FDE

Local energy,
positive impact

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2023

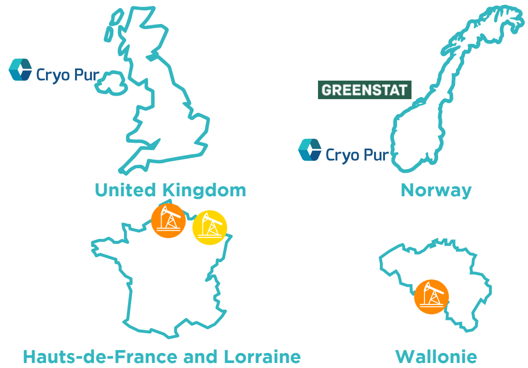
FDE
Local energy, positive impact

Providing low carbon energy solutions locally.

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 H1 2024

MORE THAN 3.5 MILLION TONNES OF CO2 **AVOIDED** PER YEAR BASED ON THE CURRENT PORTFOLIO(1)

17,4 M€ H1 2024 REVENUES

EBITDA

H1 2024 — 10.8 M€

Operating income

H1 2024 — 9.0 M€

Net profit(2)

H1 2024 — 6.3 M€

INVESTMENTS	4.4 M€	EQUITY(2)	81.0 M€
CASH AVAILABLE	40.1 M€	NET DEBT TO EQUITY	28%

(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*

ELIGIBLE PEA PME
Gaïa RATING
bpifrance Entreprise Innovante
rev3 LA 3ème RÉVOLUTION INDUSTRIELLE EN HAUTS-DE-FRANCE

HALF-YEAR REPORT

BUSINESS ACTIVITY IN THE FIRST HALF OF THE FISCAL YEAR 2024

REVENUES

As of 31 December 2023, La Française de l'Énergie ("FDE"), an energy producer with a negative carbon footprint, posted **sales for H1 2024 of €17.4m** vs. €21.3m for H1 2023, with an increase in electricity volumes sold over the semester (+13%), against a backdrop of still volatile energy prices.

Evolution of sales year on year:

€	H1 2024	H1 2023
France - Gas	3 654 823	7 642 306
France - Electricity	8 261 903	6 679 394
France - Heat	197 646	246 448
Belgium - Electricity	4 807 457	6 216 075
France - Cryo Pur	473 643	561 784
Total sales	**17 395 472**	**21 346 006**

Power sales **rose slightly in H1 2024, to €13.1m**. This improvement reflects the **good performance of the cogenerations in Hauts-de-France and Wallonia**, and **the increase in solar photovoltaic capacity associated with the commissioning of the 15 MW plant in Tritteling**, despite less favourable prices.

In the first 6 months of FY2024, **gas production sales fell by €7.6m to €3.7m**, as FDE was affected by the **unavailability of the GRTgaz transmission system over the half-year until September 2023**. The Group also has two ongoing legal proceedings with GRTgaz for compensation for the damage suffered and loss of income. Finally, FDE is continuing to optimise future pricing and take advantage of the volatility of the gas markets.

Revenues from the sale of heat related tothe Béthune project and the solar thermal power plant in Creutzwald, amounted to **€198k** for the first half of the year.

Cryo Pur's contribution over the first 6 months of FY2024 is **€474k** and mainly represents income associated with the operation and **maintenance of the Bio-GNL and Bio-CO_2 production facilities in Ireland and Norway**, pending the construction of new LBG and Bio-CO_2 production sites in Europe.

EBITDA AND OPERATING PROFIT

Despite the impact of GRT Gaz shutdowns on gas sales volumes, in a normalised energy price environment, EBITDA reached **€10.8m** in H1 2024 (H1 2023: €15.8m), with an **EBITDA margin of 62%** (H1 2023: 74%), well above the Group's margin targets for the end of 2026.

In spite of general inflation, the **Group's ongoing cost control brought an excellent overall performance**, with the cost of goods and services being stable over the half-year (excluding €979k of previous Arenth (Regulated Nuclear Power Price) electricity rights, which had been retroceded by 31 December 2022). **Administrative expenses** amounted to €4.1m for the first half, or **€3.4m** excluding the recognition of free awarded shares under IFRS, following an increase in staff costs (from 29 to 36 employees) and other costs, in order to support FDE's inherent developments, particularly in Norway.

It should be noted that the valuation of the Research and Innovation Tax Credit for calendar year 2023 is included in operating income for a total amount of €668k.

Operating profit was €9.0m, or 52% of sales.

INVESTMENTS

During H1 2024, FDE continued its investment policy with more than €4.2m invested, reinforcing its unique positioning through the deployment of local low-carbon energy solutions in France, and in particular the expenditure associated with the 4 additional cogeneration units that will be installed over 2024 (c. €3.8m of investment in H1).

TREASURY AND FINANCING

The Group's net cash position as of 31 December 2023 was **€40.1m**, up **€13.5m** vs.31 December 2022.

Cash flow from the Group's operating activities was positive over the year, with operating cash flows of **€7.8m**, compared with €9.9m in 2023thanks to an increase in electricity production volumes and good management of operating working capital requirements.

Cash flow from investing activities was negative at **€4.4m** (compared with -€7.5m as of 31 December 2022). These investment flows confirm the Group's growth, notably with the work to extend the cogeneration park in France, as well as the development of Cryo Pur, notably in Norway, that wil only contribute from 2025 onwards.

Cash flow from financing activities was negative **€6.3m** compared with €232k in the first half of 2023, as the Group repaid bank loans, in particular the €2.5m bridge financing allocated to the 15MW photovoltaic project in the Grand-Est region and the BPI-SAARLB loan for Gazonor.

The Group's debt remains low, with a net debt-to-equity ratio of **28% at end-December 2023** (compared with 42% at end-December 2022) and a **Net Debt/EBITDA** ratio of **less than 1.04x**, a conservative level that will enable the Group to finance its expansion with confidence.

The support of the financial institutions will help to accelerate the Group's developments and continue to prove the relevance of FDE's business model based on energy solutions with strong environmental, economic and social impacts on its territories. This model also enables the Group to limit the use of its equity capital while **maintaining a low cost of capital**, despite a context of rising interest rates.

NON-FINANCIAL IMPACTS

CIn accordance with Articles L 225-102-1 and L 22-10-36 of the French Commercial Code, this section presents the social, environmental and societal consequences of the Group's activities.

To measure non-financial impacts, FDE relies on its fundamental values of excellence, trust, respect and responsibility. These apply to all its operations and to each of the communities in which the Group operates.

Guided by its Code of Conduct and Business Ethics, FDE meets or exceeds the requirements of all applicable laws and standards in the communities where the Group operates, through all its activities in each of the regions 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 integrated into all aspects of the Group and are reflected in the following key areas:

– **Governance and ethics:** FDE demonstrates solid corporate governance, in continuous improvement, with a leadership that sets an example of the highest standards of ethics and integrity and a strong commitment to the responsible development of the portfolio of short-circuit renewable energy production assets, as close as possible to the needs of the regions concerned. Our leadership model effectively integrates ethical, fiscal, environmental and social considerations, enabling us to protect our human, natural, financial, operational, intellectual and reputational capital.
– **Human capital:** FDE's commitment to men and women is rooted in its core values; the Group values and cares for its employees and believes that every employee and partner deserves to be treated with respect. FDE recognises the principles of the Universal Declaration of Human Rights and has policies in place to support these principles in its day-to-day operations, including the creation of a fair and equal workplace. The Group encourages its employees to give the best of themselves, and values teamwork, collaboration, dialogue and innovation that lead to the creation of both 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, subcontractors and the public, while reducing its impact on the environment. Its HSE culture is recognised as a model by its industry and stakeholders. Each player in the company is responsible for the correct application of the HSE policy and has individual annual objectives to maximise their impact on the health, safety and environment of the group and its activities.
– **Communities:** FDE strives to support the communities in which the company operates using a shared value model. The Group works to develop economic and employment opportunities, build positive relationships and contribute to meaningful and mutually beneficial partnerships that strengthen both the community and the company's capacity. Its short circuit approach and maximisation of all the positive impacts associated with its projects encourages local investment and contributes to the 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 the ESG ranking obtained, in particular, with its **Gaïa Research** rating, where FDE maintains its leadership among SMEs in the energy sector by improving its rating for the 7th consecutive year.

The Group is also the **only energy producer with a negative carbon footprint in France and Belgium, thanks to** the methane emissions that FDE captures preventing this gas from being released into the atmosphere.

gas AMMaccumulates in former coal mining galleries and rises to the surface through existing mine shafts, before escaping into the atmosphere if it is not recovered. This gas is mainly composed of methane, which has a **Global Warming Potential (GWP) 82.5 times greater than CO_2 over 20 years**, according to the **latest IPCC assessment report (AR6) published in 2021**.

To date, the Group is the biggest contributor to the effort to reduce the carbon footprint of the Hauts-de-France region, thanks to the **CO_2 eq emissions avoided per year** at its various AMM capture and recovery sites.

In Belgium, capturing AMM and converting it into electricity and, eventually, heat, thanks to five cogeneration plants with a total installed capacity of 7.5 MW, will prevent the emission of **808,000 tonnes of CO_2 eq per year**, according to the full life cycle analysis carried out by **the Polytechnic University of Mons (UMONS) in 2022**. This corresponds to the CO_2 emissions of a city of 100,000 inhabitants, or the equivalent of 2.7% of the population of the Wallonia[1].

Using the IPCC's updated 20-year baseline (AR6)[2], the Group's mine gas capture and recovery business will have avoided **more than 3.5 million tonnes of CO_2 eq per year** in 2023, with a **target of 10 million tonnes of CO_2 eq avoided per year by 2026**, confirming FDE's leading role in Europe's ecological transition.

The production of heat from the Creutzwald solar thermal power station also enables FDE to reduce the area's carbon footprint by 560 tonnes a year.

European taxonomy

The Taxonomy Regulation (EU) 2020/852 (the "Regulation") establishes a classification system common to the European Union, the aim of which is to identify economic activities considered to be sustainable, with reference to six environmental objectives. The six environmental objectives defined in Article 9 of the Regulation are as follows:

- climate change mitigation;
- adapting to climate change;
- sustainable use and protection of aquatic and marine resources;
- the transition to a circular economy;
- preventing and reducing pollution;
- protecting and restoring biodiversity and ecosystems.

Within the meaning of Article 3 of the Regulation, an economic activity is considered to be environmentally sustainable if that economic activity :

- contributes substantially to one or more of the environmental objectives set out in Article 9,
- does not cause significant harm to any of the environmental objectives set out in Article 9,
- is exercised in compliance with the minimum guarantees set out 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:

- an economic activity eligible for the taxonomy ("Eligible Activity") is an economic activity described in Delegated Regulation (EU) 2021/2139 of 4 June 2021, whether or not it meets some or all of the technical review criteria set out in that Delegated Regulation;
- an economic activity not eligible for the taxonomy is an economic activity that is not described in Delegated Regulation (EU) 2021/2139 of 4 June 2021;
- an economic activity aligned with the taxonomy ("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 "Mitigation of climate change":

- Photovoltaic power plant;
- Solar thermal power plant;
- Processing and liquefaction of Bio-GNL and Bio-CO_2;
- Production of green, blue and turquoise hydrogen;
- And CO_2.

The following activities are not listed in the first version of the European Green Taxonomy

1 Source: World Bank 2018
2 Source: FDE, based on the updated 2019 INERIS certification with a GWP of 82.5 and including the Béthune and Avion 7 sites.

but qualify in terms of their environmental benefits:

– Capture of fatal gas (AMM);
– Natural hydrogen;
– Gas, present in coal, recovered and recycled in circular process locally;
– CO capture2.

HIGHLIGHTS OF THE FIRST HALF

OPERATIONAL PROJECTS

FDE and the HECO2 consortium dedicated to the production of clean hydrogen by Hybrid Plasmalysis, selected by the Walloon government

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

The consortium is made up of a number of leading Belgian and international industrial and research players: AGC Glass Europe, GATE2, EDF Luminus, Vanheede Environment Group, the Polytechnic University of Mons (UMONS) and the Materia Nova research centre.

HECO2 is a project to build a pilot plant for producing clean hydrogen using Hybrid Plasmalysis. This patented technology consists of transforming various sources of methane into clean hydrogen and solid, renewable forms of carbon (carbon black, graphite, graphene) without emitting CO_2 into the atmosphere.

The final objective is to build a plant producing 15,000 tonnes of hydrogen and 45,000 tonnes of solid carbonaceous materials by the end of the project, with a particular focus on reducing the plant's direct CO_2 emissions.

