VALOREM

ENERGY FOR ACTION

ANNUAL REPORT

2021

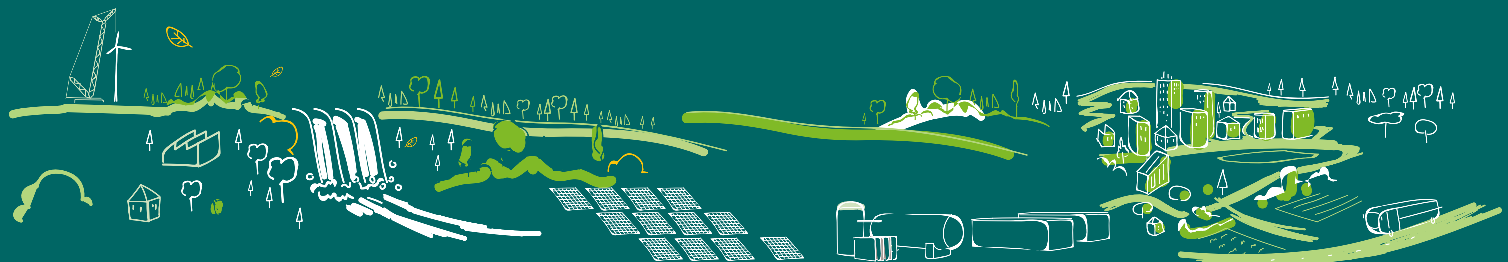
FOREWORD

VALOREM was born in 1994 from the conviction that renewable energies must be developed so that we can cease using fossil fuels as quickly as possible and build a more environmentally sustainable world. In almost 30 years, the small engineering firm has grown and extended its skills to become a multi-renewable energies group with an international presence and numbering close to 400 employees. At the same time, VALOREM has stuck to its convictions and ambitions for a sustainable and inclusive energy transition.

2021 was a challenging year with an extremely troubled political and economic context, but it was also marked by our good results and our progression into a more robust phase of our business. Not only have we exceeded the one terawatt-hour mark in annual production, but we have also extended our development portfolio, significantly increased our workforce, and closed the year with our transition to a mission-driven company and the redesign of our CSR strategy.

We are very pleased to present this first activity report, which brings together our financial and non-financial data. These two aspects perfectly summarise the reality of our business: that of an independent, mature and innovative group fully playing its role as an industrial company to accelerate the energy transition. But also that of a socially responsible company, acting in concrete terms for a society that is fairer and more respectful of the environment.

Jean-Yves GRANDIDIER
Chairman and Founder of
VALOREM Group



Saint-Michel-Chef-Chef (44)

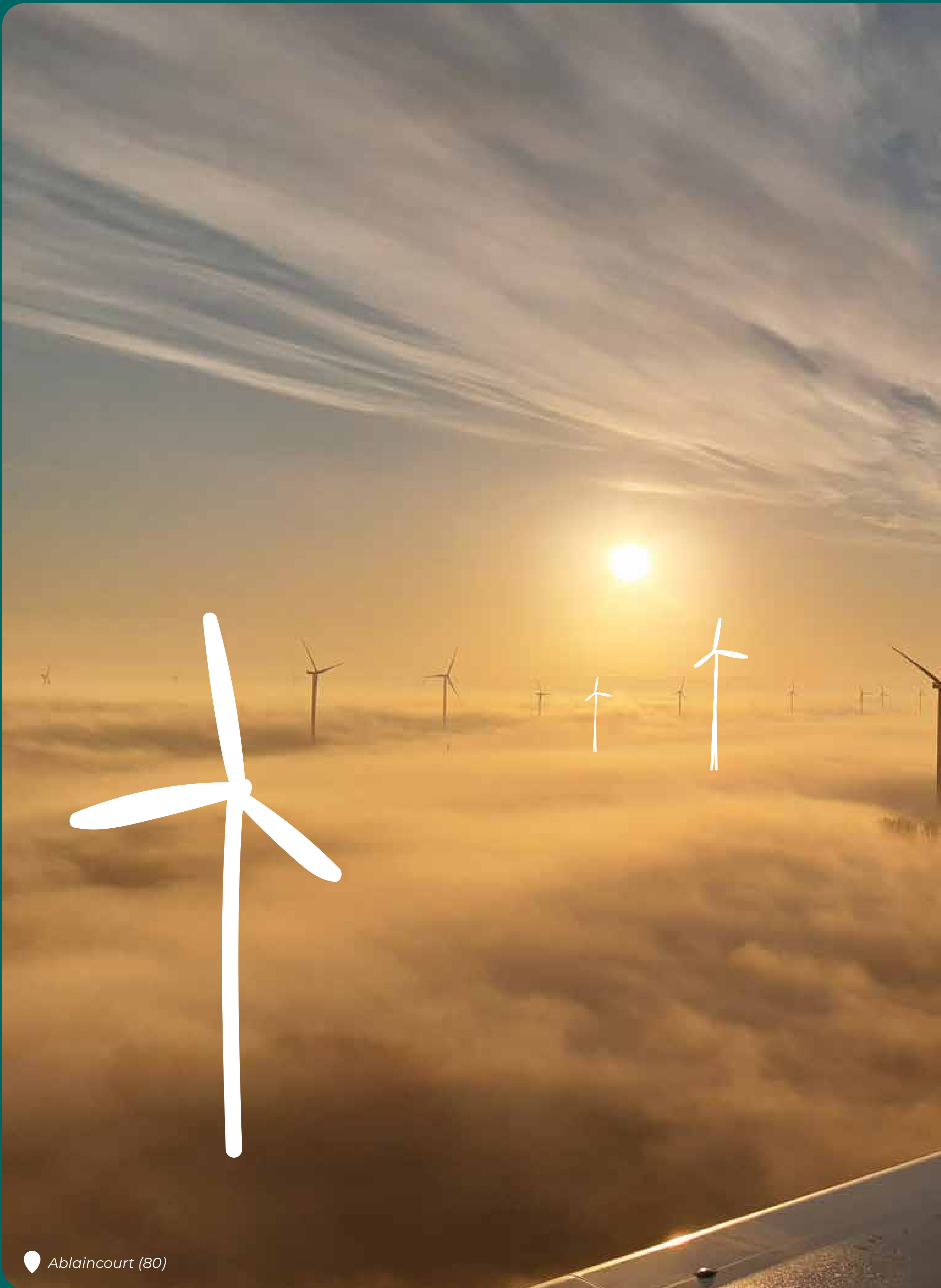
TABLE OF CONTENTS

01 2021 AT A GLANCE

02 THE VALOREM MISSION

03 THE CSR POLICY

04 CONSOLIDATED FINANCIAL STATEMENTS



Ablaincourt (80)

01

2021 AT A GLANCE

3 QUESTIONS FOR **MARC ROUBEROL**

Deputy Chief Executive Officer
of VALOREM Group

What do you remember from 2021, a year such as we have not seen before?

Last year was another year marked by the health crisis. The Group's employees did not escape the virus, but thankfully we do not have any major health issues to report!

The values of professionalism and solidarity have enabled VALOREM's teams to find the means to deal with both internal and external disruptions, allowing us to post a new year of growth.

VALOREM is a perfect example of the resilience of the entire renewable-energy production sector, contributing to national and European sovereignty.

What are the results you would like to highlight?

There are many. Over the past year, we have continued to implement our business model as an integrated green energy producer. Our energy production base increased by 104 MW, with the commissioning of 14 new facilities in France, and we financed 33 MW that will be connected to the grid in the coming months. In terms of upstream development activity, **we have increased the size of the project portfolios in all three of our technology sectors** (wind, solar and hydroelectric), **in all of our sites in France, as well as in Finland and Greece. Tomorrow's growth is assured.**

And on top of that, VALOREM is also successfully exploring new potential growth drivers. The hydrogen sector is a good example. We won a call for expressions of interest from the City of Rouen to supply a fleet of 14 green hydrogen-fuelled buses that will be integrated into the Transdev network in 2023.

Finally, our achievements in 2021 resulted once again in double-digit EBITDA growth, at €55M. We also kept our debt under control, and posted an increase in our shareholders' equity to €101M, including a €26M capital increase at the end of the year.

VALOREM demonstrates the relevance and profitability of its development model for the implementation of the energy transition in Europe.

What are your ambitions for VALOREM Group for 2022 and beyond?

2022 will be another good year of sustained growth for our Group. In February, we completed the sale and financing of **VIIATTI's Finnish wind farm, the largest project in VALOREM's history** (313 MW)! The other segments of the business (development, financing, construction, operations) are also on the rise.

In the medium term, fundamentals are rather promising for our activities. The conflict between Ukraine and Russia at the beginning of 2022 further increased European pressure to accelerate the development of renewable energies. In France, these incentives are reinforced by the historically low capacity of nuclear power plants.

We therefore aim to pick up the pace and continue the Group's international expansion, so that we can achieve a secure base divided 50/50 between France and abroad by 2025.

In addition, **the group has had "*entreprise à mission*" (Mission Company) status since December!** This new stage in our CSR strategy reinforces our commitment. We have chosen to establish a mission committee composed mainly of external members. This committee is responsible for defining and monitoring the indicators for our mission. See you next year for the first report!

OUR PRESENCE

NEW HEAD OFFICE

VALOREM moved to a new head office in the heart of **Bègles** (33). These new buildings offer employees a fulfilling and engaging working environment, in keeping with the Group's image. They contribute to the company's appeal, and as well as supporting the growth of the workforce in 2021 (+22%), they allow room for future growth (a third building is under construction).

OUR
HUMAN CAPITAL

Our human capital is at the heart of our growth and development, enabling us to achieve the long-term goals we have set ourselves. This sustainable growth is made possible by the passion of our teams, their on-the-ground commitment demonstrated every day, and their diverse skills and experience. The cohesion of our teams around a shared vision creates value over the long term; the projects and the way they are developed are proof of this on a daily basis.

VALOREM is able to attract new talent and retain its employees by offering more flexibility in working time, sharing the economic value of our projects, and offering social benefits and a stimulating working environment where everyone can fully realise their potential.

KEY INDICATORS
(AT END-2021)

Headcount
350

Women
140

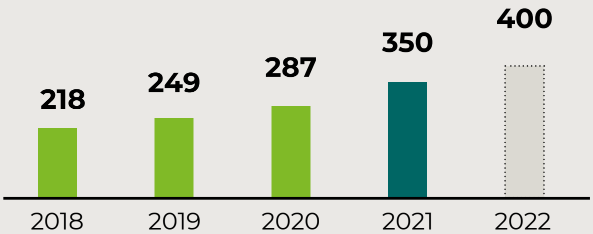
Men
210

84/100
Gender equality index

95 %
of our employees are proud to work for the Group*

*(OBEA 2021 survey)

CHANGE IN HEADCOUNT



OUR **GOVERNANCE**

Jean-Yves GRANDIDIER
Chairman of VALOREM

Jean-Yves GRANDIDIER's passion for the development of renewable energies is rooted in his childhood. The 1973 oil crisis shaped his pioneering spirit and convinced him that new energy resources must be explored. Having built his experience in the field of aerospace, he founded VALOREM in 1994. Jean-Yves GRANDIDIER is very hands-on in his business and is in a position to lobby the public authorities to establish an appropriate regulatory framework for the development of wind power. In 1996, he co-founded France Energie Éolienne, an association representing the profession. Today, his wind energy design firm has grown to become a mid-cap company with 350 employees, covering all the stages of a renewable energy project.

Marc ROUBEROL
Deputy Chief Executive Officer

Marc ROUBEROL is a chemical engineer who graduated from ESPCI (Physics-Chemistry Paris) and holds an MBA from INSEAD. After spending around twelve years at Saint-Gobain Group in various positions in France and the United States, he co-founded a start-up in the solar energy sector. He joined VALOREM in 2012 as Chief Financial Officer. Marc ROUBEROL was one of the driving forces behind the renewal of the institutional shareholding with the entry of the 3i Infrastructure fund in 2016.

Philippe ÉTUR
Deputy Chief Executive Officer

Philippe ÉTUR graduated from INSA as an engineer in the energy field. He joined VALOREM Group in 1997 and has also worked for Innogy and RES (between 2008 and 2016). Since 2016, he has headed up the Strategy and Innovation Markets Department (DMSI), which deals with issues related to the integration of renewable energy plants into electricity networks and on the electricity markets.

