit Committee, Christophe Charlier, and Alain Liger.

Pursuant to Article L. 823-19 of the French Commercial Code and the rules of procedure of the Accounts and Audit Committee, its members must be chosen on the basis of their financial or accounting expertise, and at least one member of the Committee must have specific accounting or financial expertise and be independent with regard to the criteria laid down in the rules of procedure of the Board.

The table below presents the attendance rate for each of the Accounts and Audit Committee members:

NAME	ATTENDANCE RATE
Mr Christophe Charlier	100%
Mr Julien Moulin	100%
Mr Alain Liger	100%

In discharging its mandate, the Accounts and Audit Committee conducts a regular dialogue with the Company's statutory auditors, who participate in the meetings of the Accounts and Audit Committee during the review of the half-yearly and annual financial statements prior to approval thereof by the Board of Directors.

(ii) Committee duties

The Committee's duties include reviewing with the statutory auditors the relevance and consistency of the accounting methods adopted for the preparation of the consolidated and parent company financial statements, and formulating an opinion on the draft half-yearly and annual parent company and consolidated financial statements, as well as on CSR issues,

prepared by Management before they are presented to the Board.

The Committee reviews the plan of auditors' interventions once a year, hears, if the Committee so requests, the auditors and the directors in charge of finance, accounting and treasury, supervises the procedure for the selection of auditors and issues an opinion on the amount of fees requested for the exercise of statutory audit missions.

Excluding those provided for by law or any other regulatory text, the Committee gives its prior approval for the carrying out by auditors of work other than the certification of accounts, such as acquisition audits, and ensures that these missions do not interfere with their independence and in particular that they do not fall within the scope of missions prohibited by the Commercial Code. The Committee is duly informed of the fees paid by the Company and its Group to the audit firm and the network of auditors and shall ensure that their amount or the share they represent in the turnover of the firm and the network and in relation to the fees received for the audit mission are not of a nature to jeopardise the independence of the auditors.

(iii) Committee activities

The main activities of the Accounts and Audit Committee during the financial year ended 30 June 2023 were as follows:

- Examination of the Group's financial situation and the 2023 audit plan (including climate and CSR issues);
- Review of the annual and half-yearly accounts;
- Monitoring of the Group's material risks by integrating climate issues (transition climate risks, linked to climate change mitigation, physical climate risks, linked to climate change adaptation, likely to impact the Group's business model); and operational arbitrages including climate criteria;
- Review of considered financing options for the business.

4.11.2 The Appointment and Remuneration Committee

(i) The Committee's operations and composition

The Appointment and Remuneration Committee meets when convened by its Chairman or at the request of the Board Chairman. It held two meetings during the fiscal year, namely on 06 April 2023 and 30 June 2023.

According to its rules of procedure, the Appointment and Remuneration Committee has a membership of three to five persons, appointed by the Board, on the proposal of the Appointment and Remuneration Committee. The members of the Nomination and Remuneration Committee are selected from among non-executive directors. The Chairman of the Committee is appointed by the Board on the recommendation of the Appointment and Remuneration Committee.

By decision of the Board of Directors of 23 March 2016, following the transformation of the Company into a public limited company, Mr Jean Fontourcy was appointed Chairman of the Committee, and Mr Alain Liger and Ms Cécile Maisonneuve as members of the Committee. Following the non-reappointment of Mr. Jean Fontourcy and Ms Cécile Maisonneuve by the general meeting of 30 November 2021, the Board of Directors appointed Mr Christophe

Charlier as a member of the Committee during the Board meeting of 31 March 2022.

The Committee is therefore composed of two independent members, including its Chairman.

The table below presents the attendance rate for each member of the Appointment and Remuneration Committee:

NAME	ATTENDANCE RATE
Mr Alain Liger	100%
Mr Julien Moulin	100%
Mr Christophe Charlier	100%

(ii) Committee duties

The Committee is mainly responsible for reviewing and making proposals on compensation and benefits of corporate officers who are members of the Board. It proposes to the Board an overall amount for the remuneration to be allocated to the members of the Board which will be proposed to the general meeting of the Company. The Committee provides the Board with an opinion on the general policy for the award of free shares established by the Group's senior management. It makes its proposal to the Board, while explaining the reasons for and implications of its choices.

The Committee is informed about the remuneration policy of the main non-executive directors of the Company and of the other companies of the Group and examines any matter submitted to it by the Chairman on the issues referred to above, as well as to proposed capital increases reserved for employees.

The Committee may seek advice from a company specialised in executive compensation.

(iii) Committee activities

The main activities of the Appointment and Remuneration Committee during the financial year ended 30 June 2023 were as follows:

- Developing the free employee share plan;
- Training directors;
- Developing governance and searching for directors to achieve parity.

4.12 COMPENSATION ALLOCATED TO BOARD OF DIRECTORS MEMBERS

Pursuant to legal requirements, information is provided on the total amount of remuneration paid to members of the Company's governing bodies during the financial year ended 30 June 2023 (for further information, see notes to the consolidated financial statements).

Following the notice issued by the Appointment and Remuneration Committee on 9 July 2018, following the notice already issued on 30 June 2017, the Board of Directors had decided to allocate the remuneration to be allocated to the directors (formerly referred to as "sitting fees") among the members of the Board other than the executive directors, as follows:

- €5,000 for each attendance of one of the Board's quarterly meetings;
- €10,000 for the Chairman of the Accounts and Audit Committee;
- €10,000 for the Chairman of the Appointment and Remuneration Committee;
- €5,000 for each member of these two Committees.

The breakdown of remuneration awarded to non-executive directors for the financial years ending 30 June 2023 and 30 June 2022 are tabulated below.

FINANCIAL YEAR ENDED		30/06/2023		30/06/2022	
Non-executive directors		Amounts payable	Amounts paid	Amounts payable	Amounts paid
Christophe Charlier <i>Director</i>	Attendance fees	€25,000	-	€22,500	
	Other remuneration				
Alain Liger <i>Director</i>	Attendance fees	€25,000	-	€17,500	
	Other remuneration				

4.13 INFORMATION ON REMUNERATION DUE OR GRANTED TO THE CORPORATE OFFICERS

This section contains the report on principles and criteria for determining, apportioning and allocating the fixed, variable and exceptional components of the total remuneration and benefits of any kind to be awarded to executive directors by virtue of their office, as laid down in Article L.225-37-2 of the Commercial Code. The General Meeting will be called to approve the remuneration principles on the basis of this report.

It is specified that the payment of annual variable compensation items and long-term variable compensation items for executive Corporate Agents (Chairman and CEO) for FY2023 is conditional on their approval by the General Assembly which will rule on the accounts for the year ended 30 June 2023.

4.13.1 General principles of remuneration

On the recommendation of the Appointment and Remuneration Committee, the Board of Directors has established the general principles of the remuneration policy for the Chairman and the executive directors, and has assessed the level of achievement of the criteria for this policy.

The general principles of this remuneration policy are to attract, retain, motivate and align their interests with the creation of value for the Group, taking into account the Group's capital intensity, its high-tech environment, its long-term investment horizon, the challenges in terms of growth in a highly competitive environment as well as the very international nature of its business sector and the Group's vision.

The competitiveness of the remuneration policy is assessed primarily in relation to French companies of comparable size (market capitalisation and turnover) and, when relevant, in relation to comparable European companies.

4.13.2 Information on remuneration payable or awarded to corporate officers

(i) Remuneration and all benefits in kind awarded to executive corporate officers

(1) Fixed, variable, exceptional and long-term remuneration, and other benefits awarded to the Chairman

Julien Moulin has been a director and Chairman of the Company since 2010. He was reappointed as a director by decision of the General Meeting of Shareholders of 30 November 2021, and reappointed as Chairman for the duration of his directorship by decision of the Board of Directors meeting on the same day.

As Chairman of the Company, Julien Moulin's remuneration is determined in accordance with the principles set out below. These principles were reviewed by the Appointment and Remuneration Committee on 06 April 2023 and decided for the long-term portion by the Board of Directors on 30 June 2023.

The Chairman's remuneration comprises a fixed portion and an annual long-term portion - the latter being determined using criteria set by the Board of Directors, upon consultation with the Appointment and Remuneration Committee and reviewed regularly by the Board.

The entire remuneration of so-called long-term compensations is performed by awarding free performance shares.

The remuneration awarded for the last financial year are submitted for approval by the shareholders during the ordinary general meeting following the end of the financial year.

Fixed remuneration:

The amount of fixed remuneration is determined by the Company's Board of Directors on the proposal of the Appointment and Remuneration Committee, taking into consideration markets, practices and remuneration benchmarked for similar functions in listed companies of the sector with comparable size. The Appointment and Remuneration Committee reviews the Chairman's remuneration once a year, albeit without such review necessarily leading to a review of the remuneration since the Board's policy promotes stability.

The gross annual fixed remuneration of the Chairman, corporate officer, is increased from €52,775 to €55,000, effective from 01 January 2023.

Benefits in kind:

The Chairman is entitled to a supplementary health insurance in kind for an annual amount of €5,812, as well as a monthly housing allowance of €1,800.

Termination allowances:

In the event of dismissal (except in cases of gross misconduct or gross negligence) or non-renewal of his term of office, the Chairman is entitled to a severance payment. In accordance with the AFEP-MEDEF Code adopted by the Company, this allowance will be equivalent to twenty-four months' remuneration (one month being defined as the sum of the average fixed monthly remuneration paid during the twelve months preceding the end of the term of office).

Pursuant to Article L.225-42-1 of the French Commercial Code, payment of this termination compensation would be subject to the following performance conditions:

- The payment of half of the compensation would depend on the stock market performance of the Company's securities, and would only be due in the event that the average share price of the Company on Euronext Paris in the last three months prior to the termination of Mr Julien Moulin is more than 50% of the average price recorded since the completion of the Company's IPO;
- The payment of half of the compensation would depend on the Company's progress in its exploration and production activities, as these progress is measured and considered satisfactory if, in the six months prior to the termination of Mr Julien Moulin's appointment, at least one of the following events occurred: (i) award of at least one new exclusive exploration permit or concession; (ii) launch of gas production on at least one of the Group's drilling sites; (iii) development of electricity production from Gazonor's production.

Variable remuneration:

The Chairman is not entitled to variable remuneration.

Exceptional remuneration:

The Chairman is not entitled to exceptional remuneration.

Long-term remuneration under free performance share plans:

The Company's long-term remuneration policy is anchored in a strategy of engaging managers and employees in the Company's capital in pursuing the objectives of the remuneration policy established by the Board of Directors, i.e. serving the company's interest and contributing to the Group's strategy and sustainable development.

The allocation of performance shares is decided by the Board of Directors within the framework of the authorisation granted to it by the extraordinary general meeting of shareholders.

The Combined General Meeting of Shareholders held on 23 March 2016 approved the first free performance share plan to be awarded to all or some of the Group's employees and managers. Following the end of the powers delegated by this 2016 meeting, a similar plan was approved by the shareholders during the Combined General Meeting of 29 November 2019 and then during the meeting of 30 November 2021, whereupon same powers were delegated to the Board of Directors for a period of 26 months.

The total number of shares awarded free of charge may not represent more than 5% of the Company's capital, with a nominal value of one euro per share.

The Board of Directors is committed to offering a highly motivating remuneration to

executive directors over the long term, particularly the Chairman, whose recognised skills and expertise are vital for the Group.

The Board of Directors considers that the Company's combined environmental, operational, safety, economic and financial performance is best reflected in the total return to shareholders. The Chairman's long-term remuneration is therefore fully correlated to the quantitative criterion of total shareholder return generated during the past year. This total return includes capital gains and distributed dividends.

Pursuant to the Plan Regulations, the number of shares definitively acquired will be determined at the end of a period of at least two years, in application of the performance criteria assessed over the previous financial year and a condition of actual presence in the Group at the end of the two-year acquisition period.

The Board of Directors' meeting of 01 July 2022 therefore noted that Mr Julien Moulin's performance objectives were achieved for the financial year ended 30 June 2022 and proceeded with implementation in the seventh plan, of which 29,703 shares were initially allocated to him for a value of €51.2 per share as at 30 June 2022. The Appointment and Remuneration Board highlighted the excellent financial results, the acceleration of developments, and the significant effort to be present with the group's investors, analysts and financials, in particular on the CSR policy which has enabled the improvement of the related indicators and that of the total return for the Company's shareholders.

Mr Julien Moulin, who has exceeded the 10% of the capital, will no longer benefit from the next free share plans under the regulations of the Free Share Award Plan, as long as he holds more than 10% of the capital.

In addition, as detailed in the opinions of the Remuneration Committee of 6 April 2023, in order to ensure that the remuneration of managers is aligned with the Group's long-term performance and in view of the efforts made in recent months to restructure and develop Cryo Pur's business internationally, the Board of Directors meeting of 12 May 2023 decided to grant a purchase option on 25% of Cryo Pur's capital to the company named NATROFOM SAS, company under registration and mainly owned by the Group's executives, thus giving the opportunity to buy 25% of the capital of Cryo Pur at a valuation ten times higher than the purchase value of Cryo Pur by the Group. The price of the option will be determined by the Black & Sholes model used by the Group's Board of Directors. The call maturity is set at 30 June 2027.

By decision taken during the General Meeting of 30 November 2022, the shareholders adopted the Chairman's remuneration for the financial year ending 30 June 2022 (7th Resolution) and the Chairman's remuneration policy (9th Resolution).

FINANCIAL YEAR ENDED	30/06/2023		30/06/2022	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Mr Julien Moulin, as Chairman of the Company				
Fixed remuneration	€1,113	€52,775	-	€52,775
Variable remuneration	-	-	-	-
Benefits in kind	€10,800	€5,812	-	€5,812
Free performance shares (allocation value)*	€1,404,952	-	€362,430	-
TOTAL	€1,416,865	€58,587	€362,430	€58,587

* The value of the free share allocation was determined by multiplying the unit value (based on the share price at the allocation date) by the number of free shares awarded to executives.

Remuneration under the service agreement between the holding company NextGen NRJ Ltd (NEL) and LFDE International:

Following the opinion rendered by the Appointment and Remuneration Committee on 06 April 2023, the Board of Directors decided during its meeting of 12 May 2023 to authorise and approve the signing by LFDE International, of an amendment to the existing contract with NEL, a company owned by Mr Julien Moulin, for the provision of specific public relations services, particularly at European level, and fundraising services within the international investment community, particularly those based in London as well as in Germany and Scandinavia. This contract is extended by 6 years until 30 June 2029.

NEL's services are mainly twofold:

- Public relations services, particularly with government and European authorities, to improve knowledge of methane emissions from former coal mines in France and Europe, the impact on the climate of these gas emissions and regulatory requirements for developing abandoned mine methane capture in Europe
- Research services for external growth operations and financing, including mapping and identifying target companies for the group's external growth and financial actors that could support the development of these activities

In return for these services, LFDE International pays NEL an annual fee of €230,000 and a monthly office allowance of €1,000 since 1 January 2023.

For the financial year ended 30 June 2023, the Group recognised an expense on account of services charged by NEL of €211,000 versus €190,000 for FY2022.

Additionally, as NEL grants exclusivity to the Company for energy generation activities, it has been agreed in return to pay NEL an amount equal to two years' consulting fees in the event of termination of the contract.

Finally, for a period of 36 months following an external growth operation or the creation of an international subsidiary carried out by FDE and its affiliated companies, NEL has the option of participating in each external growth and international development operation up

to a maximum of 10% of the capital. This option is capitalizable at the initial value of the equity investment made by FDE or its affiliates. Payment of the purchase will be made within 12 months following exercise of the option.

(2) Fixed, variable, exceptional, long-term remuneration and other benefits awarded to the Chief Executive Officer

Mr Antoine Forcinal has been a director of the Company since 2017 by decision of the general shareholders' meeting of 22 December 2017, and Chief Executive Officer by decision of the Board of Directors meeting of 12 October 2020.

Pursuant to his contract as the Company's Chief Executive Officer, Mr Antoine Forcinal's remuneration is determined in accordance with the principles set out below. These principles were reviewed by the Appointment and Remuneration Committee on 06 April 2023 and decided for the long-term portion by the Board of Directors on 30 June 2023.

The Chief Executive Officer's remuneration comprises a fixed portion and an annual long-term portion - the latter being determined using criteria set by the Board of Directors, upon consultation with the Appointment and Remuneration Committee and reviewed regularly by the Board.

The entire remuneration of so-called long-term compensations is performed by awarding free performance shares.

The remuneration awarded for the last financial year are submitted for approval by the shareholders during the ordinary general meeting following the end of the financial year.

Fixed remuneration:

The amount of fixed remuneration is determined by the Company's Board of Directors on the proposal of the Appointment and Remuneration Committee, taking into consideration markets, practices and remuneration benchmarked for similar functions in listed companies of the sector with comparable size. The Appointment and Remuneration Committee reviews the remuneration of the CEO once a year, albeit without such review necessarily leading to a review of the remuneration since the Board's policy promotes stability.

The gross annual fixed remuneration of the Chief Executive Officer and Corporate Officer is €329,531 (including €90,000 under the FDE contract).

Benefits in kind:

The Chief Executive Officer is entitled to an allowance for his company accommodation equal to €42,000 per year.

Termination allowances:

In the event of dismissal (except in cases of gross misconduct or gross negligence) or non-renewal of his contract as Chief Executive Officer of the Company, the Chief Executive Officer is entitled to a severance payment. Pursuant to the AFEP-MEDEF Code adopted by the Company, this allowance will be equivalent to twelve months' gross fixed salary including variable remuneration, as well as any other financial or fringe benefit awarded by the Company over the last 12 months prior to the termination of his contract.

Variable remuneration:

The Chief Executive Officer is not entitled to variable remuneration.

Exceptional remuneration:

The Managing Director does not benefit from exceptional remuneration, but during the financial year he benefited from an adjustment of his salaries due for 2021 and 2022

Long-term remuneration under free performance share plans:

The Company's long-term remuneration policy is anchored in a strategy of engaging managers and employees in the Company's capital in pursuing the objectives of the remuneration policy established by the Board of Directors, i.e. serving the company's interest and contributing to the Group's strategy and sustainable development.

The allocation of performance shares is decided by the Board of Directors within the framework of the authorisation granted to it by the extraordinary general meeting of shareholders.

The Board of Directors is committed to offering a highly motivating remuneration to executive directors over the long term, particularly the Chief Executive Officer, whose recognised skills and expertise are vital for the Group.

The Chief Executive Officer's so-called long-term remuneration is capped at 200% of the fixed remuneration and calculated based on two main criteria.

- The quantitative criterion of total shareholder return generated during the past financial year. This total return includes capital gains and dividends distributed and represents 80% of the CEO's long-term remuneration package.
- The qualitative criterion based on assessments performed during individual interviews which reflect achievement of specific objectives pertaining to team management, environmental impacts, team and operational safety, business development and financial results.

Pursuant to the Plan Regulations, the number of shares definitively acquired will be determined at the end of a period of at least two years, in application of the performance criteria assessed over the previous financial year and a condition of actual presence in the Group at the end of the two-year vesting period.

The Board of Directors of 01 July 2022 therefore noted that Mr Antoine Forcinal's performance objectives were achieved for the financial year ended 30 June 2022 and proceeded with the implementation of the seventh plan, of which 6,803 shares were initially allocated to him, for a value of €51.2 per share as at 30 June 2022.

The Appointment and Remuneration Committee highlighted the excellent results in terms of environmental, operational and economic impacts that have enabled a significant improvement in total return for the Company's shareholders.

The Chief Executive Officer and Corporate Officer's long-term remuneration therefore amounts to €321,782 for FY2023 based on 2022 performance.

In addition, as detailed in the opinions of the Remuneration Committee of 06 April 2023, in order to ensure that the remuneration of managers is aligned with the Group's long-term

performance and in view of the efforts made in recent months to restructure and develop Cryo Pur's business internationally, the Board of Directors of 12 May 2023 decided to grant a purchase option on 25% of Cryo Pur's capital to the company named NATROFOM SAS, company under registration and mainly owned by the Group's executives, thus giving the opportunity to buy 25% of the capital of Cryo Pur at a valuation ten times higher than the purchase value of Cryo Pur by the Group. The price of the option will be determined by the Black & Sholes model used by the Group's Board of Directors. The call maturity is set at 30 June 2027.

Payment of the long-term remuneration awarded to the Chief Executive Officer in respect of the previous financial year or awarded in respect of the said financial year is subject to approval by the Ordinary General Meeting of Shareholders.

By way of reminder, a decision taken during the General Meeting of 30 November 2022 by the shareholders adopted the Chief Executive Officer's remuneration for the financial year ending 30 June 2022 (8th Resolution) and the Chief Executive Officer's remuneration policy (10th Resolution).

FINANCIAL YEAR ENDED	30/06/2023		30/06/2022	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Mr Antoine Forcinal, as Chief Executive Officer of the Company				
Fixed remuneration	-	€329,531	-	€285,279
Variable/Exceptional Compensation	-	€40,095**	-	-
Benefits in kind	-	€42,000	-	€42,000
Free performance shares (allocation value)*	€321,782	-	€281,835	-
TOTAL	€321,782	€411,446	€281,835	€327,279

* The value of the free share allocation was determined by multiplying the unit value (based on the share price at the allocation date) by the number of free shares awarded to executives.

** Adjustment of gross wages 2021 and 2022

(3) Summary of remuneration items for executive directors

The table below summarises executive directors' remuneration items for the financial years ending 30 June 2022 and 30 June 2023.

FINANCIAL YEAR ENDED	30/06/2023	30/06/2022
Mr Julien Moulin, as Chairman of the Company		
Remuneration payable for the financial year	€70,500	€58,587
Valuation of multi-year variable remuneration awarded during the year	-	-
Valuation of options awarded during the year	-	-
Valuation of free performance shares awarded during the financial year**	€1,404,952	€362,430
Mr Antoine Forcinal, as Chief Executive Officer of the Company		
Remuneration payable for the financial year	€411,446	€327,279
Valuation of multi-year variable remuneration awarded during the year	-	-
Valuation of options awarded during the year	-	-
Valuation of free performance shares awarded during the financial year**	€321,782	€281,835
TOTAL	€2,208,680	€1,030,131

** The value of the free share allocation was determined by multiplying the unit value (based on the share price at the allocation date) by the number of free shares awarded to executives.

Executive directors received a total gross remuneration (i.e. salaries, bonuses and free shares awarded) of **€2,208,680 during the financial year ending 30 June 2023** versus €1,030,131 for the financial year ending 30 June 2022. **Excluding** free-awarded shares, corporate officers received a gross total remuneration (in salaries and bonuses) of **€481,946 in 2023** compared to €385,866 in 2022.

The ratios between the level of remuneration of each of the directors (including the impact of NEL services) and:

- the average compensation, on the basis of a full-time equivalent of the Company's employees other than those of the Corporate Officers, is 3.19x (2022: 3.35x) for the Chairman of the Company and 4.67 (2022: 4.41x) for the Company's Managing Director,
- the median remuneration on a full-time equivalent basis of the company's employees other than corporate officers is 5.62x (2022: 5.87x) for the Chairman of the Company and 8.21x (2022: 7.73x) for the Company's Managing Director

Annual movements, over the last 5 financial years, in the Company's performance, in remuneration of directors, and in average remuneration of the Company's employees, other than directors, is as follows:

Annual change in performance and compensation	June 30th 2019	June 30th 2020	June 30th 2021	June 30th 2022	June 30th 2023
Company performance – Net Income	-476 430	-904 183	587 645	-239 414	-4 986 038
Company performance – Equity	49 049 074	48 144 891	48 732 536	48 493 121	43 507 084
Compensation of Managers	508 562	463 562	606 192	575 831	692 946
Personnel costs, excluding managers	379 635	322 941	489 770	585 008	728 078
Average full-time workforce, excluding managers	8	5	7	8	8
Average compensation of employees, other than managers	47 454	64 588	72 559	74 240	88 145

(ii) Remuneration and all benefits in kind awarded to non-executive directors

Information on these remunerations and other benefits appears in section 4.12 of this report.

4.14 OTHER BENEFITS

None of the Group's company awarded any loans or guarantees to the Company's directors and executives.

4.15 INFORMATION ON THE COMPANY'S SHARE CAPITAL STRUCTURE

4.15.1 Breakdown of the Company's share capital at 30 June 2023

Pursuant to the provisions of Article L. 233-13 of the French Commercial Code, the breakdown of the Company's shareholding structure as at 30 June 2023 is presented below:

Major shareholders >3%	Number of shares	% capital
		%
JULIEN MOULIN	794,178	15.3%
MICHAUD FAMILY	304,386	5.9%
MULLIEZ FAMILY AND GRAS SAVOYE	257,000	5.0%
ALLIANZ	310,447	6.0%
DERFIN	258,419	5.0%
FINANCIERE ARBEVEL	161,782	3.1%
Total major shareholders	2,086,212	40.3%
Others (holding <3% of capital)	3,096,392	59.7%
Total number of shares	5,182,604	100%

4.15.2 Statutory thresholds crossed

In a letter received on 27 April 2023, Mr Julien Moulin declared, by way of adjustment, that he purchased 46,638 shares and exceeded the 10% threshold of FDE's capital on 10 January 2023.

In a letter received on 22 May 2023, Mr Julien Moulin declared, by way of adjustment, that he purchased 388,000 shares and exceeded the 15% threshold of FDE's capital on 16 May 2023.

In a letter received on 23 May 2023, Mr Frédéric Durr declared that he had fallen below the thresholds of 5% of FDE's capital on 16 May 2023.

4.15.3 Employee free-awarded share plan

The Combined General Meeting of Shareholders held on 23 March 2016 approved an employee free-awarded share plan to be awarded to all or some of the Group's employees and executive directors. This decision was extended by the Combined General Meeting of shareholders held on 29 November 2019 and 30 November 2021. The total number of free shares awarded shall not exceed 5% of the Company's share capital, for a par value of one euro per share, and the free shares will be permanently awarded to the beneficiaries at the end of a vesting period of at least two years from the initial allocation of such free shares and pursuant to the other terms and conditions to be set out in the Plan Regulations.

Following the end of the powers delegated by this 2016 meeting, a similar plan was approved by the shareholders during the Combined General Meeting of 29 November 2019 and during the meeting of 30 November 2021, whereupon same powers were delegated to the Board of Directors for a period of 26 months.

The first and second plans have resulted in permanent awards during previous years.

The fourth plan resulted in the permanent award of 9,791 shares during the past financial year following the Chairman's acknowledgement on 02 September 2022 that the requirements laid down in the 2020 plan had been fulfilled.

On 27 July 2021, the Board of Directors implemented the sixth plan pursuant to the Plan regulations and awarded 48,776 free shares to 14 beneficiaries.

On 01 July 2022, the Board of Directors implemented the seventh plan pursuant to the Plan regulations and awarded 48,125 free shares to 22 beneficiaries.

On 30 June 2023, the Board of Directors implemented the eighth plan pursuant to the Plan regulations and awarded 11,902 free shares to 26 beneficiaries.

The breakdown of employee free shares awarded under the three plans still ongoing as at 30 June 2023 is presented below:

Free share plans	Number of shares initially awarded	Number of shares at 30 June 2023	Fair value
27 July 2021	49.795	48.776	22.5
01 July 2022	48.736	48.125	51.2
30 June 2023	11.902	11.902	48.3

It should be noted that the number of shares initially awarded as indicated above does not necessarily reflect the number of shares to be permanently awarded to the beneficiaries, as the shares permanently awarded are conditional on the requirements of being present in the organisation and submitting the documents specified in the Plan Regulations.