As part of this consortium, an initial subsidy of €86k was paid to Gazonor Benelux, which had not yet been recognised in profit or loss at 31 December 2023.

Incorporation of Biogy Solutions AS, a new FDE subsidiary on the Norwegian biogas and bio-CO_2 market

Biogy Solutions AS is a Norwegian company newly incorporated at the end of the previous financial year, owned 80% by FDE and 20% by the holding company of Jan Kåre Pedersen, founder and former CEO of Renevo.

The aim is to develop **six biogas plants producing LBG and Bio-CO_2** strategically located in Norway, targeting a total energy production of between 500 and 800 GWh.

Biogy Solutions AS is continuing its engineering work, contracting inputs with local farmers and filing permits to prepare for the start-up of **production by early 2025 of its new LBG and Bio-CO_2 production unit in Stavanger**. The unit will produce 100 GWh of Bio-GNL, 13,000 tonnes a year of liquid Bio-CO_2 and 155,000 tonnes of organic fertiliser. Together with many green energy production projects under development in Norway, it will contribute to the Group's strong growth in sales.

Award of the Bleue Lorraine concession

By decree dated 20 November 2023, FDE was awarded the so-called "Bleue Lorraine" concession, covering a **total area of 191 km², until 1 January 2040**, in order to develop its certified gas resources in Lorraine.

This award marks a key stage in the development of the Group's certified reserves and resources in this strategic asset at the heart of Europe.

The development of this short-circuit gas will take place in a decentralised form, as close as possible to the consumer. Given the proximity of customers and future hydrogen infrastructures, the extensive work undertaken by FDE over the last few years on CO_2 capture, via its subsidiary Cryo Pur, and the development of gas resources in the form of carbon-free hydrogen, particularly as part of the Walloon Recovery Plan with the HECO2 project for hydrogen production by plasmalysis, will enable a further appropriate use of the gas reserves and resources on the concession, whose **net asset value**[3] is estimated at **€318m**, based on volumes certified in 2018 by MHA (Sproule Group) and adjusted energy prices.

FINANCING

New €5.8m ESG "Impulse" loan with Arkéa Banque Entreprises et Institutionnels

Gazonor, a subsidiary of FDE, has taken out a €5.8m "Impulse" loan with Arkéa Banque Entreprises et Institutionnels, in order to strengthen the business by refinancing 4 cogeneration units in Lens and Avion with a total capacity of 6MW, the funds of which can be deployed by the Group for its growth. This loan was undrawn as of 31 December 2023.

"Impulse" is based on a methodology and indicators that enable the positive impact of clearly identified environmental and societal transition projects to be measured. "Impulse" targets **42 transition objectives, each with an associated eligibility indicator**. This methodology is reviewed annually by an external third party to ensure that the selection is in line with the transition challenges and market standards.

This loan offer also enables the Group to benefit from a **subsidy on the cost of borrowing**, despite a context of sustained interest rates. This subsidy is partly financed by the "Kéréa Terme Impulse" investment vehicle, for which the underwriters are looking for yield, security and ESG commitment.

Partnership discussions are also underway for other Group project financings.

Improvement in the Gaïa Research rating in 2023

FDE obtained an overall rating of 65/100, an excellent Gaïa Research rating from the EthiFinance group (according to the new methodology developed in 2022), distinguishing itself in particular by its environmental and social policy.

This rating confirms that **the Group is meeting its commitments** in areas such as **social issues and the fight against climate change**.

The Gaïa Research rating assesses the ESG (Environmental, Social and Governance) performance of companies listed on European markets and maintains its leadership among SMEs in the energy sector.

Gaïa Rating is the benchmark rating agency for listed French mid-sized companies. Ratings are based on more than 170 extra-financial criteria covering environmental, social, governance and external stakeholders.

3 See press release dated 13 January 2022

Significant events since the end of the financial year

Acquisition of a majority stake in Greenstat ASA, a major player in green energy in Norway

On 29 February 2024, FDE announced the acquisition of a majority stake in **Greenstat ASA, a leading green energy operator based in Norway, with a strong focus on hydrogen and solar activities**, to strengthen the Group's position as a European provider of decarbonised energy production solutions.

Greenstat, a renewable energy developer based in Bergen, has been growing since 2015 under the leadership of its Chairman, Bernt Skeie, and CEO, Vegard Frihammer. In 2023, the company achieved sales (unaudited) of around €6.2m.

With its experienced team, Greenstat develops and operates renewable energy infrastructure to support the transition to low-carbon energy. The company's strategy of developing projects using the best available technology and strong local roots is a perfect fit with FDE's culture and portfolio of assets.

Since its creation, Greenstat has developed **a diversified and attractive portfolio**, mainly in the **hydrogen and solar fields, with a gross capacity of around 450MW**. The main projects will soon enter the construction phase and will benefit from FDE's excellent experience in building and operating green energy production sites.

The acquisition builds on FDE's continued expansion in Norway since 2022 and strengthens its portfolio of low-carbon solutions, supporting its long-term growth strategy and focusing on creating shareholder value.

The transaction is worth around €15.5m, consisting mainly of a €13m capital increase to finance the project pipeline, giving FDE a controlling interest in Greenstat of **56.35% of its share capital and voting rights**.

The transaction was paid for entirely from existing cash resources, enabling FDE to maintain its strong financing capacity, in parallel with ongoing financing discussions, in order to pursue its various projects, including those of its new subsidiary, Greenstat.

The next few months will be used to restructure Greenstat by reorganising the team to carry out future projects, while significantly reducing its cost structure.

Buyback program

Under the authorisations currently in place, FDE will relaunch a **share buyback program**, thereby increasing the intrinsic value per share of FDE shares for the benefit of existing shareholders, without affecting its financing capacity for the development plan to 2026.

TRANSACTIONS WITH RELATED PARTIES

There were no new transactions with related parties during the first half of the financial year ending 31 December 2023.

Note 4.5 "Related parties" to the condensed interim consolidated financial statements provides all the necessary information on current transactions with related parties, their nature and the amounts to be taken into account for the half-year.

GROUP OUTLOOK FOR 2024

The Group is confirming its objective of sustained growth, with continued expansion in gas capture and recovery in short circuits, the strengthening of its solar business and the development of new LBG and Bio-CO_2 and hydrogen projects in France and abroad. The production of natural, green or low-carbon hydrogen and CO_2 storage activities are also strong growth segments for the Group, notably with the acquisition of Greenstat in Norway.

FDE is continuing to develop its strategy based on implementing energy solutions in order to produce and use local energy in short circuits and contribute to reducing the carbon footprint of the areas where FDE is present.

The addition of Greenstat to FDE's existing portfolio will strengthen the Group's position as a low-carbon, multi-energy independent producer, supplying all the key energies for a sustainable future: green gas, green electricity, green heat, decarbonised H2 and Biogenic CO_2, particularly in Norway where FDE is accelerating its development of liquefied biomethane (LBG) and BiogenicCO_2 production plants via its subsidiary Biogy Solutions AS.

Greenstat's ability to identify and develop energy production opportunities, combined with FDE's project management and operational expertise, will enable the rapid and efficient deployment of new low-carbon energy production sites throughout Europe, with profitability expected in the medium term.

These synergies will create a **leading European player in the production of low-carbon energy, making a significant contribution to Europe's goal of carbon neutrality by 2050**.

With hydrogen in particular, FDE is developing the production of hydrogen by pyrolysis of methane, notably via a large-scale industrial consortium which will see the setting up of decarbonated hydrogen production pilots ahead of possible industrial development. This is specifically the case in Lorraine where, following the award of the Bleue Lorraine concession, the Group is accelerating the development of its decarbonated hydrogen strategy in the region, at the heart of a very active hydrogen ecosystem underpinned by the construction of one of Europe's first H2 transportation pipeline linking industrial-scale consumers.

FDE is also continuing its development in natural hydrogen, advancing **its research work while awaiting the granting of the so-called "Des Trois Evêchés" permit**. The permit application was registered in March 2023 and is an important milestone as part of the appraisal and possible development of this native hydrogen, which seems ecologically and economically very competitive, particularly compared with other forms of carbon-free hydrogen.

Finally, Greenstat is already **a leading player in the hydrogen field in Norway**, producing green hydrogen at the Stord hydrogen pilot plant. It is also the **main partner in 2 of the 5 maritime hydrogen projects in Norway selected by Enova**, the Norwegian Ministry of Climate and Environment's body responsible for promoting the most environmentally-friendly energy and climate technologies. Enova has granted Greenstat **total funding of around €26m** to develop these 2 projects, each with an electrolysis capacity of 20MW. Construction is scheduled to start in 2024.

Thanks to the Group's positioning, developed over more than a decade, as a low-carbon local energy producer, the objectives for FY2026 are based on three key indicators:

- A stronger environmental contribution, with more than **10 million tonnes of CO_2 eq emissions** avoided every year, thanks in particular to its abandoned mine methane (AMM) activity, which eliminates pollution that would otherwise be unavoidable;
- Strong growth, with the aim of achieving **annual sales in excess of €100m**; and
- Continued improvement in profitability, with **EBITDA in excess of €50m**.

These targets will be reviewed during the 2024 calendar year to better reflect recent developments and acquisitions in France and Norway.

RISKS AND UNCERTAINTIES FOR 2024

Compared with the risks presented in part 7 - PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY of its annual financial report as published on 31 October 2023, the Group has not identified any additional risk that should be taken into consideration for its activities during the first half of the financial year ending 30 June 2024.

Of all these risks, those considered to be the most significant are as follows:

- Changes and volatility in gas and electricity prices that could have an adverse effect on the Group’s business.
- Reservoir risk with damage to the mine void and displacement of the resource in relation to the extraction point under consideration.
- Lower-than-expected industrial equipment yields, particularly at cogeneration sites.
- Difficulty in obtaining new financings on acceptable financial terms and within the deadlines set, which could slow down the Group’s expansion plans and new projects.
- Unanticipated developments or new regulatory constraints that could delay or call into question development projects.

MANAGEMENT AND SUPERVISORY BODIES TO 31 DECEMBER 2023

BOARD OF DIRECTORS

Julien Moulin
Chairman

Antoine Forcinal
Managing Director

Christophe Charlier [a]

Alain Liger [a]

ACCOUNTS AND AUDIT COMMITTEE

Christophe Charlier
Chairman

Julien Moulin

Alain Liger

NOMINATIONS AND REMUNERATION COMMITTEE

Alain Liger
Chairman

Julien Moulin

Christophe Charlier

STATUTORY AUDITORS

MAZARS [b]
represented by Laurence Fournier

BDO Paris [c]
represented by Sébastien Haas

(a) Independent director

(b) Expiry of term of office: AGM convened to approve the financial statements for the year ending 30 June 2025.

(c) Expiry of term of office: AGM convened to approve the financial statements for the year ended 30 June 2026.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT 6-month period ending 31 December 2023	*notes*	31 December 2023	31 December 2022
		€	€
Sales figures	*2.1*	17 395 472	21 346 006
Other operating income	*2.2*	718 679	760 237
Cost of goods and services sold	*2.3 / 2.4*	-3 325 488	-2 343 761
Other administrative and operating expenses	*2.3 / 2.4*	-4 136 751	-3 897 054
Other income/(expenses)		185 075	-106 312
EBITDA		**10 836 987**	**15 759 116**
Net charges to provisions	*2.5*	-21 427	78 524
Depreciation, amortisation and impairment		-1 847 621	-1 236 584
Operating profit		**8 967 939**	**14 601 056**
Financial income		376 877	132 881
Gross cost of debt	*2.6*	-1 722 812	-570 665
Other financial expenses	*2.6*	-48 456	-74 451
Profit before tax		**7 573 548**	**14 088 822**
Current and deferred tax	*2.7*	-1 410 490	-3 760 069
Net income		**6 163 058**	**10 328 752**
Net profit, group share		6 302 122	10 413 265
Net profit attributable to non-controlling interests		-139 064	-84 513
Earnings per share, Group share			
- Basic earnings per share		*1.22*	*2.01*
- Diluted earnings per share		*1.22*	*2.01*

It should be noted that since the last closing, EBITDA has been calculated excluding net allocations to provisions, with an impact of €79k on the calculation presented at 31 December 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

6-month period ending 31 December 2023	*notes*	31 December 2023	31 December 2022
		€	€
Net income		6 163 058	10 328 752
-		-	-
Items subsequently transferred to income		**-**	**-**
Actuarial gains and losses on pension schemes		-17 075	4 445
Tax effect		4 269	-1 111
Items not subsequently transferable to profit or loss		**-12 806**	**3 334**
Overall result		**6 150 252**	**10 332 086**
Total income, group share		6 289 316	10 416 599
Comprehensive income, non-controlling interests		-139 064	-84 513
Earnings per share, Group share			
- Basic earnings per share		*1.20*	*2.01*
- Diluted earnings per share		*1.20*	*2.01*