→ The Supervisory Board

The Supervisory Board of VALOREM is elected by the shareholders and chaired by Pierre GIRARD. It meets to define strategic directions and monitor the proper functioning of the company. The Executive Committee (ExCom) presents its proposals to the Supervisory Board, which gives its approval. Since January 2010, two employee representatives have sat on the Supervisory Board.

→ Outlook for 2022

In January 2022, the ExCom welcomed a fourth member: Philippe TAVERNIER. Returning to France after 8 years in Norway, he brings his international experience and expertise to the Group.

In September 2022, Bertrand GUIDEZ will also join the ExCom. Over the last three years, as Head of the French BU, he has supported the Group's development strategy.

THE YEAR'S **HIGHLIGHTS**

9 new facilities opened!

Despite the pandemic still affecting business in 2021, the teams succeeded in launching 9 new facilities: 4 wind farms and 5 solar facilities!

Among them, the Pontenx-les-Forges solar power plant in the Landes region is a very good example of a more inclusive project:

- **The plant's capital is jointly owned by three local authorities:** SEM 24 Périgord Énergies, the Mimizan Communes Association and the municipality of Pontenx-Les-Forges own 35.54%, 3.5% and 0.71% of the facility, respectively. With this regional ownership in place, local authorities and residents benefit directly from the economic and tax benefits of the plant.
- **A project jointly constructed with and for local residents:** every year, the facility produces 6,600 MWh of electricity thanks to its 10,320 solar panels, equivalent to the electricity consumption of 2,900 people (all uses). As it has done for all its solar energy projects since 2017, VALOREM put in place integration clauses thanks to which 3 people from the region have found a job.
- **Preservation of fauna and flora:** in order to conserve habitats of protected species, an eco-corridor running through the facility from east to west was created. A protective fence was also built at the north-eastern end of the enclosed area to protect the crocus-leaved romulea, a protected plant of the region.

JANUARY

Development of our first hydrogen project

In 2021, in partnership with the City of Rouen and Transdev, VALOREM developed its first hydrogen production and distribution project in the Normandy city:

- Supplying a fleet of 14 buses that may increase to 20 during the project;
- Installation of an electrolyser of 1 MW that can power these buses and deliver hydrogen to an adjoining station in the city as well as meeting industrial needs;
- Development of a solar-energy facility of around 8 MWp in the city to power the electrolyser with renewable electricity.

And to continue on this pathway, in January 2022, VALOREM won the tender for the future construction of the Saint-Brieuc green hydrogen production plant.

MARCH

Launch of *MON PARC VALOREM*

As the first operator to get the general public involved in its renewable energy projects through crowdfunding, VALOREM announced **the creation of a portal dedicated to fundraising:** the **MON PARC VALOREM** (My VALOREM Asset) initiative, hosted on Lendosphere, a market-leading platform in the sector. This new platform brings together all VALOREM's crowdfunding operations, whether past, current or future. In this way, the group is confirming its desire to make its offering clearer and to strengthen it by giving potential investors exclusive access to all its fundraising operations. This initiative comes at a time when savers' interest in crowdfunding, which in recent months has stood out as a secure, efficient and responsible solution, is growing rapidly.

MON PARC VALOREM
par Lendosphere.com

DECEMBER

Becoming an "entreprise à mission" (Mission Company)

VALOREM has had Mission Company status since 17 December 2021. This great success is the result of a year of internal work to structure the group's challenges and formulate its raison d'être.

The status of "Mission Company" is a new regulatory framework established under the 2019 PACTE law on business growth and transformation. It encourages companies to rethink their actions and impacts within society.

VALOREM has defined its raison d'être and amended its Articles of Association to include 6 major social and environmental objectives. The PACTE law also provides for the appointment of an ethics committee responsible for ensuring the proper performance of the mission.

The group called for a committee composed primarily of external experts specialising in energy and environmental issues.

KEY INDICATORS
FOR 2021

OUR BUSINESS SUBSIDIARIES

VALOREM L'ÉNERGIE D'AGIR

Development of projects

Studies, Obtaining Authorisations, Project Financing

since 1994

VALREA RÉALISATION ÉNERGIES ALTERNATIVES

Construction & logistics

Project Management, BOP, Transport, Commissioning, Decommissioning

VALEMO

Management, operation & maintenance

Operational Oversight, Maintenance, Technical Support

OPTAREL

Photovoltaic self-consumption solutions

Roofs and canopies

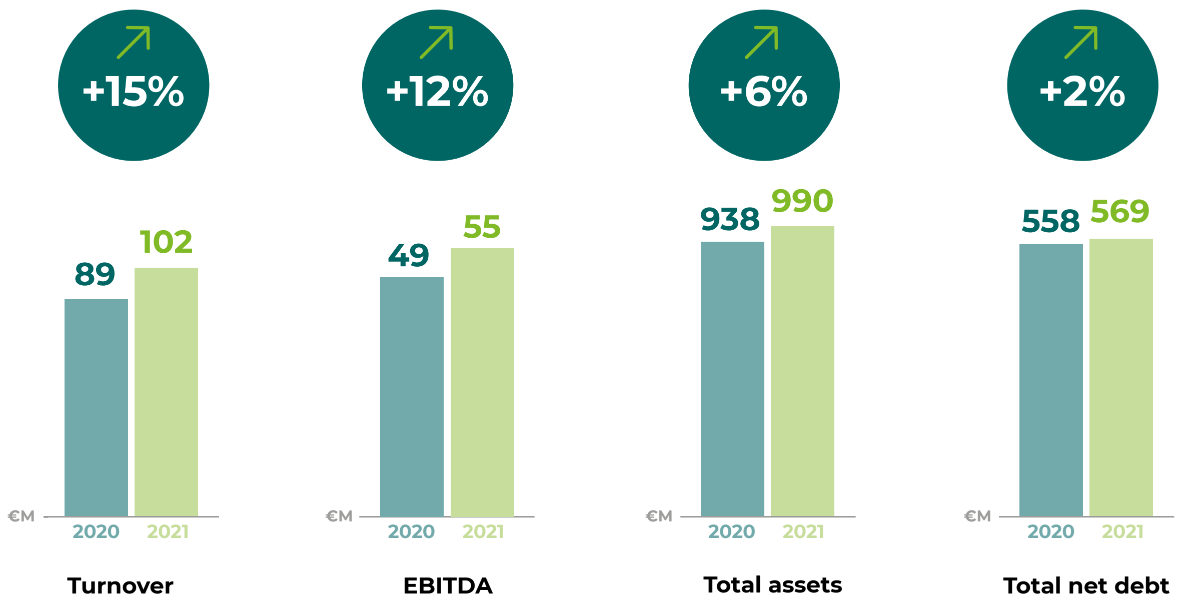
HEADCOUNT

+350

Employees in 2021

including 4 in Greece and 2 in Finland

2020 & 2021 FINANCIAL DATA



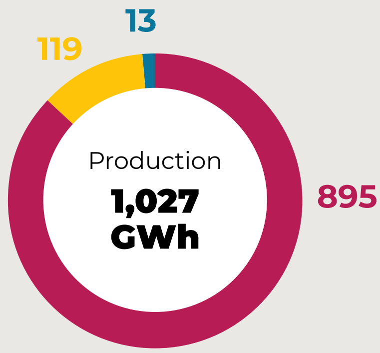
DEVELOPMENT

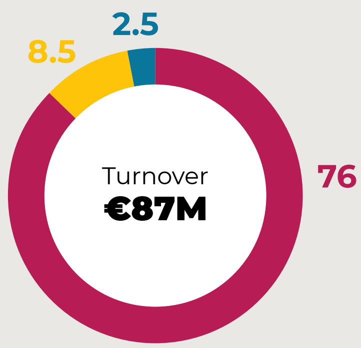
5 GW

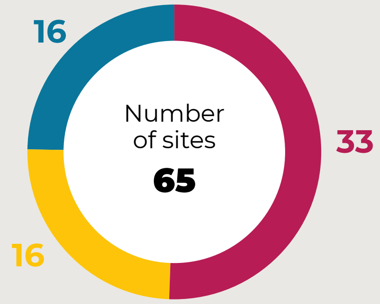
FRANCE	INTERNATIONAL
3 GW	2 GW
Wind: 1 GW	Wind: 1 GW
Solar: 2 GW	Solar: 1 GW
Hydroelectric: 40 MW	

OPERATION

Wind · Solar · Hydroelectric







PROJECT LOCATIONS

CSR

13,357 hours worked under inclusion clauses
at 100% of our project sites

10% of project capital
offered to local authorities

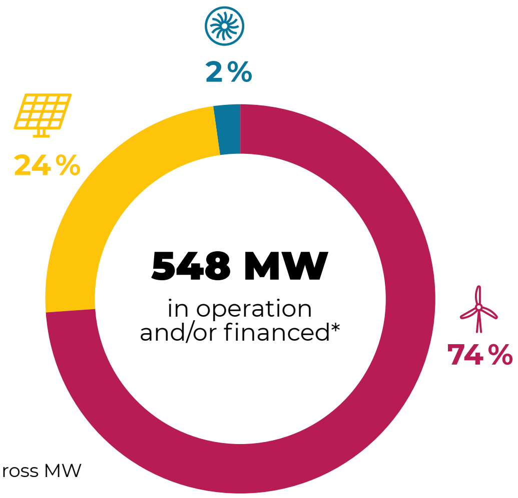
€3.3M raised
through crowdfunding on Mon Parc VALOREM.

OUR PORTFOLIO OF **ASSETS**

ASSETS IN OPERATION

In 2021, the Group produced 1 TWh, equivalent to the consumption of the Bordeaux metropolitan area, representing turnover of €87M (+8% compared to 2020) and an electricity EBITDA of €65M (+5% compared to 2020), i.e. a margin on EBITDA of 75%.

The 14 facilities commissioned during the year (104 MW) resulted in a significant increase in turnover of €10M.



*Gross MW

The Group has good visibility on its revenues thanks to long-term electricity sales contracts (14 years on average remaining at the end of 2021), i.e. €1.4bn in secure revenues (+13% compared to 2020). The young age of our facilities as well as our long-term approach to land management guarantee a certain degree of sustainability. All our current facilities sell electricity at guaranteed tariffs, in euros. We have no counterparty risk or currency risk.

14 years
Guaranteed tariff

4 years
Average age of facilities

36 years
Average lease term

2021 INDICATORS

1 TWh
Electricity production

93%
Availability

423,000 Tons
of CO_2 saved

€87M
turnover from electricity production

+8%

14
COMMISSIONING IN 2021

Wind

Solar


La Tour Blanche (24)


Dampierre et Massay (18)


Baâlon (08)


Montbartier (82)

OUR PORTFOLIO **IN DEVELOPMENT**

Our investment and development decisions are aligned with our corporate social responsibility and this contributes to our strategic differentiation in the sector. Our development strategy and our CSR strategy are perfectly aligned. We ensure the development of our Group while offering a long-term financial return to all our stakeholders: local authorities and regions, employees and shareholders.

FRANCE

Drawing on its expertise, VALOREM increased its portfolio in development in mainland France and overseas in 2021.

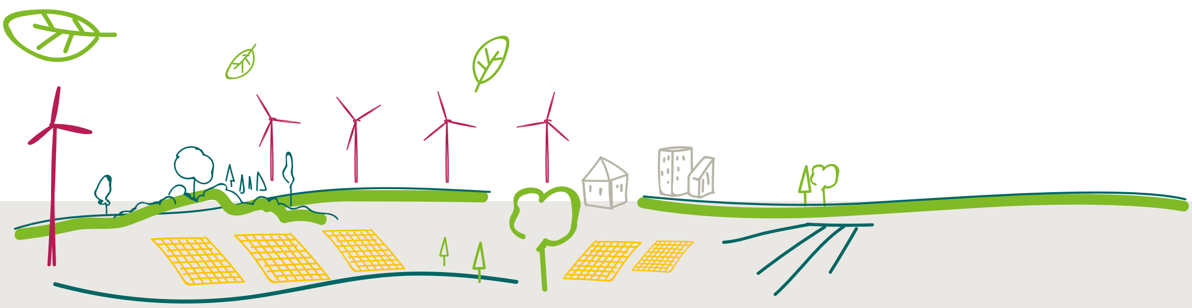
As such, at the end of 2021, the French portfolio stood at 3 GW and is broken down as follows by energy:

1 GW

2 GW

10 MW

40 MW



2021 was marked by 3 financing projects, for a total of 33 MW (own account):

- **St Secondin:** a wind project with a total capacity of 12 MW and 4 turbines, located in the department of la Vienne,
- **Lafitte:** a solar power project with a total capacity of 8.6 MWp, located in the department of Haute-Garonne,
- **Longueil:** a wind project with a total capacity of 12 MW and 4 turbines, located in the department of Seine-Maritime.