4.15.4 Delegations for capital increase

The financial delegations and authorisations applicable as at 30 June 2023 are tabulated as follows:

Type of authorisation	Date of GM (Resolution No.)	Period and expiry	Amount allowed (nominal or %)	Use
Delegation to Board of Directors to reduce share capital by cancelling treasury shares	30 November 2021 (Resolution No. 18)	26 months	– The maximum number of shares that may be cancelled by the Company is 10% of the shares representing the Company's share capital	
Delegation of authority to Board of Directors to decide to increase share capital, by issuing - with preferential subscription rights - shares and/or securities entitling holders to share capital or allocation of debt securities	30 November 2021 (Resolution No. 19)	26 months	– Nominal amount of capital increases limited to €2.5M – Nominal amount of debt securities limited to €50M	
Delegation of authority to Board of Directors to issue ordinary shares and/or securities entitling holders immediately or in future to ordinary shares of the Company, without shareholders' preferential subscription rights, in the event of a public offering	30 November 2021 (Resolution No. 20)	26 months	– Nominal amount of capital increases limited to €1.7M – Nominal amount of debt securities limited to €50M	
Delegation of authority to be granted to Board of Directors to issue ordinary shares and/or securities entitling holders immediately or in future to ordinary shares of the Company, without shareholders' preferential subscription rights, in the event of a public offering	30 November 2021 (Resolution No. 21)	26 months	– Nominal amount of capital increases limited to €1.7M – Nominal amount of debt securities limited to €50M	
Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by issuing shares and/or securities entitling holders to share capital or award of debt securities, with cancellation of the preferential subscription right in favour of beneficiary categories	30 November 2021 (Resolution No. 22)	18 months	Nominal amount of capital increases limited to €1.7M Nominal amount of debt securities limited to €50M	
Delegation of authority to be granted to the Board of Directors to increase the amount of issues, while maintaining or cancelling the shareholders' preferential subscription rights, pursuant to the nineteenth, twentieth, twentieth and twenty-first and twenty-second resolutions)	30 November 2021 (Resolution No. 23)	26 months	– 15% of initial issue	

Type of authorisation	Date of GM (Resolution No.)	Period and expiry	Amount allowed (nominal or %)	Use
Authority to be delegated to the Board of Directors to set the price of issues of ordinary shares or securities that are equity securities entitling the holders to other equity securities or to award of debt securities, or securities entitling the holders to equity securities to be issued, carried out by way of a public offering	30 November 2021 (Resolution No. 24)	26 months	– 10% of share capital (on the day the issuance price is set by the Board of Directors), per 12-month period.	
Powers to be delegated to the Board of Directors for the purpose of deciding to issue ordinary shares or securities entitling the holders to the Company's share capital, with cancellation of the shareholders' preferential subscription right, in return for contributions in kind made to the Company	30 November 2021 (Resolution No. 25)	26 months	– 10% of share capital (on the day the issuance price is set by the Board of Directors)	
Authority to be delegated to the Board of Directors to increase the share capital by issuing equity securities or securities that are equity securities entitling the holders to other equity securities of the Company or to award of debt securities, or securities entitling the holders to equity securities to be issued, with cancellation of the preferential subscription right in favour of members of a savings plan	30 November 2021 (Resolution No. 26)	26 months	– 2% of share capital (on the day of the Board of Directors' decision)	
Authority to be delegated to the Board of Directors to award free shares, whether existing or to be issued, to employees and executive officers of the Company and of the Group's companies	30 November 2021 (Resolution No. 27)	26 months	– Limited to 250,000 shares with a par value of €1 each, i.e. less than 5% of the share capital	Decision by the Board of Directors meeting of 27 July 2021 to adopt the 2021 free share allocation plan and delegation of powers to the Chairman to implement the plan
Authority to be delegated to the Board of Directors to decide on a share capital increase by incorporation of premiums, reserves, profits or other items to be allowed for capitalisation	30 November 2021 (Resolution No. 28)	26 months	– Amount limited to €2.5M	

4.15.5 Movements in FDE securities

As of 30 June 2023, the Company's shares were traded at a value of €48.3, compared to €51.2 on 30 June 2022 on Euronext Paris' C compartment.

4.15.6 Company's intervention on its securities

During the financial year ended 30 June 2023, the Company carried out transactions in its own shares under the liquidity contract entered into with TC ICAP (EUROPE) as investment services provider.

As of 30 June 2023, the Company held 1,613 of its own shares versus 2,574 equity shares in 2022, i.e. 0.03% of the share capital, acquired at an average cost price of €36.64 (FY2022: €23.34).

As part of its share redemption programme in accordance with the delegation of powers adopted by the General Meeting of Shareholders of 30 November 2022, FDE bought back 84,000 of its shares during the financial year.

At the end of this transaction, FDE thus holds 1.65% of its capital (including own shares held under its liquidity contract).

4.15.7 Procedures for shareholder participation in the General Meeting

These procedures are set out in Article 23 of the Company's Articles of Association.

4.15.8 Procedure for assessing agreements on current transactions

Work to define the modalities for the regular evaluation of these agreements is underway and will be finalized during the financial year ending 30 June 2024.

5. OTHER ASPECTS OF CORPORATE GOVERNANCE

5.1 MANAGEMENT AND LIMITATIONS ON POWERS

(i) Corporate governance system

It is noted that the Company has adopted the form of a public limited company with a Board of Directors by decision of the Combined General Meeting of 23 March 2016, prior to the Company's shares being listed on the Euronext Paris regulated market.

Under this form of company, the Board of Directors may opt for the separation of the functions of Chairman and Managing Director or for the amalgamation of these functions. As noted in the MiddleNext Code of Corporate Governance, the law does not prefer any given formula and it is up to the Board of the Company to choose between the two systems of corporate governance according to its specific requirements.

During its meeting held on 12 October 2020, the Board of Directors changed the Group's governance in order to permanently segregate the duties of Chairman from those of Chief Executive Officer. Mr Antoine Forcinal was thus appointed the Company's Chief Executive Officer, while Mr Julien Moulin remains Chairman of the Board.

(ii) Limitation of powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. Indeed, he exercises such powers within the scope of the corporate purpose and subject to those powers expressly conferred by law to the shareholders and the Board. Together with the Chairman, he represents the Company in its interactions with third parties.

The Chief Executive Officer exercises powers within the scope laid down in the rules of procedure the Board of Directors as internal rules and regulations.

5.2 SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

(i) Convening meetings

Joint decisions are taken by shareholders during ordinary, extraordinary, special or combined general meetings depending on the kind of decisions to be taken.

General meetings are convened and deliberate under the conditions laid down by law. They are held at the registered office or at any other venue specified in the meeting notice.

(ii) Meeting participation requirements

The right to attend meetings is subject to registration of shares in the name of the shareholder or of the intermediary registered on the shareholder's behalf on the second business day prior to the meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised intermediary.

The entry or accounting registration of the securities in the bearer securities accounts held

by the authorised intermediary is confirmed by a certificate of participation issued by the latter, appended to the remote voting or proxy form or to the application for an admission card drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to shareholders wishing to attend the meeting physically and who have not received their admission card on the second business day preceding the meeting at zero hours, Paris time.

(iii) [Videoconference](#)

By decision of the Board of Directors, shareholders may participate in a general meeting by videoconference or by means of telecommunication and remote transmission, including the Internet, under the conditions provided for by the regulations applicable at the time of its use. This decision is notified in the notice convening the meeting. In such a case, these shareholders are deemed to be present when calculating the quorum and the majority for this assembly.

(iv) [Absentee voting](#)

Shareholders may vote by mail or by proxy in accordance with the law and regulations. Under the conditions set by the regulations in force, shareholders may send their postal voting form with regard to any general meeting, either in paper form or, upon decision of the Board of Directors published in the notice announcing and/or convening the meeting, by remote transmission under the conditions set out in the said notice. Notification of the appointment of the voting agent, as well as notification of the revocation of the voting authority, may be made by means of a form in paper or electronic form.

The completion and signing of electronic forms may take the form, upon prior decision by the Board of Directors, of a reliable identification process in line with the conditions laid down in the first sentence of paragraph 2 of Article 1316-4 of the Civil Code, which may comprise an identifier and a password, or any other means specified by the regulations in force. The power of attorney or vote thus expressed before the meeting by this electronic means, as well as the acknowledgement of receipt given therefrom, shall be considered as non-revocable written documents enforceable against all, it being specified that in the event of a transfer of securities occurring before the third business day preceding the meeting at zero hours, Paris time, the Company shall invalidate or modify accordingly, as the case may be, the power of attorney or vote expressed before this date and time.

(v) [Attendance sheet](#)

An attendance sheet is certified as accurate by the Bureau of the assembly, in accordance with applicable regulations.

(vi) [Bureau and Chair](#)

Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by any other person elect by Board members.

The Bureau of the meeting includes the Chairman, appointed as stated above, and two scrutineers. The bureau appoints a secretary, who may be chosen from outside the Shareholders.

(vii) Minutes of proceedings

Meeting proceedings are recorded in minutes signed by the bureau members and kept in a special register in accordance with the law. Copies and extracts of such minutes shall be validly certified under the conditions laid down by law.

5.3 Items likely to have an impact in the event of a public offering

The elements that may have an impact in the event of a public offering are listed below:

- Company share capital structure: see section 4.15.1 of the annual financial report describing the shareholder structure as at 30 June 2023;
- Statutory restrictions on exercising voting rights and transfers of shares or clauses brought to the Company's attention: no such restrictions or clauses;
- Direct or indirect holdings in the Company's share capital known to it: the Company is not aware of any such shareholdings during the year;
- List of holders of any securities with special controlling rights and a description thereof: the Company is not aware of the existence of any such special controlling rights;
- Control mechanisms provided for in a possible system of employee ownership, when control rights are not exercised by the latter: nothing;
- Control mechanisms provided for in any employee share ownership scheme, where controlling rights are not exercised by employees: none;
- Agreements between shareholders known to the Company and which may result in restrictions on share transfers and exercise of voting rights: the Company is not aware of any such agreements;
- Powers of the Board of Directors, particularly the issue or repurchase of shares: the powers delegated by the General Meeting of Shareholders of the Company to the Board of Directors are indicated in section 4.15.3 of the Annual Financial Report;
- Agreements providing for compensation for members of the board of directors (Chairman and CEO) or employees, if they resign or are dismissed without good cause or serious cause or if their employment ends due to a public offer (see section 4.13.3 of this report).

6. OTHER INFORMATION PROVIDED

6.1 RESEARCH AND DEVELOPMENT

For the calendar year 2022, FDE recognised a Research Tax Credit (CIR) amounting to €240K, while Gazonor posted €75K. The CIR recognised for FDE mainly covers personnel expenses incurred on the “Bleue Lorraine” project, named after the exclusive research permit for valorisation of coal gas and hydrogen present in the subsoil. Cryo Pur recognised CIR of €299K for 2022 covering personnel expenses for various R&D programmes on development of LNG purification processes, cold energy recovery, a cryogenic bench for testing nitrogen exchangers, etc.

Some of this research is being carried out within the framework of the LORraine Gas Resources project (REGALOR), which was selected as one of the flagship projects by the Grand-Est Region within the framework of the regional scheme “Lorraine State Pact (action no.8)” and the Vallée des Matériaux and Energy priority axis “Regional Competitiveness and Employment” of the Lorraine and Vosges Massif FEDER-ESF Programme 2014-2020. This research work, carried out with the support of the UL-CNRS UMR Georessources Laboratory, under the supervision of the CNRS and the University of Lorraine, aims to accelerate the implementation of an industrial-scale demonstrator for the production of gas from coals and its utilisation in short circuits.

Measurement work in Folschviller’s historic well also enabled high concentrations of natural hydrogen to be measured in situ at various depths.

Furthermore, the Group is continuing its work on natural hydrogen following the discovery made on the Folsch-1A well; additional measurements on the neighbouring wells will enable the source of natural hydrogen to be better defined, and updating the 3D models of the Lorraine subsoil must determine the location of a deep well, the main objective of which will be to test the technical and economic feasibility of the production of natural hydrogen.

In accordance with the accounting rules applicable under IFRS and French GAAP, the Group’s exploration activities are not recognised as an expense but are rather capitalised.

6.2 EMPLOYEE SHARE OWNERSHIP

No company savings plan has been set up for the Company’s employees. Employee share ownership is ensured through employee free-awarded share plans.

As at 30 June 2023, the employee shareholding calculated pursuant to the provisions of Article L. 225-102 of the French Commercial Code was 1%.

6.3 SUMMARY STATEMENT OF TRANSACTIONS BY DIRECTORS AND PERSONS CLOSE TO THEM

During the financial year ended 30 June 2023, the directors and persons close to them purchased shares:

Mr Julien Moulin declared, as an adjustment, that he purchased 46,638 shares on 10 January 2023 and 388,000 shares on 16 May 2023.

Mr Antoine Forcinal declared, by way of adjustment, that he purchased 200 shares on 03 May and 300 shares on 09 May 2023.

6.4 APPROPRIATION OF EARNINGS

In accordance with the provisions of Article 243 bis of the General Tax Code, it is noted that no dividend has been distributed for the last three financial years.

A proposal will be made to fully appropriate the entire loss for the financial year as reflected in the Company's annual accounts as at 30 June 2022, i.e. a total of €4,986K, to retained earnings. The latter will thus increase from a debit balance of €1,169,628 to a debit balance of €6,155,666.

6.5 NO LOANS

During the financial year ended 30 June 2023, the Company did not grant, as an accessory to its main activity, any loans to companies with which it entertains business ties justifying same (Article L.511-6, 3bis-a1.2 of the Monetary and Financial Code).

6.6 NON-TAX-DEDUCTIBLE EXPENSES

Pursuant to the provisions of Articles 223 quater and 223 quinquies of the General Tax Code, we inform you that the amount of the Company's expenses and charges referred to in Article 39-4 of the said Code is €7,002 for the financial year ending 30 June 2023.

6.7 TABLE OF RESULTS FOR LAST FIVE FISCAL YEARS

In accordance with the provisions of Article R.225-102 of the French Commercial Code, a table showing the results of our Company for each of the last five years is attached to this report.

Year-end	30/06/2023	30/06/2022	30/06/2021	30/06/2020	30/06/2019
Financial year (months)	12	12	12	12	12
CAPITAL AT YEAR-END					
Share capital	5,182,604	5,172,813	5,163,970	5,155,890	5.150.659
Number of ordinary shares	5,182,604	5,172,813	5,163,970	5,155,890	5.150.659
Number of bonds convertible into shares					
OPERATIONS AND RESULTS					
Pre-tax turnover					
Earnings before tax, profit-sharing, depreciation and provisions	7,637,964	1,631,864	546,608	(1,491,189)	(2,366,911)
Income tax	2,795,087	2,018,836	802,001	593,057	1,898,243
Employee share ownership					
Allowances for depreciation and provisions	(143,161)	(626,387)	(760,964)	(6,051)	(7,762)
Net income	(4,986,038)	(239,414)	587,644	(904,183)	(476,430)
EARNINGS PER SHARE					
Earnings after tax, profit-sharing and before depreciation and provisions	(0.92)	0.07	0.26	(0.17)	(0.09)
Earnings after tax, profit-sharing, depreciation and provisions	(0.96)	(0.05)	0.11	(0.17)	(0.09)
Dividends paid per share	-	-	-	-	-
PERSONNEL					
Average staff complement	8	8	7	7	10
Wage bill	898,910	735,859	701,992	696,503	768,197
Social security costs	241,313	579,050	292,211	292,283	269,870

6.8 INFORMATION ON PAYMENT TERMS

Pursuant to the provisions of Articles L.441-6-1 al.1 of the French Commercial Code and D.441-6 as amended by Decree 2017-350 of 20 March 2017, information on payment terms for the Company's suppliers and customers is provided in the table below (amounts in K€).

	Article D. 441-4 I.-1: Unpaid invoices received at the year-end and passed their due date						Article D. 441-4 I.-2: Unpaid invoices issued at the year-end and passed their due date					
	0 day (rough guide)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)	0 day (rough guide)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) Late payment brackets												
Number of affected invoices	2					42	0					3
Total amount of invoices affected (incl. VAT)	133	146	32	7	353	538	0	0	0	0	196	196
Percentage amount of purchases (incl. VAT) for the year	6%	18%	1%	0%	44%	63%						
Percentage turnover (incl. VAT) for the year											9%	
(B) Invoices excluded from (A) for disputed or unrecorded payables and receivables												
Number of excluded invoices	3						1					
Total amount of excluded invoices	1.427						749					
(C) Standard payment periods used (contractual or legal - Article L. 441-6 or Article L. 443-1 of the Commercial Code)												
Payment deadlines used to calculate late payments	x Contractual terms: variable terms depending on supplier, in accordance with legal provisions and regulations						x Contractual deadlines: 30 days <input type="checkbox"/> Legal deadlines: (specify)					

This table does not include invoices not received and to be issued at the reporting date.

7. RISK FACTORS AND MANAGEMENT MEASURES

The Group operates in an ever-changing economic, technological and regulatory environment. FDE is therefore exposed to cyclical or structural risks which, should they materialise, could adversely impact its current operations, finances or development. Faced with such risks, the Group is developing internal control tools to prevent and control them.

A total absence of risk cannot be guaranteed. Thus, the Group may potentially be exposed to other non-specific risks, or risks it is unaware of, or whose potential consequences could be underestimated, or whose occurrence is not considered, at this time, as likely to have a material negative impact on the Group.

This section presents the significant Group-specific risk factors to which it deems it is exposed at the date of this report, detailed by main general, operational, financial, environmental and legal risks.

		Assessment of materiality*
GENERAL RISKS	Pandemic risk	1
	Digital risks	2
	Human resources risk	3
	Competition risk	3
	Innovation risk	2
OPERATING RISKS	Non-compliance risk	3
	Reserves risk	4
ENVIRONMENTAL RISKS	Industrial and environmental risk	2
	Climate risk	1
FINANCIAL RISKS	Price risk	2
	Counterparty risk	2
	Financial volatility risk	1
	Acquisition integration risk	3
REGULATORY, TAX AND LEGAL RISKS	Risk from changes in the regulatory environment and public policies	4
	Litigation risks	1

*Risk assessment from 0 to 5, 0 being no risk, 5 a high risk

7.1 GENERAL RISKS

Pandemic risk:

Since the beginning of 2020, the health crisis arising from the spread of COVID-19 has clearly exacerbated a number of risk factors, including business continuity and human resource management risks. In particular, the pandemic could have impacted the ability of its partners, subcontractors and, to a lesser extent, team members, to travel to its production sites, thereby creating potentially significant delays in completion of its construction and/or maintenance work.

Management example:

The Group has established and is equipped with available business continuity plans that can be quickly implemented to ensure continuity of its electricity, gas and heat production. These plans are mainly focused on organisation of the operating teams and subcontractors that have to intervene on the Group's sites.

Digital risks:

The Group's activities depend on the reliability and security of its information systems, some of which are managed by third parties, and are vulnerable to being compromised, damaged, disrupted or shut down due to cyber-attacks (viruses, computer intrusions, etc.). If the Group and its service providers were not able to maintain the integrity of its critical information systems and sensitive data, the Group's activities and assets could be affected, services offered by the Group could be interrupted, protected intellectual property rights could be impersonated or stolen and, in some cases, personal injury, property damage or damage to the environment, as well as regulatory violations, could occur, which could have an adverse impact on the Group's financial situation and reputation and could expose the Group to legal proceedings.

Management example:

The Group has implemented customised dual security on access to its employees' Office 365 environments to reduce the risk of intrusion on online storage, emails and documents. In addition, it has separated the system managing production data from the system housing administrative data and restricted access to each network.

Human resources risk:

The Group's success largely depends on the expertise and experience of its directors and senior managers who play a key role in its day-to-day operations. If the Group fails to retain and appropriately replace these key individuals in a timely manner, its business could be seriously and adversely affected.

The Group's business also depends on its ability to attract and retain qualified personnel. The Group needs skilled personnel to provide technical and engineering services for the exploration, production and development of gas resources. For example, the Group's objectives to develop its gas assets in Lorraine require identification and retention of personnel with specialist experience in drilling and developing natural resources in France, without which the Group may be obliged to incur higher costs or delay its development.

Management example:

Having an employee shares plan for all Group employees contributes to the stability of qualified personnel. Management devotes a significant part of its time to the search for talent and to the individual development of each employee, in order to sustainably support

the Group's growth.

Competition risk:

The Group operates in a demanding international business environment where there is competition among producers of Renewable Energies. FDE is engaged in power generation and may be exposed to stiff competition from large, well-established companies in this field with greater financial resources, more employees and larger facilities.

In addition, since the acquisition of Cryo Pur, the Group has also been active in the market for the transformation of gases into LBG and Bio- CO₂. However, there are other gas treatment processes which, although not achieving the same result, may be preferred by certain potential customers.

Consequently, the Group's inability to compete effectively could have a material adverse effect on its business, financial position, operating results, prospects and future operations. The main areas where the Group faces competition include:

- acquisition of exploration and production licences through competitive bidding processes or tenders managed by government authorities;
- acquisition of other companies that may hold existing licences or assets;
- use of third party service providers whose ability to provide essential services may be limited;
- entering into commercial agreements with customers;
- sale of gas, electricity and heat; and
- hiring highly qualified professional staff.

Although the Group has an operating monopoly on its mine gas capture and valorisation concessions in France and Belgium, its competitors include Infynis in the UK, Iqony and RWE in Germany for mine and coal gas, and other French renewable energy producers such as Akuo, Albioma, Innovent, Waga Energy and Verdemobil.

Management example:

The Group's entire business is protected by exclusive, long-term permits or licences, on which competitive bids have already been made. In order to meet the long-term commitments that the Group makes to its customers, it secures long-term leases to ensure viable deployment of its facilities.

Innovation risk:

The Group operates in a high evolving technological environment. Should alternative energy sources, such as hydroelectric, wind or solar power, become more cost-competitive through technological developments, demand for traditional energy sources, such as natural gas, could decline.

In particular, the Group's competitors could move into the production phase more quickly or at lower cost, or more generally on better financial terms. This could narrow down growth opportunities.

With the acquisition of Cryo Pur, the Group is also exposed to increased competition in the field of gas treatment and LBG generation. Using these processes based on eight major international patent families, the LBG and Bio-CO₂ obtained by Cryo Pur meet the needs of all types of applications. However, new players are developing alternative solutions that

could impact its positioning or growth opportunities.

Management example:

FDE identifies and maintains a permanent watch on innovations that could alter the sector and its applications. The acquisition of Cryo Pur demonstrates the Group's ability to position itself in innovative areas.

7.2 OPERATING RISKS

Non-compliance risk:

The Group operates its industrial facilities in a highly regulated environment, particularly on the environmental front. The Group's activities in France are governed by all the legislative and regulatory provisions resulting from the transposition into French law of European environmental protection directives and regulations. The facilities are supervised by the Prefects and the Environment, Planning and Housing Departments (DEAL), which are responsible for inspecting them. In the event of non-compliance with the regulations, irrespective of any criminal proceedings, the Prefects can impose administrative sanctions that can go as far as suspending the operation of the facilities concerned, not ruling out the possibility of proposing the outright closure of the facilities by decree taken by the Council of State.

Management example:

The Group constantly monitors compliance with the applicable laws and regulations, keeping a constant watch on the applicable regulations and carrying out specific and continuous monitoring of operation of its facilities. Despite its vigilance, the Group cannot completely exclude the risk of being confronted occasionally with a non-compliance situation, which it then endeavours to correct as soon as possible.

Reserves risk:

The Group's business, which mainly involves identification, evaluation and production of gas, depends on the analysis of geological data and evaluations describing potential or identified reserves and resources.

However, the determination of these data is a subjective process and cannot be measured accurately although it is derived from expert reports (such as Competent Person Reports), interpretations of seismic data and well test results and in some cases production history.

In addition, estimates of gas resources and reserves may require revisions or modifications based on a technical and operating environment of evolving gas prices.

The Group's actual production, sales and expenses related to its gas reserves and resources are therefore likely to differ from the estimates, and these may be material differences. Any inaccuracy in the Group's estimates of proved and probable reserves could result in reduced profitability due to lower than expected revenues or higher than expected expenses and could alter the value of its shares.

Management example:

With regard to identification of reserves and resources, the Group relies particularly on data extracted from certificates and reports prepared by third parties, world-renowned specialists in accordance with international standards, especially the standards established by the Petroleum Resources Management System in 2007, approved by the Society of Petroleum

Engineers, as well as on historical data collected by Charbonnages de France. The history of reserve certifications demonstrates the conservative nature of the volumes of reserves certified by the Group since each new certification has resulted, to date, in an increase in gas reserves, despite the volumes produced.

7.3 ENVIRONMENTAL RISKS

Industrial and environmental risk:

The Group operates power generation facilities based on exploitation of abandoned mine methane. These facilities do not require any public enquiry or an impact study on fauna or flora when submitting the DAOTM (authorisation to commence mining operations) application documents.

However, the operation of combustion facilities involves a risk of industrial accidents that may result in a more or less prolonged interruption in the operation of production equipment, or even in partial or total destruction of the facility. The Group is particularly confronted with:

- a fire hazard, and;
- risk of explosion on its facilities;

The damage incurred by the Group may be covered, beyond the applicable deductibles, by the application of its insurance programme, provided that said damage was caused by an insured event. Such incidents could also cause damage to persons, property or the environment, whereupon the Group could face claims for compensation and/or criminal proceedings.

Management example:

The Group has established procedures to minimise the risk of such incidents occurring and to reduce their potential impact on people, property and the environment. These procedures may stem from compliance with legislative and regulatory provisions specifically applicable to the Group's activity, or they may be the result of the Group's own continuous improvement initiative or of a joint risk management approach implemented with its insurers. The operational subsidiaries regularly carry out internal audits of these processes, as part of the Quality Management System implemented (ISO 9001–2015).

Climate risk:

As a producer of low-carbon energy, the Group's business model is based on considering opportunities linked to climate change, on the need to mitigate the negative impact of fossil fuels by proposing sustainable solutions. The Group thus measures the carbon footprint of all products and services (CVD)

Due to the nature of some of its activities, the Group is exposed to risks related to climatic conditions. The Group's solar business is specifically vulnerable to the risk of a prolonged decline in sunshine that could affect its results. Such uncertainty is factored into the preliminary project studies.

Management example:

Each year and before each project, the Group assesses the risks likely to impact the Group. In-depth impact studies are conducted as part of operating permit applications in order to anticipate and take into account these risks.

With regard to climate change, the strategy pursued by the Group enables it to reduce the carbon footprint of the energy used in the territories where FDE operates. As a reminder, the Group is the only carbon negative energy producer listed on the French market.

On climate change mitigation, local suppliers and service providers are preferred in order to reduce the carbon impact of the value chain, a QHSE plan includes consumption reduction objectives, etc.

7.4 FINANCIAL RISKS

Price risk:

The Group's financial results are sensitive to various environmental parameters, the most significant being gas prices (in France) and electricity prices (in France and Belgium).

The prices of these energies can fluctuate significantly as a result of factors beyond the Group's control, including: - international and regional economic and political developments in natural resource-producing regions, global economic conditions and financial market conditions; - government regulations and actions; - changes in global and regional energy supply and demand due to shifts in consumer preferences, pandemics or military conflicts.

In addition to the negative effect on the Group's turnover, margins and profitability, a prolonged period with low natural gas prices may lead the Group to review its development plans, to make adjustments to the Group's published reserves, as well as to review the pricing assumptions on the basis of which the tests for impairments of assets likely to have a negative impact on the Group's results for the period in which they are recorded are carried out.

On the contrary, high gas and electricity prices allow them to increase their turnover, but increase their electricity costs in return. Benefiting from ARENH rights for the supply of a large share of the electricity required to operate its facilities, the Group structurally buys less electricity than it produces, thus limiting the impact on its results.

Management example:

Management example: The Group has sales contracts at guaranteed fixed prices for part of its electricity, gas and heat production and has arranged gas and electricity price hedges for the rest of its production exposed to market prices.

However, current market prices well above the power feed-in tariff price in France open up new sales models to optimize the value of revenues generated by its facilities.

Counterparty risk

Generally, given the strength of its customers in France and Belgium, the Group has little exposure to counterparty risk.

In the context of the mine gas business in France, the Group mainly sells the electricity it produces under long-term contracts with EDF OA in France under a purchase obligation. As for the gradual implementation of purchase contracts outside the regulated framework of the purchase obligations, the Group is committed to working with solid creditworthy partners.

For the rest of its activity, the Group has concluded contracts for the sale of its electricity, gas

and heat with major commercial companies and leading local authorities. Nevertheless, the breakdown of the Group's relationships with these customers may have a material adverse effect on its results.

Additionally, despite the care taken in their selection, the inability of a supplier or subcontractor to deliver an agreed service as a result of a default, either during the construction phase of an installation or during the operating phase, could cause a delay in the industrial commissioning or unavailability of the installations, which would ultimately have a negative impact on the Group's results.