CONSOLIDATED BALANCE SHEET

FINANCIAL POSITION - CONSOLIDATED BALANCE SHEET 6-month period ending 31 December 2023		31 December 2023	30 June 2023
		€	€
ASSETS			
Goodwill	*3.1*	4 574 012	4 574 012
Exploration assets	*3.2*	39 055 230	38 917 911
Other intangible assets		662 846	759 784
Proven mining rights	*3.3*	23 860 133	23 976 139
Other tangible fixed assets	*3.4*	40 547 650	38 188 233
Non-current financial assets		1 252 173	1 810 432
Deferred tax assets	*2.7*	4 358 480	3 789 463
Non-current assets		**114 310 524**	**112 015 974**
Stocks		362 756	411 044
Trade receivables and related accounts	*3.5*	5 913 153	5 279 234
Other current assets	*3.5*	6 560 633	2 253 400
Prepaid expenses	*3.5*	226 244	242 275
Cash and cash equivalents	*3.6*	40 146 294	42 965 614
Current assets		**53 209 080**	**51 151 567**
Total assets		**167 519 604**	**163 167 541**
EQUITY AND LIABILITIES			
Capital	*3.7*	5 231 885	5 182 604
Premiums	*3.7*	44 002 960	56 552 241
Other reserves		25 461 652	212 221
Net income, Group share		6 302 122	11 973 094
Other equity items		18 060	30 866
Shareholders' equity - Group share		**81 016 679**	**73 951 026**
Non-controlling interests		-460 113	-276 005
Consolidated shareholders' equity		**80 556 566**	**73 675 021**
Non-current financial debt	*3.9*	57 242 032	59 580 836
Non-current provisions		2 547 917	2 496 800
Provisions for retirement commitments		79 639	57 586
Deferred tax liabilities	*2.7*	6 719 936	6 670 497
Other non-current liabilities		1 216 825	1 244 595
Non-current liabilities		**67 806 348**	**70 050 314**
Current financial debt	*3.9*	5 562 973	8 527 884
Current provisions		687 067	685 970
Trade payables and related accounts		2 192 037	507 176
Suppliers of fixed assets		5 854 539	5 733 056
Other current liabilities		4 860 074	3 988 119
Current liabilities		**19 156 690**	**19 442 205**
Total equity and liabilities		**167 519 604**	**163 167 540**

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT 6-month period ending 31 December 2023	notes	31 December 2023	31 December 2022
		€	€
Operating activities			
Consolidated net profit		6 163 058	10 328 752
Current and deferred tax expense	*2.7*	1 410 490	3 760 069
Net depreciation and impairment of property, plant and equipment and intangible assets		1 847 621	1 236 584
Net allocations to provisions		21 427	-78 524
Capital gains/losses on asset disposals		0	
Change in operating working capital requirement	*4.1*	1 099 580	-2 359 057
Change in WCR - other assets and liabilities	*4.1*	-3 747 448	-3 292 684
Share-based payment expense		765 842	911 514
Gross cost of debt	*2.6*	1 722 812	570 665
Tax paid		-1 665 140	-1 491 383
Other non-cash items		208 578	297 776
OPERATING CASH FLOW		**7 826 820**	**9 883 713**
Investment activities			
Capitalised exploration costs	*3.2*	-129 116	-126 752
Tangible and intangible investments	*3.4*	-4 243 592	-5 978 386
Proceeds from disposal of tangible and intangible assets		0	24 996
Change in payables to suppliers of fixed assets		121 483	-1 408 115
Subsidies received on investment activities		86 007	
Acquisition/disposal of financial assets		-197 870	29 215
Acquisition of equity interests net of cash		0	
CASH FLOW FROM INVESTING ACTIVITIES		**-4 363 088**	**-7 459 042**
Financing activities			
Capital contributions to subsidiaries		0	53 676
Issuance of loans and borrowings (excluding costs)	*3.9*	0	5 000 000
Repayment of loans and borrowings	*3.9*	0	-2 036 183
Other financial liabilities	*3.9*	-4 850 726	-1 312 085
Cost of net debt: interest paid		246 577	-1 233 146
Expenses paid on borrowings		-1 678 902	-240 000
CASH FLOW FROM FINANCING ACTIVITIES		**-6 283 051**	**232 262**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**-2 819 319**	**2 656 933**
Opening net cash position		42 965 614	23 985 203
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		**40 146 294**	**26 642 136**

Net cash and cash equivalents at the end of the year, as shown in the consolidated cash flow statement, consist of bank accounts net of overdrafts, cash in hand and the cash portion of the liquidity contract entered into by the Group.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

6-month period ending 31 December 2023	Actions Number	Nominal value	Capital	Bonus	Other equity items	Net profit and other reserves - Group share	Total shareholders' equity - Group share	Non-controlling interests	Total consolidated shareholders' equity
		€	€	€	€	€			
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						10 413 265	10 413 265	-84 513	10 328 752
Other comprehensive income					3 334		3 334		3 334
Free share plan						911 514	911 514		911 514
Other changes						8 696	8 696	13 477	22 173
Capital increase (free awarded shares)	9 791	1	9 791	-9 791			0		0
At 31 December 2022	**5 182 604**	**1**	**5 182 604**	**44 052 241**	**29 187**	**25 397 870**	**74 661 902**	**-303 204**	**74 358 698**
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**
Net income						6 302 122	6 302 122	-139 064	6 163 058
Other comprehensive income					-12 806		-12 806		-12 806
Free awarded shares plan						765 842	765 842		765 842
Other changes						10 494	10 494	-45 044	-34 550
Capital increase (free shares)	49 281	1	49 281	-49 281			0		0
At 31 December 2023	**5 231 885**	**1**	**5 231 885**	**44 002 960**	**18 060**	**31 763 774**	**81 016 679**	**-460 113**	**80 556 566**

The capital increase of €49k that took place over the 6-month period ended 31 December 2023 is linked to the acknowledgement by the Chairman on 27 July 2023 of the definitive allocation of free shares to the beneficiaries of the sixth plan implemented in 2021 by the Board of Directors under the delegation granted by the General Meeting of 29 November 2019.

Following fulfilment of all the conditions of presence and at the end of the vesting period provided for in the plan regulations, 49,281 shares were allocated, with a capital increase by incorporation of share premium.

At 30 June 2023, consolidated equity aggregates were reclassified following the decompensation of a subsidiary's equity, with an impact of €12.5m on "Other reserves" and "Additional paid-in capital".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING RULES, METHODS AND PRINCIPLES

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

The consolidated financial statements for the first half of the financial year ending 31 December 2023, i.e. the period from 1 July 2023 to 31 December 2023, were approved by the Board of Directors of FDE S.A. on 20 March 2024.

These financial statements have been prepared in accordance with IAS 34 on the preparation of interim financial statements and with International Financial Reporting Standards (IFRS) as published by the IASB and adopted by the European Union and applicable at 31 December 2023.

The condensed interim consolidated financial statements have been prepared in accordance with the same rules and methods as those used to prepare the annual financial statements for the year ended 30 June 2023. In addition, the Group's activities are not considered to be subject to any particular seasonality on an annual basis and the comparability of the interim and annual financial statements is therefore not affected.

There were no changes in the scope of consolidation during the six months to 30 June 2023. There was no change in the percentage of interest in consolidated entities during the period.

The Group's consolidated financial statements are presented in euros, which is the functional currency of the parent company and its subsidiaries, excluding Concorde Energy Inc (US dollars), which did not report any activity during the half-year and previous comparable periods, and excluding Cryo Pur Norge and Biogy Solutions AS (Norwegian kroner).

The new mandatory amendments published in the Official Journal of the European Union have been taken into account but have no impact on the Group's interim consolidated financial statements for the six months to 31 December 2023:

- Amendments to IFRS 3: Updating the reference to the conceptual framework,
- Amendments to IAS 16: Revenue generated before its intended use,
- Amendments to IAS 37: Costs to be taken into account when determining whether a contract is onerous,
- Annual improvements: Annual standards improvement process - 2018-2020 cycle.

Lastly, the Group has not early adopted any standards or amendments in its consolidated financial statements for the year ended 31 December 2023.

The preparation of financial statements in accordance with IFRS requires the Group's senior management to make estimates, assumptions and judgements that affect the information presented in the condensed interim consolidated financial statements and notes, in particular the assets, liabilities and contingent liabilities recognised or presented at the balance sheet date and the 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 preparation of the financial statements. They are reviewed on a regular basis by the Group's Executive Management and may therefore be revised significantly in the event of a change in circumstances or as a result of new information. Some of these estimates, assumptions and judgements could have a material impact on the information presented, and actual results could differ from the amounts included in the consolidated financial statements and accompanying notes.

The use of these estimates, assumptions and judgements in the preparation of the condensed consolidated interim financial statements and notes for the six months ended 31 December 2023 mainly concerns the application of the going concern assumption, the application of the *successful efforts method* for oil exploration activities, the impairment of assets and the determination of their recoverable amount, provisions for site restoration and provisions for major overhauls, the recognition of deferred tax assets and liabilities, and the measurement of share-based payments.

1.2. Accounting rules and methods

Only the rules and methods considered to be significant in the light of the Group's business or events occurring during the first half of the financial year ending 31 December 2023 are presented below.

A/ Principes de consolidation

In accordance with IFRS 10, the Group uses the full consolidation method when all three of the following conditions are met to demonstrate control:

– Holding power over the entity
– Exposure or rights to variable returns on the entity
– The ability to use its power to impact returns.

Reciprocal transactions, assets and liabilities between consolidated companies, as well as intercompany profits, are eliminated.

B/ Business continuity

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

In particular, the Group's Executive Management regularly reviews its financing options to ensure that it remains a going concern, taking into account the maturity of its various assets and liabilities and its forecast cash flows, including those from gas and electricity sales.

Operating cash flow generated by the Group for the first half of 2024 amounted to €7.8m, compared with €9.9m in H1 2023. At 31 December 2023, the Group had a net cash position of €40.1m.

Management's forecasts and estimates of the Group's ability to continue as a going concern are based in particular on the following factors: continued production of gas, electricity and heat in Hauts-de-France and Grand-Est, and of electricity in Belgium, in line with plans and assumptions (changes in gas prices in France and electricity prices in France and Belgium, quantity and quality of volumes produced on sites, capacity to inject into the networks), stability in general and administrative expenses, completion of maintenance operations and major overhauls necessary for the proper operation of its facilities, in particular the cogeneration plants installed in Hauts-de-France and Wallonia.

With regard to the significant investment projects that could be launched in the next twelve months, the Group has already obtained the necessary financings, in particular through the two issues of green bonds by LFDE International on 15 September 2021 for an amount of €25m, fully subscribed, and on 30 September 2022 for an amount of €20m, also fully subscribed.

The Group's forecasts up to the end of December 2024 show that it will generate sufficient cash flow to ensure the continuation of its activities.

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 at 31 December 2023 have therefore been prepared on a going concern basis.

C/ Revenue recognition

Revenue is recognised when a performance obligation is satisfied by the transfer of a good or service to the customer. The transfer is deemed to have occurred when the Group is no longer involved in the management or effective control of the goods or services transferred.

Performance obligations are identified at inception and determined on the basis of contractual terms and customary commercial practices, after identifying contracts falling 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 in accordance with the contractual terms with the Group's main customers such as EDF-OA, Axpo, Save Energies, GazelEnergie, EDF Luminus, Dalkia and Enes.

D/ Current and deferred tax

The tax charge for the period comprises current tax and the change in deferred tax since the previous balance sheet date. The Group calculates income tax in accordance with the tax laws in force in the countries where profits are taxable, in particular France and Belgium.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities on consolidation and those resulting from the application of tax regulations.

The tax rate used to calculate deferred tax is that known at the balance sheet date and applicable to the periods in which the assets will be realised or the liabilities settled: the effects of changes in tax rates are recognised in the period in which the decision to change the tax rate is taken, in the income statement except when they relate to transactions recognised directly in equity. The tax rate used for the current tax charge for 2024 and for calculating deferred tax was 25%, unchanged from 2023.

Tax savings arising from tax loss carryforwards are recorded as deferred tax assets. All deferred tax assets are written down if they are deemed unrecoverable, and only the amount that is likely to be used is recognised as an asset in the balance sheet. At 31 December 2023, unrecognised deferred tax assets amounted to €36.9m, including €26.3m on Cryo Pur (France), €6.6m on LFDE International (Luxembourg) and €2.7m on Greenhill (Belgium).