In addition, in 2021, the Group sold 2 projects:

- **Garonne and Canal:** a wind project with a total capacity of 18 MW, located in the department of Tarn-et-Garonne.
- **Montreal:** a solar power project with a total capacity of 5 MWp, located in the department of Aude. It is located in a former quarry.

Projects financed and sold in 2021


Lafitte (31)

INTERNATIONAL

In 2021, **VALOREM's expansion in Europe increased with 2 GW in development at the end of the year.** The teams were able to target and seize the opportunities offered by the market in Finland, Greece and Colombia. 2021 also saw the establishment of an operation in Poland.

The breakdown of the portfolio internationally by energy is as follows:

1 GW (wind)

1 GW (solar)

This international expansion reflects a strong driver for growth in installed capacity and an optimised technological and geographic distribution for the years to come.

40%

of our development is international

MEDIUM-TERM DEVELOPMENT OUTLOOK

Our medium-term strategic directions are centred around growth, diversification and the CSR strategy that we have strengthened by becoming a Mission Company. There are currently many growth opportunities in the renewable energy sector and we want to participate responsibly.

The next few years will see a doubling of our portfolio in development and a rebalancing of the energy mix between wind and solar. This significant increase in the share of solar energy in the asset portfolio is in line with the diversification objective that we set ourselves in 2017, when the first solar farms were commissioned. Development efforts will continue in wind and hydroelectric power.

The Group will also benefit in the coming years from the acceleration of its international development and by refocusing on Europe: the Viiatti project, financed during the first quarter of 2022 in Finland, demonstrates this ambition.

VALOREM therefore has a role to play in contributing to national and European energy sovereignty.

VALREA

VALREA, a subsidiary of the VALOREM group created in 2007, provides the Group with its expertise in the construction of wind farms, high-voltage power plants, ground solar power plants and hydroelectric power plants. VALREA has already completed more than 1.5 GW of multi-energy projects.

Activity in 2021

During 2021, VALREA built and supervised 14 projects, i.e. 104 MW, broken down as follows: 45% wind farms, 55% solar power plants.

These projects were made possible thanks to the commitment of the 15 employees. In the space of a few years, VALREA has managed to take a significant place on the market for the construction of renewable energy plants: wind, solar and hydroelectric power.

13,357 h
worked under inclusion clauses.
See page 41.

VALREA has undertaken an approach of continuous improvement since 2010 and has the following certifications:
ISO 9001: 2015
ISO 14001: 2015
ISO 45001: 2018

Outlook for the future

At the same time, VALREA will continue to expand its activities internationally with the continuation of current wind projects for more than 313 MW in Finland and our first wind farm to be built in Greece.

We are also facing a twofold challenge:

- **Delivering projects at a controlled cost:** the international context is leading to a sustained increase in commodity prices as well as an increase in key rates. Between the two, our business needs to achieve a fair and new balance. However, the prospects are good, particularly if we seek to make the most of increases in electricity prices.
- **Remain agile for new ambitions:** we are convinced that the need to increase our energy sovereignty, which is already on the European and French agenda, will lead to a significant acceleration in the transition we are building. This acceleration will only be possible by increasing the diversification of the Group's activities and adapting VALREA's missions to enable us to achieve them: new services (storage, H_2) or new horizons (offshore and further international expansion).

OPTAREL

OPTAREL, a 100% VALOREM subsidiary, has specialised since 2002 in the development of products for the optimisation of electricity networks.

In 2021, OPTAREL commissioned 7 solar power plants, with a total capacity of 700 kWp.

With 10 employees, OPTAREL has completed the assignments entrusted to it by AVENTO CONSEILS: studies and the development and project management of the Terravolta (6.6 MWp), Megavolta (4.3 MWp) and Optivolta (5.6 MWp) project clusters.

In 2021, note also the completion of the first tranche of the solar power plant of Parc Newton (22 kWp – VALOREM Group's head office) for collective self-consumption. The remaining 3 tranches will be delivered in 2022-2023 for a total of approximately 300 kWp. The electricity generated will power the offices, as well as a geothermal power plant.

OPTAREL also continued its marketing efforts by prioritising its prospecting towards the renovation of roofs and equipping buildings supplied by the owners.

Outlook for the future

OPTAREL's objectives for 2022 are to:

- Continue its growth and development (securing of tariffs and signing of leases),
- Maintain its positioning in an agricultural environment while favouring buildings to be renovated or buildings supplied by the owners,
- Conquer the market in the industrial sector, where companies are exponentially interested in solar self-consumption.

VALEMO

VALEMO, a subsidiary of VALOREM Group, celebrated its 10-year anniversary in 2021. Since 2011, it has been providing services to its clients, including the Group's SPVs, in the following areas:

- **Operation of renewable energy plants,**
- **Remote management of facilities from the management centre based in Bègles,**
- **Maintenance of renewable energy facilities,**
- **Data engineering and R&D projects,**
- **Technical engineering (SCADA, automation) and audits.**

VALEMO has been involved in offshore activities from an early stage by providing engineering services on the one hand and operation and maintenance services on the other. Since 2015, VALEMO has been present in support of development teams, technology suppliers, test centres and operators.

Activity in 2021

VALEMO's activity level remained high in 2021, despite the impact of COVID, which required us to manage and adapt our processes throughout the year.

As a result, turnover was up sharply, by more than 25% compared to 2020, at €9M.

Note in particular the strong growth of VALEMO's offshore activities, driven by the service contracts with General Electric on the turbines installed at the Banc de Guérande facility in Loire-Atlantique (the first French offshore facility), as well as the contracts signed by our subsidiary AKROCEAN, which deploys its measurement platforms throughout the world.

VALEMO's established activities relating to operations, maintenance and technical services have also grown significantly.

92 employees

In operation
94 facilities
889 MW

In maintenance
44 facilities
300 MW

Outlook for the future

VALEMO will once again see sustained growth in its activities this year.

Along with the continued development of our operation and maintenance activities for our many clients, activity in 2022 will be driven mainly by the development of engineering and services activities on onshore power plants but also and especially offshore. Indeed, VALEMO teams are very involved in the service activities around the construction of the offshore facility on the Banc de Guérande (quality inspection, commissioning and maintenance of turbines). In support of General Electric's teams, VALEMO has managed several contracts involving about 30 technicians and engineers (including 15 VALEMO employees) on this facility.

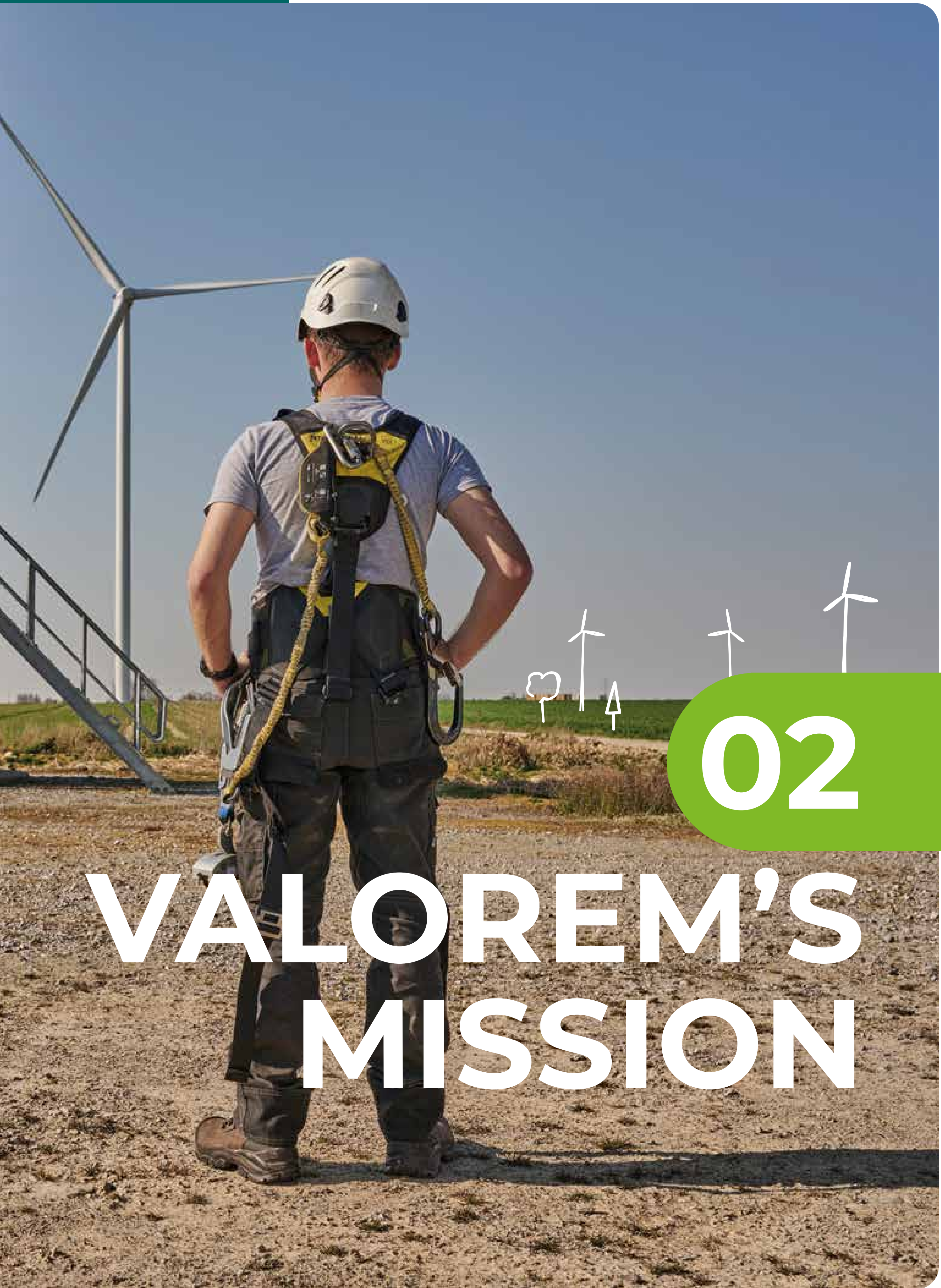
Furthermore, the commercial successes achieved by AKROCEAN will continue to fuel VALEMO's activity in the operation and maintenance of this equipment installed at sea, in France and abroad.

This momentum will also result in the recruitment of around 30 staff to support the growth of VALEMO's activities in 2022 and the opening of two new sites in Caen and Orléans.

Bouée Akrocean

Conduite

Maintenance



02

VALOREM'S MISSION

17 DECEMBER 2021
VALOREM BECOMES A MISSION COMPANY

A WORD FROM THE FOUNDER CHAIRMAN

New Articles of Association to pursue our long-standing commitment.

VALOREM firmly believes that the company must be useful and relevant to society as a whole. It therefore embarked on the definition and affirmation of its mission in 2021.

Becoming a Mission Company means questioning its position and its role as an entrepreneur to build a fairer and more sustainable society. It means having the desire to go the extra mile in terms of CSR, and make a visible commitment to all.

In concrete terms, we had to define the company's raison d'être as well as its long-term commitments, which are now included in our legal Articles of Association.

This process continued over many months, during which several groups of employees worked together to develop this social and societal route map for VALOREM.

VALOREM is very proud to present the first results of this collective work here and take advantage of this book to thank the firms *Enjeux* and *Hommes et Transitions* for their support.

Our raison d'être:

"PROMOTE REGIONAL ENERGIES TOGETHER TO PAVE THE WAY FOR A SUSTAINABLE AND INCLUSIVE FUTURE"

→ **Creating value together:** VALOREM means "adding value", so the very essence of our company is building projects hand-in-hand with stakeholders;

→ **Regional energy:** the concept of territory is central to VALOREM's philosophy. The projects meet local development needs, adding value to support their development;

→ **Paving the way...** innovation and new solutions. VALOREM was a pioneer in wind power in France in 1994 and continues to explore alternative solutions, whether in the production of green energy or in the way it benefits citizens;

→ **...TO a sustainable and inclusive future:** renewable energy contributes to building a sustainable future for the next generation and beyond. Inclusive, because energy must be accessible to all, and because for us, renewable energies must be a concrete lever to promote inclusion through economic activity, and combat energy poverty.