Management example:

The Group's selection of solid partners, both operationally and financially, is likely to reduce the probability of occurrence of this risk, albeit without eradicating it. The performance of each partner is assessed annually on the basis of a multi-criteria grid, and so-called critical partners are subject to implementation of dedicated action plans, in order to prevent any deviation from the Group's performance criteria.

Financial volatility risk

The Company's share price is likely to be affected by high volatility.

The market price of the Company's shares may be prone to high volatility and may vary depending on a number of factors beyond the Company's control. These factors include inter alia the market's reaction to:

- changes in financial results, forecasts or prospects of the Group or those of its competitors from one period to the next;
- adverse political, economic or regulatory developments in countries and markets where the Group operates; or legal or administrative proceedings involving the Group;
- unfavourable developments in gas and electricity prices in Belgium;
- announcements of changes in the Company's shareholding structure;
- announcements of changes in the Group's management team or key employees; and
- announcements on the scope of the Company's assets (acquisitions, disposals).

Additionally, stock markets experience significant fluctuations that are not always related to results and prospects of companies whose shares are traded thereon. Material market fluctuations as well as economic conditions could greatly affect the market price of the Company's shares and push down the value of investments made by investors.

Management example:

While volatility remains inherent, the increase in volumes and the steady growth in turnover reduce this risk. Moreover, the Company communicates regularly on its turnover, results or any element that could have an impact on its present or future results. Furthermore, the management team participates in numerous investor meetings in order to articulate the salient points of its strategy and objectives to financial markets.

Acquisition integration risk:

The integration of an asset or a company representing a strategic interest for the Group may not produce the effects initially expected. The Group has made and may make acquisitions in Europe, in various energy activities and with companies of various sizes. Indeed, the Group acquired Greenhill SA in 2021 and Cryo Pur SAS in 2022.

The challenges posed by acquisitions are manifold (synergies, governance, operating methods, key employees, sufficient availability of FDE teams, etc.) and require specific adjustments on a case-by-case basis.

Should the Group fail to successfully integrate the acquired assets under the planned conditions, achieve the expected synergies, retain the key employees of the newly acquired company, or where the Group has to bear liabilities that had not been identified or valued appropriately at the time of the transaction, the Group's financial position and reputation could be adversely affected.

Management example:

In 2016 the Group integrated the assets and staff of Gazonor, in order to redevelop the entire portfolio being integrated into the Group in line with the Group's strategy.

The acquisition of Cryo Pur in 2022 was immediately followed by a restructuring of costs and a re-engineering of the company's strategy. The Group's industrial optimisation and project management expertise will indeed allow for even more efficient development of the patented technologies pioneered by Cryo Pur by applying the operator model successfully developed by FDE for mine gas and solar operations in France and Belgium.

7.5 REGULATORY AND LEGAL RISKS

Risk from changes in the regulatory environment and public policies:

The Group operates of its entire activity in a highly regulated environment, particularly on the environmental, social and tax fronts. Changes in the regulatory environment applicable to the Group's activities may compel it to invest heavily in order to bring its facilities into compliance, thereby eroding the profitability of its facilities. In particular, an unfavourable change, which may be discretionary and/or retroactive, or the inappropriateness of the regulations applicable to the sale of electricity from abandoned mine methane or photovoltaic sources, or the tax environment for these activities (increase in existing taxes) could affect the Group's results with respect to its current or prospective activities. Unfavourable developments in certain public policies, in particular in public policies related to climate change, could also have unfavourable impacts on the Group's ability to implement its strategy.

Management example:

With the Group's main activity being avoiding pollution, it enjoys a support mechanism in an environment where reducing the carbon footprint remains key. However, movements in electricity prices in France and Belgium are favourable, thus indicating that assets producing low-carbon energy are increasingly competitive and less and less dependent on regulatory or feed-in tariff mechanisms.

Litigation risks:

Like any company, the Group's companies may be involved in administrative, tax, legal or arbitration proceedings in carrying out their business. The main scenarios wherein such proceedings could be brought include:

- non-compliance with contractual commitments;
- non-compliance with legislative or regulatory requirements;
- appeals by third parties against permits and authorisations obtained;
- incidents or accidents in the Group's facilities leading to personal injury or property damage that may give rise to claims for compensation.

Management example:

The management of this risk revolves around applying ISO 9001 standards applied in the Hauts-de-France and Wallonia entities, the implementation by each of the Group's subsidiaries of a rigorous policy of compliance with applicable legislative and regulatory provisions, constant monitoring of how they are changing, and securing contractual documentation involving the Group. Where appropriate, the Group recognises provisions in connection with ongoing disputes, reflecting its best estimates of the potential adverse financial consequences of such disputes.

7.6 RISK PREVENTION AND MANAGEMENT

Insurance taken out by the Company

The Company has implemented a policy of covering the main insurable risks with guarantee amounts it deems compatible with the nature of its activities at the Group level.

The main insurance policies in effect within the Group cover property damage, operating loss and machinery breakdown with Albingia, pollution liability with Axa, general and corporate officers' liability with Liberty, and cybersecurity insurance with Marsh.

General principles of internal control

The Company has implemented the legal and regulatory provisions applicable to listed companies as regards internal-control procedures and anchors its approach in complying with corporate governance principles.

Regarding financial issues, the Company has set up a comprehensive risk-management and internal-control system for the Group, the main elements of which will be:

- Identifying and controlling operational risks;
- The Group's overall risk management (at the subsidiary level);
- Monitoring the reliability of the processing of accounting and financial information;
- Controlling the cash position and rules of engagement and significant risks;
- Reporting on and global monitoring of compliance with internal-control standards and the internal-control mechanism.

In the energy sector, governments and public authorities are key contacts. The Group is operationally present in five European countries, all of which have a low level of corruption according to the index established by Transparency International in 2021. The Group advocates zero tolerance for fraud in all its forms, particularly corruption or influence peddling

Internal control procedures for financial and accounting reporting

Internal control over the processing of financial and accounting information seeks to ensure that the accounting and financial information within the Group complies with the relevant laws and regulations. Internal control is also intended to ensure implementation of instructions and guidelines set by General Management.

The Group's General and Financial Management activities are centralized at the Company level. The operating subsidiaries have administrative and financial services, as well as

accounting support.

Only the Company can commit itself through pledges and guarantees or take on market instruments

The Group's Financial Management has implemented an accounting plan and procedures applicable to all the Group's entities. These procedures relate to budgetary control and information reporting.

The Group's consolidated Financial Statements are prepared by the Company's teams. Each consolidated subsidiary prepares a set of accounts, restated to comply with the Group's accounting standards and based on accounting data from local information systems.

The Group continues to strengthen its internal-control system regularly, with a strong focus on team and management awareness, systematic risk reviews, and the development of effective tools tailored to meet the teams' needs, particularly an increased reliance on automated controls.

7.7 FINANCIAL RISKS RELATED TO EFFECTS OF CLIMATE CHANGE

The Group considers that there are no significant financial risks related to the effects of climate change in relation to its activity to reduce the carbon footprint of consumers and the territories in which it operates.

8. ANNUAL FINANCIAL STATEMENTS

8.1 ANNUAL FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT

Year ended 30 June 2023	Notes	30 June 2023	30 June 2022
		€	€
Turnover			
Production in stock / fixed assets		188,401	-85,991
Reversals of depreciation and provisions, expense transfers	2.1	302,078	14,143
Other income	2.2	2,178,418	1,525,658
Total operating income		2,668,897	1,453,809
Costs of goods and services sold	2.3	-1,702,317	-1,833,443
Taxes, duties and similar levies		-16,973	-19,894
Salaries and benefits	2.4	-898,910	-735,859
Social security costs	2.4	-241,313	-579,050
Allowances for depreciation and others		-20,572	-2,561
Provision allowances	2.5	0	-623,825
Other expenses		-54,391	-50,619
Total operating expenses		-2,934,475	-3,845,252
Operating result		-265,578	-2,391,443
Reversals of provisions and expense transfers		0	10,436
Other financial income		69,804	17,074
Financial allowances for depreciation and provisions		-122,589	-150,000
Other financial expenses		-416,010	-143,505
Financial result	2.6	-468,795	-265,996
Exceptional income		106,625	532,511
Exceptional expenses		-7,153,377	-133,323
Extraordinary result	2.7	-7,046,752	399,188
Income tax	2.8	2,795,087	2,018,836
Net income		-4,986,038	-239,414

BALANCE SHEET ASSETS

At 30 June 2023	Notes	Gross 30 June 2023 €	Depreciation, provisions €	Net 30 June 2023 €	Net 30 June 2022 €
Concessions, patents and similar rights	3.2	76,306	43,774	32,533	1,685
Other intangible assets	3.1	37,234,856	755,704	36,479,153	43,541,275
Technical facilities and industrial equipment		35,892	20,256	15,636	16,237
Other tangible assets		45,016	29,225	15,791	13,976
Assets under construction	3.3	68,177		68,177	57,537
Other investments	3.4	5,159,847	1,018,544	4,141,303	4,141,303
Receivables related to participating interests		17,951,038		17,951,038	17,951,038
Other long-term securities		3,209,100		3,209,100	60,069
Other financial assets		4,552		4,552	12,052
Fixed assets		63,784,785	1,867,503	61,917,282	65,795,172
Stocks		249,193		249,193	60,792
Trade receivables and related accounts	3.5	1,987,766	746,414	1,241,352	816,728
Other receivables	3.5 / 4.4	6,587,904		6,587,904	4,678,857
Cash and cash equivalents		207,907		207,907	218,683
Current assets		9,032,769	746,414	8,286,356	5,775,059
Prepaid expenses		79,659		79,659	25,234
Total Assets		72,897,213	2,613,917	70,283,297	71,595,466

BALANCE SHEET LIABILITIES

At 30 June 2023	Notes	30 June 2023	30 June 2022
		€	€
Share capital	3.6	5,182,604	5,172,813
Issue premiums	3.6	44,052,241	44,062,032
Legal reserve		105,762	105,762
Other reserves		72,142	72,142
Carry forward		-1,169,627	-930,214
Financial year result		-4,986,038	-239,414
Investment grant		250,000	250,000
Shareholders equity	3.6	43,507,084	48,493,121
Provisions for charges		1,245,624	1,644,792
Provisions for risks and charges	3.9	1,245,624	1,644,792
Borrowings and other financial debts	3.8 / 4.4	21,541,661	16,815,443
Trade payables and related accounts	3.5	1,132,018	992,406
Tax and social security debts	3.5	1,367,878	1,871,948
Debts on fixed assets and related accounts	3.5	1,426,677	1,476,733
Other debts	3.5	2,355	256,021
Advances and prepayments on orders		60,000	45,000
Debts		25,530,588	21,457,552
Translation adjustment liabilities			
Total liabilities		70,283,297	71,595,466

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

Notes to the balance sheet before distribution for the year ended 30 June 2023, totalling €70,283K, and to the income statement for the year, showing an operating loss of €(266)K and a net loss of €(4,986)K.

These financial statements were approved by the company's Board of Directors on 18 October 2023. They will be submitted to the shareholders for approval during the General Meeting to be held on 30 November 2023.

1. ACCOUNTING RULES, METHODS AND PRINCIPLES

1.1. General Principles and Going Concern

The financial statements for the financial year ending 30 June 2023 were prepared in accordance with the regulations of the French Accounting Standards Authority (*Autorité des Normes Comptables*) No. 2014-03 of 5 June 2014 on the General Accounting Plan, as well as with subsequent regulations amending certain articles thereof.

General accounting policies were applied in compliance with the principle of prudence, in accordance with the basic assumptions:

- going concern,
- consistent accounting methods,
- independent fiscal years.

The basic method used for valuation of items recorded in the accounts is the historical cost method. The valuation and presentation methods have not been changed compared to the previous year.

Going concern

In preparing the consolidated financial statements, Management assesses the Company's ability to continue as a going concern.

More particularly, the Company's management regularly reviews its financing options to ensure that it can continue as a going concern, bearing in mind its investment decisions and anticipated cash flows, including those from cash advances and income from re-invoicing by other Group companies.

The Company's cash flows are negative in the order of €275.0K each month. At 30 June 2023, the Company's cash position was positive at €208.0K.

At the level of the Group, including the Company's direct and indirect subsidiaries, the net change in cash flow for FY2023 amounted to €19.0M versus €17.1M for the previous financial year, mainly from Gazonor, EG NPC and Gazonor Benelux.

On 30 June 2023, the Group's cash position was positive, at €43.0M.

For the financial year ending 30 June 2024, forecasts by the Company's management anticipate a positive operating cash flow from upward flows and dividends from its

subsidiaries. During the financial year ending 30 June 2023, the Company was able to rely on payments for inter-company services and current account reimbursements made by its subsidiaries.

Building on these data and forecasts, the Company considers that it has the capacity to continue its activity during FY2024, to meet its cash flow requirements and to settle the part of the debts featured on its balance sheet which are due within 12 months of the closing date of the accounts or, where these are contentious liabilities, that they will not be payable during this same period.

The Company's annual accounts as at 30 June 2023 have therefore been prepared in accordance with the going concern principle.

1.2. ACCOUNTING POLICIES

A/ Intangible assets - exploration assets

The Company applies the provisions of ANC Regulation 2017-03 of 3 November 2017 and Article R.123-188 of the French Commercial Code, which states that mining exploration costs treated as development costs may be recognised as intangible assets on the balance sheet. The starting point of the corresponding depreciation plan may be postponed until the end of the investigations.

This method of accounting covers exploration expenditure as well as expenditure on assessing the technical feasibility and the capacity of the extraction operation to generate probable future economic benefits.

Survey and analysis costs and all costs incurred prior to securing mining permits are expensed immediately. Geological and geophysical expenditures, including seismic surveys, are expensed directly for the period.

In the event of a discovery, unproven mining rights are transferred to proven mining rights at net book value upon recording of proven reserves and are thereafter reclassified from intangible assets to property, plant and equipment.

Exploration drilling is recognised and tested for impairment on an individual basis as follows:

- The exploration cost incurred in discovering proven reserves is capitalised and subsequently depreciated using the unit-of-production method, based on the proven reserves developed;
- Pending determination of whether proven reserves have been discovered, exploration costs are temporarily capitalised when both of the following conditions are met:
 - The well has revealed a sufficient volume of gas to justify bringing it on stream, if necessary, assuming that the necessary investments for production are made;
 - The Company has made sufficient progress in determining the reserves and the technical and economic viability of the project. This 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 programme, completion of development studies, and consideration of the fact that the Company may be awaiting government or third party approval of a proposed project or availability of transportation or processing capacity in an existing facility.

Exploration assets are subject to an impairment test as soon as an index of impairment occurs (negative changes in reserves, significant changes in legislation, significant technological developments, technical inability to exploit the drilling concerned, etc.), and this at the limits of the cash-generating units defined for the Company as hydrocarbon fields or clusters of hydrocarbon fields presenting homogeneity and consistency in terms of production, treatment and removal of these hydrocarbons. For the Company, these CGUs cross-reference the different PERs (exclusive research permits) currently held as at 30 June 2023.

B/ Other fixed assets

Property, plant and equipment are recognised in the balance sheet at their acquisition cost, less depreciation and any impairment losses. No borrowing costs have been capitalised with respect to these assets.

These assets are depreciated on a straight-line basis over their estimated useful life and any residual value. The periods retained are as follows:

Industrial machinery and equipment	5 to 10 years
Transport equipment	4 to 5 years
Office equipment and furniture	3 to 5 years

Apart from a leasing contract for a complex of offices and warehouses in Pontpierre, no finance leases with assets in service have been identified as at 30 June 2023, as the Company is only involved in contracts for low-value underlying assets or in contracts considered as operating leases: vehicles, copiers, etc.

C/ Investment securities

The gross value of equity investments is recognised on the basis of their acquisition cost. These assets are depreciated with respect to their market value or their value in use. The value in use is estimated on the basis of several criteria, the main ones being: the value of shareholders' equity, projection of future cash flows or valuation of assets based on reasonable operating forecasts.

The acquisition costs of these investments are recognised as expenses.

The shares of the subsidiary EG Lorraine are still impaired at 100% of their gross value, i.e. €869K, considering the prospects of the company in a foreseeable horizon, as well as the probable anticipated results and cash flows. The shares of the subsidiary Concorde Energy Inc with a gross book value of €150K are also impaired at 100% since the financial year ended 30 June 2022.

D/ Other financial assets

Other financial assets are recorded at their acquisition cost for their gross value, less impairment in the event of a loss in value compared mainly to their value in use.

Other long-term investments are composed of shares held by TC ICAP (EUROPE) in managing the liquidity contract as entered into by FDE since 15 March 2019 and renewing the contract

signed on 22 June 2017.

As at 30 June 2023, an amount of €59K was shown as non-current financial assets, while €128K was recorded in cash (€60K and €85K respectively over the previous financial year). Gains or losses on disposals recorded at the time of each transaction carried out on the market are recognised in the annual financial statements as exceptional income, for a net gain of €42K for the financial year ended 30 June 2023 (€26K gain for the previous financial year).

This category also includes treasury shares held by FDE as a result of its share buyback programme initiated in 2023.

Impairment is recognised if the net asset value, made up of the average stock market price at the end of the financial year, is lower than the historical value. No provision or reversal was recorded at 30 June 2023.

E/ Operating receivables and payables

As receivables and payables are valued at their nominal value, a depreciation of receivables is applied when a risk of non-recovery exists at the end of the financial year.

Fixed asset liabilities include liabilities related to investments as well as liabilities related to exploration costs as described in paragraph A/ of this section of the notes.

F/ Accrued expenses

Debt issuance costs are capitalised as accrued expenses and amortised over the term of the loans concerned.

G/ Foreign currency transactions

Transactions in foreign currencies other than the entity's functional currency are translated at the applicable exchange rate on the transaction date. At the end of the financial year, assets, liabilities and cash are converted at the closing rate and the resulting exchange difference is recorded under translation adjustments.

Unrealised losses are recorded as a provision for risks.

Pursuant to Regulation 2015-05 on forward financial instruments and hedging transactions, the Company recognises its foreign exchange gains and losses, for those relating to commercial transactions, in other operating income and expenses and no longer in financial income or expense since FY2018.

H/ Free-awarded shares awarded

As at 30 June 2023, three plans approved by the Company's Board of Directors are still in progress, with the designated beneficiaries being the Company's employees and directors.

No expense is recorded in the Company's annual accounts during the entire vesting period. However, the employer's contribution payable on the vesting of free shares is recognised on a straight-line basis over this period. At 30 June 2023, this contribution amounted to €103K

in liabilities.

It should be noted that a fifth plan expired during FY2023, the Company Chairman having recognised on 02 September 2022 that 9,791 free shares had been permanently awarded to beneficiaries of this plan implemented by the Board of Directors on 12 December 2019. The employer's contribution remaining to be paid under this fifth plan as at 30 June 2023 amounts to €37K with a maturity of less than 1 year.

I/ Corporate tax

As at 01 July 2018, a new tax consolidation was set up with FDE as the ultimate responsible entity of the tax consolidation, with the companies Gazonor Holding, Gazonor, EG Lorraine and EG NPC in the scope of consolidation.

The indirect subsidiary Gazonor Béthune joined the scope of the tax consolidation group as from 01 July 2020, with Cryo Pur also joining as from 01 July 2022.

Under this tax consolidation, each company calculates its tax as if it were independent and pays its tax to the ultimate responsible entity. A tax is then calculated at the level of the integrated tax group.

J/ Provisions

The Company sets and assesses its provisions pursuant to Regulation CRC 2000-06 on liabilities, which are earmarked to cover risks and expenses that are likely to arise from events that are in progress or have occurred, and that are clearly defined in terms of purpose, but unclear with respect to implementation, timing or amount. These include inter alia compensation estimated by the Company and its advice in respect of disputes, litigation and claims by third parties.

(i) Site restoration and dismantling costs

Future site restoration costs arising from a legal, regulatory, contractual or constructive obligation are covered by provisions on the basis of a reasonable estimate during the year in which the obligation arises.

As a counterpart to this provision, site restoration costs are capitalised and included in the value of the underlying asset and depreciated over the useful life of that asset.

The restoration and dismantling provisions recognised in the Company's accounts at 30 June 2023 cover exploration sites that have been drilled or are currently being drilled in the Lorraine region.

Considering the date of fulfilment of these restoration obligations, the amounts recorded have been discounted and the effects thereof recorded as financial result for the portion relating to the effect of discounting. The inflation rate applied at 30 June 2023 is the Eurozone 15-year swap inflation rate (2.58%) while the discount rate is the Ibbotson Corp AA 10+ benchmark market rate (3.60%).

(ii) Retirement commitment

For defined benefit plans and for retirement benefit obligations, commitments are valued using the projected unit credit actuarial method, taking into account actuarial assumptions such as salary increases, retirement age, mortality, staff turnover and discount rate.

The discounted commitment under retirement benefits is not recognised by the Company but is presented in the accompanying notes.

As at 30 June 2023, the Company had not recorded any hedging asset to cover such commitments.

(iii) Other provisions

Other provisions mainly include litigation involving the Company at the balance sheet date. A provision is only recognised in the event of the existence of a cause of action at 30 June 2023, a probable outflow of resources representing economic benefits and a reliable estimate of the obligation.

The estimated provision is considered on the basis of the most probable value, i.e. an assessment based on the value of the last judgment rendered or the estimate made by lawyers or legal advisers in the case of ongoing litigation.

2. NOTES TO THE INCOME STATEMENT**2.1. Reversals of depreciation and provisions, expense transfers**

The reversal of €294K concerns Lons le Saulnier and Gardanne permits that were removed from assets during FY2023 but were fully depreciated before 01 July 2022. The net impact on this financial year is therefore zero.

Reversals of depreciation, provisions - transfers of expenses	30 June 2023	30 June 2022
	€	€
Reversal of provision for impairment	294,320	0
Loan issue costs activated	0	0
Salary expense transferred	5,812	14,143
Others	1,946	0
Total reversals and transfers of expenses	302,078	14,143

2.2. Other income

During the year ended 30 June 2023, the Company recognised other income of €2,178K vs €1,526K for the previous year. As in FY2022, this partly involved central and operational services charged back to its operating subsidiaries, particularly personnel and administrative costs incurred by FDE on behalf of its subsidiaries. This chargeback is carried out on the basis of the actual costs recorded with application of a mark-up of 5% corresponding to arm's length remuneration.

The increase between FY2022 and FY2023 mainly stemmed from invoicing of development services provided by FDE for the technical support required for project design (including

preliminary engineering studies, authorisations, etc.), construction and commissioning of projects in accordance with the applicable legal and regulatory requirements, particularly for the 15 MW photovoltaic project in Tritteling.

Breakdown of other income	30 June 2023	30 June 2022
	€	€
Services	885,968	511,645
Technical development services	1,292,450	1,014,013
Total other income	2,178,418	1,525,658

2.3. Other purchases and external expenses – Other expenses

The most significant items recorded under other purchases and external charges are presented below for the financial years ended 30 June 2023 and 2022:

Costs of goods and services sold	30 June 2023	30 June 2022
	€	€
Furniture and building rentals	87,929	123,342
Studies and exploration	63,946	43,520
Accountant and legal fees – Consultants	231,140	415,102
Auditor's fees	156,008	112,992
Communication	61,998	88,919
Travel	91,354	77,810
Commissions and other intermediaries	330,045	231,938
Banking services and fees	20,195	418,893
Other expenses	659,701	320,927
Total costs of goods and services sold	1,702,317	1,833,443

Other purchases and external expenses fell during the financial year, with banking costs still impacted in 2022 by the shareholder loan of €3.3M (repaid on 30 June 2022) and a reduction in the fees necessary for the Group's development and growth, and in particular the acquisition of Cryo Pur in 2022.

2.4. Personnel costs

The Company's personnel expenses amounted to €1,140K over FY2023 (€1,315K in 2022). This decline mainly stemmed from the drop in workforce between the two financial years (10 at 30 June 2023 vs 13 at 30 June 2022).

Staff complement

Staff complement	30 June 2023	30 June 2022
Managers and directors	8	8
Blue collar workers	2	5
Total staff complement at closing	10	13

Remuneration of key executives

As of 30 June 2023, two people may be placed in this category, namely Mr Julien Moulin, Chairman of FDE, and Mr Antoine Forcinal, Chief Executive Officer. The amount of remuneration awarded to the main directors is broken down as follows:

Remuneration of key executives	30 June 2023	30 June 2022
Fixed and variable remuneration	218,835	210,701
Attendance fees	0	0
Total remuneration	218,835	210,701

The above data includes remuneration paid to directors by other group companies and re-invoiced to FDE, less amounts re-invoiced to subsidiaries.

2.5. Allowances for depreciation and provisions

At 30 June 2022, a receivable of €624K (excluding VAT) held for the indirect subsidiary Concorde Energie Paris (representing the chargeback between 2016 and 2022 of services delivered by FDE in connection with the La Folie de Paris permit), was covered by a 100% provision for doubtful debts, considering the high risk of non-recovery at the reporting date. As at 30 June 2023, this depreciation is maintained.

2.6. Financial result

The items related to the financial result are as follows:

Financial result	30 June 2023	30 June 2022
		€
Allowances for equity investments	-122,589	-149,270
Interest cost	-416,010	-100,049
Other financial income/expenses	69,804	-16,676
Total financial result	-468,795	-265,996

For the financial year ended 30 June 2023, the company's financial result mainly consists of the interest expense on advances on current accounts with respect to its subsidiaries, but also of the impairment of the current account with two subsidiaries. Over the previous financial year, an allowance for impairment of Concorde Inc's equity securities held by the Company for €150K had been recorded.

2.7. Extraordinary result

As at 30 June 2023, the exceptional result mainly includes the abandonment of the Diebling well located in Lorraine, for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well.

2.8. Income tax

The company recognised net tax income of €2.8M for the entire tax group.

As of 30 June 2023, the Company had unused tax losses carried forward from the tax group amounting to €3.8M.

The Research Tax Credit for calendar year 2022 recognised in the 2023 accounts amounted to €240K

Breakdown of total amount of income tax

Income tax	30 June 2023	30 June 2022
	€	€
Income tax	-1,977,378	-1,160,814
Tax consolidation	4,532,839	3,031,604
Research tax credit	239,626	148,047
Total income tax	2,795,087	2,018,837

3. NOTES TO THE BALANCE SHEET

3.1. Exploration assets - Intangible assets

As explained in the accounting rules and methods, the expenses recorded under other intangible assets include all costs incurred during the prospecting and drilling phases of exploration.

The change in these exploration assets mainly stemmed from the work carried out on the sites in the Lorraine basin (Bleue Lorraine permit), particularly the Lachambre site, including costs required to file the Bleue Lorraine concession application made on 28 November 2018 with the Ministry of Ecological and Solidarity Transition and the Ministry of the Economy and Finance.

As at 30 June 2023, the gross value of these exploration costs reached €37.23M, including site restoration costs of €1,594 K on the basis of calculations still concerning the four sites concerned, Folschwiller, Tritteling, Lachambre and Pontpierre. Its discounting was calculated up to 2040, the reference cut-off year following the Hulot law enacted in December 2017, on the following basis:

- Discount rate (Ibbox Corp AA 10+): 3.60% (3.22% in 2022)
- Inflation rate (15-year euro swap zone): 2.58% (4.14% in 2022)

A legal analysis was performed with the Company's lawyers at 30 June 2023 on the status of each licence for which exploration costs have been recorded. The Company's management also assessed the drilling results and qualification of reserves at the financial year-end.

No further depreciation was therefore noted at the end of the 2022 financial year, but it should be noted that the Diebling well located in Lorraine was abandoned, for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well.