E/ Exploration expenditure

Expenditure recognised as exploration assets in the consolidated balance sheet comprises all costs incurred in the prospecting and drilling phases of exploration. Study and analysis costs, as well as all costs incurred before mining titles are obtained, are expensed immediately. Geological and geophysical costs, including seismic surveys, are also expensed directly in the period.

The Group applies IFRS 6 on accounting for exploration expenditure. Underground resource production rights and assets are recognised using the *successful efforts method*.

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

- The cost of exploration drilling leading to the discovery of proved reserves is capitalised and subsequently amortised using the unit-of-production method, based on the proved reserves developed;
- Exploration costs are capitalised when both of the following conditions are met, pending determination of whether they have led to the discovery of proved reserves:
  - The well has revealed a sufficient volume of gas to justify putting it into production, assuming that the necessary investment is made,
  - The Group is making 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) in progress or included in a firm program, the completion of development studies, and taking into account the fact that the Group may be awaiting government or third-party authorisation for a proposed project or the availability of transport or processing capacity at an existing facility.

Exploration costs that do not meet these conditions are expensed.

F/ Investment grants

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 program focusing on the recovery of Lorraine coal seam gas in short circuits, in partnership with the University of Lorraine, has been classified under "other non-current liabilities" since 2018 for €250k, pending a definition of the fair breakdown of the eligible expenses it covers, between exploration investments and personnel costs.

An ADEME grant of €1,304k was notified on 29 November 2019 to Cellcius and will be released progressively on the basis of expenditure incurred for the construction of a solar thermal field in the commune of Creutzwald (Moselle). Eligible expenditure for this project amounted to €2,363k, while €1,239k had been recognised by the Group in respect of this grant at the date these half-year consolidated financial statements were drawn up. This subsidy was deducted from the costs capitalised as of the balance sheet date.

On 24 October 2019, Gazonor was awarded €2.8m in European aid from the ERDF-ESF (European Regional Development Fund - European Social Fund) program to support the installation of 20 new cogeneration units on concessions currently held by the Group in the Hauts-de-France region, The number of cogeneration units installed and operational by 31 December 2023 has been adjusted to reflect the number of cogeneration units installed and operational by 31 December 2023. Following the rider of 17 November 2023, the amount of this grant is now €1.1m for the installation of 8 new cogeneration units. Eligible expenditure for this project amounts to €9,190k.

The full amount of this grant was recognised in the consolidated financial statements at 31 December 2023, as eligible investments in the Béthune and EG NPC projects had been submitted by that date. Over the period, an additional €466k was deducted from EG NPC's capitalised costs.

A subsidy of €344k from Wallonia, notified on 05 July 2023 to Gazonor Benelux, will be released progressively on the basis of expenditure incurred on research into hydrogen by hybrid plasmalysis of local methane deposits and structured carbons without CO emissions2. An advance payment of €86k was recognised in the consolidated financial statements at 31 December 2023.

G/ Business combinations and goodwill

Business combinations are accounted for using the purchase method. This method requires the Group to recognise identifiable assets and liabilities at their fair value.

The allocation of the acquisition price is finalised within a maximum of one year from the acquisition date.

The acquirer must recognise positive goodwill as an asset on the balance sheet at the acquisition date, measured as the excess of :

- the consideration transferred, the amount of non-controlling interests and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree;
- compared with the fair value, at the acquisition date, 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, an additional analysis is performed to identify and measure the identifiable assets and liabilities. Following this additional analysis, negative goodwill is recognised directly in profit or loss.

H/ Impairment of fixed assets

The recoverable amount of property, plant and equipment and intangible assets is tested as soon as there is any indication that these assets may be impaired, and at least once a year in the case of goodwill and intangible assets with indefinite useful lives.

In particular, mining rights and exploration assets, recognised as intangible assets, are subject to impairment tests (carried out at the time of preparation of the annual financial statements and not reviewed for the interim financial statements), at the boundaries of cash-generating units (CGUs) defined for the Group as hydrocarbon fields or groups of fields that are homogeneous and consistent in terms of the production, processing and disposal of these hydrocarbons. For the Group, these CGUs overlap the various PERs currently held at 31 December 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 under the economic assumptions and operating conditions forecast by Group Management. The discount rate used reflects the rate of return expected by investors in the business concerned and the risk premium specific to that business.

The main operating assumptions used by the Group to test for impairment of exploration assets and mining rights are as follows:

- Sales volumes estimated on the basis of production capacity, particularly for electricity (number of cogeneration units installed) and gas installations. The optimum production capacity has been defined and then a “loss” coefficient has been included, taking into account, for example, maintenance periods or unscheduled shutdowns.

- Sales prices according to current contracts and indexation formulas where applicable. For electricity, this may be a long-term fixed price averaged over the Group’s various production sites. For the Group’s activities in Belgium, the selling price is based on current contractual conditions, i.e. the market price. For gas, current contracts refer to the so-called PEG Nord index for setting tariffs, which means that this index is taken into account as a market price and then extrapolated from the historical level.
- Electricity purchase price, defined in particular by considering the part covered or not by ARENH rights.

Finally, the Group uses three types of impairment indicators:

- Changes in the price of gas, whether actual or future, in particular based on the PEG Nord index used as a contractual reference.
- Changes in underground gas reserves based on updates provided by independent reserves reports.
- Shutdowns or reductions in site operations as a result of management decisions or regulatory constraints.

I/ Earnings per share

€	Earnings per share	Diluted earnings per share
Net income, group share	6 302 122	6 302 122
Adj. P&L effect of dilutive shares		765 842
Total numerator	**6 302 122**	**7 067 964**
Weighted average number of shares in issue	5 224 654	5 224 654
Free shares not yet allocated		110 068
Total denominator	**5 224 654**	**5 334 722**
Ratios at 31 December 2023	**1.21**	**1.32**

Earnings per share were calculated on the basis of net profit attributable to equity holders of the parent and the number of shares in issue (weighted average taking into account the issue of 49,281 new shares on 27 July 2023).

Diluted earnings per share are calculated by adjusting net profit attributable to equity holders of the parent for the impact of the charge relating to dilutive shares, and by adding to the number of shares in issue the free shares not yet definitively allocated to employees (plans 7, 8 and 9 as presented in note 3.8 to the consolidated financial statements). As these instruments have an anti-dilutive effect, with diluted earnings per share of 1.32 compared with 1.21 for earnings per share, the Group has not taken them into account, resulting in diluted earnings per share of 1.21.

2. NOTES TO THE HALF-YEAR INCOME STATEMENT

2.1. Sales figures

In the first half of the financial year ending 31 December 2023, the Group generated sales of €17.4m, of which €3.7m came from sales related to gas production, €13.1m from sales related to electricity production, €198k from sales of heat and €474k from the contribution of the new subsidiary Cryo Pur.

Sales of gas, electricity and heat in France are made to EDF OA, GazelEnergie, Dalkia and Enes, while electricity in Belgium is sold to EDF Luminus.

The 52% fall in gas sales compared with the first half of the previous financial year is due in particular to the long period of unavailability of the GRTgaz transmission system during the first half, until September 2023.

Sales of electricity generation rose slightly in the first half of 2024, to €13.1m. This improvement reflects the good performance of the cogeneration park in Hauts-de-France and Wallonia, and the increase in solar photovoltaic capacity associated with the commissioning of the 15 MW farm in Tritteling, despite less favourable prices than in the previous financial year.

The breakdown of half-year sales is as follows:

Breakdown of sales	31 December 2023	31 December 2022
	€	€
Gas sales - France	3 654 823	7 642 306
Green electricity sales - France	8 261 903	6 679 394
Heat sales - France	197 646	246 448
Green electricity sales - Belgium	4 807 457	6 216 075
Cryo Pur sales	473 643	561 784
Annual sales	**17 395 472**	**21 346 006**

2.2. Other operating income

Other operating income for the first half of the year mainly relates to the valuation at 31 December 2023 of the Research and Innovation Tax Credit declaration for calendar year 2023, amounting to €668k.

2.3. Cost of goods and services, administrative and operating expenses

Cost of goods and services sold includes production costs directly related to gas and electricity sales by Gazonor, Gazonor Benelux, Gazonor Béthune and EG NPC, heat sales by Cellcius and Gazonor Béthune, and LBG and Bio-CO_2 production facilities by Cryo Pur. It should be noted that €979k of previous Arenh electricity rights were retroceded at 31 December 2022.

Cost of goods and services sold	31 December 2023	31 December 2022
	€	€
Purchases of inventories, small items and equipment	329 214	301 634
Electricity costs	1 004 040	296 411
Natural gas purchases - TSO services	39 113	158 712
Sub-contracting and technical services	388 640	134 244
Servicing and maintenance	1 179 268	986 084
Industrial equipment rental	10 447	2 704
Other costs - transport, external staff	0	67 558
Staff costs	374 767	396 414
Total cost of goods and services sold	**3 325 489**	**2 343 761**

Administrative and operating expenses break down as follows, mainly in connection with the FDE, Gazonor and Cryo Pur entities:

Administrative and operating expenses	31 December 2023	31 December 2022
	€	€
Rentals	42 707	178 206
Fees	1 003 497	719 255
Studies and research	132 216	116 025
Travel	99 758	85 455
Communication	77 495	52 677
Banking services	122 932	107 498
Insurance	185 309	234 578
Software and IT	11 395	93 883
Other costs	232 002	206 116
Taxes excluding corporation tax	121 072	164 818
Staff costs	1 342 524	1 027 028
Free shares	765 842	911 514
Total administrative and operating expenses	**4 136 750**	**3 897 054**

The Group's administrative and operating expenses rose, mainly due to the expansion of its business, with an increase in staff and other costs, which were partially offset by lower insurance and free awarded shares costs. Expenses associated with free awarded shares amounted to €766k in H1 2024, compared with €912k in H1 2023.

2.4. Staff costs

Excluding the cost of free shares, salaries and social security charges for the Group amounted to €1,717k in the first half of 2024 (compared with €1,430k in H1 2023), following the increase in the number of employees over the period from 29 to 36.

Staff costs	31 December 2023	31 December 2022
	€	€
Gross salaries	1 187 365	1 113 035
Social security charges	529 926	310 407
Expense related to free shares granted	765 842	911 514
Total staff costs	**2 483 133**	**2 334 956**

The total remuneration of the Group's main executives is shown below, including the €121k paid to NEL.

Key management remuneration	31 December 2023	31 December 2022
NextGen contract	121 000	90 000
Remuneration J. Moulin	53 119	29 294
Remuneration A. Forcinal	170 081	146 371
TOTAL	**344 200**	**265 665**

The expense relating to the remuneration to be allocated to the members of the Remuneration and Audit Committees and the Board of Directors amounts to €30k for the six months ended 31 December 2023.

2.5. Net charges to provisions

Net charges to provisions	31 December 2023	31 December 2022
	€	€
Provisions for site restoration	2 346	-318 296
Provisions for litigation	4 260	-6 295
Impairment of receivables and inventories	15 680	231 849
Other	-859	14 219
Net charges to provisions	**21 427**	**-78 524**

There were no significant charges to or reversals of provisions in the 6 months to 31 December 2023, as the impairment of inventories concerned only Gazonor.

2.6. Financial expenses

The components of financial expenses are as follows:

Financial result	31 December 2023	31 December 2022
	€	€
Financial income	376 877	132 881
Gross borrowing costs	-1 722 812	-570 665
Other items	-48 456	-74 451
Total financial result	**-1 394 391**	**-512 234**

The cost of financial debt is made up of interest charges and commissions on the Group's financing and increased over the six months to 31 December 2023. This increase was due to the rise in EDRAM interest on the €45m Green Bonds, the second tranche of €20m having been drawn at the end of September 2022.

Financial income consists mainly of positive interest on term accounts, while other items mainly include the accretion of provisions for site dismantling and restoration.

2.7. Current and deferred tax

For the six-month period ended 31 December 2023, the current tax charge corresponds to the tax estimated by the French tax consolidation group for this period (€1.0m), the tax due in Belgium on the Gazonor Benelux business (€0.9m), and the minimum wealth tax due by the LFDE International subsidiary located in Luxembourg (less than €5k).

The tax group was set up on 1 July 2018 with FDE as the head company of the French tax group, which also includes Gazonor, Gazonor Holding, EG Lorraine, EG NPC, Gazonor Béthune and Cryo Pur (from 1 July 2022).

For the first half of 2024, a tax rate of 25% has been applied.