Jean-Yves GRANDIDIER

THE MISSION COMMITTEE

To become a Mission Company, we also had to create a committee whose role is to steer our roadmap. With the idea of going the extra mile in CSR thanks to our mission, we have chosen a committee composed of external members, who are mostly experts in the energy sector, as well as internal members of the Group.

EXTERNAL MEMBERS

AMORCE
Legal entity represented by Gwénolé Le Bars

Engineer - Renewable Energies Project Manager

Cédric PHILIBERT

Climate Energy Associate Researcher at IFRI until 2019

Currently independent consultant on decarbonisation and hydrogen

Sylvie PERRIN

Lawyer De Gaulle Feurance
Founder of the Green Platform

Sylvie FERRARI

Lecturer in Economics
University of Bordeaux

Member of Acclimaterra

INTERNAL MEMBERS

CHAIRMAN

Émilien STEPHAN

Chief Operating Officer, Staff Delegate

Philippe ÉTUR

Deputy Chief Executive Officer

Mélodie KHAYAT

Head of Legal M&A/ Financing France

THE ROADMAP
MISSION

The Group's ambition is to meet the challenge of a sustainable energy future by involving populations and local private and public stakeholders. This is why consultation and value-sharing are built into the implementation process of our projects. More importantly, we are committed to maximising their contribution to local economic vitality and limiting their impact on natural ecosystems, going beyond the regulatory obligations in this area.

OBJECTIVE 1

Produce renewable energies in consultation with local stakeholders and share the economic value created with them.

OBJECTIVE 2

Ensure the preservation of natural ecosystems and amplify the positive impact of our projects on the environment.

The value generated by energy production is shared by working for social inclusion through employment in the regions.
The Group fights against energy poverty and defends access to renewable energies everywhere and for all through its endowment fund and its foundation.

OBJECTIVE 6

Defend and implement a shared vision of the energy transition.

To embody and promote this purpose, VALOREM has set 6 objectives to be achieved, ranked according to the Group's 4 stakeholders, which will be monitored by various indicators that are being built.

EMPLOYEES

It is our employees who guarantee the quality of our projects and good relationships with all stakeholders. The corporate culture is characterised by sharing, friendliness and commitment to the environmental transition.

OBJECTIVE 3

To enable our employees to be involved in the ecological transition, by offering them an engaging and fulfilling working environment.

ECONOMIC PARTNERS

VALOREM wants to maintain control over its development strategy and decision-making to ensure the sustainability of our company while continuing to grow. Since its inception, the Group has been advocating for the production of clean and affordable energies, helping populations to cope with climate change. This commitment is reflected in public positions at national and local level. VALOREM builds long-term relationships with its partners, based on ethics and reciprocity, and always with the objective of serving a vision that is committed to the energy and ecological transition.

OBJECTIVE 4

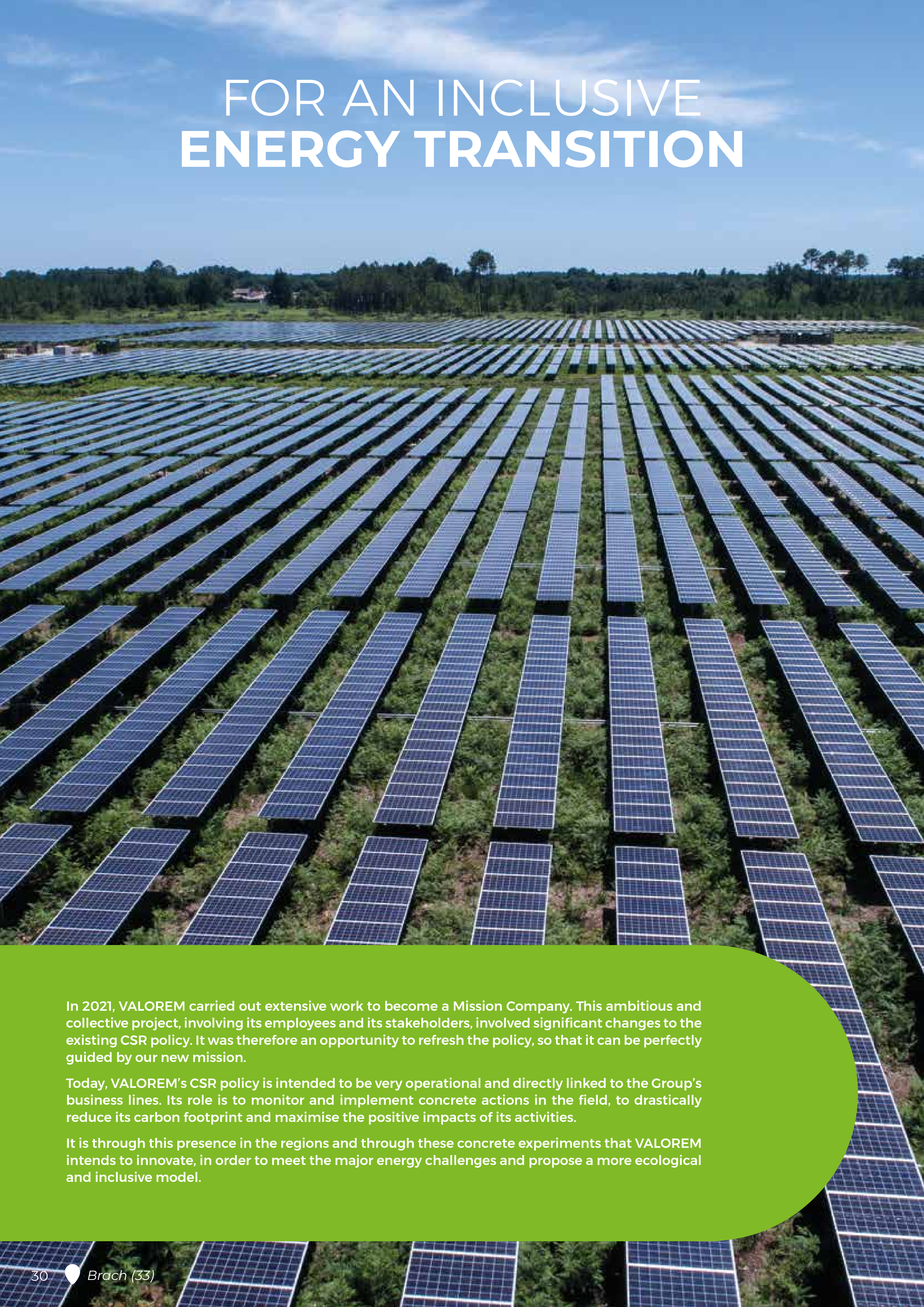
Grow, innovate and act for economically affordable renewable energy generation.

OBJECTIVE 5

Develop balanced and long-term relationships with our partners.

03 THE CSR POLICY

FOR AN INCLUSIVE **ENERGY TRANSITION**



In 2021, VALOREM carried out extensive work to become a Mission Company. This ambitious and collective project, involving its employees and its stakeholders, involved significant changes to the existing CSR policy. It was therefore an opportunity to refresh the policy, so that it can be perfectly guided by our new mission.

Today, VALOREM's CSR policy is intended to be very operational and directly linked to the Group's business lines. Its role is to monitor and implement concrete actions in the field, to drastically reduce its carbon footprint and maximise the positive impacts of its activities.

It is through this presence in the regions and through these concrete experiments that VALOREM intends to innovate, in order to meet the major energy challenges and propose a more ecological and inclusive model.

Brach (33)

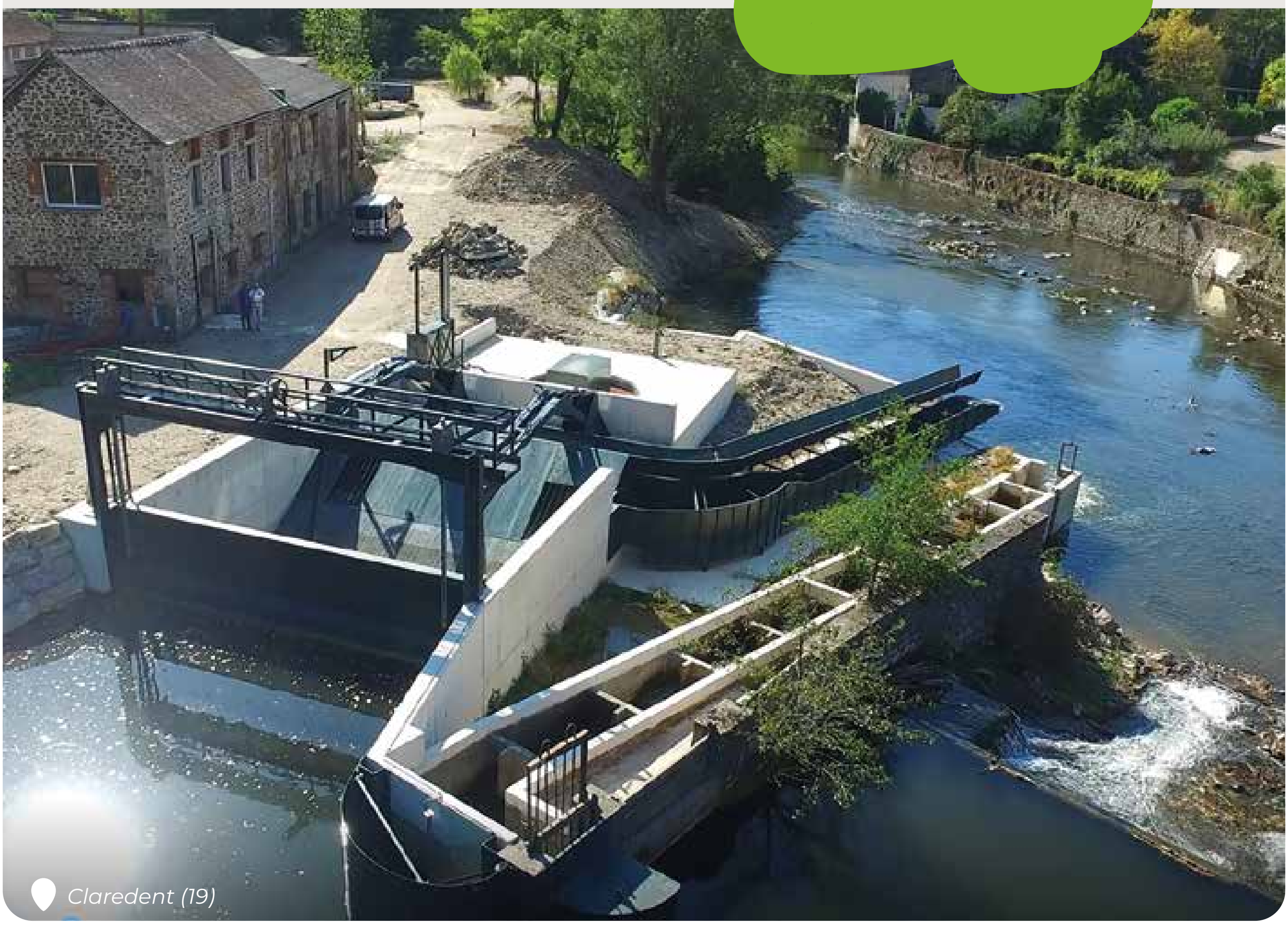
FOCUS 1
ENSURING RESPONSIBLE **MANAGEMENT OF OPERATIONS**

From the design office to operation and maintenance, via construction, VALOREM is an integrated, multi-renewable energies group seeing constant demographic growth. In order to promote its environmental, social and societal commitments, the Group is now committed to infusing this vision in all its professional practices.

Ethical conduct of the business lines and processes involves controlling and reducing the environmental footprint of the facilities, implementing a genuinely responsible purchasing policy that takes into account the reality of the suppliers' activity, and investing in technical innovation in order to prepare for an ecological energy future that is accessible to all.

Finally, VALOREM remains very committed to the health, safety and well-being of its employees and ensures that their professional and personal lives are balanced. The Group is managed in an attentive and meaningful way in order to encourage the involvement of all employees in a common mission and culture.

> "FOR AN ECOLOGICAL FUTURE WITH ENERGY FOR ALL"



Claredent (19)

MANAGING OUR PROJECTS WITH AN ENVIRONMENTAL MANAGEMENT SYSTEM

The development of renewable energies must not be at the expense of local biodiversity. During the construction phase, the environment department establishes an environmental management system to closely monitor and manage the reduction of the impacts of this phase on the local environment.