Changes in gross and net values between 30 June 2022 and 30 June 2023 are as follows:

Changes - gross value	30 June 2022	Acquisitions	Disposals	Others	30 June 2023
	€	€	€	€	€
Assets - PER Bleue Lorraine	41,947,293	244,312		-6,854,304	35,337,300
Assets - other PERs	597,893			-294,320	303,573
Provisions for restoration	1,593,983				1,593,983
Total - gross value	44,139,169	244,312	0	-7,148,624	37,234,856

Changes in depreciation and amortisation	30 June 2022	Allowance Depr.	Allowance Impairment	reversals	30 June 2023
	€	€	€	€	€
Assets - PER Bleue Lorraine	-				-
Assets - other PERs	-597,893			294,320	-303,573
Provisions for restoration	0	-452,130			-452,130
Total - depreciation and impairments	-597,893	-452,130	0	294,320	-755,704
Total - net value	43,541,275				36,479,152

For each exclusive exploration permit or concession, excluding the provision for restoration, the exploration assets are composed as follows:

Permits / concessions	Articles of association	30 June 2023	30 June 2022
		€	€
Bleue Lorraine (i)	Concession application in progress	35,337,300	41,947,293
Total - exploration assets (net value)		35,337,300	41,947,293

- (i) The third period of the Bleue Lorraine exclusive exploration permit expired on 30 November 2018, the date prior to which an application for a concession had to be made or it would no longer be deemed admissible. In this context, FDE filed a concession application on 26 November 2018, registered by the Ministry of Ecological and Solidarity Transition on 28 November 2018, pursuant to the provisions of the decree of 28 July 1995, and valid until 1 January 2040, i.e. 21 years.

The area requested is 191 km², including 6 communes completely and 34 communes partially.

The prefect of the Moselle department is in charge of implementation with local assistance from the Grand Est regional directorate for the environment, development and housing.

An implicit decision to reject the application for the Bleue Lorraine concession was issued on 11 June 2022 due to failure by the French administration to finalise the processing of the application. A petition challenging the implicit rejection of the Bleue Lorraine concession application was filed on 12 July 2022 with the Administrative Court of Strasbourg.

In a letter dated 4 October 2022, FDE applied for formal notice to be served on the Minister responsible for mines to provide his observations as soon as possible. The

President of the Court granted FDE's motion and served formal notice on the Minister to provide his observations in defence within three months, i.e. 4 January 2023.

On 27 January 2023, FDE launched a suspensive interim proceeding in order to obtain, as soon as possible, the comments of the Minister in charge of mines (with a request for an on-call duty of €5,000 per day).

Following the order dated 26 April 2023 rejecting the Bleue Lorraine concession request and received by FDE on 5 June 2023, a request was submitted, taking the elements already invoked in the current proceedings, initially opened against the implicit decision of rejection of 11 June 2022, and responding to the grounds asserted by the ministers in charge of mines in their order of 26 April 2023 to reject the Bleue Lorraine concession request.

3.2. Concessions, patents and software

Changes - gross value	30 June 2022	Acquisitions	Disposals	Others	30 June 2023
	€	€	€	€	€
Software Sage X3	24,000	46,270			70,270
Other intangible assets	6,036				6,036
Total - gross value	30,036	46,270	0	0	76,306

Changes in depreciation and amortisation	30 June 2022	Allowance Depr.	Allowance Impairment	reversals	30 June 2023
	€	€	€	€	€
Software Sage X3	-24,000	-15,422			-39,422
Other intangible assets	-4,352				-4,352
Total - depreciation and impairments	-28,352	-15,422	0	0	-43,774
Total - net value	1,684				32,532

3.3. Tangible assets

Property, plant and equipment mainly include small equipment and tools, vehicles and IT furniture and equipment. Assets under construction include integration of new Sage modules not yet finalised as at the end of the year.

Changes in gross and net value of these assets are presented below:

Changes - gross value	30 June 2022	Acquisitions	Disposals	Others	30 June 2023
	€	€	€	€	€
Building	13775.15				13,775
Industrial plant and equipment	22,117				22,117
Other tangible assets	38,651	6,364			45,015
Assets under construction	57,537	87,932		-77,292	68,177
Total - gross value	132,081	94,296	0	-77,292	149,085

Changes in depreciation and amortisation	30 June 2022	Allowance Depr.	Allowance Impairment	reversals	30 June 2023
	€	€	€	€	€
Building	-601.32	- 601.32 €			-1,203
Industrial plant and equipment	-18,759				-18,759
Other tangible assets	-24,970	-4,549			-29,519
Assets under construction					
Total - depreciation and impairments	-44,331	-4,549	0	0	-49,481
Total - net value	87,750	89,747	0	-77,292	99,603

3.4. Financial assets - Subsidiaries and equity interests

Other investments include shares held by FDE only for those subsidiaries that are included in the consolidated accounts published by the Company. See table of subsidiaries and investments below.

Subsidiaries and holdings (in K€)	EG Lorraine	Concorde Energy Inc	Cellcius	FalkenSun	LFDE International	Cryo Pur
Capital	869	6,391	1	1	1,000	1,619
Equity other than capital	-903	-5,007	-110	-874	2,961	-5,424
Net income	-4	-	-8	-427	3,845	-1,673
Turnover	0	0	161	684	5,116	894
Share of capital held	100%	100%	51%	75%	100%	95%
Gross book value of shares	869	150	1	1	0	4,140
Net book value of shares	0	0	1	1	0	4,140
Loans and advances granted	34	89	22	54	6,424	2,865

Receivables from equity investments for LFDE International relate to a current account, for which the bulk of the balance is valued at its acquisition value when the Transcor / Gazonor group was acquired in June 2016.

3.5. Maturity of receivables and payables

Other receivables mainly include the Research Tax Credit, the tax consolidation receivable related to the tax due by subsidiaries, recoverable VAT receivables as well as receivables related to Group current accounts, with current accounts in credit recorded as liabilities.

All of the trade payables and other liabilities presented below are due within one year as at 30 June 2023, excluding €82K in employer contributions on free shares. However, in this balance, the sum of €1.4M is in dispute with Entrepouse Drilling.

Statement of receivables and payables - 30 June 2023	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Receivables related to participating interests			17,951,038	17,951,038
Other financial assets			4,552	4,552
Trade receivables and related accounts	1,987,766			1,987,766
Other receivables	6,587,904			6,587,904
Totals - maturity of receivables	8,575,670		17,955,590	26,531,260

Statement of receivables and payables - 30 June 2023	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Borrowings and other financial debts	21,541,661			21,541,661
Trade payables - operating and fixed assets	2,558,695			2,558,695
Tax and social security liabilities - other liabilities	1,348,543	81,690		1,430,233
Totals - maturity of liabilities	25,448,898	81,690		25,530,588

3.6. Capital and shareholders' equity

Breakdown of share capital

As of 30 June 2023, FDE's share capital stood at €5,183K, broken down into 5,182,604 ordinary shares with a par value of €1.00 each, all fully paid up.

During the year, 9,791 new shares were issued following the final allocation of freely awarded shares to beneficiaries of the fifth plan implemented in 2020. This capital increase was made by incorporation of share premiums, following confirmation by the Chairman on 02 September 2022 that free shares had been awarded permanently to their rightful beneficiaries.

No other transactions have taken place with respect to the share capital since 1 July 2022.

Changes in equity

	Value at 30 June 2022	Result 2023	Appropriation of earnings 2022	Dividends	Other changes	Value at 30 June 2023
Changes in equity						
		€	€	€	€	
Share capital	5,172,813				9,791	5,182,604
Issue premiums	44,062,032				-9,791	44,052,241
Legal reserve	105,762					105,762
Other reserves	72,142					72,142
Carry forward	-930,213		-239,414			-1,169,627
Financial year result	-239,415	-4,986,038	239,415			-4,986,038
Investment grant	250,000					250,000
Total	48,493,121	-4,986,038	-	-	-	43,507,084

Issue premiums amounting to €44,062K represent the difference recorded during FY2016, between all issue premiums related to the Group's IPO and conversion of previously issued bonds, totalling €45,374K in premiums, and the amount, net of tax, of costs incurred by the Group during this IPO, i.e. €1,204K, as well as the successive impacts of the employee free share plans amounting to €118K.

3.7. Share-based payments / employee free-awarded shares

The General Meeting held on 23 March 2016 had authorised the Board of Directors to proceed with allocation of free shares to the Group's employees and corporate officers, within the limit of 5% of share capital, a delegation renewed by the General Meeting of 29 November 2019 and again at the Shareholders' General Meeting of 30 November 2021 under the same conditions. The distribution of employee free shares must be made through a capital increase by way of incorporation of reserves or premiums.

The first and second plans have resulted in permanent awards during previous years.

The fourth plan resulted in the permanent award of 9,791 shares during the past financial year following the Chairman's acknowledgement on 02 November 2022 that the requirements laid down in the 2020 plan had been fulfilled.

On 27 July 2021, the Board of Directors implemented the sixth plan pursuant to the Plan regulations and awarded 48,776 free shares to 14 beneficiaries.

On 01 July 2022, the Board of Directors implemented the seventh plan pursuant to the Plan regulations and awarded 48,125 free shares to 22 beneficiaries.

On 30 July 2023, the Board of Directors implemented the eighth plan pursuant to the Plan regulations and awarded 11,902 free shares to 26 beneficiaries.

The breakdown of employee free shares awarded under the three plans still ongoing as at 30 June 2023 is presented below:

Free share plans	Number of shares initially awarded	Number of shares at 30 June 2023	Fair value
27 July 2021	49.795	48.776	22.5
01 July 2022	48.736	48.125	51.2
30 June 2023	11.902	11.902	48.3

All of these allocations together represent a total of approximately 4.37% of the capital, below the ceiling set for the initial authorisation.

These employee free shares will be permanently allocated to the beneficiaries within two years of their initial allocation date, provided these beneficiaries continue to hold their position within the Group during this period, and subject to fulfilment of the other requirements pertaining to this employee free share plan.

Pursuant to the accounting standards in force, no expense is recognised under these plans, only the employer's contribution to the final acquisition of the shares by their beneficiary is provisioned on a straight-line basis over two years.

3.8. Borrowings and financial debts

Considering the current accounts, the loans and financial debts are broken down as follows:

Borrowings and other financial debts	30 June 2023	30 June 2022
	€	€
Shareholder loan (including fees)	0	0
Financial debts more than one year	0	0
Current accounts (Gazonor)	9,230,127	8,672,026
Current accounts (EG NPC)	784,738	700,946
Current accounts (LFDE International)	11,526,795	6,827,693
Current accounts (Gazonor Béthune)	0	521,906
Current accounts (Gazonor Holding)	0	92,872
Financial debts less than one year	21,541,661	16,815,443
Total financial debts	21,541,661	16,815,443

Lastly, in October 2019, the Company signed a leasing agreement with LCL bank for a plot

of land, and an office and warehouse complex in the Faulquemont commune, which was commissioned in December 2020.

This contract is for 12-year term from its effective date, at an interest rate of approximately 2.4% and a €94K purchase option exercisable at the end of the contract.

3.9. Provisions

Provisions	30 June 2022	Allowances	Reversals	Others	30 June 2023
	€	€	€	€	€
Provisions for restoration	1,644,792	52,962		-452,130	1,245,624
Provisions for litigation	0				0
Total provisions	1,644,792	52,962	0	-452,130	1,245,624

The provision for restoration involves the four sites in Lorraine where drilling operations have been carried out. It is determined on the basis of technical appraisals and external estimates. Since no new technical or regulatory obligations came up in 2023, the only changes were related to the accretion of €53K and the modification of discounting assumptions for €452K, the contra-entry of this amount having been recognised by reducing the underlying assets.

This provision was calculated with 3.60% discount rate and 2.58% inflation rate.

4. OTHER INFORMATION

4.1. Lease commitments

Property leases

FDE is involved in lease agreements for land and plots of land located in the Lorraine region, concluded with individual owners for very long periods (maximum term 2091), albeit with the possibility of termination.

Annual rental payments under these contracts amounted to €44K for FY2023, with corresponding commitments amounting to €2,427K over the entire possible lease term, with no material change compared to last year.

Equipment leases

In the course of its business, FDE manages part of its equipment by way of operating leases. These contracts mainly cover rental of vehicles and copiers for fairly insignificant amounts.

4.2. Leasing commitments

A property lease was concluded on 21 October 2019 between FDE and Finamur by notarial deed, covering a total investment of €940K in order to build a set of offices and warehouses on the Pontpierre/Faulquemont business park, which was completed in November 2020.

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

Lease payments by maturity - 30 June 2023	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Lease payments	65,584	282,051	409,675	757,310
Totals - maturity of receivables	65,584	282,051	409,675	757,310

The lease took effect during FY2021.

4.3. Other commitments

Financial commitments on permits

The following table describes financial commitments entered into by the Company in respect of two main permits currently held by the Company and showing investments and exploration costs recognised at 30 June 2023:

Commitments on Exclusive Exploration Permits	Initial financial commitments	Net investments made	Residual commitments
	€	€	€
Bleue Lorraine	7,700,000	35,337,300	None

Each exploration licence granted to the Company includes financial commitments in terms of exploration expenses to be incurred during the term of the licence. Additionally, it is worth noting that the expenses recorded on the Bleue Lorraine PER also includes studies on well architectures, quality and resistance of drilling equipment and tools, as well as characteristics of Lorraine coals which may be useful for the Bleue Lorraine Sud PER.

An application for the Bleue Lorraine permit was filed in November 2018.

Retirement commitments

Pension liabilities - balance sheet	30 June 2023
Provision for pension liabilities 30 June 2023	12,587
Provision for pension liabilities 30 June 2022	23,304
Change in provision during FY2023	-10,717

Since all the Company's employees, excluding corporate officers, are governed by the applicable labour laws in France, the actuarial assumptions used to estimate pension commitments at 30 June 2023 are as follows:

- Retirement age: 6 5 years
- Salary increment: 2%
- Discount rate: 3.6%
- Turnover rate: 5%
- Mortality table: TGH05/TGF05

The discount rate increased from 3.22% to 3.6% between 30 June 2022 and 30 June 2023.

No hedging assets have been allocated by the Group as at the Balance Sheet date.

Financial commitments on loans

A loan was taken out by Gazonor with Bpifrance Financement on 22 October 2019 for a nominal amount of €1,340K, aimed at refinancing the costs incurred for 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.

More specifically, this loan comes with a joint and several guarantee from FDE of €1,340K for the entire term of the financing.

The €5.5M equity loans taken out by Gazonor Béthune SAS, €2.5M by Falkensun and €3.3M by EG NPC SAS benefit from the FDE guarantee.

4.4. Related parties

In the course of its activities, FDE was involved in a number of transactions with persons or entities considered to be related parties during the year ended 30 June 2023. The amounts arising from these transactions and recognised in the financial statements are presented below.

Transactions with related parties	30 June 2023	30 June 2022
	€	€
Equity investments (gross value)	5,159,847	5,159,847
Receivables related to participating interests	17,951,038	17,951,038
Current account assets	3,062,511	905,215
Tax consolidation	2,508,131	3,012,638
Trade receivables - gross value	945,201	748,590
Trade receivables - invoices to be issued	1,042,565	667,105
Related parties - assets	30,669,293	28,444,432
Current accounts liabilities (Gazonor, EG NPC, LFDE Int)	21,541,661	16,815,443
Related parties - liabilities	21,541,661	16,815,443
Services	885,968	434,371
Technical development services	1,281,334	711,291
Related parties - operating income/expense	2,167,301	1,145,662
Interest income on current accounts	69,335	16,570
Interest expense on current accounts	-359,098	-90,383
Annual interest on NEL loan	0	-8,334
Annual interest on EGL loan	0	-4,523
Related parties - financial result	-289,763	-86,671

Relations with related parties

- (i) A service re-invoicing agreement had been entered into on 16 January 2018 between FDE and Gazonor, whereby the former had to re-invoice salary and structure costs to the latter. During FY2019, an amendment No. 2 was signed between these two companies for these services to be re-invoiced based on allocation formulas according to time spent by each of the Company's employees and the costs actually recorded during the financial year.
- (ii) An agreement providing for the same calculation bases in re-invoicing services was concluded between the Company and its indirect subsidiary Gazonor Benelux on 23 April 2019, a subsidiary whose operational activity began at the end of April 2019 with commencement of production at its Anderlues site.
- (iii) Similar agreements have been signed with Cellcius, Falkensun, Gazonor Béthune, EG NPC and Cryo Pur.
- (iv) A development agreement was signed with Gazonor Benelux and Gazonor Béthune respectively to cover the development services provided by FDE for the technical support

required to design the Anderlues 1 and 2, Béthune and EG NPC projects (including preliminary engineering studies, authorisations, etc.), construction and commissioning of the projects pursuant to applicable legal and regulatory requirements.

- (v) A similar agreement with Falkensun was signed in March 2023 in order to cover the development services provided by FDE for the technical support necessary for the design of the Tritteling photovoltaic project, its construction and commissioning in accordance with the applicable legal and regulatory requirements.

The gross expense in respect of remuneration to be allocated to the members of the Remuneration and Audit Committees and the Board of Directors amounts to €50.0K for the financial year ended 30 June 2023, in adjustments to attendance fees paid during the previous financial year, remuneration of directors being presented in part 2.3 of these notes.

4.5. Auditor's fees

The auditors' fees paid by the Company include the following items:

Auditor's fees	30 June 2023	30 June 2022
	€	€
Certification of accounts - Française de l'Energie	143,500	115,992
Other engagements	7,700	7,000
Total Auditor's fees	151,200	122,992

4.6. Ongoing litigation and legal proceedings

As of the date of preparation of the consolidated Financial Statements for the fiscal year ended 30 June 2023, the Group is involved in various disputes and court cases

(i) ENTREPOSE DRILLING dispute

A dispute between FDE and the company Entrepose Drilling S.A.S. concerns drilling and other services invoiced by the latter for the Lachambre drilling campaign. FDE 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 payment of the last invoices for this drilling.

Entrepose Drilling contests this position of the Company and had initiated summary proceedings to obtain payment of these invoices as well as compensation for termination of the contract signed with FDE, arguing that FDE had taken the initiative in terminating the contract. The total amount claimed was €3,040,879, excluding taxes. FDE disputed this fact, blaming Entrepose Drilling for terminating the contract. On 08 September 2017, the Commercial Court of Paris, ruling in summary proceedings, ordered FDE to pay Entrepose Drilling the sum of €984,820, excluding taxes. Decision executed.

Entrepose Drilling has initiated a dispute on the merits of the matter before the Commercial Court of Paris for invoices rejected for payment by the Court's summary ruling for a total amount of €2,067,104, excluding taxes. On its part, FDE has 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 FDE.

In this respect, the summary conclusions were filed with the Commercial Court of Paris on 21 February 2019 by FDE, based on a report by Mr Pierre Gié, produced on 07 February 2019, with the Company requesting an amount of €6,337,029 as well as reimbursement of amounts already paid under the original contract (i.e. €1,183,562 paid in execution of the summary ruling of 8 September 2017 and €1,380,748 paid as settlement of invoices in respect of the rescinded contract).

Entrepose Drilling's liability insurer, HDI Global SE, challenged FDE's conclusions through an expert report by Erget. In December 2019, FDE summoned Entrepose Group, parent company of Entrepose Drilling, to join proceedings as a third party. Entrepose Drilling's summary conclusions were filed during the procedural hearing on 20 February 2020. Entrepose Drilling sent FDE its submissions in response on 5 January 2021, while FDE sent its own submission in response on 9 April 2021. Entrepose Drilling proposed an amicable settlement, FDE made a counterproposal, but these discussions did not result in a settlement. The case was argued on 03 June 2021.

The Paris Commercial Court delivered its judgment on 1 October 2021 and partially granted Entrepose Drilling's claims (i.e., €2,067,104 excluding taxes) and ordered FDE to pay €865K (plus interest at the legal rate since May 2018 with provisional enforcement of the judgment).

FDE paid the amount of the conviction of €946,497 to Entrepose Drilling while contesting the total settlement of €1,138,163 claimed by Entrepose Drilling, which includes VAT, wrongly according to FDE. A hearing took place on 15 January 2022 before the enforcement judge of the Metz Commercial Court to rule on this claim and the amount of the penalty payments claimed by Entrepose Drilling.

FDE appealed the judgements rendered on 1 October 2021 before the Paris Court of Appeal, the proceedings are ongoing and Entrepose Drilling (now called Arverne Driling) filed its submissions in the appeal proceedings in July 2022. FDE filed its own submissions on 20 July 2022.

In proceedings before the First President of the Paris Court of Appeal, FDE obtained a guarantee from Arverne Driling's former shareholder, Entrepose Group, to refund the amounts paid by FDE under the first instance judgment in the event that FDE wins the appeal and Arverne Driling defaults on this repayment.

FDE submitted new conclusions on 11 May 2023 ahead of the closing hearing for the exchanges of conclusions. The case was litigated before the Court of Appeal of Paris on 25 May 2023 and the decision of the Court of Appeal should be given in September 2023.

(ii) XERYS dispute

Following the acquisition of Cryo Pur on 31 December 2021 from the Xerys investment funds, FDE raised various challenges and management shortcomings at Xerys, refusing to pay the acquisition price of €2,000,000.

On 11 February 2022, Xerys summoned FDE for payment of the price and on 28 February 2022, FDE summoned Xerys for cancellation of the sale / compensation for fraud.

By a summary order issued on 15 April 2022, the Paris Commercial Court granted Xerys' claim. FDE executed this decision and paid the sale price to Xéry's entities in April 2022.

The proceedings on merits brought by FDE against Xerys before the Paris Commercial Court are ongoing, and FDE responded with submissions on 15 December 2022. Xéry's responded with new conclusions on 10 August 2023.

The case is expected to be litigated before the Paris Commercial Court in 2023 November and a decision would then be given in early 2024.

4.7. Post balance sheet events

In the context of Bleue Lorraine's concession application, a second hearing was held on 4 July 2023. After a detailed analysis, the court considered that FDE has sufficiently justified its technical capabilities to extract the coal gas and demonstrated the exploitability of the deposit. The court therefore cancelled the order of 26 April 2023 rejecting the concession request and ordered the State to grant FDE the Bleue Lorraine concession within three months, subject to a penalty of €500 per day of delay. In addition, the State will pay FDE €2,500 under Article L. 761–1 of the Administrative Justice Code.

Thus, the State has a period of three months to (i) draft a decree granting the concession, (ii) refer the draft decree to the Council of State, (iii) allow the Council of State to give its opinion and (iv) sign the decree granting the Bleue Lorraine concession to the company FDE.

On 25 September 2023, the State appealed against the judgement issued on 25 July 2023 by the Strasbourg administrative court regarding the Bleue Lorraine concession application. The State's appeal request is non-suspensive and the State is obliged to execute the judgement despite the appeal by granting the Bleue Lorraine concession to FDE by 26 October 2023.

8.2 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

LA FRANCAISE DE L'ENERGIE

Avenue du District
57380 PONTPIERRE

RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES ANNUELS

Exercice clos le 30 juin 2023

Le 31 octobre 2023

BDO PARIS

Société d'Expertise Comptable inscrite au Tableau de l'Ordre de la région Paris-Ile-de-France

Société de Commissariat aux comptes inscrite sur la liste nationale des Commissaires aux comptes, rattachée à la CRCC de Paris

RCS Paris B 480 307 131 00056

SAS au capital de 3 000 000 euros

MAZARS

Société anonyme d'expertise comptable et de commissariat aux comptes

Société inscrite sur la liste nationale des commissaires aux comptes, rattachée à la CRCC de Colmar

RCS Strasbourg 348 600 990

Capital de 400 000 euros

LA FRANCAISE DE L'ENERGIE
Rapport des commissaires aux comptes sur les comptes annuels
Exercice clos le 30 juin 2023

LA FRANCAISE DE L'ENERGIE

Exercice clos le 30 juin 2023

Rapport des commissaires aux comptes sur les comptes annuels

A l'assemblée générale de la société La Française de l'Energie,

Opinion

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous avons effectué l'audit des comptes annuels de la société La Française de l'Energie relatifs à l'exercice clos le 30 juin 2023, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1^{er} juillet 2022 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

- **Evaluation des actifs d'exploration**

Description du risque

Comme indiqué dans le paragraphe A « Immobilisations incorporelles - actifs d'exploration » de la note « 1.2 Règles et méthodes comptables » de l'annexe aux comptes annuels, les immobilisations incorporelles sont constituées essentiellement des coûts de prospection valorisés au coût historique.

En particulier, les coûts d'exploration comptabilisés en immobilisations incorporelles s'élèvent au 30 juin 2023 à une valeur nette de 36 479 K€ et font l'objet de tests de dépréciation sur une base individuelle, permis par permis.

Nous avons considéré l'évaluation des actifs d'exploration comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires (notamment le volume de gaz et la viabilité technique et économique de chaque projet) pour conduire les tests de dépréciation.

Procédures d'audit mises en œuvre en réponse à ce risque

Nos travaux ont consisté à examiner les indicateurs de perte de valeur des actifs d'exploration comptabilisés à l'actif du bilan.

Nous avons ainsi :

- mené plusieurs entretiens au cours de l'exercice avec la direction de la société et obtenu son appréciation sur la qualification des réserves sur la base du rapport de certification qui avait été établi par MHA Petroleum Consultants portant sur les réserves de gaz ;
- pris connaissance de l'analyse juridique effectuée par les avocats de la société portant sur le statut de chaque permis pour lesquels des coûts d'exploration ont été comptabilisés ;
- analysé avec la direction de la société les conséquences des différentes décisions judiciaires rendues au cours de la période, leur impact sur la valeur des actifs et les arguments permettant de justifier le maintien de la valeur des actifs.

- **Evaluation des titres de participation et créances envers les filiales**

Description du risque

Comme indiqué dans la note « 3.4 Immobilisations financières - Filiales et Participations » et « 4.4 Parties liées » de l'annexe aux comptes annuels, les titres de participation figurent au bilan au 30 juin 2023 pour un montant de 4 141 K€ nets, les créances rattachées pour 17 951 K€ et les prêts et avances accordés pour 3 063 K€.

Les titres de participation sont évalués à leur coût d'acquisition et dépréciés pour être ramenés à leur valeur d'utilité selon les modalités décrites dans la note 1.2.C de l'annexe. Les créances sont évaluées à leur valeur nominale et dépréciées lorsqu'un risque de recouvrement existe (note 1.2.E de l'annexe).

Nous avons considéré l'évaluation des titres de participation et créances envers les filiales comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires pour conduire les tests de dépréciation.

Procédures d'audit mises en œuvre en réponse à ce risque

Pour apprécier le caractère raisonnable de la valorisation des titres de participation et créances envers les filiales, nous avons ainsi :

- pris connaissance de la méthode de détermination de la valeur d'utilité retenue par la Direction ;
- vérifié la cohérence d'ensemble des hypothèses utilisées et l'exactitude des calculs arithmétiques réalisés ;
- vérifié, pour les données historiques utilisées que les capitaux propres retenus concordent avec les comptes des entités qui ont fait l'objet d'un audit ou de procédures analytiques ;
- mené des entretiens avec la direction du groupe afin de comprendre les principales hypothèses opérationnelles retenues (revenus et coûts opérationnels futurs) pour le calcul des valeurs d'utilité ;
- apprécié le caractère raisonnable des hypothèses retenues, notamment le taux d'actualisation et le taux de croissance à long terme, compte tenu de l'environnement économique et des spécificités propres au secteur d'activité des filiales ;
- réalisé le cas échéant nos propres analyses de sensibilité.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Conseil d'Administration et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires.

Nous attestons de la sincérité et de la concordance avec les comptes annuels des informations relatives aux délais de paiement mentionnées à l'article D.441-6 du code de commerce.

Informations relatives au gouvernement d'entreprise

Nous attestons de l'existence, dans la section du rapport de gestion du Conseil d'Administration consacrée au gouvernement d'entreprise, des informations requises par les articles L.225-37-4, L. 22-10-10 et L.22-10-9 du code de commerce.

Concernant les informations fournies en application des dispositions de l'article L.22-10-9 du code de commerce sur les rémunérations et avantages versés ou attribués aux mandataires sociaux ainsi que sur les engagements consentis en leur faveur, nous avons vérifié leur concordance avec les comptes ou avec les données ayant servi à l'établissement de ces comptes et, le cas échéant, avec les éléments recueillis par votre société auprès des entreprises contrôlées par elle qui sont comprises dans le périmètre de consolidation. Sur la base de ces travaux, nous attestons l'exactitude et la sincérité de ces informations.

Concernant les informations relatives aux éléments que votre société a considéré susceptibles d'avoir une incidence en cas d'offre publique d'achat ou d'échange, fournies en application des dispositions de l'article L.22-10-11 du code de commerce, nous avons vérifié leur conformité avec les documents dont elles sont issues et qui nous ont été communiqués. Sur la base de ces travaux, nous n'avons pas d'observations à formuler sur ces informations.