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

Tax charge	31 December 2023	31 December 2022
	€	€
Current tax for the year	1 948 682	3 952 834
Current tax	**1 948 682**	**3 952 834**
Change in deferred tax	-538 192	-192 765
Change in deferred tax liabilities		
Deferred tax	**-538 192**	**-192 765**
Total tax charge	**1 410 490**	**3 760 069**

Analysis of deferred tax

The main sources of deferred tax recognised in the balance sheet are existing tax loss carryforwards and mining rights, in a similar way to the previous period. Following the allocation of part of the goodwill on the acquisition of Cryo Pur, an amount of €446k of IDA was recognised on existing tax loss carryforwards, while an amount of €148k of IDP relates to the valuation of patents after amortisation recorded over the period.

Breakdown and source of deferred tax in the balance sheet	31 December 2023	31 December 2022
	€	€
Tax losses carried forward	3 104 987	1 626 754
Free shares	491 578	145 209
Energy Saving Certificates	22 755	26 948
IFRS 16 - Leases	30 721	454
Provision for retirement commitments	19 910	16 297
Unrealised gain on internal transactions	688 056	532 196
Dismantling Belgium	473	0
Deferred tax assets	**4 358 480**	**2 347 858**
Mineral reserves	-5 930 147	-5 986 418
Provisions for major overhauls	-614 795	-479 089
Dismantling Belgium	0	-69
Crédit Bail	-27 300	0
Cryo Pur patents	-147 694	-246 156
Deferred tax liabilities	**-6 719 936**	**-6 711 732**
Total net deferred tax in the balance sheet	**-2 361 456**	**-4 363 874**

Deferred tax on tax loss carryforwards has been calculated at the level of each company or tax group where appropriate, based on the individual recoverability outlook.

It should be noted that an increase in these bases occurred at 30 June 2023, mainly as a result of deferred tax of €1,366k recognised on LFDE International, which is now involved in trading and marketing of gas and electricity to third-party customers. There was no change in this amount at 31 December 2023.

At 31 December 2023, unrecognised goodwill amounted to €36.9m, including €26.3m on Cryo Pur (France), €6.6m on LFDE International (Luxembourg) and €2.7m on Greenhill (Belgium). In the three jurisdictions concerned, the Group's losses can be carried forward indefinitely, although annual capping mechanisms apply in France and Belgium.

The deferred tax liability initially recognised on mining reserves following the allocation of the acquisition price by FDE of the LFDE International/Gazonor group is reversed annually at the same rate as the underlying depreciation.

Reconciliation of the effective tax rate and the theoretical rate

The reconciliation between the theoretical tax rate (average rate of 25% in France) and the effective tax rate recorded in the consolidated financial statements is as follows:

Reconciliation of effective and theoretical tax rates	31 December 2023	31 December 2022
	€	€
Consolidated net profit	6 163 058	10 328 752
Corporation tax	1 410 490	3 760 069
Profit before tax	**7 573 548**	**14 088 822**
French tax rates	25,00%	25,00%
Theoretical tax charge	**-1 893 387**	**-3 522 205**
IDA not recognised during the year	-68 215	-285 878
Research tax credit	668 485	96 163
Permanent differences don ret. IFRS	-243 101	-130 667
Deficits used but not previously recognised	147 045	125 501
IDA Gazonor Benelux on investments	0	0
Other (add contribution, rate change, etc.)	-21 318	-42 983
Tax charge in the income statement	**-1 410 490**	**-3 760 069**

3. NOTES TO THE BALANCE SHEET

3.1. Goodwill

For the year ended 30 June 2021, goodwill of €48k was recognised in connection with the acquisition in February 2021 **of 100% of Greenhill SA, the** Belgian company that owns the Monceau-Fontaine, Marcinelle and Nord de Charleroi Concession (No. 038), for a purchase price of €203k. No valuation differences were identified in the final allocation of this purchase price, including unrecognised tax loss carryforwards totalling €2.3m.

For the year ended 30 June 2022, additional goodwill of €5,711k was recognised in the Group's consolidated financial statements, relating entirely to the acquisition of 94% of the capital of **Cryo Pur**, a company specialising in biogas processing and liquefaction into LBG and Bio-CO_2. This acquisition was made by FDE for a cash consideration of €2.5m.

Goodwill was determined on the basis of the difference between the purchase price of Cryo Pur shares and the amount of this company's shareholders' equity at the acquisition date. On entering the FDE scope, Cryo Pur had negative equity of €3.4m, total assets of €2.9m and debts of €6.3m.

At 30 June 2022, a single valuation difference had been recognised, relating to end-of-career indemnities for an amount of €31k. However, the final allocation of the purchase price had not yet been finalised, and FDE Group had until 30 December 2022 to adjust the value of the assets and liabilities acquired.

At the date of the 2023 financial statements, the definitive allocation of the purchase price had been finalised 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 in particular to patents held by Cryo Pur:

- WO 2015 / 173491 "Method and device for liquifying methane": This patent claims an optimum pressure from the point of view of minimising energy consumption and is used directly in Cryo Pur equipment.
- WO 2016/162643 "Method for recovering energy from dry ice at infra-atmospheric pressure" This patent claims the recovery of the coldness of solid CO_2 by sublimation at optimum infra-atmospheric pressure, with an energy gain of more than 15% compared with the current method.
- EP 20158502.3 "Method and apparatus for subcooling refrigerants". This patent is generic for all refrigeration systems, to avoid any loss of energy efficiency. This device and this regulation will be implemented on the new Cryo Pur systems.
- FR 21101231 "Extraction of carbon dioxide". This patent relates to the process for extracting carbon dioxide (CO_2) from liquid methane at a pressure greater than 6 bar.

The residual goodwill of €4.526 K€ is explained by the potential synergies with FDE's existing activities (focused in particular on reducing CO_2eq emissions via the capture and recovery of mine gas) by maximising the value of the Group's significant gas reserves, but also by the strengthening of FDE's positioning in the strategic green gas and CO_2 markets by integrating the Cryo Pur technology enabling the purification and liquefaction of all types of gas (biogas, landfill gas, flare gas, rare gases, etc.).

3.2. Exploration assets

As explained in the accounting policies, expenditure recognised as exploration assets in the consolidated balance sheet comprises all costs incurred in the prospecting and drilling phases of exploration.

The increase in these exploration assets over the first half, excluding provisions for restoration, is mainly due to routine maintenance work carried out on the sites in the Lorraine basin (Bleue Lorraine licence), in particular the Lachambre site.

At 31 December 2023, the gross value of these exploration costs was €39.8m, including site restoration costs of €1.6m.

Changes in gross and net values between 30 June 2023 and 31 December 2023 were as follows:

Changes - gross value	30 June 2023	acquisitions	disposals	other	31 December 2023
		€	€	€	€
Assets - PER Bleue Lorraine	35 337 300	129 116			35 466 416
Assets - other PER	2 304 133				2 304 133
Assets - PER Anderlues	469 207				469 207
Provision for repairs	1 593 983				1 593 983
Total - gross value	**39 704 623**	**129 116**	**0**	**0**	**39 833 739**

Changes - depreciation and amortisation	30 June 2023	dot. Amort.	deprec.	recoveries	31 December 2023
		€	€	€	€
Assets - PER Bleue Lorraine	0				0
Assets - other PER	-303 620				-303 620
Assets - PER Anderlues	-30 961	-10 752			-41 713
Provision for repairs	-452 129			18 953	-433 176
Total depreciation and amortisation	**-786 711**	**-10 752**	**0**	**18 953**	**-778 509**
Total net value	**38 917 911**	**118 364**	**0**	**18 953**	**39 055 230**

By exclusive research permit or concession, excluding provisions for restoration, net exploration assets break down as follows:

Permits / concessions	By-laws	31 December 2023	30 June 2023
		€	€
Bleue Lorraine (i)	*Concession until 01 January 2040*	35 466 416	35 337 300
La Folie de Paris (ii)	*Renewed until 07 August 2021*	2 000 513	2 000 513
Poissonnière	*Concession until 23 December 2042*		
Désirée	*Concession until 23 December 2043*		
Anderlues	*Concession until 2038*	427 494	438 246
Total exploration assets (net value)		**37 894 423**	**37 776 059**

(i) BLEUE LORRAINE concession

The third period of the so-called Bleue Lorraine exclusive exploration licence expired on 30 November 2018, the date before 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, which was registered by the Ministry of Ecological and Solidarity on 28 November 2018, in accordance with the provisions of the decree of 28 July 1995, for a period of validity until 1 January 2040, i.e. 21 years.

The area requested is 191 km^2 including 6 communes in their entirety and 34 communes in part.

The prefect of the Moselle County is responsible for its appraisal, with local assistance from the Grand Est regional directorate for the environment, planning and housing.

An implied rejection of the Bleue Lorraine concession application was issued on 11 June 2022. An application challenging the implied rejection of the Bleue Lorraine concession application was lodged with the Strasbourg Administrative Court on 12 July 2022.

In a letter dated 4 October 2022, FDE asked the Minister responsible for mines to submit his observations as soon as possible. The President of the Court responded favourably to FDE's request, and gave the Minister formal notice to produce his observations within three months, i.e. by 4 January 2023.

On 27 January 2023, FDE launched a suspensive injunction to force the Minister responsible for mines to produce his observations as soon as possible (with a fine of 5,000 euros per day).

Following the order dated 26 April 2023 rejecting the application for the Bleue Lorraine concession, received by FDE on 5 June 2023, an application was lodged, reiterating the points already made in the current proceedings, initially opened against the implied rejection decision of 11 June 2022, and responding to the grounds relied on by the ministers responsible for mines in their order of 26 April 2023 rejecting the application for the Bleue Lorraine concession.

This second hearing was held on 4 July 2023. Following a detailed analysis, the court considered that FDE had sufficiently justified its technical capacity to extract the stratum gas and demonstrated the exploitable nature of the deposit. The court therefore annulled the order of 26 April 2023 rejecting the concession application 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 Code of Administrative Justice.

By ministerial order dated 20 November 2023, the Bleue Lorraine concession was awarded to FDE. The State has appealed against its own ministerial order, having been dismissed by the administrative court and ordered, subject to fines, to publish the order granting the concession to FDE. This appeal does not have suspensive effect.

(ii) Permits LA FOLIE DE PARIS

The "La Folie de Paris" exclusive exploration licence was extended by ministerial order on 31 January 2018 until 7 August 2021, for the benefit of Concorde Energie Paris (order of the Minister for Ecological and Solidarity Transition and the Minister for the Economy and Finance). The permit covers an area of 199 km in the counties of Aube, Marne and Seine-et-Marne, with a minimum financial commitment of €5.4m.

A request for an exceptional extension of the third period was deemed to have been received by the authorities on 6 April 2021 and declared admissible. The investigation is ongoing and a response was expected by 2 October 2022.

As no reply was received by that date, Concorde Energie Paris lodged an application for reconsideration, requesting that the implicit rejection be withdrawn. The Ministry replied by letter received on 15 January 2023 that the investigation was still underway.

An appeal on the merits was lodged on 8 March 2023 and a suspensive interim injunction was lodged on 10 March 2023.

During the year, the Group also filed 9 claims for compensation relating to applications for exclusive research permits that had been rejected in previous years, for a total of more than €1.3 billion in lost profits and a further €615k in purely out-of-pocket expenses. No assets have been recognised in respect of these claims in the interim financial statements.

3.3. Mining rights

Mining rights recorded since the Group's acquisition of the LFDE International/Gazonor entity are amortised annually on a per-unit-of-production basis, by comparing the quantities of gas produced by Gazonor's various sites with the quantities of reserves held at the beginning of the financial year.

Mining rights	31 December 2023	30 June 2023
	€	€
Hauts-de-France - Gross value	25 366 331	25 366 331
Hauts-de-France - Accumulated depreciation and impairment	-1 637 093	-1 521 995
Anderlues - Gross value	155 040	152 780
Anderlues - Accumulated amortisation and depreciation	-24 145	-20 976
Mining rights - net book value	**23 860 133**	**23 976 139**

In the six months to 31 December 2023, depreciation of €115k was recognised, based on half-year production of 1.56 BCF for a volume of 2P reserves of 323.18 BCF at the start of the year.

These reserve quantities are based on the DMT report updated on 4 January 2022, taking into account the coefficient between the potential quantities of pure methane production and those of mixed gas. At the balance sheet date, Group management also assessed production capacity over the life of the concessions held.

At the Anderlues site, commissioned at the end of April 2019, the gross value of €155k corresponds to the counterpart asset of the provision for dismantling as recognised and updated at 31 December 2023, an asset depreciated on a unit-of-production basis.