A specific feature of VALOREM is that it places environmental issues at the heart of its business, going the extra mile to exceed regulatory recommendations as soon as it can.

In 2021, VALOREM renewed its certification without non-compliance
ISO 14001: 2015

100% OF SITES

with prior awareness of the proper implementation of environmental measures.

100% OF PROJECTS

are subject to an environmental pre-diagnosis even before the field studies.

Examples of environmental measures in the construction phase

- Differentiated waste management;
- Storage of products in retention tanks;
- Pollution control kits;
- Washing of concrete mixers in specific areas to recover washing residues;
- Information signs and markings to identify the areas to be protected.

ENGAGEMENT FOR RESPONSIBLE BUYS

As a strategic position, purchasing has a key role to play in the achievement of the ethical ambitions of a responsible organisation.

In 2021, VALOREM structured its responsible purchasing approach with the aim of mobilising all of its suppliers, subcontractors, partners, stakeholders and employees involved throughout the purchasing process.

In 2021, VALOREM renewed its certification
ISO 9001: 2015

Structuring a responsible purchasing approach

The company has drafted a Responsible Purchasing policy and defined its objectives and associated indicators, and is currently developing its roadmap for the next three years. An ambitious action plan will be guided by the ISO 20400:2017 standard (Responsible Purchasing – Guidelines), and the Responsible Supplier Relationships and Purchasing label.

One of the key stages of this programme is to map and highlight the risks and challenges of our purchases as well as the key players in our value chain, with a view to managing them better.

SHARING A COMMON MISSION AND CULTURE INTERNALLY

Beyond ethical and environmental convitions, VALOREM's culture is one of sharing, friendliness, innovation, dialogue and collaboration.

A lively and flourishing business

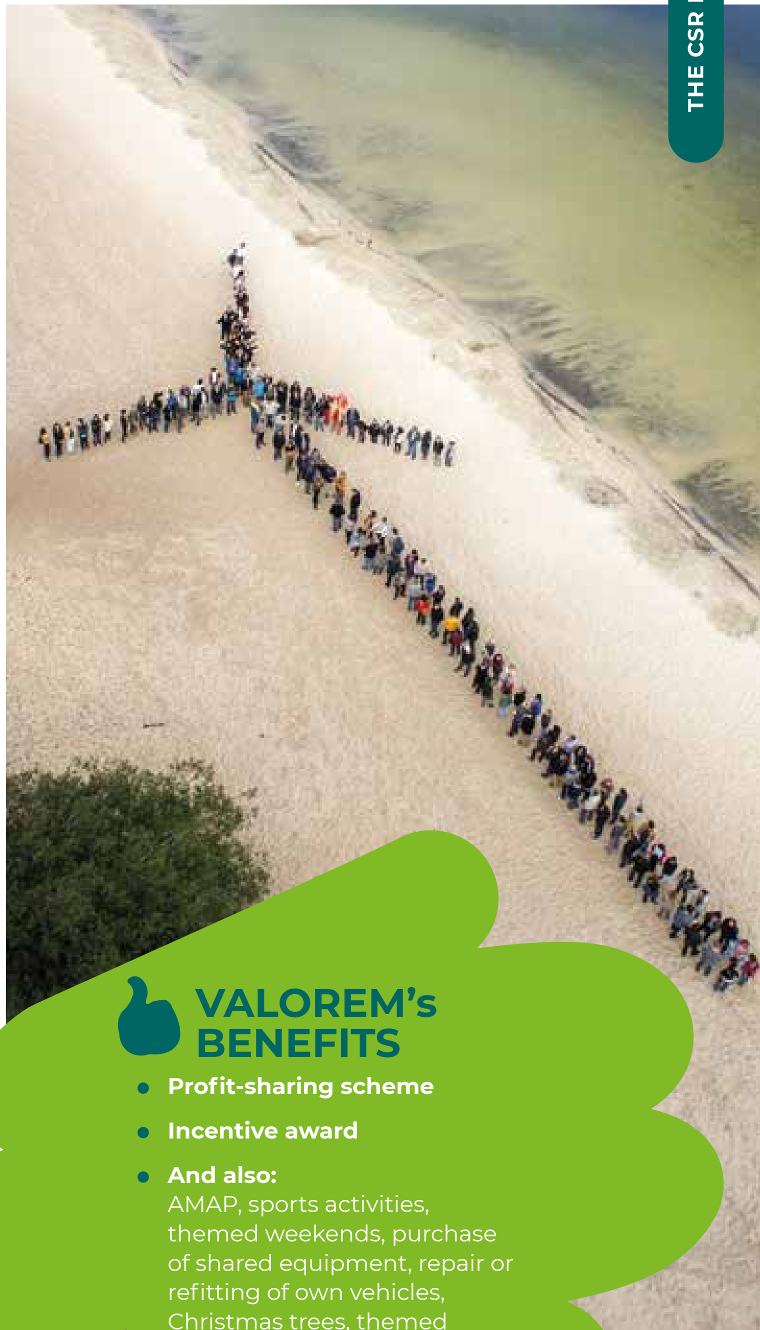
Employee well-being and fulfilment are key priorities for the Group. The rapid growth of the workforce in recent years requires greater attention to managerial practices, team cohesion and the sharing of a common culture. This major issue guides our human resources policy.

Social benefits for our employees

Management and the social partners have entered into numerous collective agreements to help improve our employees' quality of life.

In 2019, VALOREM created an employee shareholding company to which 49% of employees have subscribed. This is a powerful vehicle for ownership and alignment of objectives for all. Likewise, the profit-sharing agreement, which is aligned with CSR criteria.

A working group was set up in 2021 to build a new employee shareholding scheme with more benefits, the aim of which is to hold 3% of the company's capital in the years to come.



VALOREM's BENEFITS

- **Profit-sharing scheme**
- **Incentive award**
- **And also:**
  AMAP, sports activities, themed weekends, purchase of shared equipment, repair or refitting of own vehicles, Christmas trees, themed conferences organised by employees, 30 childcare spaces available (+42% vs 2020).

1.24%
of the company's share capital is owned by employees

In 2021, creation of a time savings account

2 interviews
per year /per employee

3.55%
payroll devoted to professional training for employees (+28% compared with 2020)

1 training course
for each newcomer

Improving gender equality and parity at all levels of the hierarchy

In 2016, VALOREM signed an agreement with the social partners on gender equality in the workplace.

VALOREM is seeking to renegotiate and extend this agreement in 2022.

84/100
Gender equality index

+ 5 days
additional paternity leave

Monitoring and improving employee satisfaction

Since 2010, VALOREM has organised a survey of its employees by the consulting firm OBEA/INergie, in order to obtain their opinions and experiences.

The results are then presented to all employees in a seminar and published in our external communications.

A QHSE policy serving employee protection and operational excellence

The Group's health and safety action plan is based on an integrated QSE management system designed to improve performance and risk management in the areas of quality, safety and the environment.

The health and safety programme implemented in 2021 was based on three key areas:

- Meeting regulatory and other requirements;
- Eliminating hazards;
- Reducing First Aider in the Workplace risks and promoting the participation and consultation of workers and the SEC.

The actions defined targeted the main risks identified at VALOREM. In addition to the regulatory requirements, prevention work was carried out, e.g. on the risk of cycling on the road.

ACCIDENTS

1.78
Frequency rate

0
Severity rate

3,098 hours
of safety training
(up 91% vs. 2020)

94%
OF EMPLOYEES
believe that their work is in line with their values and personal beliefs

96%
OF EMPLOYEES
are proud to belong to VALOREM

89%
OF EMPLOYEES
felt supported by the company during the pandemic

FOCUS 2

IMPLEMENTING **A POSITIVE REGIONAL APPROACH**

The arrival of a renewable energy facility can radically transform and shape a region. In addition to the production of clean and affordable electricity, the installation generates local taxation and direct and indirect employment. Since 1994, VALOREM has supported local authorities and local residents in the development of their local resources.

100%
of our facilities in operation are the subject of an annual communication presenting the facility's activity report

CONTRIBUTING TO THE ECONOMIC VITALITY OF THE REGIONS

VALOREM firmly believes that local authorities should be closely involved in the development of their renewable resources. It therefore designs and builds projects in collaboration with elected officials, local residents and government services, right from the preliminary phases.

Throughout the development of the project, VALOREM leads a steering committee that brings together representatives of all the stakeholders. VALOREM keeps regional stakeholders informed at all the key stages and publishes an annual report on the operation of the facility.

VALOREM attests to this commitment through its adherence to the AMORCE (Association des territoires engagés dans la transition écologique), FEE and ENERPLAN (wind and solar power professional associations) charters.

CO_2
423 000 Tons
of CO_2 saved thanks to our renewable energy facilities.


Saint-Philbert-de-Bouaine (85)

Decentralised development

VALOREM has 7 development branches in France, 1 in Finland and 1 in Greece, as well as local maintenance bases in France. The Group favours local relationships to support local authorities in the development of projects, then ensure their operation and thus generate local employment.

31%
of our employees are located outside the VALOREM head office

PROMOTING INITIATIVES IN THE REGIONS WHERE THE FACILITIES ARE LOCATED

Non-profits and community associations promote cohesion and social links and play a full part in maintaining the vitality of rural areas. VALOREM is keen to amplify the positive impacts of its renewable energy facilities, and supports community associations located in the vicinity of its facilities to help maintain the dynamism of the regions.

VALOREM supports local environmental, cultural and sports associations as well as heritage preservation programmes.

In addition, each year, the VALOREM branches organise visits to renewable energy facilities for schools and the general public.

Finally, the VALOREM Foundation finances actions against fuel poverty in the vicinity of VALOREM facilities (at a regional or national level), within the framework of its programme “Renewable Energies against fuel poverty”.

5
associations supported by the VALOREM Foundation under the “RE Against Fuel Poverty” programme

€116,000
budget allocated in 2021 to non-profits

La Limouzinière (44)

FACILITATING LOCAL INVESTMENT

VALOREM is a pioneer in crowdfunding, and has been implementing various forms of crowdfunding in its projects since 2012, in line with its values and commitments to local communities and residents. In 2021, VALOREM launched its own crowdfunding platform in collaboration with Lendosphere: *Mon Parc VALOREM* (My VALOREM Asset).

Through their contribution, each lender participates in the production of green energy and becomes a player in the energy transition. Local residents and communities benefit directly from the wealth generated in their region.

MON PARC VALOREM
par Lendosphere.com

INCREASING CROWDFUNDING

In parallel with local taxation, VALOREM has created financial models that allow project capital to be opened up to regional stakeholders (local authorities, SEMs, agricultural cooperatives, etc.).

Since the 2015 law on energy transition was passed, local authorities have been able to become shareholders in companies developing a renewable energy production facility. VALOREM has drawn on its experience and offers local authorities a shareholding in its projects.

It systematically offers a minimum of 10% of the capital of its facilities to local authorities from the start of the project, at preferential terms.

VALOREM also responds favourably to offers of shared governance made by all players in the area: not only local authorities, but also SEMs, agricultural cooperatives and citizens' associations.

PRESERVING BIODIVERSITY

VALOREM pays particular attention to biodiversity by avoiding natural habitats as much as possible and by contributing to the restoration of environments degraded by human beings.

In addition to the environmental management system during the construction and operation phase, environmental issues are at the heart of our renewable energy projects right from the very start. An environmental report is produced as soon as sites are prospected, to approve (or not) the continuation of the project.

Moreover, VALOREM is committed to rolling out biodiversity restoration and/or compensation measures in the regions where projects are located, working with local associations or specialised institutions. By 2024, 100% of our new projects under development will benefit from additional support measures (outside the regulatory framework).

3.3 million
in equity fundraising

In 2021, VALOREM's business generated more than €4.3 million in tax revenues for local authorities

100% of our photovoltaic projects on natural, agricultural or forestry land are developed with the following characteristics:

- **A land use rate of a maximum of 35% = 35% of the total surface area of the plot or 50% of the productive surface area of the plot;**
- **Conservation of the initial modelling of the land;**
- **A more environmentally friendly project according to the EMS (environmental management system) methodology;**
- **Systematic environmental monitoring during the operation of the plant.**

Agrivoltaic projects combining agriculture and renewable energies

The amount of land used for agriculture is constantly decreasing. The available agricultural area per capita has halved since 1930 due to urbanisation and population growth

Each year, 80,000 hectares lose their agricultural vocation because of urban development and agricultural decline.