Autres informations

En application de la loi, nous nous sommes assurés que les diverses informations relatives aux prises de participation et de contrôle et à l'identité des détenteurs du capital ou des droits de vote vous ont été communiquées dans le rapport de gestion.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

Format de présentation des comptes annuels destinés à être inclus dans le rapport financier annuel

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n°

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2019/815 du 17 décembre 2018 dans la présentation des comptes annuels destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du code monétaire et financier, établis sous la responsabilité du directeur général.

Sur la base de nos travaux, nous concluons que la présentation des comptes annuels destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

Il ne nous appartient pas de vérifier que les comptes annuels qui seront effectivement inclus par votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société La Française de l'Énergie par décision des actionnaires du 29 novembre 2019 pour le cabinet Mazars et du 3 décembre 2020 pour le cabinet BDO Paris.

Au 30 juin 2023, le cabinet Mazars était dans la quatrième année de sa mission sans interruption et le cabinet BDO Paris dans la troisième année.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes annuels ont été arrêtés par le Conseil d'Administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne

comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

LA FRANCAISE DE L'ENERGIE
Rapport des commissaires aux comptes sur les comptes annuels
Exercice clos le 30 juin 2023

Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes annuels de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Fait à Paris et Strasbourg, le 31 octobre 2023



BDO Paris
Représenté par Sébastien Haas
Associé



MAZARS
Représenté par Laurence Fournier
Associée

8.3 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

mazars

1, rue des Arquebusiers
67080 Strasbourg Cedex

BDO

43-47, avenue de la Grande Armée
75116 Paris

La Française De l'Energie

Rapport spécial des commissaires aux comptes sur les conventions réglementées

Assemblée générale d'approbation des comptes
de l'exercice clos 30 juin 2023

Mazars
Société anonyme d'expertise comptable et de commissariat aux
comptes
Société inscrite sur la liste nationale des commissaires aux
comptes, rattachée à la CRCC de Colmar
Capital de 400 000 euros - RCS Strasbourg 348 600 990

BDO Paris
Société d'Expertise Comptable inscrite au Tableau de l'Ordre de la
région Paris-Ile-de-France
Société de Commissariat aux comptes inscrite sur la liste nationale des
Commissaires aux comptes, rattachée à la CRCC de Paris
Capital de 3 000 000 euros – RCS Paris 480 307 131

La Française De l'Energie

Société anonyme

RCS : SARREGUEMINES 501 152 193

Rapport spécial des commissaires aux comptes sur les conventions réglementéesAssemblée générale d'approbation des comptes
de l'exercice clos 30 juin 2023

A l'assemblée générale de la société La Française De l'Energie,

En notre qualité de commissaires aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R.225-31 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R.225-31 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

Conventions déjà approuvées par l'assemblée générale**Conventions approuvées au cours de l'exercice écoulé**

Nous avons par ailleurs été informés de l'exécution, au cours de l'exercice écoulé, des conventions suivantes, déjà approuvées par l'assemblée générale.

- **Entre les sociétés LFDE International et NextGen NRJ Limited**

Administrateurs, dirigeants ou actionnaires concernés : Monsieur Julien MOULIN

Un contrat de prestations de services a été conclu en date du 30 juin 2016 entre la société LFDE International et la société NextGen NRJ Limited consistant en la fourniture de services spécifiques de relations publiques, notamment au niveau européen, et de recherche de financements au sein de la

communauté des investisseurs internationaux, notamment ceux basés à Londres. Les services fournis visent :

- Les prestations de relations publiques, le prestataire s'engageant à faire la promotion des activités du groupe La Française de l'Energie notamment auprès des instances de l'Union européenne en charge des dossiers concernant l'énergie ;
- Les prestations de recherche d'opérations de croissance externe et de financements, le prestataire s'engageant notamment à mettre au service du groupe son expertise financière pour la préparation de futures acquisitions et à promouvoir le groupe auprès des banques, fonds d'investissements et family offices.

Les conditions de rémunération de ces prestations sont les suivantes :

- Versement d'honoraires mensuels d'un montant de 10 000 € hors taxes au titre des relations publiques, soit 120 000 € hors taxes annuels ;
- Rémunération spécifique et discrétionnaire pouvant être recommandée par le Comité des Rémunérations en contrepartie des services ponctuels d'assistance dans les levées de fonds.

Ce contrat a fait l'objet d'un premier avenant conclu en date du 23 octobre 2020 avec effet au 1er octobre 2020. Les dispositions du contrat initial restaient inchangées à l'exception du montant des honoraires mensuels passant à 15 833,33 € hors taxes, soit 190 000 € hors taxes annuels.

Cette convention était effective du 1^{er} juillet 2022 au 31 décembre 2022.

Le montant comptabilisé en charges par LFDE International au titre du contrat et de son avenant pour l'exercice écoulé s'élève à 90 000 € hors taxes.

La charge supportée par LFDE International a été répercutée à votre société à hauteur de 28 350 € hors taxes.

Conventions soumises à l'approbation de l'assemblée générale

Conventions autorisées au cours de l'exercice écoulé

En application de l'article L. 225-40 du code de commerce, nous avons été avisés de la convention suivante qui a fait l'objet de l'autorisation préalable de votre conseil d'administration.

- **Entre les sociétés LFDE International et NextGen NRJ Limited**

Administrateurs, dirigeants ou actionnaires concernés : Monsieur Julien MOULIN

Le contrat de prestations de services conclu en date du 30 juin 2016, entre la société LFDE International et la société NextGen NRJ mentionné au titre des conventions antérieures ayant poursuivi leur effet sur l'exercice a fait l'objet d'un avenant au cours de l'exercice.

Ce second avenant conclu en date du 12 mai 2023 avec effet au 1^{er} janvier 2023 a été autorisé par le Conseil d'administration en date du 12 mai 2023. L'avenant modifie les modalités de résiliation et le montant des honoraires mensuels qui passent à 20 166.67 € hors taxes, soit 242 000 € hors taxes annuels. Les autres dispositions du contrat initial restent inchangées.

Cette convention a été effective du 1^{er} janvier 2023 au 30 juin 2023.

Le montant comptabilisé en charges par LFDE International au titre de cet avenant pour l'exercice écoulé s'élève à 121 000 € hors taxes.

La charge supportée par LFDE International a été répercutée à votre société à hauteur de 38 115 € hors taxes.

Les Commissaires aux comptes

Mazars

Strasbourg, le 31 octobre 2023



Laurence Fournier

Associé

BDO

Paris, le 31 octobre 2023



Sébastien HAAS

Associé

9. CONSOLIDATED FINANCIAL STATEMENTS

9.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED INCOME STATEMENT

Year ended 30 June 2023	notes	30 June 2023	30 June 2022
		€	€
Turnover	2.1	39,226,787	26,220,447
Other operating income	2.2	1,048,358	460,922
Cost of goods and services sold	2.3 / 2.4	-5,208,204	-6,342,743
Other administrative and operating expenses	2.3 / 2.4	-8,449,812	-6,385,880
Other income/(expenses)	2.5	37,201	1,143,251
EBITDA		26,654,330	15,095,997
Net provisions	2.6	-541,463	1,268,866
Depreciation and amortisation		-3,126,013	-2,110,102
Current operating income		22,986,854	14,254,761
Other non-current income and expenses	2.7	-6,854,304	0
Operating income		16,132,550	14,254,761
Financial income		345,994	2,336
Gross financial debt cost	2.8	-1,983,508	-4,388,584
Other financial expenses	2.8	-119,459	-182,956
Pre-tax earnings		14,375,577	9,685,556
Current and deferred taxes	2.9	-2,545,320	-2,486,572
Net income		11,830,256	7,198,984
Net earnings, group share		11,973,094	7,314,163
Net earnings, non-controlling interests		-142,838	-115,179
<i>Net per share, group share</i>			
- Basic earnings per share		2.31	1.41
- Diluted earnings per share		2.31	1.41

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2023	notes	30 June 2023	30 June 2022
		€	€
Net income		11,830,256	7,198,984
-		-	-
Items subsequently transferred to profit or loss		-	-
Actuarial gains and losses on pension plans		6,684	23,951
Tax effect		-1,671	-5,988
Items not subsequently transferred to profit or loss		5,013	17,963
Overall earnings		11,835,269	7,216,948
Overall earnings, group share		11,978,107	7,332,127
Overall earnings, non-controlling interests		-142,838	-115,179
Overall earnings per share, group share			
- Basic earnings per share		2.31	1.42
- Diluted earnings per share		2.31	1.42

CONSOLIDATED BALANCE SHEET

Year ended 30 June 2023		30 June 2023	30 June 2022
		€	€
ASSETS			
Goodwill	3.1	4,574,012	5,758,856
Exploration assets	3.2	38,917,911	45,996,551
Other intangible assets	3.3	759,784	3,546
Proven mining rights	3.4	23,976,139	24,261,443
Other tangible assets	3.5	38,188,233	29,033,205
Non-current financial assets	3.6	1,810,432	1,818,714
Deferred tax assets	2.7	3,789,463	1,667,469
Non-current assets		112,015,974	108,539,784
Stocks	3.7	411,044	563,433
Trade receivables and related accounts	3.8	5,279,234	8,762,185
Other current assets	3.8	2,253,400	4,361,505
Prepaid and deferred expenses	3.8	242,275	261,646
Cash and cash equivalents	3.9	42,965,614	23,985,203
Current assets		51,151,567	37,933,971
Total Assets		163,167,541	146,473,756
EQUITY CAPITAL AND LIABILITIES			
Capital	3.10	5,182,604	5,172,813
Premiums	3.10	56,552,241	65,519,886
Other reserves		212,221	-14,707,621
Net earnings, group share		11,973,094	7,314,163
Other equity capital items		30,866	25,853
Equity capital - group share		73,951,027	63,325,093
Non-controlling interests		-276,005	-232,168
Equity capital of the consolidated group		73,675,022	63,092,925
Non-current financial debt	3.12	59,580,836	48,861,166
Non-current provisions		2,496,800	3,183,758
Provisions for pension liabilities		57,586	63,709
Deferred tax liabilities	2.7	6,670,497	6,427,840
Other non-current liabilities		1,244,595	1,563,750
Non-current liabilities		70,050,313	60,100,223
Current financial debt	3.12	8,527,884	6,910,409
Current provisions	3.14	685,970	283,576
Trade payables and related accounts	3.13	507,176	4,386,301
Fixed assets suppliers	3.13	5,733,056	3,980,142
Other current liabilities	3.13	3,988,119	7,720,179
Current liabilities		19,442,205	23,280,608
Total equity capital and liabilities		163,167,540	146,473,756

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2023	notes	30 June 2023	30 June 2022
		€	€
Operating activities			
Net earnings of the consolidated group		11,830,256	7,198,984
Current and deferred tax expense	2.6	2,545,320	2,486,572
Net depreciation and impairment of tangible and intangible assets		9,980,316	2,110,102
Net provisions		541,463	-1,268,866
Gain/loss on asset disposals		104,495	
Changes in operating working capital	4.1	-880,392	-8,206,836
Changes in working capital - other assets and liabilities	4.1	-1,314,523	308,114
Share-based payment expense		1,760,875	632,784
Gross financial debt cost	2.5	1,983,508	4,388,584
Paid tax		-5,107,658	-4,815
Other non-monetary items		400,634	268,307
OPERATING CASH FLOW		21,844,295	7,912,930
Investment activities			
Capitalised exploration costs	3.1	-244,312	-309,475
Tangible and intangible investments	3.3	-10,008,341	-11,183,137
Proceeds from disposal of tangible and intangible assets	3.3	24,996	43,406
Change in payables on fixed assets		1,752,914	-875,866
Grants received on investment activities	3.3	471,161	578,747
Acquisition/disposal of financial assets	3.8	53,372	225,461
Acquisition of shareholding net of cash		0	-2,117,548
CASH FLOW FROM INVESTING ACTIVITIES		-7,950,210	-13,638,412
Financing activities			
Capital contribution to subsidiaries		138,016	
Redemption of own shares		-3,150,000	
Issuance of loans and financial debts (excluding expenses)	3.8	22,455,870	31,132,381
Repayment of loans and financial debts	3.8	-9,221,061	-7,384,583
Other financial debts	3.8	-2,265,900	1,840,303
Cost of net debt: interest paid		-2,630,598	-1,931,116
Fees paid on borrowings		-240,000	-786,250
CASH FLOW FROM FINANCING ACTIVITIES		5,086,326	22,870,735
NET CHANGE IN CASH AND CASH EQUIVALENTS		18,980,411	17,145,253
Net cash and cash equivalents at the beginning of the year		23,985,203	6,839,950
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		42,965,614	23,985,203

The net cash position at the year-end presented in the consolidated cash flow statement is made up of bank accounts net of bank overdrafts, cash accounts and the cash portion of the liquidity contract in place for the Group.

CHANGES IN CONSOLIDATED EQUITY

Year ended 30 June 2023	Shares		Capital	Premiums	Other equity capital items	Earnings and other reserves - group share	Total equity of - group share	Non-controlling interests	Total equity capital of the consolidated group
	Number	Par value							
		€	€	€	€	€			
At 30 June 2021	5,163,970	1	5,163,970	44,070,875	7,889	6,072,711	55,315,445	-40,770	55,274,675
Net income						7,314,163	7,314,163	-115,179	7,198,984
Other equity items					17,964		17,964		17,964
Free share plan						632,724	632,724		632,724
Recovery of development costs						33,364	33,364		33,364
Other changes						11,432	11,432	-76,219	-64,787
Capital increase (free shares)	8,843	1	8,843	-8,843			0		0
At 30 June 2022	5,172,813	1	5,172,813	44,062,032	25,853	14,064,395	63,325,093	-232,168	63,092,925
Net income						11,973,094	11,973,094	-142,838	11,830,256
Other equity items					5,013		5,013		5,013
Free share plan						1,760,875	1,760,875		1,760,875
Own shares						-3,150,000	-3,150,000		-3,150,000
Other changes						36,952	36,952	99,001	135,953
Capital increase (free shares)	9,791	1	9,791	-9,791			0		0
At 30 June 2023	5,182,604	1	5,182,604	44,052,241	30,866	24,685,316	73,951,027	-276,005	73,675,022

The capital increase of €9.8K carried out during FY2023 is related to the recognition by the Chairman on 02 September 2022 of the permanent allocation of free-awarded shares to beneficiaries of the fourth plan implemented in 2020 by the Board of Directors by virtue of the powers delegated by the General Meetings of 29 November 2019 and 30 November 2021.

Upon fulfilment of all the employee attendance requirements and at the end of the vesting period provided for in the Plan Regulations, 9,791 shares were thus allocated, with capital increase by incorporation of issue premiums.

As part of a share buyback programme implemented by FDE over 2023, two transactions took place during the financial year:

- On 24 March 2023, FDE redeemed 51,282 of its shares. This redemption was carried out over-the-counter for a value of €2M, with the price of the redeemed shares set at €39. Compared to the average closing price of the security over the 20 days prior to 24 March 2023 (i.e. a price of €40.2), the price per share in the context of the share redemption implies a discount of 2.97%.
- On 8 May 2023, FDE redeemed 32,718 of its shares. This redemption was carried out over-the-counter and represents an envelope of €1.15M, with the price of the redeemed shares being set at €35.15. Compared to the average closing price of the security over the 20 days prior to 8 May 2023 (i.e. a price of €36.94), the price per share in the context of the share redemption implies a discount of 4.85%.

As at 30 June 2023, the consolidated equity aggregates were subject to a reclassification following the decompensation of the equity of a subsidiary impacting the “other reserves” and “premiums” items of €12.5M, the “premiums” item actually amounted to €56,552K and the “Net income” and “other reserves” item to €12,185K.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING RULES, METHODS AND PRINCIPLES

1.1. General principles and basis of preparation of consolidated financial statements

On 18 October 2023, the Board of Directors approved the FDE SA Group's consolidated financial statements for the financial year ending 30 June 2023. They will be submitted to the shareholders for approval during the General Meeting to be held on 30 November 2023.

FDE S.A. is the parent company domiciled and registered in France of the Group's consolidated entity as at 30 June 2023. The scope thereof is presented in note 4.11 to these consolidated financial statements. The company's registered office is located at Avenue du District 57380 Pontpierre. The Group's main activities is production of low-carbon energy solutions specific to each territory. The Group mainly operates in France, Belgium and Norway.

The scope of consolidation changed over this financial year compared to 30 June 2022, with Cryo Pur Norge AS and Biogy Solutions AS integrating the scope of consolidation during the financial year. These companies, incorporated under Norwegian law, are intended to develop the operational activity of Cryo Pur in Norway, in particular by setting up a production unit for LBG and Bio-CO₂O₂. These companies do not have employees as at the balance sheet date and their contribution to the consolidated financial statements is not significant as at 30 June 2023.

Apart from these two companies, the only change in the percentage of interest in the consolidated entities during this financial year relates to Cryo Pur SAS, whose participation fell slightly to 95.08% due to the increase in minority capital adjacent to that of FDE as at 30 June 2022.

All the entities in the scope are fully consolidated. All group companies close their accounts on 30 June 2023.

The consolidated financial statements for FY2023 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, adopted by the European Union and applicable at the balance sheet date of 30 June 2023.

The Group's consolidated financial statements are presented in Euro, which is the functional currency of the parent company and its subsidiaries, excluding Concorde Energy Inc. (US dollars) which had no activity during the financial year ended 30 June 2023 and the previous financial year, and excluding Cryo Pur Norge and Biogy Solutions AS (Norwegian krone).

The new amendments published in the Official Journal of the European Union, which are mandatory, were considered, but they had no impact on the Group's Consolidated Financial Statements as of 30 June 2023:

- Amendments to IFRS 3: Update of reference to Conceptual Framework,
- Amendments to IAS 16: Proceeds before Intended Use,
- Amendments to IAS 37: Costs considered in assessing whether a contract is onerous,
- Annual Improvements: Annual Improvements to Standards - 2018-2020 cycle.

Lastly, the Group had no early application of any standards or amendments in its consolidated accounts as at 30 June 2023.

The preparation of financial statements in accordance with IFRS requires the Group's management to make estimates, assumptions and judgements that affect the information presented in the condensed consolidated financial statements and their accompanying notes, particularly assets, liabilities and contingent liabilities recognised or presented at the balance sheet date as well as income and expenses recognised during the period.

These estimates, assumptions and judgements are based on past experience and other factors considered reasonable at the date of preparing the financial statements. They are reviewed on a regular basis by the Group's management and may therefore be revised significantly in the event of a change in circumstances or upon receipt of new information. Some of these estimates, assumptions or judgements could have a material impact on the information presented and the final outcome could also differ from the amounts included in the consolidated financial statements and their accompanying notes.

The application of these estimates, assumptions and judgements in preparing the consolidated half-year financial statements and their notes as at 30 June 2023 mainly entails applying the going concern principle, the successful efforts method for oil exploration activities, impairment of assets and assessing their recoverable amount, provisions for site restoration and provisions for major overhauls, recognition of deferred tax assets and liabilities, as well as valuation of share-based payments.

1.2. ACCOUNTING POLICIES

A/ Consolidation Principles

In accordance with IFRS 10 provisions, the Group applies the full consolidation method when the following three conditions are cumulatively met to demonstrate control:

- Power held over the entity;
- Exposure or rights to variable returns from the entity;
- The ability to exercise its power to impact returns.

Intercompany transactions, assets and liabilities between consolidated companies, as well as internally generated profits are eliminated.

B/ Going concern

In preparing the consolidated financial statements, Management assesses the Group's ability to continue as a going concern.

More particularly, the Group's Management regularly reviews its financing options to ensure that it can continue as a going concern, bearing in mind the maturities of its various assets and liabilities, and anticipated cash flows, including those from its sales of gas, electricity and heat.

Operating cash flows generated by the Group for FY2023 amounted to €21.8M vs €7.9M for the previous year, owing mainly to higher volumes and the prices of gas in France and electricity in Belgium. At 30 June 2023, following the loans taken out during the year, the

Group's cash position was positive at €43.0M.

Management's forecasts and estimates of the Group's capacity to continue as a going concern are based particularly on the following factors: continued production of gas, electricity and heat in Hauts-de-France and Grand-Est, and of electricity in Belgium according to the plans and assumptions made (changes in gas and electricity prices, quantity and quality of volumes produced on site, capacity to inject into the networks), stability of general and administrative expenses, completion of maintenance operations and major overhauls needed for proper functioning of its facilities, particularly the cogeneration units installed in the Hauts-de-France and Wallonia regions.

As regards the major investment projects that may be launched during the next twelve months, the Group has already secured the necessary financing, particularly via the two green bonds issued by LFDE International on 15 September 2021 amounting to €25M, fully subscribed, and on 30 September 2022 amounting to €20M, equally fully subscribed.

The Group's forecasts up to the end of June 2024 show that the Group will generate sufficient cash flow to continue as a going concern.

On the basis of these data and forecasts, the Group considers that it has the capacity to continue as a going concern in 2024 and, more generally for the next 12 months, to meet its cash requirements and settle its balance sheet liabilities.

The Group's consolidated financial statements as at 30 June 2023 have therefore been prepared on a going concern basis.

C/ Sectoral information

The sectoral information presented in the Group's consolidated financial statements is based on the internal reporting used by Management to assess performance and allocate resources to the various sectors.

The Group's business is grouped for analysis and decision-making purposes by Management into four operating sectors, characterised by a different model in terms of gas exploitation and development on the one hand and solar exploitation on the other. These business sectors are as follows at 30 June 2023, covering the geographical areas in which the Group currently operates:

- Exploitation and development of abandoned mine methane (Pas-de-Calais -Hauts de France / Anderlues - Wallonia): capture of gas present in mines and valorisation as gas, electricity or heat.
- Solar exploitation (Moselle-Grand Est): valorisation as heat and electricity
- Exploitation and valorisation of coal seam gas and hydrogen (Moselle-Grand Est): prospecting, certification of coal seam gas (CSG) reserves, and recovery of this gas for gas and/or hydrogen valorisation in short circuits.
- Other sectors: includes Cryo Pur whose activity is to develop and operate biogas purification and liquefaction units in order to produce LBG and Bio-CO₂

D/ Turnover recognition

Turnover is recognised when a performance obligation is satisfied by transfer of a good or

service to the customer, such transfer being considered as having occurred when the Group is no longer involved in the management or effective control of the goods and services thus transferred.

Performance obligations are identified at inception and determined on the basis of contractual terms and customary commercial practices after identification of contracts within the scope of IFRS 15. Transaction prices are allocated to each performance obligation in proportion to their separate selling price.

Sales of gas, electricity and heat are recorded under the contractual terms with the Group's main customers, namely EDF-OA, EDF Luminus, Dalkia, Axpo, Save Energies GazelEnergie et Enes.

E/ Business combinations and goodwill

Business combinations are accounted for using the acquisition method. This method requires the Group to recognize identifiable assets and liabilities at their fair value.

The allocation of the purchase price is finalised within a maximum period of one year from the acquisition date.

The buyer must recognise the positive goodwill on the assets side of the Balance Sheet at the date of acquisition, measured as the excess between:

- the consideration transferred, the amount of non-controlling interest and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held interest in the acquired entity;
- with respect to the acquisition-date fair value of the identifiable assets acquired and liabilities taken over.

Goodwill recorded in the balance sheet has been determined using the partial goodwill method.

If the consideration transferred is less than the fair value of the identifiable assets acquired and liabilities assumed, the identification and measurement of the identifiable assets and liabilities are further analysed. Upon completion of the further analysis, the negative goodwill is recognised directly in the income statement.

F/ Conversion methods

Transactions in foreign currencies other than the entity's functional currency are translated at the applicable exchange rate on the transaction date. At the year-end, monetary assets and liabilities are converted at the closing rate and the resulting exchange difference is recorded as income.

G/ Liquidity contract

As part of FDE's listing on the Paris Euronext market, compartment C, a liquidity contract is in place to mitigate the intra-day volatility of its shares. This liquidity contract, in accordance with the AFEI (French Association of Investment Firms) Code of Ethics, was initially signed on 15 June 2016 with Aurel BCG for the provision of liquidity for an amount of €350K, to be

divided between a liquidity account and a security account.

On 22 June 2017, this liquidity contract had been transferred from Aurel BGC to Midcap Partners (Louis Capital Markets) then TC ICAP (EUROPE), a new investment services provider, contract renewed on 15 March 2019 under the same operating conditions. On 30 June 2023, the cash share of this contract represented €128K versus €85K the previous year.

H/ Share-based payment

A personnel expense is recognised for services remunerated by benefits granted to employees in the form of share-based payments. The purchase cost of the shares and similar instruments is measured by reference to the fair value at the date the equity instruments are awarded.

For share subscription and/or purchase options reserved for employees, or employee free shares that may be granted to employees, this fair value is recorded under personnel costs with a direct matching amount in equity as soon as the rights are awarded to the employee, spread over the entire vesting period of these shares for all free share plans applicable within the Group at the end of FY2023.

The fair value of subscription options, grants of free shares and similar is measured in particular on the basis of the stock market price of the share, the exercise price and the term of the option, the current price of the underlying shares, the expected volatility of the share price, and the risk-free interest rate for the term of the option, taking into account the absence of dividends over the acquisition period of the rights.

I/ Current and deferred taxes

The tax expense for the period comprises current tax and changes in deferred tax since the previous balance sheet date. The Group calculates its income taxes in accordance with the tax laws applicable in the countries where the results are taxable, notably France and Belgium.

Temporary differences between the consolidated 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 to calculate deferred taxes is the one known at the balance sheet date and applicable to the periods during which the assets will be realised or the liabilities settled: the effects of changes in rates are recorded in the period during which the decision to change the rate is taken, and this takes place in the income statement, except when they relate to transactions recognised directly in equity. No changes in interest rates were noted for FY2023.

Tax savings from tax loss carryforwards are recorded as deferred tax assets. All of these deferred tax assets are written down if they are deemed unrecoverable, with only the amount that is likely to be used being recognised as a balance sheet asset. As of 30 June 2023, the amount of unrecognised losses stood at €35.9M, including €6.8M for LFDE International (Luxembourg), €2.7M for Greenhill (Belgium) and €26.3M for Cryo Pur.

J/ Exploration expenses

Expenditure recognised as exploration assets in the consolidated balance sheet comprises all costs incurred during the prospecting and drilling phases of exploration. Survey and analysis costs and all costs incurred prior to securing mining permits are expensed immediately. Geological and geophysical expenditures, including seismic surveys, are also expensed directly for the period.

The Group applies IFRS 6 for the recognition of exploration expenditure. The recognition of production rights and assets of subsoil resources is carried out using the successful efforts method.

Exploration drilling is recognised and tested for impairment on an individual basis as follows:

- The exploration drilling cost incurred in discovering proven reserves is capitalised and subsequently depreciated using the unit-of-production method, based on the proven reserves developed;
- Pending determination of whether proven reserves have been discovered, exploration costs are capitalised when both of the following conditions are met:
 - The well has revealed a sufficient volume of gas to justify bringing it on stream, if necessary, assuming that the necessary investments for production are made;
 - The Group has made sufficient progress in determining the reserves and the technical and economic viability of the project. This 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 programme, completion of development studies, and consideration of the fact that the Group may be awaiting government or third party approval of a proposed project or availability of transportation or processing capacity in an existing facility.

Exploration costs that do not meet these requirements are expensed.

K/ Property, plant and equipment

Property, plant and equipment includes acquired proven mineral reserves.

Property, plant and equipment are recognised in the balance sheet at their acquisition cost, less depreciation and any impairment losses, in accordance with IAS 16. For significant assets, notably those related to motors and compressors used by the subsidiaries Gazonor, EG NPC and Gazonor Benelux for the production of green electricity, the components have been identified and depreciated over their respective useful lives.

Proven mining duties are amortised using the unit of production method based on proven and probable reserves.

Other tangible assets are depreciated on a straight-line basis over their estimated useful life and any residual value. The periods retained are as follows:

Buildings	10 to 20 years
Building fixtures	5 years
Technical facilities	10 to 15 years
Site facilities	25 years
Industrial machinery and equipment	5 to 10 years
Transport equipment	4 to 5 years
Office equipment and furniture	3 to 5 years

L/ Depreciation and impairment of fixed assets

The recoverable value of property, plant and equipment and intangible assets is tested as soon as there is a sign that the assets may be impaired, with this test being carried out at least once a year for goodwill and intangible assets with an indefinite useful life.