3.4. Other tangible fixed assets

Changes - gross value	30 June 2023	acquisitions	disposals	other	31 December 2023
	€	€	€	€	€
Land	509 623	0			509 623
Buildings	3 027 374	54 593		-552 092	2 529 874
Industrial plant and equipment	33 267 915	195 306			33 463 220
Other tangible fixed assets	68 461	56 488			124 949
Assets under construction	4 908 491	4 193 221			9 101 712
Rights of use - IFRS 16	1 984 769	17 165			2 001 935
Total - gross value	**43 766 632**	**4 516 773**	**0**	**-552 092**	**47 731 312**

Changes - depreciation and amortisation	30 June 2023	dot. Amort.	dowry. Deprec.	recoveries	31 December 2022
	€	€	€	€	€
Land	-15 493	-2 765			-18 258
Buildings	-441 019	-142 587			-583 606
Industrial plant and equipment	-4 960 391	-1 298 874			-6 259 265
Other tangible fixed assets	-54 732	-65 822			-120 555
Assets under construction	0	0			0
Rights of use - IFRS 16	-106 764	-95 214			-201 978
Total depreciation and amortisation	**-5 578 399**	**-1 605 263**	**0**	**0**	**-7 183 662**
Total net value	**38 188 233**				**40 547 650**

During the first half of 2024, FDE continued its investment policy with almost €4.5m invested (excluding changes in fixed asset liabilities), reinforcing its unique positioning through the deployment of local low-carbon energy solutions in France, and in particular the expenditure associated with the 4 additional cogeneration units to be installed over 2024 (for almost €3.8m of investment over the half-year through the subsidiary EG NPC).

The "Other" heading in the above table shows a reduction of €552k in the gross value, corresponding to new subsidies recorded over the period to 31 December 2023, i.e. a subsidy of €466k at EG NPC and €86k at Gazonor Benelux.

Lastly, in connection with the lease agreements entered into by Cryo Pur for its premises in Wissous (Ile-de-France), by FalkenSun for its land in Tritteling and by Cellcius for its land in Creutzwald, rights of use have been recognised since 2023 in accordance with IFRS 16.

3.5. Trade receivables and other current assets

Trade receivables and other current assets	31 December 2023	30 June 2023
	€	€
Trade receivables and related accounts	5 913 153	5 279 234
Other current assets	6 560 633	2 253 400
Prepaid expenses	226 244	242 275
Total trade receivables and other current assets	**12 700 030**	**7 774 909**

At 31 December 2023, the customer balance consisted almost entirely of invoices for the month of December issued to customers AXPO, SAVE, EDF Luminus, Dalkia and Gazel, as well as receivables assigned to the factor for the month of November 2023 in the amount of €552k for Gazonor.

Other receivables mainly comprise deductible VAT and social security and tax receivables.

3.6. Treasury

Cash and cash equivalents - net	31 December 2023	30 June 2023
	€	€
Bank accounts	40 049 644	42 837 456
Liquidity portion of liquidity contract	96 650	128 158
Total net cash and cash equivalents	**40 146 294**	**42 965 614**

3.7. Share capital and additional paid-in capital

At 31 December 2023, FDE's share capital amounted to €5,231,885, divided into 5,231,885 fully paid-up ordinary shares with a par value of €1.00 each.

During the first half of the year, 49,281 new shares were issued following the definitive allocation of free shares granted to the beneficiaries of the sixth plan implemented in 2021 by the Board of Directors under the delegation granted by the General Meeting of 29 November 2019. This capital increase was carried out by capitalising additional paid-in capital, after the Chairman noted on 27 July 2023 that the free shares had been definitively allocated to their beneficiaries.

There have been no other share capital transactions since 1 July 2023.

Issue premiums of €44m represent the difference between all the issue premiums relating to the Group's IPO and the conversion of previously issued bonds, totalling €45m, and the amount, net of tax, of the costs incurred by the Group in connection with the IPO, i.e. €1,204k, as well as the successive impacts of the free share allocation plans totalling €167k.

3.8. Share-based payments / free shares

FDE's General Meeting of 23 March 2016 authorised the Board of Directors to award free shares to the Group's employees and executive directors, up to a limit of 5% of the share capital. This authorisation was renewed at the General Meeting of 29 November 2019 and again at the General Meeting of 30 November 2021, under the same conditions. This distribution of free shares must take the form of a capital increase through the capitalisation of reserves or additional paid-in capital.

The first five plans gave rise to definitive allocations during previous financial years.

Under the sixth plan, 49,281 shares were definitively allocated during the year, following the Chairman's acknowledgement on 27 July 2023 that the conditions set out in the plan introduced in 2021 had been met.

On 01 July 2022, the Board of Directors implemented the seventh plan in accordance with the plan regulations, allocating 48,125 free shares to 22 beneficiaries.

At its meeting on 30 June 2023, the Board of Directors implemented the eighth plan in accordance with the plan regulations, allocating 11,902 free shares to 26 beneficiaries.

The breakdown of free shares granted under the three plans still in force at 31 December 2023 is shown below:

Free share plans	Number of shares initially allocated	Number of shares at 31 December 2023	Fair value (price)
1 July 2022	48 736	48 736	50,3
30 June 2023	11 902	11 902	48,3

Together, these allocations represent a total of around 4% of the share capital, below the ceiling set under the initial authorisation.

These free shares will be definitively allocated to the beneficiaries within two years of their initial allocation date, provided that the beneficiaries retain their position within the Group during this period, and that the other conditions determined in the context of this free share plan are met.

In accordance with IFRS 2, the benefits granted under this plan are recognised under staff costs.

Under this free share plan for all employees and executive directors, the unit value of the shares is based on the share price at the grant date, taking into account changes in the number of beneficiary employees. The corresponding expense is recognised over the vesting period of the rights attached to these shares, starting from the grant date, i.e. the date on which the beneficiaries are deemed to have been fully informed.

The expense recognised in the first half of 2024 amounted to €766k, valued on the basis of the share price at the grant date, compared with €912k in the first half of 2023.

3.9. Borrowings and financial debts

The Group's borrowings at 31 December 2023 are as follows:

Bank loan - Gazonor SAS and Landesbank SAAR / Bpifrance Financement

Bank loan of €6.4m obtained on 9 May 2018 jointly from Landesbank SAAR and Bpifrance Financement for Gazonor, maturing on 02 April 2024 and repayable in quarterly instalments. The instalments to be repaid during the year ended 31 December 2022 are included in current borrowings.

The following special conditions are attached to this bank loan:

- A reserve account has been set up for €725k, representing a blocked monetary account in the books of Landesbank SAAR used to reserve debt servicing and pledged to the lenders until the loan matures. This account bears interest at the rate applicable to equivalent deposits. At 31 December 2022, this reserve account is included in non-current financial assets.
- Gazonor undertakes 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 date of signature of the loan agreement,
  - Current account or cash advances to other members of the Group authorised by the lenders.
  - Credit and payment terms granted to its co-contractors in the normal course of business, up to a limit of €100k.

This loan is subject to a financial ratio to be respected, known as the DSCR ratio, for any 12-month period ending at the end of each financial year. This is a debt service coverage ratio, corresponding to the ratio of "potential cash generated/total debt service", which must remain above 1.3. At 30 June 2022, the test for this ratio was satisfactory.

The loan was repaid early on 27 September 2023, and therefore settled on 31 December 2023, including the return of the reserve account in full for €725k.

Bank loan - Gazonor SAS and Bpifrance Financement

A loan taken out by Gazonor from Bpifrance Financement on 22 October 2019 for a nominal amount of €1.34m to refinance the costs incurred in acquiring the three Siemens electric motors installed at the Avion site. This loan has a maturity of 6 years, with monthly repayments on a straight-line basis, and a fixed interest rate of 1.5% per annum.

State Guaranteed Loan - Gazonor SAS and LCL and Société Générale

Following the COVID-19 health crisis and the fall in gas and electricity prices in Belgium, Gazonor obtained a €1.6m State Guaranteed Loan in June 2020 to strengthen its cash position, in particular to support its future developments. This loan, granted by LCL and Société Générale, carries an interest rate of 0.25% and has a life of 12 months, with an amortisation option that can be extended 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, with repayment commencing after a one-year grace period.

Property leasing - FDE and Finamur (LCL)

Property finance lease entered into on 21 October 2019 between FDE and Finamur by notarial deed, covering a total investment of €940k to build a set of offices and warehouses on the Pontpierre / Faulquemont business park. Completion took place at the end of 2020, and the company took possession of the premises on 3 December 2020.

This lease has a maturity of 12 years, with the option for FDE to exercise the purchase option early at the end of a 7-year lease period, the price of this option exercise at the end of the contract being set at €94k.

Project Financing - Cellcius SAS and Caisse d'Epargne

On 15 December 2020, Cellcius took out a loan with La Caisse d'Epargne et de Prévoyance Grand Est Europe for a nominal amount of €1.3m to refinance the costs incurred in building the solar thermal field at Creutzwald. The loan has a 20-year maturity, with quarterly repayments starting in April 2021, and an interest rate of Livret A + 1% per annum, i.e. 2% at 31 December 2022.

This loan is subject to a financial ratio that must be met by producing a certificate of compliance submitted with the annual financial statements: DSCR ratio: debt service coverage ratio, corresponding to the ratio of "free cash flow/debt service", which must remain above 1.15. This ratio was satisfactorily tested at 30 June 2023.

Equity loan - Gazonor Béthune SAS

Gazonor Béthune SAS has taken out a €5.5m equity loan from 1,708 lenders, to finance part of the equity capital raised by the Group for its production project in Béthune. Nearly 40% of the funds raised came from residents of the Hauts-de-France region, once again demonstrating the relevance of the short supply chain model promoted by FDE. The unit amounts invested range from €100 to €500,000.

This fundraising, divided into two separate campaigns of €2.25m, exceeded its initial target in 2 months of fundraising. 55,000 bonds, with a nominal 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 annum. The loan is guaranteed by FDE for the duration of the loan.

Equity loan - EG NPC SAS

EG NPC SAS has taken out a €3.3m equity loan from 489 lenders, with €1m from La Nef, an ethical banking cooperative offering credit solutions exclusively for projects with a social, ecological and/or cultural purpose, to finance its project to build two cogeneration units on the historic Avion site.

33,000 bonds, each with a nominal value of €100, were subscribed in June 2021.

This financing has a maturity of 5 years and a fixed interest rate of 4.75% per annum. The loan is guaranteed by FDE for the duration of the loan.

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 value of €2.9m and covers the refinancing of the two cogeneration units at the Anderlues site, including all the intangible costs incurred, initially financed by the Triodos bank. The loan has a maturity of 8 years from 29 July 2021, with quarterly repayments, a fixed interest rate of 1.6% p.a. and a call option of 1% of the investment amount.

In addition to the guarantees given by the Group and presented in note 4.3 of these notes, the following specific conditions are attached to this bank loan: a reserve account for 9 months' rent has been set up over 2 years for €269k, representing a blocked monetary account in ING's books used to reserve debt servicing until the loan is repaid in full.

This loan is subject to a financial ratio, the DSCR (debt service coverage ratio, corresponding to the ratio of net cash flow to total debt service), which must remain above 1.05. At 30 June 2022, the test for this ratio was satisfactory.

A similar contract has been signed for a new €6.3m finance lease with ING to cover the investment needs of the three new cogeneration units in phase 2 at Anderlues. At 31 December 2022, an initial amount of €3.6m had been received (identical to the situation at 30 June 2022).

Equity loan - FalkenSun SAS

FalkenSun SAS took out an equity loan of €2.5m with 889 lenders and La Nef, to finance part of the equity capital raised by the Group for the construction of the Tritteling-Redlach photovoltaic power plant.

The issue closed on 9 August 2021 and by 31 December 2021, 25,000 bonds, each with a nominal value of €100, had been subscribed.

This financing has a maturity of 2 years and a fixed interest rate of 4.75% per annum. The loan is guaranteed by FDE for the duration of the loan.

The loan was repaid on 02 August 2023, and was therefore terminated and settled on 31 December 2023.

Green bonds - LFDE International SARL and EDRAM

40m bond issue subscribed 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 mine gas and photovoltaics.

This loan has a 7-year maturity (NC4) and is made up of a first tranche of €25m, which has been made available, and an optional second tranche of €15m. The interest rate is 6% initially, reduced to 5.5% when the Group reaches EBITDA of €15m.