With this in mind, and with a view to developing and making the best use of all the natural resources of the region, VALOREM sees agrivoltaics as an opportunity to support the agricultural sector by designing projects that give it priority. This joint use of the land paves the way for a viable and sustainable agriculture, coupled with the production of green electricity to meet the climate challenges. It makes it possible to:

- Maintain agricultural activity by supporting the establishment of young farmers;
- Support agricultural regeneration;
- Positively influence the agronomic quality of soils;
- Assist with the conversion to organic farming and/or diversification of the activity.

Agrivoltaics can be compatible with livestock farming, inter-row crops such as field crops, market gardening, bee-keeping, and finally, crops under dynamic panels: grape vines or fruit trees.

Lassicourt (10)

FOCUS 3

ACTING FOR AN INCLUSIVE **ENERGY TRANSITION**

VALOREM, a committed green energy operator, has always adopted a single-minded and sincere positioning in the face of the major energy challenges. The energy transition represents an historic and unique opportunity to transform the centralised energy relationship by involving citizens in order to build a more environmentally friendly and fairer society. The group has regularly innovated on social and societal issues, via Watt for Change, its foundation and endowment fund, or through its work for employment integration. Driven by these concrete actions, VALOREM aims to participate fully in the various national debates on energy and promote its vision of an inclusive and humanist energy transition.

MAINTAINING OUR INDEPENDENCE

Independence is essential for VALOREM: the control of its strategy, its finances and its decisions and the maintenance of its competitiveness have been part of the company's vision since its creation.

VALOREM is an independent company, the majority of which is owned by its long-standing shareholders. A minority stake is held by investment funds (3i Infrastructure, BPI, GSO, CAAE, IRDI).

INCREASING THE INVOLVEMENT OF EMPLOYEES IN GOVERNANCE

VALOREM's Supervisory Board is elected by the shareholders and chaired by Pierre GIRARD (former Chief Executive Officer and Group shareholder). It meets to define strategic directions and monitor the proper functioning of the company. Since January 2010, two employee representatives have sat on the Supervisory Board. They are responsible for representing employees' voices and may question the company's strategy.

Lafitte (82)

ROLLING OUT AN ETHICAL RISK MANAGEMENT POLICY

It is essential that ethics be at the heart of the business, from one end of the operational chain to the other.

In 2021, VALOREM organised a series of risk management training courses for its employees:

- Anti-corruption training;
- Training on the employee's code of conduct;
- Training on the assessment of third parties and the risks of conflicts of interest.

In 2021, VALOREM signed an anti-corruption charter.

In 2022, the company plans to map all ethical risks and appoint a coordinator. Ethical issues will be discussed in the mission committee with an agenda item at each session.

BE TRANSPARENT ABOUT OUR LOBBYING ACTIVITIES

VALOREM considers that it has a responsibility to support the sector through economic development with a local approach. The company promotes a view of the sector that is regional, collective, industrial and environmental.

Lobbying is guided by the transmission of information to public decision-makers to help them understand the technical issues related to renewable energies. VALOREM takes action in seven areas (HTPTV directory): renewable energies, taxes, industrial policy, impact of industrial activity on the environment, social dialogue, budget, defence.

In 2021, VALOREM participated in the public debates on the Horizeo solar power project (Q4-2021) and on the Oléron offshore wind farm at the end of the year.

Haute Autorité pour la transparence de la vie publique

2
participation in debates led by the National Public Debate Committee

VALOREM participates in
13 trade unions

Lobbying
2 employees
full-time.
Annual budget of €400k

COMMITTED TO INTEGRATION THROUGH ECONOMIC ACTIVITY IN THE REGIONS

Inclusion clauses

In 2016, the VALOREM Group voluntarily initiated the first inclusion clauses on solar power projects in France with the Bègles A.DE L.L.E. and the department of la Gironde.

Since then, this clause, which is a condition for the execution of our works contracts, has been extended to all our solar power sites in France, in partnership with the facilitators of the Alliance Villes-Emploi network in each region. A minimum of 7% of a site's working hours are reserved for the long-term unemployed: long-term job seekers, young people under 26 years of age, recipients of the Active Solidarity Income and minimum social benefits, and people recognised as Disabled Workers.

Since 2020, the VALOREM Group has been a signatory of the “La France, Un chance” (France, One Chance) charter. It is recognised for its commitment as a leading company for inclusion in Occitania by the Prefect of Haute Garonne.

Today, the Group is looking into the feasibility of expanding inclusion clauses to other renewable energies, particularly for its wind and hydroelectric power projects.

VALOREM is also expanding the use of inclusion clauses in business lines other than in the construction phase by using specialised third parties.

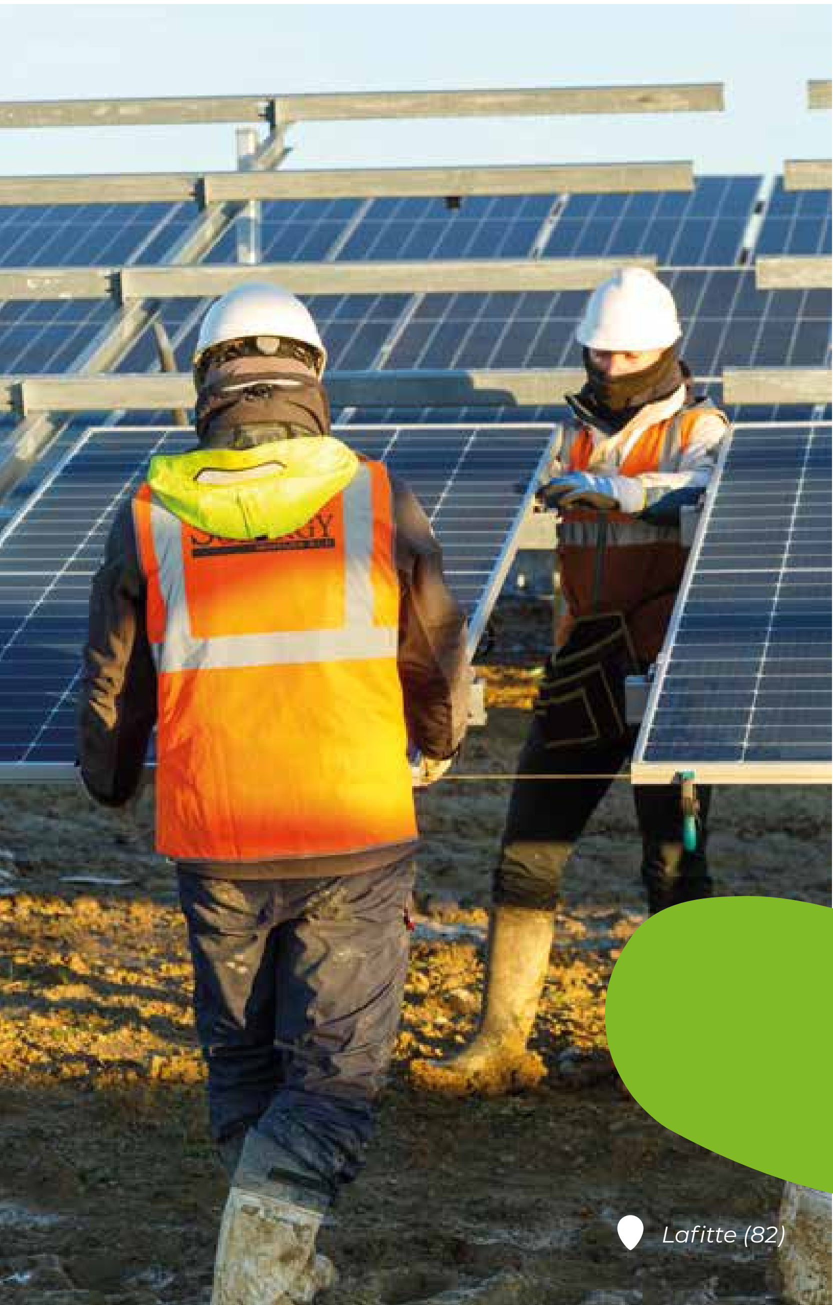
13
solar power sites
with inclusion clauses

38
people
employed in 2021

13,357
hours
worked under inclusion clauses

12%
of total working hours
reserved for the long-term unemployed (7% minimum)

63
employment contracts
signed



Lafitte (82)

ACTING TO COMBAT ENERGY POVERTY

Via Watt For Change, VALOREM is working to combat fuel poverty in France and around the world while protecting the environment through actions to promote energy efficiency and access to renewable energies.

"WATT FOR CHANGE: CHANGING LIVES WITH GREEN ENERGIES"

Number of beneficiaries since creation

FRANCE
2,388

33
employee volunteers

60
non-profits supported since the start

Timboyé (Burkina Faso)

Touba Fall (Sénégal)

In 2016, VALOREM established an endowment fund to carry out and finance solidarity actions related to energy. Following the completion of several projects in France and around the world, VALOREM set up a new system in 2020, creating its foundation under the aegis of the Fondation pour la Nature et l'Homme (FNH). The FNH is fully committed to Watt For Change as a stakeholder as well as a partner, to pave the way towards a world that is as ecological and socially responsible as possible.

United under the Watt for Change banner, these two philanthropic initiatives contribute to the Group's commitment by supporting associations and developing new, innovative and sustainable projects to reduce energy poverty throughout the world.

The Group's employees support Watt For Change by volunteering their skills. They participate in the selection and technical evaluation of projects, provide technical advice, or become involved in sponsoring projects on a more long-term basis.

WATT FOR CHANGE
FONDATION VALOREM
SOUS L'ÉGIDE DE LA FONDATION POUR LA NATURE ET L'HOMME

WATT FOR CHANGE
FONDS DE DOTATION VALOREM

FONDATION SOUS L'ÉGIDE DE

FONDATION POUR LA NATURE ET L'HOMME

GLOBAL
25,000

€800k
Annual budget
Watt For Change

04

CONSOLIDATED FINANCIAL STATEMENTS

Billom (63)

ANALYSIS OF THE RESULTS
OF THE LAST 4 FINANCIAL YEARS (IFRS)

M€	2018	2019	2020	2021
Financial situation at the end of the year				
Intangible assets	490	588	717	750
Cash	52	29	114	119
Total Assets	**653**	**736**	**938**	**990**
Share capital	85	70	53	101
Number of shares	17,186	17,227	17,302	1,908,006
Financial liabilities	365	469	675	685
Total Liabilities	**653**	**736**	**938**	**990**
Overall income of actual operations				
Revenue	61	89	89	102
EBITDA	**40**	**46**	**49**	**55**
Operating income	**27**	**21**	**21**	**12**
Taxes	(5)	(7)	(7)	5
Net income	**13**	**1**	**(4)**	**3**
Payroll				
Average of number of employees	203	237	271	314
Total employees costs	15	17	20	25

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

Contents

Consolidated statement of financial position

(in thousands of euros)

ASSETS	Notes	2021-12 Net value	2020-12 Net value
Intangible assets	4	4,266	3,987
Goodwill	4	-	6,212
Tangible assets	5	750,397	717,164
Equity method securities	6	3,038	3,662
Non-current financial assets	7	29,366	13,171
Other non-currents assets	9	1 ,304	-
Deferred taxes	23	16,772	14,233
Total non-current		**805,143**	**758,429**
Inventories and current fixed assets	8	4,080	3,399
Trade receivables and related accouts	9	33,692	21,320
Other current assets	9	28,632	40,922
Cash and cash equivalents	10	118,903	114,415
Total current assets		**185,307**	**180,056**
Total Assets		**990,450**	**938,484**

LIABILITIES

	Notes	2021-12	2020-12
Share capital		9,540	8,443
Paid-in Capital in excess of par		26,323	116
Consolidated reserves & result		55,013	45,399
Result of the year - Group share		2,703	(4,736)
Shareholders' Equity attributable to the Group	11	**93,579**	**49,222**
Non-controlling interest	12	7,228	4,257
Shareholders's Equity	11	**100,808**	**53,479**
Other equity		-	-
Total other Equity	14	**-**	**-**
Non-current provisions	13	13,799	13,273
Non-current bonded debt	14	51,467	52,478
Debt on non-current right to use	14	34,660	30,515
Other non-current financing	14	620,105	613,533
Non-current financial liabilities	28	6,163	20,323
Other non-current liabilities	15	7,612	9,676
Deferred taxes	23	22,741	20,225
Total non-current liabilities		**756,546**	**760,023**
Current provisions	13		
Current bonded debt	14	610	610
Debt on current right to use	14	3,408	2 ,367
Current financing	14	64,935	60,758
Trade payables and related accounts	15	20,029	19,175
Current tax liabilities	15	22,444	30,523
Other current libilities	15	21,670	11,549
Total current liabilities		**133,096**	**124,983**
Total liabilities		**990,450**	**938,484**