In particular, mining rights and exploration assets, recognised as intangible assets, are subject to impairment tests, and this at the limits of the cash-generating units defined for the Group as hydrocarbon fields or clusters of hydrocarbon fields presenting homogeneity and consistency in terms of production, processing and disposal of these hydrocarbons. For the Group, these CGUs cross-reference the different PERs currently held as at 30 June 2023.

The value in use of a CGU is determined by reference to the value of the discounted future cash flows expected from these assets pursuant to the economic assumptions and operating conditions projected by the Group's management. The discount rate of the expected cash flows reflects the rate of return expected by investors in the relevant business and the risk premium specific to that business.

The main operational assumptions on which the Group relies to carry out its impairment tests on exploration assets and mining rights are as follows:

- Estimated sales volumes based on production capacities relating in particular to electrical installations (number of cogeneration plants installed) and gas installations. The production capacity was defined and then an "availability" factor was integrated, taking into account, for example, maintenance periods or unforeseen downtimes.
- Selling price according to current contracts and indexation formulas if applicable. For electricity, these may include fixed prices over the long term or market prices, with an average calculated at the Group's various production sites.
- Purchase price of electricity, defined in particular by considering the share covered or not by ARENH rights.

Finally, the impairment indices used by the group are manifold:

- Changes in gas price, whether in real or future prices, in particular based on the PEG Nord index used as the contractual reference.
- Changes in gas reserves in basements from their update carried out according to the independent reserve reports.

- Downtimes or reductions in site operations based on management decisions or regulatory constraints.

M/ Leases

The Group accounts for all its leases, i.e. when they give the lessee the right to control the use of a specific asset, according to a model in which an asset is recognised in the balance sheet for the right to use the leased assets and a liability is recognised for the associated rental obligations.

The accounting measurement of these items on the balance sheet depends on the following elements:

- The estimated duration to be retained for each contract. The determination of this duration is the non-cancellable duration plus the intervals covered by any extension option that the lessee is reasonably sure to exercise and any termination option that the lessee is sure not to exercise;
 - The combination of the fixed and variable components of contractual payments;
 - The determination of the marginal borrowing rate where the implicit rate of the contract is not easily determinable.

The Group has chosen to use the two exemptions proposed by the standard on leases, namely, contracts with a duration of less than 12 months and contracts with a renewal value of the underlying property of less than €5K.

Furthermore, leases for land and parcels located in the Lorraine region are excluded from the scope of IFRS 16, as they relate to leases entered into for exploration of mining, oil and gas resources.

N/ Inventories

Inventories are mainly composed of spare parts and lubricants used by Gazonor sites as at 30 June 2023. The latter are valued at their production or acquisition cost, plus ancillary purchase costs, and may not exceed their realisation value.

Inventory movements are valued using the “first-in, first-out” (FIFO) method.

An impairment loss is recognised when the net realisable value of these inventories is less than their production or acquisition cost.

A depreciation of €106 K was recorded as at 30 June 2023 (€60K in 2022).

O/ Financial assets and liabilities

The fair value (or market value), for assets, is the selling price that would be obtained in the event of disposal and, for liabilities, is the amount that would be paid to transfer them, such theoretical transactions being concluded under normal trading conditions.

(i) Loans and financial receivables

Loans and receivables are financial assets, the payments of which are determined or determinable, which are not listed on an active market, and which are neither held for trading nor available for sale. These assets are initially recognised at fair value and subsequently at amortised cost using the effective interest method. For short-term receivables with no stated interest rate, the fair value is equivalent to the original invoice amount. These assets are tested for impairment if there is any indication of impairment. An impairment loss is recognised if the carrying amount exceeds the estimated recoverable amount. Receivables from equity investments, other loans and receivables and trade receivables are included in this category. They are included in other financial assets and trade receivables.

(ii) Assets held to maturity

Assets held-to-maturity are financial assets, other than loans and receivables, having a fixed maturity, where payments are fixed or determinable and the Group has the intention and the ability to hold to maturity. These assets are initially recognised at fair value and subsequently at amortised cost using the effective interest method. The assets are tested for impairment if there is any indication of impairment. An impairment loss is recognised if the carrying amount exceeds the estimated recoverable amount. Held-to-maturity assets are presented as other financial assets.

(iii) Non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially at fair value adjusted for transaction costs and premiums directly incurred from their issue. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The main non-derivative financial liabilities include:

- Bonds;
- Accrued interests not due;
- Loans and bank overdrafts;
- Financial debts related to securitised receivables for which the Group bears the credit risk;
- Trade payables.

The fair value of the debt component of a convertible bond is determined using a market interest rate applied to an equivalent non-convertible bond. This amount is recognised as a liability on the basis of its amortised cost until the debt is fully serviced on conversion of the bonds or when they mature. The remainder of the proceeds of the issue is allocated to the conversion option and recognised in shareholders' equity or in debts, depending on whether or not the conversion option constitutes an equity instrument, net of tax.

(iv) Factoring contract

A factoring contract was concluded in January 2018 by the Gazonor entity. This contract is analysed as a recourse contract, with retention of substantially all the risks and rewards of the receivables.

At financial year-end 2023, receivables assigned but not yet resolved by the final customer are presented as trade receivables with a counterpart recognised as current financial debt.

(v) Debt-issue costs and non-conversion premium

Issuance costs directly incurred from the issuance of a financial liability are deducted from the initial fair value of the debt and mechanically spread over the life of the debt using the effective interest rate method. An amount of €880K was thus deducted from the financial debts as of 30 June 2023.

The non-conversion premium related to the bond issue is also spread over the life of the bond and recognised as a liability using the effective interest rate method. This premium was calculated on the basis of the loan's contractual data and the most probable calculation as at 30 June 2023.

P/ Current and non-current provisions

A provision is recognised when the Group has a present legal or constructive obligation stemming from a past event, where it is probable that an outflow of resources will be required to settle the obligation and such outflow can be reliably estimated. The provisioned amount corresponds to the best possible estimate of the obligation.

Provisions include liabilities of uncertain timing or amount arising from environmental risks, regulatory and tax risks, litigation and other risks or charges.

(i) Site restoration and dismantling costs

Future site restoration costs arising from a legal, regulatory, contractual or constructive obligation are covered by provisions on the basis of a reasonable estimate during the year in which the obligation arises.

As a counterpart to this provision, site restoration costs are capitalised and included in the value of the underlying asset and depreciated over the useful life of that asset.

Provisions for restoration and dismantling recognised in the Group's accounts as at 30 June 2023 cover exploration sites that have been or are being drilled in the Lorraine region, as well as sites used by Gazonor and EG NPC in Hauts-de-France and Gazonor Benelux in Wallonia to produce gas and green electricity.

Given the date of performance of these remediation obligations, the amounts recorded have been updated. The inflation rate applied at 30 June 2023 is the Eurozone 15-year swap inflation rate (2.58% vs 4.14% during the previous year) while the discount rate is the Ibbotson Corp AA 10+ benchmark market rate (3.60% vs 3.22% in 30 June 2022), based on Willis Towers independent data.

(ii) Retirement commitment

According to applicable laws and practices, the Group participates in pension, welfare, medical and retirement benefit plans, with benefits being dependent on various factors such as length of service, salaries and payments to compulsory general schemes.

For defined-contribution schemes, the charges correspond to the contributions paid to external organisations responsible for their administrative and financial management. These schemes release the employer from any subsequent obligation, as the organisation is responsible for paying amounts due to employees (basic old-age social security scheme, supplementary pension schemes, defined contribution pension funds).

These contributions are recognised as expenses when they are due, no liabilities being recognised on the balance sheet.

For defined benefit plans and for retirement benefit obligations, commitments are valued using the projected unit credit actuarial method, taking into account actuarial assumptions such as salary increases, retirement age, mortality, staff turnover and discount rate.

The cost of services rendered is recognised in operating income, with the financial cost recorded in financial income for the financial year. In accordance with IAS 19, actuarial gains and losses arising from movements in discount rates and demographic changes are recognised as other equity.

As at 30 June 2023, the Group had not recorded any hedging asset to cover such retirement commitments.

(iii) Other provisions

Other current and non-current provisions mainly include litigation involving the Group at the balance sheet date. A provision is only recognised in the event of the existence of a cause of action at 30 June 2023, a probable outflow of resources representing economic benefits and a reliable estimate of the obligation.

The estimated provision is considered on the basis of the most probable value, i.e. an assessment based on the value of the last judgment rendered or the estimate made by lawyers or legal advisers in the case of ongoing litigation.

Q/ Investment grant

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

The grant awarded by the Grand-Est Region for a research programme centred on the exploitation in short circuits of Lorraine coal gas, in partnership with the University of Lorraine, has been classified as “other non-current liabilities” since 2018 for €250K, pending definition of fair breakdown of the eligible expenses it covers, between exploration investments and personnel costs.

An ADEME grant was notified on 29 November 2019 for €1,304K to the company Cellcius and will be released gradually based on expenses incurred in building a solar thermal farm

in the Creutzwald municipality (Moselle). Eligible expenses retained for this project total €2,363K, while the Group has recognised an amount of €1,239K for this grant at the closing date of these annual consolidated accounts. This grant was deducted from capitalised costs at the end of the year.

European aid from the ERDF-ESF programme (European Regional Development Fund - European Social Fund) was awarded to Gazonor for an amount of €2.8M on 24 October 2019 and accompanying the installation of 20 new cogeneration units on concessions currently held by the Group in the Hauts-de-France Region, in order to recover the abandoned mine methane exploited in short circuits, thereby eliminating all firedamp emissions in the former mining basin of this area. Eligible expenses for this project amount to €9,190K.

A portion of this grant was recognised for €654K in the consolidated financial statements as at 30 June 2023, as eligible investments on the Béthune and Avion 7 project submitted at that date.

G/ Business combinations and goodwill

Business combinations are accounted for using the acquisition method. This method requires the Group to recognize identifiable assets and liabilities at their fair value.

The allocation of the purchase price is finalised within a maximum period of one year from the acquisition date.

The acquirer must recognise the positive goodwill on the assets side of the Balance Sheet at the date of acquisition, measured as the excess between:

- The consideration transferred, the amount of non-controlling interest and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held interest in the acquired company;
- In relation to the acquisition-date fair value of the identifiable assets acquired and liabilities assumed.

Goodwill recorded in the balance sheet has been determined using the partial goodwill method.

If the consideration transferred is less than the fair value of the identifiable assets acquired and liabilities assumed, the identification and measurement of the identifiable assets and liabilities are further analysed. Upon completion of the further analysis, the negative goodwill is recognised directly in the income statement.

S/ Earnings per share

€	Earnings per share	Diluted earnings per share
Net earnings, group share	7,314,163	7,314,163
adjusted P&L effect of diluted shares		632,784
Total numerator	7,314,163	7,946,947
Weighted average number of shares in issue	5,164,707	5,164,707
Free-awarded shares not yet allocated		59,586
Total denominator	5,164,707	5,224,293
Ratios at 30 June 2022	1.42	1.52

The calculation of earnings per share was based on the group's net earnings share and the number of shares outstanding (weighted average taking into account the issue of 9,791 new shares on 02 September 2022).

Diluted earnings per share were calculated by recalculating the net result group share and the impact of the expense linked to dilutive shares, and by adding to the number of shares outstanding the free shares not yet definitively allocated to employees (allocation plans 6, 7 and 8 as presented in note 3.11 of the notes to the consolidated financial statements). Since these instruments have an anti-dilutive effect, with a diluted earnings per share of 2.60 compared to 2.31 for earnings per share, the Group did not take this into account, hence a diluted earnings per share equivalent to 2.31.

2. NOTES TO THE INCOME STATEMENT

2.1. Turnover

During the year ended 30 June 2023, the Group generated turnover of €39.2M versus €26.2M the previous financial year. Nearly 67% of the Group's sales were made via its subsidiaries Gazonor, Gazonor Béthune and EG NPC, its production sites located in Hauts-de-France, from production and sale of gas, green electricity and heat to their customers Axpo, EDF Obligations d'Achats, Save Energies, GazelEnergie and Dalkia. The balance comes for 28% of the electricity sales activity in Belgium (Wallonia, Anderlues site), for sales to EDF Luminus.

This strong increase in revenues was mainly driven by an improvement in the volumes of electricity sold (with the commissioning of two additional cogeneration plants in the Hauts-de-France region in July 2022 and the 15 MW photovoltaic park in the Grand-Est region in January 2023), as well as by the increase in gas and electricity prices.

The breakdown of turnover for the FY2022 and FY2023 is as follows:

Turnover breakdown (in M€)	30 June 2023	30 June 2022
Gas sales - France	12.3	11.8
Electricity sales - France	14.6	6.0
Electricity sales - Belgium	11.0	6.9
Heat sales - France	0.5	0.4
Equipment and services Cryo Pur	0.9	1.2
Annual turnover	39.2	26.2

2.2. Other operating income

Other operating income stood at €1,048K as at 30 June 2023 and mainly concerns the valuation of the Research Tax Credit declaration for the 2022 calendar year of €614K (with in particular a significant contribution from Cryo Pur in terms of research and innovation) and rebilling of services linked to certain projects carried out during the year.

2.3. Cost of goods and services, administrative and operating expenses

The cost of goods and services sold includes the following elements, corresponding to the production costs directly related to the sales of gas, electricity and heat, and mainly including electricity and maintenance costs:

Cost of goods and services sold	30 June 2023	30 June 2022
	€	€
Electricity	1,400,321	2,537,784
Natural gas	38,788	109,563
Purchase of equipment and consumables	677,536	1,177,283
Maintenance and servicing	1,715,279	1,447,695
Technical services including gas injection	819,961	537,453
Personnel costs	556,318	532,964
Total cost of goods and services sold	5,208,204	6,342,743

The costs of goods and services sold fell by €1.1M due to the reduced costs associated with the purchase of electricity (-45%).

Administrative and operational expenses are broken down as follows, mainly in connection with the FDE, Cryo Pur entities and LFDE International:

Other administrative and operating expenses	30 June 2023	30 June 2022
	€	€
Fees, consultants	1,738,214	1,117,917
Travel	154,789	134,883
Studies and exploration	104,351	329,268
Banking services	431,491	182,450
Insurance	417,625	274,445
Communication	94,197	37,677
Rentals	280,076	226,777
Other costs	548,613	856,746
Taxes and levies excluding Corporate tax	236,524	164,716
Personnel costs	2,683,058	2,428,218
Free shares	1,760,875	632,784
Total other administrative and operating expenses	8,449,813	6,385,880

The Group's other administrative and operational expenses are increasing, in particular due to the development of its business, with Cryo Pur's expenses recognised for this financial year for almost €1.9M and which do not include all the benefits of the restructuring since the acquisition.

Lastly, expenses associated with employee free-awarded shares amounted to €1,761K in FY2023 vs €633K in FY2022.

2.4. Personnel costs

Salaries and social security charges, excluding expenses associated with employee free-awarded shares, amounted to €3,239K in FY2023 (vs €2,961K in 2022). This increase is due mainly to the arrival of new qualified employees.

Personnel costs	30 June 2023	30 June 2022
	€	€
Gross salaries	2,374,665	1,905,672
Social security costs	864,712	1,055,510
Expense for free shares awarded	1,760,875	632,784
Total personnel costs	5,000,251	3,593,965

Staff complement

The average FTE workforce stood at 28.04 employees for the full year ended 30 June 2023, up from 28.88 employees in FY2022.⁹

Staff complement	30 June 2023	30 June 2022
Managers and directors	21	19
Blue collar workers	11	17
Total staff complement at closing	32	36

Remuneration of key executives

Key directors are those persons with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including the board members of that entity.

As of 30 June 2023, two people may be put into this category, namely Mr Julien Moulin, Chairman of FDE, and Mr Antoine Forcinal, Chief Executive Officer.

The amount of remuneration awarded to the main directors is broken down as follows:

Remuneration of key executives	30 June 2023	30 June 2022
Fixed and variable remuneration	681,033	575,831
Attendance fees	0	0
Total remuneration	681,033	575,831

The amount of gross remuneration includes a charge of €211K recorded during FY2023 to NEL, the personal holding company of the Group's Chairman (€190K in 2022).

⁹ It should be noted that the headcount at the end of 30 June 2022 mentioned in the 2022 financial report was corrected from 45 to 36

During FY2023, employee free-awarded shares were permanently awarded to directors for a total of 2,976 shares, in respect of the plan implemented in 2020. As at 30 June 2023, 68,198 had been awarded under the two ongoing plans, i.e. the 2021, 2022 and 2023 plans (also see share-based payments in note 3.11).

2.5. Other income/(expenses)

At 30 June 2022, Other income/(expenses) mainly included income following the renegotiation of supplier payables for Cryo Pur.

2.6. Depreciation and net provision allowances

Depreciation and impairment losses recognised for the year ended 30 June 2023 rose versus FY2022 to a total of €9,980K versus €2,110K the previous financial year.

During FY2023, the increased depreciation charge for industrial facilities mainly came from investments made at EG NPC and FalkenSun.

The impact of the application of IFRS 16 on the fiscal year is €107K.

Depreciation and impairment	30 June 2023	30 June 2022
	€	€
Depreciation of industrial installations	2,558,456	1,654,676
Depreciation of mining reserves HdF	225,066	249,367
Depreciation/impairment of other tangible/intangible fixed assets	235,726	206,059
IFRS 16	106,764	0
Total depreciation and impairment	3,126,013	2,110,102

Net allowances for provision reversals are broken down as follows:

Net provisions	30 June 2023	30 June 2022
Provisions for site restoration	-847,209	-1,354,125
Write-back of losses on completion Cryopur	0	-96,639
Impairment of inventories	46,248	10,708
Impairment of exploration costs		
Other provisions for risks and disputes	1,342,424	171,191
Total net provisions	541,463	-1,268,866

A net provision reversal of €1,129K was recognised during FY2022, mainly reflecting the revaluation of the Gazonor sites restoration provision. A provision of €606K was recorded for FY2023 in relation to potential compensation associated with the withdrawal of the obligation to purchase certain facilities in Hauts-de-France.

2.7. Other non-current income and expenses

The disposal of the asset is linked to the abandonment of the Diebling well located in Lorraine, for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well.

2.8. Financial result

The items related to the financial result are as follows:

Financial result	30 June 2023	30 June 2022
	€	€
Financial income	345,994	2,336
Gross financial debt costs	-1,983,508	-4,388,584
Other items	-119,459	-182,956
Total financial result	-1,756,974	-4,569,205

The financial debt cost is composed of interest charges and commissions on the Group's financing which decreased during the financial year ended 30 December 2023, despite the new financing deriving from the green bonds contracted with EDRAM.

This steep downward variation is related to proceeds recognised by Gazonor Holding following an agreement negotiated at the end of December 2022 with Cap3Ri in relation to the convertible bond repayment at par value of €3M. Considering the non-conversion premium that had already been recognised previously, a financial reversal of €674K was recognised over the half-year to bring this premium to the negotiated redemption value, which was paid to Cap3Ri in January 2023.

Other items include the accretion expense related to provisions for site dismantling and restoration.

2.9. Current and deferred taxes

In 2023, the current tax charge was the tax paid by the French tax consolidation group, the Belgian tax and the minimum wealth tax owed by the Luxembourg-based subsidiary LFDE International.

The tax consolidation group was set up on 1 July 2018 with FDE as the head company of the French tax consolidation group, which also includes Gazonor, Gazonor Holding, EG Lorraine, EG NPC and Gazonor Béthune (since 1 July 2020). The taxable income of this group was €7,588k for the year ended 30 June 2023.

Finally, no change in tax rates occurred during FY2023, as the Finance 2022 law enacted in France renewed the existing legislation in 2021, in particular with the gradual reduction of tax rates to 25% on 01 January 2022.

The tax expense for this financial year and the previous comparable financial year is broken down as follows:

Tax expense	30 June 2023	30 June 2022
	€	€
Current tax for the year	4,192,176	2,015,952
Current tax	4,192,176	2,015,952
Change in deferred taxes	-1,646,855	470,620
Change in deferred tax liabilities		
Deferred taxes	-1,646,855	470,620
Total tax expense	2,545,320	2,486,572

Analysis of deferred taxes

The main sources of deferred tax recognised in the balance sheet include existing tax loss carry forwards and mining rights, as the previous period. A new source of deferred tax is unrealised profits on internal operations.

Breakdown and source of deferred taxes in balance sheet	30 June 2023	30 June 2022
	€	€
Deferrable losses	2,577,108	1,117,999
Free shares	0	37,577
Energy saving certificates	24,866	29,064
IFRS 16 - Leases	13,446	0
Provision for pension liabilities	14,397	15,927
Unrealised gain on internal operations	1,159,647	466,901
Deferred tax assets	3,789,463	1,667,469
Mining reserves	-5,958,922	-6,015,188
Provision for major overhauls	-539,265	-409,217
Dismantling Belgium	0	-3,435
Financial lease	0	0
Goodwill	-172,309	0
Deferred tax liabilities	-6,670,497	-6,427,840
Total net deferred taxes in balance sheet	-2,881,034	-4,760,371

Deferred tax on tax loss carry forwards has been calculated at the level of each company or tax group where applicable, based on individual recoverability prospects. The increase in these bases comes from losses generated by the Group companies concerned, i.e. Cellcius and Falkensun, by the recognition of a deferred tax of €446 K on the Cryo Pur entity (allocation of part of the goodwill) and a deferred tax of €1,366 K on the LFDE International entity, which is now engaged on behalf of the Group in gas and electricity purchase and sale operations to third-party customers.

As at 30 June 2023, the deficits that did not give rise to the recognition of deferred tax assets represent €35.9M deferred amounts, including LFDE International (Luxembourg) for €6.8M, Greenhill (Belgium) for €2.7M and Cryo Pur for €26.3M. In the three legislations

concerned, the group's deficits are carried forward indefinitely, with nonetheless annual capping mechanisms applying in France and Belgium.

The deferred tax liability initially recorded on the mining reserves following the allocation of the acquisition price by FDE of the LFDE International/Gazonor group is recognised annually at the same rate as the underlying depreciation.

Reconciliation of effective tax rate and theoretical tax rate

The reconciliation between the theoretical tax rate (average rate in France of 25%) and the effective tax rate recorded in the consolidated financial statements is as follows:

Reconciliation of effective tax rate and theoretical tax rate	30 June 2023	30 June 2022
Net earnings of the consolidated group	11,830,256	7,198,984
(Corporate tax)	2,545,320	2,486,572
Pre-tax earnings	14,375,577	9,685,556
French tax rate	26.50%	26.50%
Theoretical tax expense	-3,809,528	-2,566,672
IDA not recognised in the year	-1,920,931	-397,213
Gazonor Benelux IDA on investments		184,664
Permanent differences		321,371
Others (additional contribution, change in rates)		-28,722
Tax expense in income statement	-5,730,458	-2,486,572

3. NOTES TO THE BALANCE SHEET

3.1. Consolidated goodwill

During the year ended 30 June 2021, goodwill of €48K was recognised for the acquisition in February 2021 of **100% of Greenhill SA**, the Belgian company holding the Monceau-Fontaine, Marcinelle and Nord de Charleroi Concession (No. 038), for a price of €203K. No valuation difference was noted in the final allocation of this purchase price, particularly with unrecognised tax loss carry forwards amounting to €2.3M.

For the year ended 30 June 2022, additional goodwill was recognised in the Group's consolidated accounts amounting to €5,711K, entirely related to the acquisition of 94% of the capital of **Cryo Pur**, a company specialising in the treatment of biogas and its liquefaction into LBG and Bio-CO₂. This acquisition was made by FDE for a price of €2.5M paid in cash.

The goodwill was determined from the difference between the acquisition price of the Cryo Pur shares and the amount of this company's equity at the acquisition date. Upon entering the FDE scope of consolidation, Cryo Pur's negative equity amounted to €3.4M, with total assets of €2.9M and liabilities of €6.3M.

As at 30 June 2022, only one valuation difference had been recognised, representing end-

of-career benefits amounting to €31K. Conversely, the final allocation of the purchase price had not been finalised at that time, as the FDE Group had until 30 December 2022 to rectify the value of the assets and liabilities taken over.

At the reporting date of these 2023 financial statements, the final allocation of the purchase price was concluded with the recognition of deferred tax assets on tax loss carryforwards for €446K and the recognition of identifiable intangible assets for a net amount of €738k, relating particularly to patents held by Cryo Pur:

- WO 2015 / 173491 “Method and device for liquifying methane”: This patent claims to achieve optimal pressure from the point of view of minimising energy consumption and is directly used in Cryo Pur equipment.
- WO 2016/162643 “Method for recovering energy from dry ice at infra-atmospheric pressure”. This patent claims to recover the coldness of solid CO₂ by sublimation at an optimal infra-atmospheric pressure, with an energy gain of more than 15% compared to the current method.
- WO 2016/162643 “Method for recovering energy from dry ice at infra-atmospheric pressure”. This is a generic patent for all refrigeration systems, in order to avoid a loss of energy efficiency. This device and regulation will be implemented on the new Cryo Pur systems.
- FR 21101231 “Extraction of carbon dioxide”. This patent relates to the method for extracting carbon dioxide (CO₂) from liquid methane at a pressure greater than 6 bar.

The residual goodwill of €4,526K is derived from the possible synergies with FDE’s existing activities (focused particularly on the reduction of CO₂eq emissions via mine gas capture and recovery) by maximising the value of the Group’s significant gas reserves, but also by solidifying FDE’s positioning on the strategic green gas and CO₂ markets through integrating the Cryo Pur technology used to purify and liquefy all types of gas (biogas, landfill gas, flare gas, rare gases, etc.).

3.2. Exploration assets

As explained in the accounting rules and methods, the expenses recorded as exploration assets in the consolidated balance sheet include all costs incurred during the prospecting and exploration drilling phases.

The changes in these exploration assets over the year was mainly related to routine maintenance work carried out on sites in the Lorraine basin (Bleue Lorraine permit), particularly at the Lachambre site.

At 30 June 2023, the gross value of these exploration costs was €39.7M, together with site restoration costs of €1.6M.

A legal analysis was performed with the Company’s lawyers at 30 June 2023 on the status of each licence for which exploration costs have been recorded. The Company’s management also assessed the drilling results and qualification of reserves at the financial year-end.

No further depreciation was therefore noted at the end of FY2023, but it should be noted that the Diebling well located in Lorraine was abandoned, for historical costs of €6.8M incurred between 2005 and 2007, following the final stoppage of mining work on this well.

Changes in gross and net values between 30 June 2022 and 30 June 2023 are as follows:

Changes - gross value	30 June 2022	Acquisitions	Disposals	Others	30 June 2023
	€	€	€	€	€
Assets - PER Bleue Lorraine	41,947,293	-6,576,022			35,371,271
Assets - other PERs	2,598,453			-294,320	2,304,133
Assets - PER Anderlues	469,207			0	469,207
Provisions for restoration	1,593,983				1,593,983
Total - gross value	46,608,935	-6,576,022	0	-294,320	39,738,593

Changes in depreciation and amortisation	30 June 2022	Allowance Depr.	Allowance Impairment	reversals	30 June 2023
	€	€	€	€	€
Assets - PER Bleue Lorraine	0				0
Assets - other PERs	-597,940	0		294,320	-303,620
Assets - PER Anderlues	-14,443	-47,632		0	-62,076
Provisions for restoration	0		-452,130	0	-452,129
Total - depreciation and impairments	-612,384	-47,632	-452,130	294,320	-817,825

For each exclusive exploration permit or concession, excluding the provision for restoration, the exploration assets are composed as follows:

Permits / concessions	Articles of association	30 June 2023	30 June 2022
		€	€
Bleue Lorraine (i)	Concession application in progress	35,371,271	41,947,293
Bleue Lorraine Sud (ii)	Non-extension, litigation		
Bleue Lorraine Nord (iii)	Explicit rejection - litigation		
La Grande Garde	Explicit rejection - litigation		
Lons-le-Saulnier	Rejection order		
Gardanne	Rejection order	0	0
La Folie de Paris (iv)	Renewed until 07 August 2021	2,000,513	2,000,513
Valenciennes	Extended until 24 October 2022		
Sud-Midi	Extended until 24 October 2023		
Poissonnière	Concession until 23 December 2042		
Désirée	Concession until 23 December 2043		
Anderlues	Concession until 2038	407,131	454,764
Total - exploration assets (net value)		37,778,915	44,402,569

(i) BLEUE LORRAINE permit

The third period of the Bleue Lorraine exclusive exploration permit expired on 30 November 2018, the date prior to which an application for a concession had to be made or it would no longer be deemed admissible. In this context, FDE submitted a concession application on 26 November 2018, registered by the Ministry of Ecological

and Solidarity Transition on 28 November 2018, pursuant to the provisions of the decree of 28 July 1995, and valid until 1 January 2040, i.e. 21 years.