This loan is subject to financial ratios that must be met by producing a certificate of compliance submitted with the annual and half-yearly financial statements:

- Consolidated DSCR ratio: debt service coverage ratio, corresponding to the ratio of "cash flow available for debt service/total debt service", which must remain above 1.05.
- Consolidated Net Debt Ratio: the ratio of the borrowing group's net debt to consolidated EBITDA, which must remain below 4.9 until 31 December 2025 and below 4.2 thereafter.
- Interest cover ratio: the ratio of consolidated EBITDA to consolidated interest expense to total outstanding borrowings, which must remain above 2.8.
- Group Loan-to-Value ratio: the ratio of Group net debt to the sum of consolidated shareholders' equity and consolidated net debt, which must remain below 55%.

These ratios were satisfactorily tested at 30 June 2023.

Green bonds - LFDE International SARL and EDRAM

20m bond 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 mine gas and photovoltaics.

This loan has a 7-year maturity (NC4). The interest rate is 6% initially, reduced to 5.5% when the Group reaches EBITDA of €25m.

This loan is subject to financial ratios that must be met by producing a certificate of compliance submitted with the annual and half-yearly financial statements:

- Consolidated DSCR ratio: debt service coverage ratio, corresponding to the ratio of "cash flow available for debt service/total debt service", which must remain above 1.05.
- Consolidated Net Debt Ratio: the ratio of the borrowing group's net debt to consolidated EBITDA, which must remain below 4.9 until 31 December 2025 and below 4.2 thereafter.
- Interest cover ratio: the ratio of consolidated EBITDA to consolidated interest expense to total outstanding borrowings, which must remain above 2.8.
- Group Loan-to-Value ratio: the ratio of Group net debt to the sum of consolidated shareholders' equity and consolidated net debt, which must remain below 55%.

These ratios were satisfactorily tested at 30 June 2023.

Bank loans - Cryo Pur and Bpifrance Financement

Repayable advance of €170k, granted on 27 July 2016, repayable in 17 quarterly instalments, i.e. until 31 March 2023.

Seed loan of €400k principal amount made available on 30 September 2015, at an interest 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 ending in September 2023.

State Guaranteed Loan - Cryo Pur and Société Générale

State-guaranteed loan of €200k granted to Cryo Pur on 9 July 2020, at an interest rate of 1.25%, with a capital exemption for an initial period of 12 months, extended by a further 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 EMP with an additional 12-month capital repayment grace period ending in August 2023.

Taking into account this financing, the Group's current and non-current financial debt at 31 December 2023 breaks down as follows:

Current and non-current borrowings	31 December 2023	30 June 2023
	€	€
Bond issue	45 000 000	45 000 000
Bank credit	10 591 059	12 985 022
Shareholder loan (including commission)	0	0
BPI Export advances	14 625	14 625
IFRS 16 lease liabilities (including finance leases)	2 361 225	2 399 301
Issuing costs	-724 876	-818 112
Non-current borrowings	**57 242 032**	**59 580 836**
Bond issue	0	0
Bank credit	4 814 362	8 074 304
Debts on factoring	496 875	218 536
IFRS 16 lease liabilities (including finance leases)	294 592	297 217
Issuing costs	-42 856	-62 172
Bank overdrafts	0	0
Current borrowings	**5 562 973**	**8 527 884**
Total borrowings	**62 805 006**	**55 771 575**

The debt on factoring corresponds to receivables assigned with recourse under the customer factoring contract at 31 December 2023 for €497k (Gazonor entity).

In accordance with the requirements of IAS 7.44A and B relating to changes in liabilities arising from financing activities, we present below the change in borrowings between 30 June 2023 and 31 December 2023, i.e. €5,303,714, broken down into movements not giving rise to cash flows and cash movements, with a reconciliation to the cash flows presented in the cash flow statement.

Flows - 6-month period ended 31 Dec. 2023	Cash	Non-cash	Balance of flows
Bond issue	0	0	0
Bank credit	-5 575 726	-78 178	-5 653 904
Issuing costs	0	112 552	112 552
Lease liabilities IFRS 16	-31 762	-8 939	-40 701
Debts on factoring	278 339	0	278 339
			0
Sub-total flows	**-5 329 149**	**25 435**	**-5 303 714**
Capital contributions to subsidiaries	0		
Repayment of DSRA reserve account	725 000		
Interest paid	-1 678 902		
Total cash flow from financing activities	**-6 283 051**		

4. OTHER INFORMATION NOTES

4.1. Cash flow

The change in working capital requirements during the first half of the 2024 and 2023 financial years presented in the cash flow statement can be analysed as follows:

Change in WCR	31 December 2023	30 June 2023
	€	€
Stocks	48 288	-36 012
Trade receivables	-633 919	3 482 951
Trade payables	1 684 860	-3 879 125
Other operating assets, restatements	350	-448 206
Change in operating working capital	**1 099 580**	**-880 392**
Other assets	-4 308 092	1 830 904
Other liabilities	560 643	-3 145 427
Change in WCR - other assets and liabilities	**-3 747 448**	**-1 314 523**
Change in overall WCR	**-2 647 869**	**-2 194 915**

4.2. Lease commitments

Property leases outside the scope of IFRS 16

FDE has entered into lease contracts for land and plots of land located in the Lorraine region, concluded with private owners for very long periods (maximum term 2091) with the possibility of termination.

The corresponding commitments amount to €2,462k over the entire possible lease term, with no significant change compared with 30 June 2023 (€2,484k).

4.3. Other commitments

Commitments on financial debt

Current and non-current borrowings granted to the Group at 31 December 2023 include the following commitments and guarantees:

Joint bank loan Landesbank SAAR - Bpifrance Financement (€6.4m) :

- Pledge of tangible movables granted by Gazonor as security for the payment and repayment obligations of any sum due under the financing concerned. This pledge concerns the material and equipment mentioned in the financing contract, i.e. 6 heat and energy production units of the Jenbacher JGC 420 GS type and 2 gas compression units of the Aerzen (RKR) type.
- Personal and joint surety given by Gazonor Holding as security for all sums due and to be due by Gazonor.
- Pledge of the reserve account in the amount of €725k in favour of the lenders as security for their payment and repayment obligations in respect of any sums due.
- First-ranking, non-compete mortgage in favour of the lenders for €50k in principal and €10k in costs and incidentals on Gazonor's land (the land on which the four gas exploitation and production sites and the mine gas treatment and compression facilities are located).

Bpifrance Financement bank loan (€1.34m):
– Non-possessory pledge by Gazonor in favour of Bpifrance of the equipment financed, namely three Siemens 1LA 690V 1500 RPM electric motors and a Siemens G150 12pulse 690V electronic speed variation system installed at the Avion site.
– Joint and several guarantee given by FDE for €1.34m for the entire duration of the financing.
– Participation in the risk of the Bpifrance Financement guarantee up to 40% as part of the national guarantee fund “Développement Cas/Cas 2019”.

ING bank loans (€2.9m for Anderlues 1 and €3.6m for Anderlues 2):
– Pledge of the DSRA credit balance.
– Pledge in favour of ING of all receivables resulting from the operation of the project, including but not limited to: the operating licence, the contract for the sale of electricity and green certificates, the service and maintenance contract and the insurance policies.
– Commitment to continue leasing from FDE in the event of default by Gazonor Benelux and at ING’s first request.

Finamur leasing:
– Pledge in favour of the lessor, i.e. Finamur, of the intangible elements resulting for its benefit from the leasing contract and the benefit of the promise to sell as stipulated in the notarised contract. By means of this pledge, Finamur shall have and exercise over the various elements of the finance lease all the rights, actions and privileges conferred by law on the pledged creditors.

Bank loan La Caisse d’Epargne et de Prévoyance Grand Est Europe (€1.3m) :
– Mortgage on the long lease on the land on which the facilities are located
– Non-possessory pledge on plant equipment and materials
– Assignment of business receivables (heat supply agreement, service contract, insurance contract)
– Pledging of shareholders’ securities accounts
– DSCRA cash collateral (3 months’ debt servicing)
– Blocking of partners’ current accounts opened in the Borrower’s books up to an amount of €700,000.

EDRAM bond issue (€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 31 December 2022)
– Security interests in companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 31 December 2022)
– Collateral on dedicated intra-group loans between LFDE International and the companies financed by the bonds (Gazonor Benelux, Greenhill, FalkenSun and EG NPC at 31 December 2022)

Financial commitments on licences

The table below sets out the financial commitments entered into by the Group in respect of three main licences currently held by the Group, with investments and exploration costs recognised at 31 December 2023:

Commitments on Exclusive Exploration Permits	Initial financial commitments	Investments made	Residual commitments
	€	€	€
Bleue Lorraine	7 700 000	35 466 416	*none*
Bleue Lorraine Sud	7 250 000	303 573	6 946 427
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 expenditure to be incurred during the term of the licence and used as a basis for assessing a potential renewal by the government. It should also be noted that the expenditure booked for the Bleue Lorraine Exploration Permit also relates to studies on well architecture, the quality and resistance of drilling equipment and tools, and the characteristics of Lorraine coals, which may be useful for the Bleue Lorraine Sud Exploration Permit.

The Bleue Lorraine licence was authorised to run until 01 January 2040, while the La Folie de Paris licence was renewed until 7 August 2021, with a request for an exceptional extension.

4.4. Commitments to purchase property, plant and equipment

Commitments at 31 December 2023 on firm orders (in particular for future Group developments) amount to €2,296k excluding VAT.

4.5. Related parties

In the course of its business, FDE Group entered into a number of transactions with persons or entities considered to be related parties during the first half of the financial year ending 31 December 2023. The amounts arising from these transactions and recognised in the consolidated financial statements are presented below.

Transactions with related parties	31 December 2023
	€
Services NextGen Energy Limited	121 000
Services - expense	**121 000**
Interest on NextGen Energy Limited loan	0
Interest on shareholder loan	0
Interest expense	**0**

Relations with related parties

Since 1 July 2016, a service agreement has existed between LFDE International and NEL, the personal holding company of the Chairman of FDE, covering the promotion of the Company's activities, particularly with European Union bodies, and the search for external growth transactions and financing. In return for these services, LFDE International pays NEL an annual fee of €230,000 and a monthly office allowance of €1,000.

For the year ended 31 December 2023, the Group recognised an expense of €121k relating to services invoiced by NEL, compared with €90k for H1 2023.

The total remuneration of members of the Group Executive Committee and Board of Directors is shown in note 2.4 of these notes.

The expense relating to the remuneration to be allocated to the members of the Remuneration and Audit Committees and the Board of Directors amounts to €25k over the 6 months to 31 December 2023.

4.6. Liquidity risk, maturity of assets and liabilities

FDE Group's exposure to liquidity risk can be assessed on the one hand by the ratio of its current assets to its current liabilities and on the other hand by looking at its financial debt of less than one year, net of cash and cash equivalents.

FDE Group's senior management regularly reviews its financing options to ensure that it can continue as a going concern, particularly in view of the maturity of its assets and liabilities.

Paragraph "B/ Going concern" in note 1.2 of these notes to the consolidated financial statements sets out the various factors justifying this continuity at the date of preparation of the Group's financial statements for the first half of 2024.

The table below shows the maturities of the Group's financial assets and liabilities at 31 December 2023 and 30 June 2023:

Maturities of assets and liabilities - 31 December 2023	At 1 year	From 1 to 5 years	More than 5 years	Total
	€	€	€	€
Non-current financial assets		606 515	645 658	1 252 173
Trade receivables	5 913 153			5 913 153
Other receivables, including CCA	6 786 877			6 786 877
Cash and cash equivalents	40 146 294			40 146 294
Financial debt (excluding amortised costs)	-5 562 973	-34 962 049	-22 279 984	-62 805 006
Trade payables	-8 046 576			-8 046 576
Other liabilities	-4 860 074	-1 216 825		-6 076 899
Net amounts by maturity - 31 December 2023	**34 376 700**	**-35 572 358**	**-21 634 325**	**-22 829 983**

Maturities of assets and liabilities - 30 June 2023	At 1 year	From 1 to 5 years	More than 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 debt (excluding amortised costs)	-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**

Trade payables at 31 December 2023 include an amount of €1.2m in dispute with Entrepose Drilling.

4.7. Litigation and legal proceedings in progress

At the date of preparation of the consolidated financial statements for the year ended 31 December 2023, the Group is involved in various disputes and proceedings.

(i) A dispute has arisen between FDE and Entrepose Drilling SAS concerning the drilling services invoiced by this company for the Lachambre drilling campaign. The Company considers that deficiencies in the drilling equipment used by Entrepose Drilling prevented it from achieving the objectives set for this drilling, and that these deficiencies delayed the Company's drilling campaign and caused it significant damage, justifying the suspension of payment of the last invoices relating to this drilling. Entrepose Drilling contests the Company's position and had initiated summary proceedings to obtain payment of these invoices as well as compensation for termination of the contract signed with FDE. The total amount claimed was €3,041k excluding tax. The Company disputed this, attributing the termination of this contract to Entrepose Drilling itself. On 8 September 2017, the Paris Commercial Court, ruling in summary proceedings, ordered the Company to pay Entrepose Drilling the sum of €984 K excluding tax, which decision was executed.