Consolidated statement of comprehensive income
(in thousands of euros)

	Notes	2021-12	2020-12
Revenue	18	**101,856**	**89,214**
Goods purchase and inventory change		(33,718)	(50,705)
Personnel expenses	19	(24,757)	(20,243)
External expenses		(23,912)	(19,829)
Duties and taxes		(4,615)	(4,271)
Depreciation and amortization expenses and reversal	20	(41,784)	(33,200)
Provision expenses and write-off	20	(209)	(1,696)
Change in inventories of in-process and finished goods		616	1,192
Other operating income		39,981	58,625
Other operating expenses		(108)	(904)
Current operating income		**13,349**	**18,183**
Other non-current operating income	21	167	6,518
Other non-current operating expenses	21	(1,662)	(783)
Operating income		**11,854**	**23,918**
Share in income from equity-accounted company	6	32	(2,922)
Operating income after share of equity-accounted companies net income [in line with the Group' operations]		**11,887**	**20,996**
Income from cash and cash equivalents		152	2
Gross cost of financial indebtedness		(10,431)	(10,194)
Other financial income		6,726	12,657
Other financial expenses		(10,430)	(20,880)
Financial Income	22	**(13,983)**	**(18,414)**
Taxes over the result	23	5,103	(6,889)
Net income from continuing operations		**3,007**	**(4,307)**
Share to non-controlling interests in subsidiaries and affiliate	12	304	429
Net income Group share		**2,703**	**(4,736)**

Consolidated statement of profit and loss and other comprehensive income

(in thousands of euros)

	Notes	2021-12	2020-12
Net income		**3,007**	**(4,307)**
Items that are or may be reclassified subsequently to Profit and Loss			
Revaluation of derivatives qualified as cash flow hedge	27	23,839	(13,327)
Share of other items from the comprehensive result of equity-consolidated companies		82	(154)
Tax on the revaluation of derivatives qualified as cash flow hedge		(6,014)	3,863
Items that will not be reclassified subsequently to Profit and Loss			
Revaluation of liabilities linked to defined-benefit plans (actuarial gains and losses)	13	80	(336)
Tax on the revaluation of liabilities linked to defined-benfit plans (actuarial gains and losses)		(21)	94
Total of the other components of comprehensive income		**17,967**	**(9,861)**
Net income and other components of comprehensive income		**20,951**	**(14,168)**
Of wich Group share		19,872	(14,396)
Of wich non-controlling interests		1,078	228

Consolidated statement of cash flow

(in thousands of euros)

	2021-12	2020-12
CASH AND CASH EQUIVALENTS AT OPENING	**114,415**	**29,017**
Net income (Including non-controlling interests)	**3,007**	**(4,307)**
Elimination of income and expenses with no impact on cash flow or not related to operating activities		
Depreciation, amortization and provisions, net	38,820	36,082
Unrealized gains and losses related to changes in fair value	1,605	(17,083)
Gains and losses on sales	1,393	(1,638)
Share of income from equity-accounted companies	(32)	2,922
Dividends received (non-consolidated investments and investments in associates)	188	-
Cash flow operations after net cost of financial inebtedness and taxes	**44,980**	**15,976**
Net cost of financial indebtedness	10,431	10,194
Tax expense (including deferred taxes)	(5,427)	5,748
Cash flow from operations before net cost of financial indebtedness and taxes	**49,984**	**31,918**
Taxes paid	(6,773)	(1,293)
Change in working capital requirments related to operations	10,604	(8,924)
Net cash flow from operating activities	**53,815**	**21,701**
Acquistion of intangible assets	(645)	(749)
Sale of intangible fixed assets	2	0
Acquisition of tangible fixed assets	(59,467)	(97,153)
Sale of tangible fixed assets	-	-
Acquisition of financial assets	(10,260)	(3,018)
Sale of financial assets	2,702	17,098
Debt on the acquistion of fixed assets	(2,418)	1,013
Purchase of subsidiary, net of cash acquired	-	(368)
Sale of a subsidiary, net of cash transferred	-	(8)
Other flows linked to investing activities	(263)	-
Net cash flow used in investing activities	**(70,348)**	**(83,185)**
Dividends paid by the parent company	(3,000)	-
Increases / Decreases of capital	28,559	-
Loan issuance	70,184	443,612
Loans repaid	(64,259)	(286,622)
Interests paid	(10,431)	(10,194)
Other flows linked to financing activities	(68)	86
Net cash flow from financial activities	**20,984**	**146,882**
Change in cash and cash equivalents	**4,451**	**85,398**
Cash and cash equivalents at closing (A)+(B)+(C)+(D)	**118,866**	**114,415**
Control of changes in cash and cash equivalents	**4,451**	**85,398**

Loan issuances include € 18.3 million of “tranche B”.
Loan repayments include € 21.8 million of “tranche B.

Consolidated statement of change in equity
(in thousands of euros)

	Share capital	Paid-in capital in excess of par	Reserves and Net profit for the year	Cash flow hedge reserve	Revaluation of liabilities linekd to defined-benefit plans (actuarial gains and losses)	**Shareholders' Equity attributable to the group**	Equity attributable to non-controlling interests	**Total Shareholders' Equity**
Situation at the beginning of the 2020 financial year	**8,407**	**116**	**72,405**	**(16,196)**	**(128)**	**64,603**	**5,434**	**70,038**
Net income for the year			(4,736)			(4,736)	429	(4,307)
Other comprehensive income				(9,418)	(242)	(9,660)	(201)	(9,861)
Net income and other comprehensive income	**-**	**-**	**(4,736)**	**(9,418)**	**(242)**	**(14,396)**	**228**	**(14,168)**
Capital increases	37		(37)			-		-
Dividend paid			(999)			(999)	(1,515)	(2,514)
Subsidiaries disposals			3			3		3
Variation limitation ID sur JV			(96)			(96)	110	14
Other movements			108			108		108
Total of the transactions with the company's owners	**37**	**-**	**(1,021)**	**-**	**-**	**(984)**	**(1,405)**	**(2,389)**
Situation at the begining of the 2021 financial year	**8,443**	**116**	**66,648**	**(25,615)**	**(369)**	**49,223**	**4,257**	**53,479**
Net income for the year			2,703			2,703	304	3,007
Other comprehensive income			24	17,145	-	17,169	774	17,943
Net income and other comprehensive income	**-**	**-**	**2,726**	**17,145**	**-**	**19,872**	**1,078**	**20,950**
Capital increases	1,097	26,207				27,304		27,304
Dividends paid			(3,000)			(3,000)		(3,000)
Change in limitation of deferred tax on fair value			(149)			(149)	61	(89)
Other movements			326			326	1 832	2,159
Total of the trasactions with company's owners	**1,097**	**26,207**	**(2,822)**	**-**	**-**	**24,482**	**1,893**	**26,375**
Situation at the end of the financial year 2021	**9,540**	**26,323**	**66,552**	**(8,469)**	**(369)**	**93,579**	**7,228**	**100,807**

The other movements mainly correspond to the adjustments of the fair value of FHA and to the unsubscribed capital increase, which has led to a reduction of the percentage of interests without loss of control for the companies La Fibat, Maillol, Montbartier and Saint Marcel.

NOTE 1
ACCOUNTING PRINCIPLES AND CONSOLIDATION RULES

VALOREM S.A.S. (the "Company") is based in France. The company's head office is in Bègles (Aquitaine).

The VALOREM group is a vertically integrated green energy operator, offering multiple expertise in the field of renewable energies and providing assistance and support to local and regional authorities and their partners throughout every stage of a project: design, development, financing, construction, operational monitoring and maintenance.

The financial statements of the VALOREM group for the period ending December 31, 2021 consolidate the Company and its subsidiaries (jointly referred to as the Group) and Group investment in partner firms and joint ventures.

1.1 – Accounting framework

1.1.1 – Basis of preparation of the consolidated financial statements

The Group's consolidated financial statements on December 31, 2021 are presented in accordance with IFRS (International Financial Reporting Standards) as published by the International Accounting Standards Board (IASB) and adopted by the European Union, and particularly in application of IFRS 1 "First-time adoption of International Financial Reporting Standards".

1.1.2 – New standards, amendments, and interpretations in force within the European Union applicable to financial years beginning on or after January 1, 2021

The amendment to IFRS9, IAS 39 and IFRS 7 and IFRS 16 relating the financial instruments and particularly to the phase 2 of the interest rate reform, published by the IASB and adopted by the European Union, is retrospectively applicable from January 1, 2021.

The IFRS IC decision on the methods for calculating the defined benefit plan obligations (IAS 19) approved by the IASB in May 2021, applicable from January 1, 2021.

These amendments and this decision have no significant impact on the financial statements as of December 31, 2021.

1.1.3 – New standards, amendments and interpretations not yet applied

The new standards, interpretations and amendments to existing one applicable to accounting periods beginning on or after January 1, 2022, or 2023 adopted by the European Union have not been applied early by the Group as of December 31, 2021.

The Group is currently analysing the application of the above-mentioned texts, and no significant impact is anticipated at this stage.

Standards, amendments, and interpretations		Date of application
Amendment to IAS 16	Revenue generated before its intended use	January 1, 2022
Amendment to IFRS 3	Update of the reference to the conceptual framework	January 1, 2022
Amendment to IAS 37	Costs to be considered in determining whether the contract is onerous	January 1, 2022
IFRS 17 and amendments	Insurance contracts	January 1, 2023
Annual improvements (2018-2020 cycle)	Annual process for improving standards	January 1, 2022

The amendments to existing standards applicable to accounting periods beginning on or after January 1, 2023, that have not been adopted by the European Union have not been applied early by the Group as of December 31, 2021.

The application of the above amendments is currently being analysed by the Group and no significant impact is anticipated at this stage.

Standards, amendments, and interpretations		Date of application
Amendment to IAS 1	Classification of liabilities as current or non-current.	January 1, 2023
Amendment to IAS 1	Disclosure of Significant Accounting Policies	January 1, 2023
Amendment to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendment to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendment to IAS 17	First-time adoption of IFRS 17 and IFRS 9 - Comparative information	January 1, 2023

1.1.4 – Accounts comparability

→ *Force Hydraulique Antillaise:*

At the end of 2020, the VALOREM Group took control of the Force Hydraulique Antillaise (FHA) sub-group after acquiring an additional stake, bringing its holding to 85%. The consolidation of the FHA sub-group at the date of the takeover had led to the recognition of part of the acquisition price within the Goodwill item for 6.2 M€.

After further analysis in 2021 of the main characteristics of this takeover, Group Management concluded that the substance of the FHA acquisition was an asset purchase, and that there was no acquisition of a business within the meaning of IFRS 3 (IFRS 3, B7).

This has led to the presentation of the full purchase price within property, plant and equipment as of December 31, 2021.

→ *Project development cost:*

In 2021, the Group reviewed the methods of capitalising development costs for projects recognised as fixed assets in progress or as inventories and work-in-progress. Since this year, in view of the strengthened internal procedures for securing projects carried out by the Group, projects in the P2 phase are either stored or capitalised. Project development costs are now capitalised if the following conditions are met:

- Land under control.
- Favorable deposit.
- Electrical connection feasible.
- Acceptable environmental constraints.
- Technical and regulatory constraints not prohibitive.

The effect of this change in estimate has been treated according to the prospective method (IAS 8.36 ff). The positive pre-tax impact of 2.9 million Euros (compared to the application of this method until 2020) has been recognised in the 'Profit from recurring operations' component of the statement of comprehensive income.

→ *Key facts*

In December 2021, VALOREM has made a capital raise, impacting Share Capital of 1 million Euros and Paid-in Capital in excess of par of 26 million Euros.

1.2 – Consolidation procedure

1.2.1 – Consolidation methods

→ *Subsidiaries*

A subsidiary is an entity controlled by the Group, as defined in IFRS 10 "Consolidated Financial Statements". The Group controls a subsidiary when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group gains control until the date when it ceases to control the subsidiary.