The area requested is 191 km², including 6 communes completely and 34 communes partially.

The prefect of the Moselle department is in charge of implementation with local assistance from the Grand Est regional directorate for the environment, development and housing.

An implicit decision to reject the application for the Bleue Lorraine concession was issued on 11 June 2022 due to failure by the French administration to finalise the processing of the application. A petition challenging the implicit rejection of the Bleue Lorraine concession application was filed on 12 July 2022 with the Administrative Court of Strasbourg.

In a letter dated 4 October 2022, FDE applied for formal notice to be served on the Minister responsible for mines to provide his observations as soon as possible. The President of the Court granted FDE's motion and served formal notice on the Minister to provide his observations in defence within three months, i.e. 4 January 2023.

On 27 January 2023, FDE initiated a suspensive summary procedure to compel the Minister in charge of mines to issue his observations as soon as possible (with a daily fine of €5K).

Following the order dated 26 April 2023 rejecting the Bleue Lorraine concession request and received by FDE on 5 June 2023, a request was submitted, taking the elements already invoked in the current proceedings, initially opened against the implicit decision of rejection of 11 June 2022, and responding to the grounds asserted by the ministers in charge of mines in their order of 26 April 2023 to reject the Bleue Lorraine concession request.

(ii) LA FOLIE DE PARIS permit

A ministerial order was issued on 31 January 2018 for the exclusive research permit known as "La Folie de Paris" extending it until 7 August 2021, for the benefit of the company Concorde Energie Paris (order of the Minister of Ecological and Solidarity Transition and the Minister of the Economy and Finance). An application for exceptional extension of the third period was deemed to have been received by the administration on 6 April 2021 and declared admissible. The application is in process and a response was expected by 2 October 2022.

As no reply was provided by that date, Concorde Energie Paris lodged an ex gratia appeal seeking the retraction of the implicit rejection. The Ministry replied by letter received on 15 January 2023 that the investigation was still in progress.

The PERH (hydrocarbons exclusive exploration permit) remains valid during the processing period of the application for extension.

It is worth noting that the Montaiguillon-1 drilling project was approved by a Prefectoral Order on 15 December 2021.

Furthermore, during the year the Group filed claims for compensation relating to applications for exclusive research permits rejected in previous years for a total amount of more than €1.3bn representing lost profits and a further €615k in purely unrecoverable out-of-pocket expenses. No assets have been recognised for these claims in the interim financial statements.

3.3. Other intangible assets

Changes - gross value	30 June 2022	Acquisitions	Disposals	Others	Changes in scope	30 June 2023
	€	€	€	€		€
Software Sage X3	24,000	46,270				70,270
Other intangible assets	6,036					6,036
Total - gross value	30,036	46,270	0	0		76,306

Changes in depreciation and amortisation	30 June 2022	Allowance Depr.	Allowance Impairment	reversals		30 June 2023
	€	€	€	€		€
Software Sage X3	-24,000	-15,422				-39,422
Other intangible assets	-4,352					-4,352
Total - depreciation and impairments	-28,352	-15,422	0	0		-43,774
Total - net value	1,684					32,532

Other intangible assets mainly comprise fully amortised software, and research and development costs of the subsidiary Gazonor.

As recalled in paragraph 3.1 of this appendix, a valuation difference was recognised for patents held by Cryopur, and amortised over 5 years from 01 January 2022.

The main patents held by Cryo Pur are:

- WO 2015 / 173491 “Method and device for liquifying methane”: This patent claims to achieve optimal pressure from the point of view of minimising energy consumption and is directly used in Cryo Pur equipment.
- WO 2016/162643 “Method for recovering energy from dry ice at infra-atmospheric pressure”. This patent claims to recover the coldness of solid CO₂ by sublimation at an optimal infra-atmospheric pressure, with an energy gain of more than 15% compared to the current method.
- WO 2016/162643 “Method for recovering energy from dry ice at infra-atmospheric pressure”. This is a generic patent for all refrigeration systems, in order to avoid a loss of energy efficiency. This device and regulation will be implemented on the new Cryo Pur systems.
- FR 21101231 “Extraction of carbon dioxide”. This patent relates to the method for extracting carbon dioxide (CO₂) from liquid methane at a pressure greater than 6 bar.

3.4. Mining rights

During the year ended 30 June 2017, the Group had appropriated the acquisition price of the Transcor Astra Luxembourg group (now LFDE International) in full to the mining reserves held by the acquired entity via its subsidiary Gazonor. This appropriation of €18,264K was reflected accordingly in the recognition of mining reserves in property, plant and equipment for a gross value of €25,366K and deferred tax liabilities of €7,103K.

The mining rights thus recognised are depreciated annually per unit of production, by comparing the quantities of gas produced by the various Gazonor sites to the quantities of reserves held at the beginning of the financial year.

Mining rights	30 June 2023	30 June 2022
	€	€
Hauts-de-France - Gross value	25,366,331	25,366,331
Hauts-de-France - cumulative depreciation and impairments	-1,521,995	-1,296,929
Anderlues - Gross value	206,174	206,174
Anderlues - Cumulative depreciation and impairment	-74,370	-14,133
Mining rights - net value at year-end	23,976,139	24,261,443

During the financial year ended 30 June 2023, a depreciation of €225K was recorded, based on an annual production of 3.05 BCF (billion cubic feet) for a volume of 2P reserves of 326 BCF at the beginning of the year.

These reserve quantities are established on the basis of the report from DMT updated on 4 January 2022, taking into account the coefficient existing between the potential quantities of pure methane production and those of mixed gas. The Group's management has also assessed the production capacity at the end of the year over the duration of the concessions held.

At the Anderlues site, which was commissioned in late April 2019, the gross value of €206K reflects the matching assets of the dismantling provision as recorded as of 30 June 2019, which assets are amortized at the production unit.

3.5. Other tangible assets

Excluding mining rights recognised under tangible assets, other tangible assets mainly comprise investments made at the Hauts-de-France and Wallonia sites in order to set up the Group's cogeneration portfolio

Changes - gross value	30 June 2022	Acquisitions	Disposals	Others	30 June 2023
	€	€	€	€	€
Lands	228,708	280,915			509,623
Buildings	1,856,542	1,209,036	-38,205		3,027,374
Industrial plant and equipment	23,062,100	11,281,771	-1,197,485	121,529	33,267,915
Other tangible assets	90,192	27,662	-49,393		68,461
Assets under construction	7,876,654	3,275,072		-6,243,235	4,908,491
Rights of use - IFRS 16	123,680			1,861,089	1,984,769
Total - gross value	33,237,877	16,074,455	-1,285,083	-4,260,617	43,766,632

Changes in depreciation and amortisation	30 June 2022	Allowance Depr.	Allowance Impairment	reversals	30 June 2023
	€	€	€	€	€
Lands	-12,763	-2,730			-15,493
Buildings	-339,019	-140,205		38,205	-441,019
Industrial plant and equipment	-3,646,647	-2,331,460	-218,341	1,236,058	-4,960,391
Other tangible assets	-82,562	-22,611		50,441	-54,732
Assets under construction	0				0
Rights of use - IFRS 16	-123,680	-106,764		123,680	-106,764
Total - depreciation and impairments	-4,204,672	-2,603,770	-218,341	1,448,384	-5,578,399
Total - net value	29,033,205				38,188,233

The investments for the financial year mainly concern the projects of Anderlues 2 (new compressors) for €1.5M, Avion 2 (start of works for additional cogeneration plants to be installed in the next financial year as part of the development of 30 MW in France) for €3.9M, and the completion of the photovoltaic plant project in Tritteling for €4.0M.

Finally, in connection with the lease agreements concluded by Cryo Pur for premises located in Wissous (Ile-de-France), by FalkenSun for its land located in Tritteling and Cellcius for its land located in Creutzwald, rights of use were recognised in accordance with IFRS 16 for a net amount of €1,878K as at 30 June 2023.

3.6. Non-current financial assets

Non-current financial assets are mainly composed of a guarantee deposit in connection with the joint bank loan with Landesbank SAAR and Bpifrance Financement amounting to €725K, which must be maintained until the loan matures, as well as a security deposit of €175K covering the automatic performance of dismantling operations on the Anderlues site, made on behalf of the Walloon government upon issuance of the related permit.

This item remained stable over the financial year.

3.7. Inventories

Inventories are mainly composed of maintenance and spare parts for servicing the gas and electricity production stations of Gazonor's sites, and are valued at the lower of their purchase cost or their net realisable value.

Impairment losses are recognised when the probable realisable value is lower than the cost price. Impairment is also recorded on the basis of an analysis between the quantities in the inventory at the year-end and the safety quantities per reference. An impairment of €60K was thus recorded at 30 June 2022 for maintenance/spare parts and other parts in the inventory.

Changes in the inventory are analysed as follows:

Stocks	30 June 2023	30 June 2022
	€	€
Maintenance and spare parts	458,644	468,463
Fluids	58,450	93,980
Stocks - Work in progress	0	60,792
Gross value	517,094	623,234
Impairment	-106,050	-59,801
Stocks - net value at year-end	411,044	563,433

The stocks of current services concern development costs not yet rebilled by FDE to some of its subsidiaries, presented since this financial year under the item other tangible fixed assets, for an amount of €249K.

3.8. Trade receivables and other current assets

Trade receivables and other current assets	30 June 2023	30 June 2022
	€	€
Trade receivables and related accounts	5,279,234	8,762,185
Other current assets	2,253,400	4,361,505
Prepaid and deferred expenses	242,275	261,646
Total trade receivables and other current assets	7,774,909	13,385,335

On 30 June 2023, the customer balance consists almost entirely of the invoices for the month of June 2023 issued to customers Axpo, EDF Obligations d'Achats, EDF Luminus, Dalkia, GazelEnergie, etc.

Other current assets mainly comprised deductible VAT receivables and social security and tax receivables.

3.9. Cash and cash equivalents

Net cash and cash equivalents	30 June 2023	30 June 2022
	€	€
Bank accounts	42,880,714	23,900,303
Liquidity portion of liquidity contract	84,900	84,900
Total net cash	42,965,614	23,985,203

For the cash belonging to the Gazonor entity, after 30 June 2023, all or part may only be made available to Group entities, including FDE, after authorisation from the lenders BPI and SaarLB and subject to compliance with the financial ratios applicable at that date (see 3.11 of notes to the consolidated financial statements), although this rule does not apply to re-invoicing of services and other intra-group agreements.

3.10. Share capital and premiums

As of 30 June 2023, FDE's share capital stood at €5,183K, broken down into 5,182,604 ordinary shares with a par value of €1.00 each, all fully paid up.

During the year, 9,791 new shares were issued following the final allocation of freely awarded shares to beneficiaries of the fifth plan implemented in 2020. This capital increase was made by incorporation of share premiums, following confirmation by the Chairman on 02 September 2022 that free shares had been awarded permanently to their rightful beneficiaries.

No other transactions have taken place with respect to the share capital since 1 July 2022.

Issue premiums amounting to €44,052K represent the difference recorded during FY2016, between all issue premiums related to the FDE Group's IPO and conversion of previously issued bonds, totalling €45,374K in premiums, and the amount, net of tax, of costs incurred by the Group during this IPO, i.e. €1,204K, as well as the successive impacts of the employee free share plans amounting to €118K.

3.11. Share-based payments / employee free-awarded shares

The FDE General Meeting held on 23 March 2016 had authorised the Board of Directors to proceed with allocation of free shares for the Group's employees and corporate officers, within the limit of 5 % of share capital, a delegation renewed by the General Meeting of 29 November 2019 and then at the General Meeting of 30 November 2021 under the same conditions. The distribution of employee free shares must be made through a capital increase by way of incorporation of reserves or premiums.

The first, second, third and fourth plans have resulted in permanent awards during previous years.

The fifth plan resulted in the permanent award of 9,791 shares during the past financial year following the Chairman's acknowledgement on 02 September 2022 that the requirements laid down in the 2020 plan had been fulfilled.

On 27 July 2021, the Board of Directors implemented the sixth plan pursuant to the Plan

regulations and awarded 48,776 free shares to 14 beneficiaries.

On 01 July 2022, the Board of Directors implemented the seventh plan pursuant to the Plan regulations and awarded 48,125 free shares to 22 beneficiaries.

On 30 June 2023, the Board of Directors implemented the eighth plan pursuant to the Plan regulations and awarded 11,902 free shares to 26 beneficiaries.

The breakdown of employee free shares awarded under the three plans still ongoing as at 30 June 2023 is presented below:

Free share plans	Number of shares initially awarded	Number of shares at 30 June 2023	Fair value
27 July 2021	49.795	48.776	22.5
01 July 2022	48.736	48.125	51.2
30 June 2023	11.902	11.902	48.3

All of these allocations together represent a total of approximately 4.37% of the capital, below the ceiling set for the initial authorisation.

These employee free shares will be permanently allocated to the beneficiaries within two years of their initial allocation date, provided these beneficiaries continue to hold their position within the Group during this period, and subject to fulfilment of the other requirements pertaining to this employee free share plan.

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

Under this employee free share plan for all employees and executive directors, the unit value of the shares is based on the share price at the date of award, taking into account changes in the number of beneficiary employees. The corresponding expense is recognised over the vesting period of the shares from the date of award, i.e. the date on which the beneficiaries are deemed to have been duly and fully informed.

The expense recognised during FY2023 amounts to €1,761K, valued on the basis of the share price at grant date, versus €633K for the previous financial year.

3.12. Borrowings and financial debts

The Group's borrowings at 30 June 2023 mainly comprise the following financing arrangements:

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. The repayment instalments to be made during the financial year ending 30 June 2023 are recorded under current financial liabilities.

The following specific requirements are attached to this bank loan:

- A reserve account has been set up for €725K, representing a cash account blocked in the books of Landesbank SAAR, used for the debt service reserve and pledged to lenders until the loan matures. This account bears interest at the rate of interest on equivalent deposits. As at 30 June 2022, this reserve account is included in non-current financial assets.
- Gazonor agrees not to grant any credit, advance or loan in any form whatsoever and of any nature whatsoever to any natural or legal person whatsoever, with the exception of:
 - Existing advances to Group members at the signing date of the loan agreement,
 - Current account or cash advances to other Group members authorised by lenders.
 - Credits and payment terms granted to its co-contractors in the normal course of business and up to a limit 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 coverage ratio, representing the ratio of “cashflows generated/total debt service”, which must remain above 1.3. As at 30 June 2023, the test for this ratio was satisfactory.

Bank Loan - Gazonor SAS and Bpifrance Financement

A loan taken out by Gazonor with Bpifrance Financement on 22 October 2019 nominal amount of €1,34M, aimed at refinancing the costs incurred for 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.

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 cash flow, 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.

On 20 May 2021 and 15 April 2021, amendments to the loans were signed with LCL and Société Générale, respectively, to extend the maturity of the loan to 5 years, after a one-year grace period.

Lease-Purchase Agreement - FDE and Finamur (LCL)

Lease-purchase agreement concluded on 21 October 2019 between FDE and Finamur by notarial deed, covering a total investment of €940K to build offices and warehouses in the Pontpierre/Faulquemont business area. The project was completed at the end of 2020 and the company took possession of the premises on 3 December 2020.

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

Project Funding – Cellcius SAS and Caisse d’Epargne

Cellcius has taken out a loan with the Caisse d’Epargne et de Prévoyance Grand Est Europe on 15 December 2020 for a nominal amount of €1.3M, aimed at refinancing costs incurred

for construction of the solar-thermal farm 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. 4% at 30 June 2023.

This loan came with a financial ratio to be applied by providing a certificate of compliance submitted with the annual financial statements: DSCR: This is a debt service coverage ratio, representing the ratio of “available cash flow / debt service”, which must remain above 1.15.

Crowdfunding loan – Gazonor Béthune SAS

Crowdfunding loan of €5.5M subscribed by Gazonor Béthune SAS from 1,708 lenders, to finance part of the shareholders’ equity mobilized by the Group for its project in Béthune. Approximately 40% of funds raised came from residents of the Hauts-de-France Region, once again demonstrating the relevance of the short circuit model promoted by FDE. The unit tickets invested range from €100 to €500,000.

This fundraising, divided into two separate €2.25M campaigns, exceeded its initial target within 2 months. 55,000 bonds, with a par value of €100 each, were subscribed in February 2021.

This financing has a maturity of 4 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by FDE for the duration of the financing.

Crowdfunding loan – EG NPC SAS

Crowdfunding loan of €3.3M subscribed by EG NPC SAS from 489 lenders and NEF, an ethical banking cooperative which offers credit solutions exclusively oriented towards projects with a social, ecological and/or cultural utility, for €1M, in order to finance its project to build two cogeneration units on the historic site of Avion.

33,000 bonds, with a par value of €100 each, were subscribed in June 2021.

This financing has a maturity of 5 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by FDE for the duration of the financing.

Leasing – Gazonor Benelux and ING

Loan obtained by Gazonor Benelux from ING Equipment Lease Belgium, signed on 28 July 2021. This loan has a nominal amount of €2.9M and covers the refinancing of the two cogeneration plants at the Anderlues site, including a set of intangible costs incurred, initially financed by Triodos Bank. This loan has a maturity of 8 years from 29 July 2021, through quarterly maturities, with a fixed interest rate of 1.6% per annum and a call option of 1% of the invested amount.

In addition to the guarantees given by the Group and presented in 4.3 of this note, the following specific conditions are attached to this bank loan: a reserve account for 9 months’ rent has been set up over a period of 2 years for €269K and represents a blocked monetary account in the books of ING used as debt service reserve until the loan is fully repaid.

This loan came with a financial ratio to be applied, the DSCR (debt service coverage ratio) representing the ratio of “net cash flow / total debt service”, which must remain above 1.05.

A similar contract was signed for a new €6.3M financial lease with ING to cover the investment needs of the three new cogeneration units in phase 2 of Anderlues. As at 30 June 2023, the sum of €6.01M had been drawn down. It should be noted that only interim interest was paid to ING on this second tranche during the financial year.

Crowdfunding loan – FalkenSun SAS

Crowdfunding loan of €2.5M subscribed by FalkenSun SAS from 889 lenders and NEF, to finance part of the shareholders' equity mobilized by the Group for the construction of the Tritteling-Redlach photovoltaic plant.

This fundraising closed on 9 August 2021 and as at 31 December 2021, 25,000 bonds with a par value of €100 each had been subscribed.

This financing has a maturity of 2 years and a fixed interest rate of 4.75% per year. This loan is guaranteed by FDE for the duration of the financing.

Green bonds – LFDE International SARL and EDRAM

€40M bond loan issued on 15 September 2021 by Edmond de Rothschild Asset Management (UK) Limited (EDRAM) for LFDE International and the development of the Group's low-carbon energy portfolio in France and Belgium, including abandoned mine methane and photovoltaics.

This loan has a 7-year maturity (NC4) and comprises a first tranche of €25M which has been drawn, and an optional second tranche of €15M. The interest rate was 6% initially, reduced to 5.5% when the borrowing group reached €15M EBITDA.

This loan came with financial ratios to be applied by providing a certificate of compliance submitted with the annual and semi-annual financial statements:

- Consolidated DSCR: This is a debt Total service coverage ratio, representing the ratio of "available cash flow for debt service / total debt service", which must remain above 1.05.
- Consolidated Net Debt Ratio: ratio representing the ratio of "net debt of the borrowing group / consolidated EBITDA", which must remain below 4.9 until 31 December 2025 and 4.2 thereafter.
- Interest Coverage Ratio: ratio representing the ratio of "consolidated EBITDA / consolidated interest expense" to "total outstanding loan balance", which must remain above 2.8.
- Group Loan-to-Value ratio: ratio representing the ratio of "Group net debt / sum of consolidated equity and consolidated net debt", which must remain below 55%.

Green bonds – LFDE International SARL and EDRAM

€20M bond loan issued on 23 September 2022 by Edmond de Rothschild Asset Management (UK) Limited (EDRAM) for LFDE International and the development of the Group's low-carbon energy portfolio in France and Belgium, including abandoned mine methane and photovoltaics.

This loan has a 7-year maturity (NC4). The interest rate is 6% initially, to be reduced to 5.5% once the group achieves a €25M EBITDA.

This loan came with financial ratios to be applied by providing a certificate of compliance submitted with the annual and semi-annual financial statements:

- Consolidated DSCR: This is a debt Total service coverage ratio, representing the ratio of “available cash flow for debt service / total debt service”, which must remain above 1.05.
- Consolidated Net Debt Ratio: ratio representing the ratio of “net debt of the borrowing group / consolidated EBITDA”, which must remain below 4.9 until 31 December 2025 and 4.2 thereafter.
- Interest Coverage Ratio: ratio representing the ratio of “consolidated EBITDA / consolidated interest expense” to “total outstanding loan balance”, which must remain above 2.8.
- Group Loan-to-Value ratio: ratio representing the ratio of “Group net debt / sum of consolidated equity and consolidated net debt”, which must remain below 55%.

Bank loans – Cryo Pur and Bpifrance Financement

Repayable advance in principal of €170K, granted on 27 July 2016, and repayable in 17 quarterly instalments, i.e. until 31 March 2023.

Loan in principal of €400K made available on September 30, 2015, at a rate of 4.73%, repayable in 34 quarterly instalments until 31 March 2024.

Cryo Pur obtained an agreement from the bank to restructure the loans with a 12-month capital repayment grace period to cease in September 2023.

State-Guaranteed Loan – Cryo Pur and Société Générale

State-guaranteed loan granted to Cryo Pur on 9 July 2020 amounting to €200K at a 1.25% interest rate, with a capital grace period of 12 months, extended by an additional 12 months following the Company's option of 2 April 2021, providing for full repayment in October 2022.

Cryo Pur obtained an agreement from the bank to restructure the State-guaranteed loan with a further 12-month capital repayment grace period to cease in August 2023.

Considering these financing arrangements, the Group's current and non-current financial debt as at 30 June 2023 is broken down as follows:

Current and non-current financial debts	30 June 2023	30 June 2022
	€	€
Bond loan	45,000,000	31,060,010
Bank loan	12,985,022	18,502,451
BPI Export advances	14,625	14,625
IFRS 16 lease liabilities (operating and finance leases)	2,399,301	764,729
Issue fees	-818,112	-1,480,649
Non-current financial debts	59,580,836	48,861,166
Bond loan	0	0
Bank loan	8,074,304	4,591,502
Debts on factoring	218,536	2,315,282
IFRS 16 lease liabilities (operating and finance leases)	297,217	65,459
Issue fees	-62,172	-61,834
Current bank loans	0	0
Current financial debts	8,527,884	6,910,409
Total financial debts	68,108,720	55,771,575

The debt on factoring represents receivables assigned with recourse under the €219K customer-factoring contract on 30 June 2023.

In accordance with the provisions required by IAS 7.44A and B relating to changes in liabilities arising from financing activities, we present below the change in financial liabilities between 30 June 2022 and 30 June 2023, i.e. €12,337,145, broken down between movements not giving rise to cash flows and cash movements, with reconciliation to the cash flows presented in the cash flow statement.

FY2023 Flows	Cash	Non-cash	Flows balance
Bond Loan	15,285,000	-1,345,010	13,939,990
Bank credit	-2,050,191	15,564	-2,034,627
Issue fees	-240,000	902,199	662,199
IFRS 16 lease liabilities	-169,154	2,035,483	1,866,329
Debts on factoring	-2,096,746		-2,096,746
			0
Flows sub-total	10,728,909	1,608,236	12,337,145
Capital contribution to subsidiaries	138,016		
Own shares buyback	-3,150,000		
Interest paid	-2,630,599		
Total Cash flows financing	5,086,326		

3.13. Trade payables and other current liabilities

All of the trade payables and other liabilities presented below are due within one year as at 30 June 2023, excluding €82K in employer contributions on employee free shares.

As at 30 June 2023, trade payables mainly comprised €1.4M for the dispute with Entrepose Drilling (see note 4.8) and €1.1M of Cryo Pur trade payables.

Trade payables and other current liabilities	30 June 2023	30 June 2022
	€	€
Suppliers of goods and services	507,176	4,386,301
Fixed assets suppliers	5,733,056	3,980,142
Other debts	3,988,119	7,720,179
Total Trade payables and other current liabilities	10,228,350	16,086,622

3.14. Provisions

The main provisions recognised by the Group at 30 June 2023 represent provisions for site restoration and dismantling in Lorraine and Hauts-de-France.

In Lorraine, the provision for restoration covers the four sites on which drilling operations have taken place, determined on the basis of technical assessments and external estimates. In the Hauts-de-France Region, the provision for restoration mainly relates to the cost of stopping work, closing the boreholes and dismantling the pipes.

The amount of provisions increased between 2022 and 2023, resulting from potential penalties associated with the exit from the PO for certain installations in Hauts-de-France.

Current and non-current provisions	30 June 2023	30 June 2022
	€	€
Provisions for restoration	2,496,800	3,183,758
Provisions for pension liabilities	57,586	63,709
Other provisions		
Non-current / pension provisions	2,554,386	3,247,467
Provisions for litigation	685,970	283,576
Current provisions	685,970	283,576
Total current and non-current /pension provisions	3,240,356	3,531,043

Provisions for pension liabilities

Pension liabilities - balance sheet	30 June 2023
Provision for pension liabilities 30 June 2023	57,587
Provision for pension liabilities 30 June 2022	63,709
Change in provision during FY2023	-6,122

Pension liabilities - change during the year	30 June 2023
Cost of services delivered	-1,490
Financial cost	2,051
Actuarial gains and losses (equity)	-6,683
Change in scope	0
Change in provision during FY2023	-6,122

Since all the Company's employees, excluding corporate officers, are governed by the applicable labour laws in France, the actuarial assumptions used to estimate pension commitments at 30 June 2023 are as follows:

- Retirement age: 65 years
- Salary increment: 2%
- Discount rate: 3.6%
- Turnover rate: 5%
- Mortality table: TGH05/TGF05

The discount rate increased from 3.22% to 3.6% between 30 June 2022 and 30 June 2023.

No hedging assets have been allocated by the Group as at the Balance Sheet date.

4. OTHER INFORMATION

4.1. Cash flow and WCR

The change in working capital requirements during FY2022 and FY2021 presented in the cash flow statement is analysed as follows:

Change in WCR	30 June 2023	30 June 2022
	€	€
Stocks	-36,012	56,446
Trade receivables	3,482,951	-6,809,658
Trade payables	-3,879,125	-1,350,284
Other operating assets (CCA, deferred charges)	-448,206	-103,340
Change in operating WCR	-880,392	-8,206,836
Other assets	1,830,904	1,115,364
Other liabilities	-3,145,427	-807,250
Changes in working capital - other assets and liabilities	-1,314,523	308,114
Change in overall WCR	-2,194,915	-7,898,722

4.2. Lease commitments

Property leases outside the scope of IFRS 16

FDE is involved in lease agreements for land and plots of land located in the Lorraine region, concluded with individual owners for very long periods (maximum term 2091) with the possibility of termination.

The corresponding commitments amount to €2,484K over the entire possible lease term, with no material change compared to last year.

4.3. Other commitments

Commitments on financial debts

Current and non-current financial liabilities assigned to the Group as at 30 June 2023 include the following commitments and guarantees:

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

- Pledging of tangible movables by Gazonor as security for payment and repayment obligations of any amounts due under the relevant financing. This pledge cover the equipment mentioned in the financing contract, i.e. 6 heat and power production units of the Jenbacher JGC 420 GS type and 2 gas compression units of the Aerzen (RKR) type.
- Personal and joint guarantee given by Gazonor Holding as security for any sum owed and due by Gazonor.
- Pledging of the reserve account amounting to €725K to the benefit of lenders as security for payment and repayment obligations in respect of all amounts due.
- First-ranking and non-competitive mortgage in favour of lenders amounting to €50K in principal and €10K in costs and incidentals on Gazonor's land (on which the four gas production and exploitation sites and the abandoned mine methane treatment and compression facilities are located).