Arverne Drilling has commenced substantive proceedings before the Paris Commercial Court in respect of invoices for which payment was rejected by the Court ruling in summary proceedings, relating to a balance of invoices of €2,067k excluding tax. FDE, for its part, has lodged a counterclaim for compensation for the damage suffered as a result of the defective drilling services provided by Arverne Drilling and the wrongful termination by Arverne Drilling of the contract binding it to FDE.

FDE, on the basis of a report by the expert Mr Pierre Gié produced on 7 February 2019, thus requested compensation in the amount of €6,337,029 as well as the return of the sums already paid under the initial contract (i.e. €1,183,562 paid in execution of the summary proceedings order of 8 September 2017 and €1,380,748 paid in settlement of invoices under the resolved contract).

Entrepose Drilling's liability insurer, HDI Global SE, contested FDE's conclusions, notably via an expert report by Erget. In December 2019, FDE brought an action for forced intervention against Entrepose Group, the parent company of Arverne Drilling, to obtain its guarantee for its former subsidiary.

The Paris Commercial Court handed down its decision on 1 October 2021, partially upholding Arverne Drilling's claims (which were for €2,067,104 excluding tax) and ordering FDE to pay €865,000 (plus interest at the legal rate since May 2018).

FDE appealed against this judgment to the Paris Court of Appeal. The case was heard on 25 May 2023 and the Paris Court of Appeal ordered FDE to pay the sum of €263,184 to Arvene Drilling.

(ii) GAZONOR, a subsidiary of FDE, has been experiencing significant restrictions on its injections of mine gas into GRTgaz's gas transmission system since mid-2019. Despite discussions about these difficulties with GRTgaz and a letter of formal notice dated 16 September 2019, these injection restrictions have continued.

GAZONOR initiated a dispute settlement procedure before CoRDiS against GRTgaz by a referral dated 15 March 2021.

GAZONOR considers that GRTgaz's behaviour in restricting injections of mine gas into the gas transmission system constitutes a clear impediment to its right to effective access to this transmission system as provided for by law.

It therefore asked the CoRDiS to order GRTgaz to propose an amendment to the contract concluded with GAZONOR in order to guarantee the permanent opening of the mine gas mixer with a flow rate set point equal to or greater than 7,000 Nm^3/h, with penalties of €30,000 per day in the event of a breach of this obligation, and to provide information on the monthly injectable volumes of mine gas on the network in order to enable fluctuations to be anticipated.

The Paris Court of Appeal handed down its judgment on 26 October 2023, and partially upheld GAZONOR's claims by ordering GRTgaz to propose an amendment to the injection contract, within one month of being notified of the judgment, containing a clause requiring it to ensure that the blender for the mine gas is permanently open with a flow rate set point equal to or greater than 5.000 Nm^3/h and specifying that in the event of non-compliance with this obligation, GRTgaz will pay a penalty of 30,000 euros per day unless it can prove that it cannot comply:

– Or because of the work required to maintain the proper operation and safety of the natural gas infrastructure, or because of the need to convert the network,
– Or because of a temporary shortfall in natural gas consumption and the need for the operator to ensure the balance of the network, without it being possible to compensate for the access restriction by adapting the flow transit scheme,
– Or, as stated in article 5.6 of the contract, when the absolute pressure required to operate the network from Arleux is greater than 67 bar.

The Court of Appeal added a penalty of 50,000 euros per day of delay to this injunction. The Court of Appeal also ordered the network operator to pay GAZONOR the sum of 100,000 euros under Article 700 of the Code of Civil Procedure.

An appeal against this ruling is currently pending before the Cour de cassation. The decision of the Court of Cassation is usually handed down within 18-24 months.

GAZONOR brought an action against GRTgaz before the Nanterre Commercial Court by a deed dated 22 March 2021, seeking an order that GRTgaz pay compensation for the damage caused by the restrictions on injections of mine gas into the gas transmission system and the refusal to transmit certain information which, according to GAZONOR, constitutes a breach of the obligations of the injection contract concluded between the parties.

GRTgaz disputes that it has breached its contractual obligations and dismissed GAZONOR's claims, asking the Court to order GAZONOR to pay the sum of 150,000 euros under Article 700 of the French Code of Civil Procedure.

In its final submissions, duly filed on January 24, 2024, GAZONOR asks the Nanterre Commercial Court to classify GRTgaz as having breached its contractual obligations and, in the alternative, as having breached its legal obligations, and to order GRTgaz to pay compensation for the loss directly linked to these contractual breaches or breaches of its legal obligations.

The loss was assessed, at GAZONOR's request, by Mr Emmanuel Charrier of the firm ExCo Paris, with regard to GAZONOR's lost profits over the period from 6 August 2019 to 31 October 2023, at the sum of 7,767,000 euros, with regard to the costs incurred by GAZONOR, at the sum of 404,000 euros, and with regard to the damage to GAZONOR's reputation, at a sum of between 50,000 and 100,000 euros.

GAZONOR therefore asks the Court to order GRTgaz to pay a total sum of 8,221,000 euros, to be paid in full, to compensate for the loss suffered by GAZONOR, as well as the sum of 200,000 euros under Article 700 of the French Code of Civil Procedure.

GRTgaz is due to respond to GAZONOR's latest conclusions on 20 March.

A plea hearing will be scheduled in the coming months, and the decision will usually be handed down between one and three months after the plea hearing.

(iii) Following the acquisition of Cryo Pur on 31 December 2021 from the Xerys investment funds, FDE raised various difficulties and management anomalies at Xerys, and consequently refused to pay the acquisition price of €2.5m.

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

In a summary order issued on 15 April 2020, the Paris Commercial Court granted Xérys' request. FDE complied with this decision and paid the sale price to Xérys entities in April 2022.

The proceedings on the merits brought by FDE against Xerys before the Paris Commercial Court continued. The case was pleaded before the Paris Commercial Court in November 2033 and a decision was handed down on 12 January 2024, dismissing FDE's claim.

FDE has appealed against this judgement, and the appeal procedure is currently underway.

4.8. Segment reporting

Segment financial information is presented according to the same principles as internal reporting, based on indicators of exploration costs, production and sales by operating segment. On this basis, the Group's business is grouped into four operating segments, each of which has a different model for exploiting and adding value to gas. The operating segments are as follows at 31 December 2023:

– Exploitation and recovery of coal gas (Moselle - Grand Est): prospecting, certification of coal gas reserves and recovery of this gas for use in short circuits.
– Exploitation and recovery of mine gas (Pas-de-Calais - Hauts de France / Anderlues - Belgium): capture of gas from mines and recovery in the form of gas, electricity or heat.
– Exploitation and valorisation of solar energy (Grand Est): installation and operation of a solar thermal power plant (Cellcius) and a photovoltaic field (Falkensun).
– Other sectors: includes Cryo Pur, which designs, manufactures, markets and operates a range of equipment for purifying biogas using cryogenics and for liquefying biomethane and bio-CO_2.

The following tables present, by segment, information on sales and information relating to the main exploration assets and production concessions held by the Group at 31 December 2023 and 30 June 2023. Operating profit and EBITDA indicators are not analysed by the Group's senior management on a segment-by-segment basis.

At 31 December 2023	Coal gas	Mine gas	Solar	Other sectors	Consolidated total
	€	€	€	€	€
Sales figures		16 775 100	58 589	561 784	17 395 472
Goodwill		47 848		4 526 164	4 574 012
Mining rights		23 860 133			23 860 133
Tangible and intangible assets, excluding refurbishment	37 055 076	26 194 876	11 905 275	3 555 955	78 711 182
Investment flows	200 641	3 944 630	157 191	70 246	4 372 708

At 30 June 2023	Coal gas	Mine gas	Solar	Other sectors	Consolidated total
	€	€	€	€	€
Sales figures		37 488 273	844 638	893 876	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 refurbishment	36 631 482	23 911 251	12 078 957	3 702 568	76 324 259
Investment flows	273 615	5 936 149	3 957 577	51 341	10 218 682

By geographical area at 31 December 2023, the sector outside France concerns the mine gas exploitation and recovery business in Belgium and the Cryo Pur activities. This area generated sales of €5.3m in the first half and capital expenditure of €112k. Finally, the two subsidiaries located in Norway have no positive value to be included in this table at the end of December 2023.

4.9. Post-balance sheet events

In February 2024, Gazonor took out a loan with ARKEA bank for €5,800,000, at a fixed rate of 4.04%, for a term of 60 months with quarterly repayments.

On 29 February 2024, FDE announced the acquisition of a majority stake in **Greenstat ASA, a leading green energy operator based in Norway, with a strong focus on hydrogen and solar activities**, to strengthen the Group's position as a European provider of decarbonised energy production solutions.

The transaction is worth around €15.5m, consisting mainly of a €13m capital increase to finance the project pipeline, giving FDE a controlling interest in Greenstat of **56.35% of its share capital and voting rights**.

The transaction was paid for entirely from existing cash resources, enabling FDE to maintain its strong financing capacity, in parallel with ongoing financing discussions, in order to pursue its various projects, including those of its new subsidiary, Greenstat.

4.10. Scope of consolidation

Consolidated companies - 31 December 2023	Country	% control	% interest
La Française de l'Energie S.A.	*France*	Parent company	Parent company
Concorde Energy Inc.	*United States*	100%	100%
Concorde Energie Paris S.A.R.L.	*France*	100%	100%
EG Lorraine S.A.S.	*France*	100%	100%
Cellcius S.A.S.	*France*	51%	51%
FalkenSun S.A.S.	*France*	75%	75%
LFDE International S.A.R.L	*Luxembourg*	100%	100%
Gazonor Holding S.A.S.	*France*	100%	100%
Gazonor S.A.S.	*France*	100%	100%
Gazonor Béthune S.A.S.	*France*	100%	100%
EG NPC S.A.S.	*France*	100%	100%
Gazonor Benelux S.A.	*Belgium*	100%	100%
Greenhill S.A.	*Belgium*	100%	100%
Cryo Pur S.A.S	*France*	95%	95%
Cryo Pur Norge A.S.	*Norway*	100%	95%
Biogy Solutions A.S.	*Norway*	80%	76%

As explained in note 1.1, there were no changes in the scope of consolidation for the six months to 30 June 2023.

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

LA FRANCAISE DE L'ENERGIE

Avenue du District
57380 PONTPIERRE

RAPPORT DES COMMISSAIRES AUX COMPTES SUR L'INFORMATION FINANCIERE SEMESTRIELLE

Période du 1er juillet 2023 au 31 décembre 2023

Le 27 mars 2024

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 480 307 131

Capital de 3 000 000 euros

Mazars

Société par actions simplifiée 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

Période du 1er juillet 2023 au 31 décembre 2023

Rapport des commissaires aux comptes sur l'information financière semestrielle

Aux actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée Générale, et en application de l'article L. 451-1-2 III du code monétaire et financier, nous avons procédé à :

- l'examen limité des comptes semestriels consolidés condensés de la société LA FRANCAISE DE L'ENERGIE, relatifs à la période du 1er juillet 2023 au 31 décembre 2023, tels qu'ils sont joints au présent rapport ;

- la vérification des informations données dans le rapport semestriel d'activité.

Ces comptes semestriels consolidés condensés ont été établis sous la responsabilité du Conseil d'administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I - Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France.

Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes semestriels consolidés condensés avec la norme IAS 34, norme du référentiel IFRS tel qu'adopté dans l'Union Européenne relative à l'information financière intermédiaire.

II - Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité commentant les comptes semestriels consolidés condensés sur lesquels a porté notre examen limité.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes semestriels consolidés condensés.

Fait à Paris et Strasbourg, le 27 mars 2024,

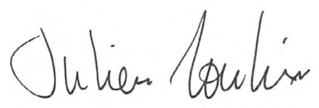
BDO Paris
Représenté par Sébastien HAAS
Associé

Mazars
Représenté par Laurence FOURNIER
Associée

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the six months ended 30 June 2009 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the companies included in the consolidation, and that the attached interim management report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements and the main related party transactions, and that it describes the main risks and uncertainties for the remaining six months of the financial year.

Pontpierre, 28 March 2024,



Julien MOULIN
Chairman

Stord hydrogen pilot plant

FDE

Local energy, positive impact

Limited company with share capital of 5.231.885 euros
Headquarters: Avenue du District, 57380 Pontpierre
501 152 193 RCS Metz