Bank credit - Bpifrance Financement (€1.34M):

- Pledging of tangible movable property without dispossession by Gazonor for the benefit of Bpifrance in first rank for the financed equipment, namely three Siemens 1LA 690V 1500 RPM electric motors and Siemens G150 12pulse 690V electronic speed variation system installed on the Avion site.
- Joint guarantee by FDE for €1.34M for the term of the financing.
- Risk sharing of the Bpifrance Financement guarantee up to 40% as part of the “Développement Cas/Cas 2019” national guarantee fund.

ING financial leasing (€2.9M) for Anderlues 1 project:

- Pledge of the DSRA credit balance.
- Pledge in favour of ING of all receivables from the operation of the project, i.e. and without being limited to: the operating permit, the contract for sale of electricity and green certificates, the service and maintenance contract, insurance policies.
- Commitment to continue leasing from FDE in case of default by Gazonor Benelux and at ING's first request.

ING financial leasing (€6.01M) for Anderlues 2 project:

- Pledge of the DSRA credit balance.
- Pledge in favour of ING of all receivables from the operation of the project, i.e. and without being limited to: the operating permit, the contract for sale of electricity and green certificates, the service and maintenance contract, insurance policies.
- Commitment to continue leasing from FDE in case of default by Gazonor Benelux and at ING's first request.

Leasing – Finamur:

- Pledge in favour of the lessor company, i.e. Finamur, of the intangible elements resulting to its benefit from the leasing contract and the benefit of the promise to sell as stated in the notarised contract. By means of this pledge, Finamur shall have and exercise on the various elements of the lease all the rights, actions and privileges conferred by law on the pledged creditors.

La Caisse d'Epargne et de Prévoyance Grand Est Europe bank loan (€1.3M):

- Mortgage on the long lease of the land on which the facilities are located.
- Non-possessory pledge on the plant's equipment and materials
- Assignment of professional receivables (heat supply agreement, service contract, insurance contract)
- Pledge of shareholders' financial securities accounts
- Pledge of DSCRA (3 months of debt service)
- Blocking of partners' current accounts opened in the Borrower's books for an amount of €700K.

EDRAM bond loan (€25M+€20M):

- Collateral on the dedicated bank accounts of LFDE International and the companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 30 June 2023)
- Collateral on the shares of companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 30 June 2023)
- Collateral on the dedicated intragroup loans between LFDE International and the companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 30 June 2023)

Financial commitments on permits

The table below describes the financial commitments made by the Group in respect of three main licences currently held by the Group and having capital expenditure and exploration costs recognised as at 30 June 2023 (excluding staff costs and other expenses recognised as expenses, i.e. not recognised in the balance sheet as an exploration asset):

Commitments on Exclusive Exploration Permits	Initial financial commitments	Net investments made	Residual commitments
	€	€	€
Bleue Lorraine	7,700,000	35,337,300	None
La Folie de Paris	5,400,000	2,000,513	3,399,487

Each exploration licence granted to the Group includes financial commitments in terms of exploration expenses to be incurred during the term of the licence and used as instruments to assess a potential renewal by the State. Additionally, it is worth noting that the expenses recorded on the Bleue Lorraine PER also includes studies on well architectures, quality and resistance of drilling equipment and tools, as well as characteristics of Lorraine coals which may be useful for the Bleue Lorraine Sud PER.

An application for concession was filed in November 2018 for the Bleue Lorraine permit, while the La Folie de Paris permit was renewed until 7 August 2021, with filing of an application for exceptional extension. These permits have been implicitly rejected with appeals pending.

4.4. Commitments to purchase tangible assets

The commitments amount as at 30 June 2023 on firm orders (notably for future developments of the group) was €6,966K excluding VAT.

4.5. Related parties

In the course of its activities, FDE Group was involved in a number of transactions with persons or entities considered to be related parties during the year ended 30 June 2023. The amounts arising from these transactions and recognised in the consolidated financial statements are set out below, together with the various significant relationships concluded during FY2023.

Transactions with related parties	30 June 2023	30 June 2022
	€	€
Trade payable NextGen NRL Limited	0	190,000
Debts	0	190,000
NextGen NRJ Limited services	211,000	190,000
Services - annual cost	211,000	190,000
Annual interest on NEL loan	0	8,334
Annual interest on EGL loan	0	4,523
Interest cost	0	12,857

Relations with related parties

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 FDE, 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 fee of €230K per year and a monthly office allowance of €1K.

For the year ended 30 June 2023, the Group recorded a charge related to services invoiced by NEL for €211K vs €190K for FY2022.

The total remuneration of members of the Group's Executive Committee and Board of Directors is disclosed in 2.4 of these notes.

The remuneration expense to be allocated to the members of the Remuneration and Audit Committees, as well as the Board of Directors amounts to €50K for the year ended 30 June 2023.

4.6. Financial instruments and risk management

The Group's main financial assets and liabilities include cash, non-current financial assets, current and non-current receivables and other current assets, current and non-current financial debt and current trade payables and other current liabilities.

Fair value of financial assets and liabilities

Financial assets and liabilities can be categorised into the following three fair value levels:

- Level 1: (unadjusted) prices quoted on active markets for identical assets and liabilities, for which the Group can obtain the market value on a given date;
- Level 2: inputs other than quoted prices included in Level 1 that are observable in the market either directly or indirectly;
- Level 3: data relating to assets or liabilities that are not observable in the market.

The fair value of financial assets and liabilities is determined primarily as follows:

- The fair value of trade receivables, trade payables and other current receivables and payables is equivalent to the balance sheet value due to their very short payment terms;
- The fair value of the current and non-current financial debt, composed of the bond loan, the bank loan Landesbank SAAR - Bpi and the shareholder loan, has been estimated on the basis of the par values plus fees and interest due, less accrued costs as at 30 June 2023. The remuneration for this financial debt corresponds to the market value.
- The fair value of employee free shares is estimated by applying the principles of IFRS 2, including use of the market price at the date of award to the beneficiaries.

Market risk

FDE's exposure to market risk, and particularly to changes in gas prices and electricity prices, is considered to be medium, as the Group has its green electricity sales business in France secured at fixed prices under purchase obligations and has the option of setting prices under PPA contracts.

On 30 June 2023, FDE also set prices for part of the expected gas and electricity volumes until the end of 2025.

Interest-rate risk

The objective of the management policy pursued is to align the debt profile to the asset profile, to contain financial costs, and to cushion any impact on the result of any material variation in interest rates.

The Group is currently engaged in fixed rate financing and FDE does not anticipate any change in interest rates that would have a material impact on its cash balances. Fixed rate financial assets or liabilities are not used for any transactions intended to transform them into variable rates.

Liquidity risk

The FDE Group's exposure to liquidity risk can be assessed by the ratio of its current assets to its current liabilities, on the one hand, and with regard to its financial debt at less than one year, net of cash and cash equivalents, on the other hand.

The FDE Group's management regularly reviews its financing options to ensure that it can continue to operate as a going concern, particularly in view of the maturity of its assets and liabilities.

The "Going concern" paragraph in Note 1.1 to the consolidated financial statements presents the various elements justifying such continuity at the date of preparation of the Group's financial statements for FY2023.

The table below shows the maturities of the Group's financial assets and liabilities at 30 June 2023 and 2022:

Maturities of assets and liabilities - 30 June 2023	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Non-current financial assets		1,328,062	482,370	1,810,432
Trade receivables	5,279,234			5,279,234
Other receivables, including CCA	2,495,675			2,495,675
Cash and cash equivalents	42,965,614			42,965,614
Financial debts (excluding deferred charges)	-8,527,884	-11,642,074	-47,938,762	-68,108,720
Trade payables	-6,240,232			-6,240,232
Other liabilities	-3,988,119	-1,244,595		-5,232,713
Net amounts by maturity - 30 June 2023	31,984,288	-11,558,607	-47,456,392	-27,030,710

Maturities of assets and liabilities - 30 June 2022	Within 1 year	1 to 5 years	Above 5 years	Total
	€	€	€	€
Non-current financial assets		1,328,062	490,652	1,818,714
Trade receivables	8,762,185			8,762,185
Other receivables, including CCA	4,623,150			4,623,150
Cash and cash equivalents	23,985,203			23,985,203
Financial debts (excluding deferred charges)	-6,910,409	-22,056,427	-26,804,739	-55,771,575
Trade payables	-8,366,443			-8,366,443
Other liabilities	-7,720,179	-1,563,750		-9,283,930
Net amounts by maturity - 30 June 2022	14,373,507	-22,292,115	-26,314,087	-34,232,696

The amount of trade payables at 30 June 2023 mainly includes a disputed amount of €1.4M with Entrepouse Drilling.

4.7. Auditor's fees

The fees paid by the Group to the statutory auditors of FDE include the following items:

Auditor's fees	30 June 2023	30 June 2022
	€	€
Certification of accounts - Française de l'Energie Mazars	77,500	60,254
Certification of accounts - Française de l'Energie BDO	66,000	55,620
Certification of accounts - subsidiaries (Mazars Belgium, Odycé, Interaudit)	44,887	36,666
Other engagements - Française de l'Energie Mazars	7,700	7,000
Total Auditor's fees	196,087	159,539

4.8. Ongoing litigation and legal proceedings

As at the date of preparing the consolidated financial statements for the year ended 30 June 2023, the Group was involved in various disputes and court cases.

(i) ENTREPOSE DRILLING dispute

A dispute between FDE and the company Entrepouse Drilling S.A.S. concerns drilling and other services invoiced by the latter for the Lachambre drilling campaign. FDE considers that the deficiencies in the drilling equipment used by Entrepouse 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 payment of the last invoices for this drilling.

Entrepose Drilling contests this position of the Company and had initiated summary proceedings to obtain payment of these invoices as well as compensation for termination of the contract signed with FDE, arguing that FDE had taken the initiative in terminating the contract. The total amount claimed was €3,040,879K, excluding taxes. FDE disputed this fact, blaming Entrepose Drilling for terminating the contract. On 08 September 2017, the Commercial Court of Paris, ruling in summary proceedings, ordered FDE to pay Entrepose Drilling the sum of €983,820, excluding taxes. Decision executed.

Entrepose Drilling has initiated a dispute on the merits of the matter before the Commercial Court of Paris for invoices rejected for payment by the Court's summary ruling for a total amount of €2,067,104, excluding taxes. On its part, FDE has 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 FDE.

In this respect, the summary conclusions were filed with the Commercial Court of Paris on 21 February 2019 by FDE, based on a report by Mr Pierre Gié, produced on 07 February 2019, with the Company requesting an amount of €6,337,029 as well as reimbursement of amounts already paid under the original contract (i.e. €1,184,562 paid in execution of the summary ruling of 8 September 2017 and €1,380,748 paid as settlement of invoices in respect of the rescinded contract).

Entrepose Drilling's liability insurer, HDI Global SE, challenged FDE's conclusions through an expert report by Erget. In December 2019, FDE summoned Entrepose Group, parent company of Entrepose Drilling, to join proceedings as a third party. Entrepose Drilling's summary conclusions were filed during the procedural hearing on 20 February 2020. Entrepose Drilling sent FDE its submissions in response on 5 January 2021, while FDE sent its own submission in response on 9 April 2021. Entrepose Drilling proposed an amicable settlement, FDE made a counterproposal, but these discussions did not result in a settlement. The case was argued on 03 June 2021.

The Paris Commercial Court delivered its judgment on 1 October 2021 and partially granted Entrepose Drilling's claims (i.e., €2,067,104 excluding taxes) and ordered FDE to pay €865,000 (plus interest at the legal rate since May 2018 with provisional enforcement of the judgment).

FDE paid the amount of the conviction of €946,497 to Entrepose Drilling while contesting the total settlement of €1,138,163 claimed by Entrepose Drilling, which includes VAT, wrongly according to FDE. A hearing took place on 15 January 2022 before the enforcement judge of the Metz Commercial Court to rule on this claim and the amount of the penalty payments claimed by Entrepose Drilling.

FDE appealed the judgements rendered on 1 October 2021 before the Paris Court of Appeal, the proceedings are ongoing and Entrepose Drilling (now called Arverne Driling) filed its submissions in the appeal proceedings in July 2022. FDE filed its own submissions on 20 July 2022.

In proceedings before the First President of the Paris Court of Appeal, FDE obtained a

guarantee from Arverne Drilling's former shareholder, Entrepouse Group, to refund the amounts paid by FDE under the first instance judgment in the event that FDE wins the appeal and Arverne Drilling defaults on this repayment.

FDE submitted new conclusions on 11 May 2023 ahead of the closing hearing for the exchanges of conclusions. The case was litigated before the Court of Appeal of Paris on 25 May 2023 and the decision of the Court of Appeal should be given in September 2023.

(ii) GTR GAZ dispute

Since mid-2019, Gazonor, an FDE subsidiary, has been subject to restrictions on its injections of abandoned mine methane into GRTgaz's gas-conveyance network. Despite discussions with GRTgaz about these difficulties and a letter of formal notice dated 16 September 2019, these injection restrictions have continued.

Gazonor has initiated two concurrent proceedings:

- (i) Gazonor initiated dispute resolution proceedings before the CoRDIS against GRTgaz by a referral dated 15 March 2021. Gazonor considers that GRTgaz's conduct, consisting in restricting the injection of abandoned mine methane into the gas-conveyance network, constitutes a serious obstacle to its right to access effectively said conveyance network, as provided for by law. It therefore requested the CoRDIS to order GRTgaz to propose an amendment to the contract with Gazonor in order to guarantee the permanent opening of the abandoned mine methane mixer with a minimum flow rate set point, with penalties in the event of a breach of this obligation, and to provide information on the monthly injectable volumes of abandoned mine methane on the network in order to allow the anticipation of injection fluctuations.

GRTgaz denies in substance that these injection limitations, which it justifies by its operating constraints and by a gas conversion plan imposed by the public authorities, qualify as an infringement of Gazonor's effective right of access to the network.

The CoRDIS issued a decision on 4 November 2021 rejecting Gazonor's request to guarantee the permanent opening of the abandoned mine methane mixer while partially granting Gazonor's request for information by requiring GRTgaz to provide estimates of the monthly injectable volumes of abandoned mine methane on the network.

Gazonor appealed against this decision on 8 December 2021 and filed its full statement of claim on 7 January 2022, requesting the Court to order GRTgaz to pay the sum of €200K euros pursuant to Article 700 of the French Code of Civil Procedure. The plea hearing before the Court of Appeal took place on 15 June 2023, and the Court's ruling is expected to be on 26 October 2023.

- (ii) Gazonor also sued GRTgaz before the Nanterre Commercial Court, through a deed dated 22 March 2021. Gazonor considers that GRTgaz's behaviour entailing restricting injections of abandoned mine methane into the gas transmission system and refusing to transmit certain information qualifies as a breach of the obligations of the injection contract concluded between the parties.

In its final submissions, duly filed on 16 January 2022, Gazonor requested the Nanterre Commercial Court to order GRTgaz to pay a total sum of €2,310,000, payable in full, in

order to compensate for the loss directly incurred from these contractual breaches, as well as a sum of €100,000 pursuant to Article 700 of the French Code of Civil Procedure.

GRTgaz contests having breached its contractual obligations and has concluded that Gazonor's claims should be dismissed, also requesting the Court to order Gazonor to pay the sum of €100,000 pursuant to Article 700 of the French Code of Civil Procedure.

GRTgaz is expected to respond to Gazonor's latest submissions by 4 October 2023.

A plea hearing will be scheduled in the coming months, and judgement is usually passed between one and three months after the plea hearing.

(iii) XERYS dispute

Following the acquisition of Cryo Pur on 31 December 2021 from the Xerys investment funds, FDE raised various challenges and management shortcomings at Xerys, refusing to pay the acquisition price of €2,000,000.

On 11 February 2022, Xerys summoned FDE for payment of the price and on 28 February 2022, FDE summoned Xerys for cancellation of the sale / compensation for fraud.

By a summary order issued on 15 April 2020, the Paris Commercial Court granted Xerys' claim. FDE executed this decision and paid the sale price to Xéry's entities in April 2022.

The proceedings on merits brought by FDE against Xerys before the Paris Commercial Court are ongoing, and FDE responded with submissions on 15 December 2022. Xéry's responded with new conclusions on 10 August 2023.

The case is expected to be litigated before the Paris Commercial Court in November 2023 and a decision would then be given in early 2024.

4.9. Sectoral information

Sectoral financial information is presented according to the same principles as those used for internal reporting, based on indicators of exploration costs, production and EBITDA by operating segment. On this basis, the Group's activity is grouped into four operating segments, which are characterised by a different model in terms of extraction and exploitation of gas. As of 30 June 2023, the operational sectors are as follows:

- Exploitation and development of abandoned mine methane (Pas-de-Calais -Hauts de France / Anderlues - Belgium): capture of gas from mines and exploitation as gas, electricity or heat.
- Extraction and exploitation of solar energy (Grand Est): installation and operation of a solar thermal plant (Cellcius) and a solar farm (Falkensun).
- Extraction and exploitation of coal seam gas (Moselle – Grand-Est): exploration, certification of coal seam gas reserves and recovery of this gas for local consumption.
- Other sectors: includes Cryo Pur, whose activity is to design, manufacture, market and operate a range of equipment that integrates the purification and liquefaction of biogas in order to produce LBG and Bio-CO₂

The following table presents, by sector, information on revenue and other details on the

Group's main exploration assets and production concessions at 30 June 2023 and 2022. The operating income and EBITDA indicators are not subjected to a sectoral analysis by the Group's General Management.

At 30 June 2023	Coal gas	Mine gas	Solar	Other sector	Consolidated total
	€	€	€	€	€
Turnover		37,896,338	161,107	1,169,342	39,226,787
Goodwill		47,848		4,526,164	4,574,012
Mining rights		23,976,139			23,976,139
Tangible and intangible assets, excluding restoration	884,445	-1,983,863	0	0	-1,099,418
Investment flows	307,586	5,936,149	3,957,577		10,201,312

At 30 June 2022	Coal gas	Mine gas	Solar	Other sector	Consolidated total
	€	€	€	€	€
Turnover		24,896,750	154,354	1,169,342	26,220,447
Goodwill		47,848		5,711,008	5,758,856
Mining rights		24,261,443			24,261,443
Tangible and intangible assets, excluding restoration	884,445	-1,983,863	0	0	-1,099,418
Investment flows	374,886	5,152,253	5,965,474		11,492,612

By geographical area as at 30 June 2023, the sector outside France covers abandoned mine methane extraction and exploitation operations in Belgium and Cryo Pur operations. This area had revenues of €11.0M and tangible and intangible investments of €8.9M for the year ended 30 June 2023.

4.10. Post balance sheet events

In the context of Bleue Lorraine's concession application, a second hearing was held on 4 July 2023. After a detailed analysis, the court considered that FDE has sufficiently justified its technical capabilities to extract the bed gas and demonstrated the exploitability of the deposit. The court therefore cancelled the order of 26 April 2023 rejecting the concession request and ordered the State to grant FDE the Bleue Lorraine concession within three months, subject to a penalty of €500 per day of delay.

In addition, the State will pay FDE €2,500 under Article L. 761 – 1 of the Administrative Justice Code.

Thus, the State has a period of three months to (i) draft a decree granting the concession, (ii) refer the draft decree to the Council of State, (iii) allow the Council of State to give its opinion and (iv) sign the decree granting the Bleue Lorraine concession to the company FDE.

On 25 September 2023, the State appealed against the judgement issued on 25 July 2023 by the Strasbourg administrative court regarding the Bleue Lorraine concession application. The State's appeal request is non-suspensive and the State is obliged to execute the judgement despite the appeal by granting the Bleue Lorraine concession to FDE by 26 October 2023.

4.11. Scope of consolidation

Consolidated companies - 30 June 2023	Country	% controlled	% interest
La Française de l'Energie S.A.	France	Parent company	Parent company
EG Lorraine S.A.S.	France	100.00%	100.00%
EG NPC S.A.S.	France	100.00%	100.00%
LFDE International S.A.R.L.	Luxembourg	100.00%	100.00%
Gazonor Holding S.A.S.	France	100.00%	100.00%
Gazonor S.A.S.	France	100.00%	100.00%
Gazonor Benelux S.A.	Belgium	100.00%	100.00%
Greenhill S.A.	Belgium	100.00%	100.00%
Concorde Energy Inc.	USA	100.00%	100.00%
Concorde Energie Paris S.A.R.L.	France	100.00%	100.00%
Gazonor Béthune S.A.S	France	100.00%	100.00%
Cellcius S.A.S	France	51.00%	51.00%
FalkenSun S.A.S	France	75.00%	75.00%
Cryo Pur S.A.S	France	95.08%	95.08%
Cryo Pur Norge A.S.	Norway	100.00%	95.08%
Biogy Solutions A.S.	Norway	80.00%	76.06%

9.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

LA FRANCAISE DE L'ENERGIE

Avenue du District
57380 PONTPIERRE

RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES CONSOLIDES

Exercice clos le 30 juin 2023

Le 31 octobre 2023

BDO PARIS

Société d'Expertise Comptable inscrite au Tableau de l'Ordre de la région Paris-Ile-de-France

Société de Commissariat aux comptes inscrite sur la liste nationale des Commissaires aux comptes, rattachée à la CRCC de Paris

RCS Paris B 480 307 131 00056

SAS au capital de 3 000 000 euros

MAZARS

Société anonyme d'expertise comptable et de commissariat aux comptes

Société inscrite sur la liste nationale des commissaires aux comptes, rattachée à la CRCC de Colmar

RCS Strasbourg 348 600 990

Capital de 400 000 euros

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Exercice clos le 30 juin 2023

LA FRANCAISE DE L'ENERGIE

Exercice clos le 30 juin 2023

Rapport des commissaires aux comptes sur les comptes consolidés

A l'assemblée générale de la société La Française de l'Energie,

Opinion

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous avons effectué l'audit des comptes consolidés de la société La Française de l'Energie relatifs à l'exercice clos le 30 juin 2023, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1er juillet 2022 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

- **Evaluation des actifs d'exploration**

Description du risque

Comme indiqué dans les notes « 1.2.J Dépenses d'exploration » et « 3. 2 Actifs d'exploration » de l'annexe aux comptes consolidés, le groupe applique la norme IFRS 6 relative à la comptabilisation des dépenses de prospection. La comptabilisation des droits et actifs de production des ressources du sous-sol est réalisée conformément à la méthode des « successful efforts ».

En particulier, les coûts d'exploration comptabilisés en immobilisations incorporelles s'élèvent au 30 juin 2023 à une valeur nette de 38 918 K€ et font l'objet de tests de dépréciation sur une base individuelle, permis par permis.

Nous avons considéré l'évaluation des actifs d'exploration comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires (notamment le volume de gaz et la viabilité technique et économique de chaque projet) pour conduire les tests de dépréciation.

Procédures d'audit mises en œuvre en réponse à ce risque

Nos travaux ont consisté à examiner les indicateurs de perte de valeur des actifs d'exploration comptabilisés à l'actif du bilan.

Nous avons ainsi :

- mené plusieurs entretiens au cours de l'exercice avec la direction de la société et obtenu son appréciation sur la qualification des réserves sur la base du rapport de certification qui avait été établi par MHA Petroleum Consultants portant sur les réserves de gaz ;
- pris connaissance de l'analyse juridique effectuée par les avocats de la société portant sur le statut de chaque permis pour lequel des coûts d'exploration ont été comptabilisés ;
- analysé avec la direction de la société les conséquences des différentes décisions judiciaires rendues au cours de la période, leur impact sur la valeur

des actifs et les arguments permettant de justifier le maintien de la valeur des actifs.

- **Evaluation des droits miniers**

Description du risque

Comme indiqué dans la note « 1.2.K Immobilisations corporelles » de l'annexe aux comptes consolidés, les immobilisations corporelles comprennent les réserves minières acquises prouvées, comptabilisées comme « droits miniers ». Elles sont amorties selon la méthode de l'unité de production basée sur ces réserves.

Les droits miniers comptabilisés en immobilisations corporelles s'élèvent au 30 juin 2023 à 23 976 K€ et font l'objet de tests de dépréciation sur une base individuelle, permis par permis.

Nous avons considéré l'évaluation des droits miniers comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires pour conduire les tests de dépréciation.

Procédures d'audit mises en œuvre en réponse à ce risque

Nos travaux ont consisté à examiner les indicateurs de perte de valeur des droits miniers à l'actif du bilan.

Nous avons ainsi :

- analysé les hypothèses clés retenues pour la détermination de la valeur recouvrable des actifs ;
- confrontés les scénarii de prix des hydrocarbures aux données issues des contrats de ventes ;
- recalculé les taux d'actualisation des flux de trésorerie futurs de façon indépendante, et les avons confrontés aux taux habituellement retenus par les analystes financiers ;
- mené des entretiens avec la direction du groupe afin de comprendre les principales hypothèses opérationnelles retenues (coûts opérationnels futurs, plan d'investissement) ;
- obtenu le rapport dit de « certification » établi par DMT portant sur les réserves de gaz.

- **Evaluation des écarts d'acquisition**

Description du risque

Comme indiqué dans la note « 3.1 Écarts d'acquisition », les écarts d'acquisition s'élèvent à 4 574 K€ au 30 juin 2023 et sont composés d'un écart d'acquisition de 48 K€ en lien avec l'acquisition de Greenhill et d'un écart d'acquisition de 4 526 K€ résultant de l'affectation définitive du prix d'achat de la filiale Cryo Pur réalisée au cours de l'exercice.

Un test de dépréciation des écarts d'acquisition est réalisé au moins une fois par an conformément aux méthodes décrites dans la note 1.2.L de l'annexe aux comptes consolidés.

Nous avons considéré l'évaluation des écarts d'acquisition comme un point clé de l'audit en raison de leur importance significative dans les comptes, et des estimations et jugements nécessaires pour conduire les tests de dépréciation.

Procédures d'audit mises en œuvre en réponse à ce risque

Pour apprécier le caractère raisonnable de la valorisation des écarts d'acquisition, nous avons ainsi :

- contrôlé l'affectation définitive du prix d'acquisition de Cryo Pur réalisée au cours de l'exercice ;
- vérifié le caractère raisonnable de la méthode de détermination de la valeur d'utilité retenue par la Direction, la cohérence d'ensemble des hypothèses utilisées et l'exactitude des calculs arithmétiques réalisés ;
- mené des entretiens avec la direction du groupe afin de comprendre les principales hypothèses opérationnelles retenues (revenus et coûts opérationnels futurs) pour le calcul des valeurs d'utilité ;
- apprécié le caractère raisonnable des hypothèses retenues, notamment, le taux d'actualisation et le taux de croissance à long terme, compte tenu de l'environnement économique et des spécificités propres au secteur d'activité des filiales ;
- réalisé le cas échéant nos propres analyses de sensibilité.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du Conseil d'Administration.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

Format de présentation des comptes annuels destinés à être inclus dans le rapport financier annuel

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n°

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2019/815 du 17 décembre 2018 dans la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1- 2 du code monétaire et financier, établis sous la responsabilité du directeur général. S'agissant de comptes consolidés, nos diligences comprennent la vérification de la conformité du balisage de ces comptes au format défini par le règlement précité.

Sur la base de nos travaux, nous concluons que la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

En raison des limites techniques inhérentes au macro-balisage des comptes consolidés selon le format d'information électronique unique européen, il est possible que le contenu de certaines balises des notes annexes ne soit pas restitué de manière identique aux comptes consolidés joints au présent rapport.

Par ailleurs, il ne nous appartient pas de vérifier que les comptes consolidés qui seront effectivement inclus votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société La Française de l'Energie par décision des actionnaires du 29 novembre 2019 pour le cabinet Mazars et du 3 décembre 2020 pour le cabinet BDO Paris.

Au 30 juin 2022, le cabinet Mazars était dans la quatrième année de sa mission sans interruption et le cabinet BDO Paris dans la troisième année.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le Conseil d'Administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que

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des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;
- concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Fait à Paris et Strasbourg, le 31 octobre 2023



BDO Paris
Représenté par Sébastien Haas
Associé



MAZARS
Représenté par Laurence Fournier
Associée



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