Changes to the Group's equity interest in a subsidiary, but with control maintained, are recognised as transactions affecting equity.

→ *Interest in entities consolidated using the equity method*

Group interests in entities consolidated using the equity method include interests in associates and joint ventures.

Associates are those over which the Group has significant influence to participate in financial and operational policy decisions with either control or joint control of these policies. Joint ventures are joint arrangements in which the Group holds joint control and has rights to the net assets of the arrangement but no asset rights or obligations to assume under liabilities.

Group interests in associated entities and joint ventures are recognised using the equity method.

If the investor's share in the losses of an associate or joint venture is equal to or more than its interest in the investee, the investor's interest is reduced to zero or less. No liability will be recognised for additional losses unless the Group has contractually incurred a legal or constructive obligation or made payments on behalf of the associate or joint venture.

→ *Transactions eliminated in the consolidation financial statements*

All intragroup transactions and positions are eliminated as part of consolidation. All earnings from transactions with entities accounted for by the equity method are eliminated under investments in associates, in proportion to the Group's interest in the business. Losses are eliminated in the same way as earnings, as long as the losses do not indicate impairment. The list of subsidiaries, joint ventures and partners can be found in Note 2.

1.2.2 – Currency translation

The consolidated financial statements are presented in euros, the company's functional currency. The Group's consolidated financial statements and the notes to the financial statements are expressed in thousands of euros, unless indicated otherwise. On 31 December 2020 and 31 December 2021, all the consolidated companies were within the euro area.

Receivables and payables in foreign currencies are converted into euros using the official exchange rate at the closing date. Any unrealised exchange gains or losses will be recognised on the consolidated statement of profit and loss under "Other financial income or expense". Transactions in foreign currencies are initially recognised in euros using the exchange rate on the date of the transaction.

1.2.3 – Basis for measurement

Consolidated financial statements are prepared on the basis of historical cost, except derivatives, which are recognised at fair value.

1.3 – Estimates, judgments, and accounting policies

To prepare the consolidated financial statements in accordance with IFRS, Management must make estimates and apply assumptions that it deems reasonable and realistic.

Even if these estimates and assumptions are regularly revised by Group Management, particularly based on past figures and forecasts, some specific events and circumstances can lead to changes or variations in these estimates and assumptions, which could affect the future carrying amount of Group assets, liabilities, equity and profit or loss.

The following are the main headings on the financial statements which depend on estimates:

- Estimated recoverable value of tangible and intangible assets
- Capitalisation of development costs
- Estimated lease terms when determining the right-of-use asset
- Estimated depreciation periods for production assets
- Capitalisation of deferred tax assets
- Estimated provisions

The judgements made when applying accounting methods with the most material impact on amounts recognised in the consolidated financial statements relate to:

- Determining the level of control or influence held by subsidiaries, joint ventures or associates and the classification (or not) of subsidiaries as a "business" to determine whether or not acquiring them constitutes a business combination
- The identification of agreements that include a lease component
- Revenue recognition.

1.3.1 – Goodwill

In accordance with IFRS 3, business combinations are recognised using the acquisition method.

According to this method, the assets acquired, and liabilities assumed are measured at fair value (excluding exceptions). Goodwill corresponds to the difference between the consideration transferred for the business combination and the amount of the identifiable assets and liabilities acquired after deducting the transferred liabilities. Goodwill is provisionally determined at acquisition and revised within a period of twelve months from the acquisition date. Goodwill is not amortised but rather impairment tests are performed. Acquisition costs are expensed when incurred. Any contingent considerations are measured at fair value and included in the transferred consideration.

For each business combination, the Group can measure non-controlling interests at either fair value or at their proportionate share in the identifiable net assets of the acquiree at their acquisition-date fair value (excluding exceptions). The Group decides which option to apply to recognise non-controlling interests on a case-by-case basis.

On the date of effective control, any prior interest held by the Group is remeasured at fair value through profit or loss.

However, it should be noted that if securities are purchased in a project company (i.e., a special purpose vehicle), considering that (i) the acquisition in substance concerns a purchase of assets, and that (ii) the company acquired has no employees or processes, it is concluded that no business has been acquired as defined in IFRS 3 (IFRS 3, B7). On this basis, the transaction must be considered as the acquisition of a series of individual assets and liabilities, and not as the acquisition of a business combination under IFRS.

1.3.2 – Tangible and intangible assets

→ *Tangible assets*

Tangible assets are recognised at acquisition cost or cost price, less any aggregate impairment or depreciation. The cost price of non-current assets produced intragroup includes direct and indirect, external, and internal development costs, which are capitalised if the corresponding projects are likely to be successful. These costs exclude the cost of prospecting and sales and marketing expenses.

The Group considers that the criteria for capitalising these costs are satisfied when the administrative authorisations are obtained for a project, particularly: land management, building permit, impact study for environmentally classified sites, connection to the national power grid (ERDF), and a megawatt sales agreement.

If the conditions for recognising a non-current asset produced intragroup are not satisfied, development costs are recognised as expenses for the period in which they are incurred.

Costs relating to such projects will cease to be capitalised and depreciation will be recognised when the wind turbine or solar farms are ready for commissioning.

The costs of loans and borrowings specifically to produce non-current assets are included in production costs for wind turbine and solar farms, since they are assets with a lengthy production period.

Depreciation of tangible assets is recognised as an expense and on a straight-line basis over the following estimated useful lives:

Composants des parcs éoliens (foundations, wind turbines, grid connection, environmental modifications)	**20 years**
Solar farm components (foundations, solar panel equipment, grid connection, environmental modifications)	**25 years**
Hydraulic farm components (foundations, equipment, grid connection, environmental modifications)	**25 years**
Facilities and fixtures	**3 to 10 years**
Industrial equipment and tooling	**3 to 10 years**
Office and IT equipment	**2 to 10 years**
Operating transport equipment	**3 to 5 years**
Furniture	**3 to 10 years**

The Group recognises a provision for the cost of decommissioning and renovating the site for each operational wind turbine farm (refer to Notes 1 and 1.3.8).

→ *Intangible assets*

Intangible assets are recognised at cost less aggregate amortisation and aggregate impairment.

This heading mainly comprises patents, software, and electricity contracts, recognised in connection with the acquisition of project companies. Intangible assets have a definite useful life. They are amortised on a straight-line basis over the following estimated useful lives:

Software	**1 to 5 years**
Patent	**1 to 5 years**
Electricity agreements	**20 years**

1.3.3 – Impairment of assets

In accordance with IAS 36 "Impairment of Assets", the Group regularly assesses whether there is any indication of impairment of intangible and tangible assets with a definite useful life. If any such indicators are found, the Group tests for impairment to determine if the carrying amount of the asset is more than its recoverable amount, defined as the higher of fair value less costs of disposal and value in use. Goodwill and non-amortised intangible assets are tested for impairment annually.

Assets that do not generate cash inflows that are largely independent of the cash inflows from other assets are combined into cash-generating units (CGUs). The Group has designated individual projects as CGUs.

On this basis, impairment of tangible assets under construction in SPVs is measured for each individual project, depending on the risks affecting each one.

Only projects with sufficient profitability from the outset are constructed and run as part of VALOREM group operations. As the resources generated by the project are foreseeable (barring a production incident), the risk of not generating the expected level of cash flow is low. The Group revises its current project portfolio on the basis of historical experience and tests for any impairment of projects that present uncertainty.

Recoverable value is generally measured based on value in use, i.e., the discounted cash flow generated by the CGU.

The information used to perform the tests using the discounted cash flow method is taken from project business plans and cover the term of electricity agreements. The underlying assumptions are updated on the test date.

1.3.4 – Inventories and work in progress

Inventories and work in progress are measured at the lower of cost and net realisable value.

Inventories mainly comprise work in progress for the external component of projects under development, with the internal component recognised under non-current assets. Assets under production are measured according to the following principles: consideration of working hours for production, and direct and indirect production expenses.

This work relates to all projects under development, from applying for permits to obtaining bank financing.

1.3.5 – Non-derivative financial assets

Financial assets comprise trade receivables, guarantees, current accounts, loans, unconsolidated securities and cash and cash equivalents.

Financial assets are initially recognised at fair value plus any directly attributable transaction costs. They are subsequently measured at fair value or amortised cost depending on the associated asset class.

Financial assets are classified based on two cumulative criteria:

- The Group's business model for the management of financial assets.
- And the characteristics of contractual cashflow for the financial asset, depending on whether the asset corresponds to principal repayments and the payment of interest only, or not.

After being thus classified, financial assets are measured as follows:

- Trade receivables, guarantees and current accounts are recognised at amortised cost.
- UCITS-type cash equivalents (French OPCVM/SICAV) are measured at fair value through net profit or loss.
- Unconsolidated securities are measured at fair value through net profit or loss.

Trade receivables and contract assets (invoices to be established) are impaired based on expected losses over the life of the receivables as per IFRS 9.

1.3.6 – Non-derivative financial liabilities

Financial liabilities comprise financial debt and trade payables.

Borrowings are initially recognised at original fair value less any directly attributable transaction costs. Borrowings are measured at amortised cost at each year-end, using the effective interest rate method.

The Group has also issued convertible bonds corresponding to either compound instruments (with a debt component and an equity component) or to hybrid instruments (with a debt component and an embedded derivative component). However, the equity components and derivatives embedded in these instruments are not material.

The Group has granted put options to third parties with non-controlling interests in some consolidated businesses, to sell all or part of their interests in these businesses. A financial liability has consequently been recognised for an amount corresponding to the current value of the strike price for the option, with a corresponding entry in equity on the transition date.

1.3.7 – Derivative financial instruments

The Group takes out variable rate loans as part of its financing operations. In accordance with its hedging policy for financial risks, the Group systematically uses derivatives (interest rate swaps) to cover interest rate risks for variable rate loans.

Derivatives with a positive fair value are recognised under assets and those with a negative fair value are recognised under liabilities.

If the derivatives are not considered cash-flow hedges for accounting purposes, changes in the fair value of these instruments are recorded under profit or loss. Otherwise, the effective portion of the hedge is recognised under other comprehensive income, and the ineffective portion is recognised under financial income or expense.

1.3.8 – Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) to a third party because of a past event; the obligation can be reliably estimated; and it is probable that an outflow of Group resources will be required to settle the obligation.

In application of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are measured as the best estimate of the expenditure required to settle the obligation. If the effect of the time value of money is material, the amount of the provision is discounted. If a sufficiently reliable estimate of the amount or timing of the obligation cannot be made, the obligation is a contingent liability and constitutes an off-balance sheet commitment.

→ *Provisions for decommissioning*

If a power station must be decommissioned due to a legal or contractual obligation, a provision for decommissioning is recognised as a cross-entry to the related asset, for which the cost is regularly estimated based on quotes by external service providers. If the estimate changes materially, increasing the provision, the net value of the related asset is also increased. If the change leads to a decrease in the provision, the asset is impaired.

1.3.9 – Retirement commitments

When Group employees retire, they are entitled to retirement benefits according to the rules defined in the applicable collective bargaining agreement or under ordinary law.

These commitments are considered defined benefit plans and are provisioned under balance sheet liabilities.

The amount of the commitment is calculated using an actuarial method that considers employee turnover, life expectancy, the rate of salary increases and a discount rate. The calculation is based on the projected unit credit method using the end-of-career salary.

Service cost is recognised under personnel expenses. It includes current service cost (i.e., resulting from the current period); past service cost (i.e., the change in the present value of the obligation resulting from plan amendment or curtailment), fully recognised under profit or loss for the period in which the cost was incurred; and any gain or loss on settlement.

Interest expense is recognised under other financial income and expense, comprising the accretion of commitments.

Remeasurements of the net defined benefit liability (actuarial gains and losses) are recognised as non-recyclable items of other comprehensive income.

1.3.10 – Duties and taxes

→ *Income tax*

Income tax includes current tax expense (income) and deferred tax expense (income), calculated in accordance with the applicable tax rules of the countries where the earnings are taxable. Current and deferred taxes are generally recognised under profit or loss unless related to a business combination or items recognised under other comprehensive income or directly under equity, to reflect the underlying transaction.

Current tax expense (income) is the estimated amount of the tax owed on taxable income for the period, determined based on the tax rates adopted or nearly adopted at year-end. Deferred tax corresponds to temporary differences between the carrying amounts of assets and liabilities and their tax base. However, no deferred tax is recognised for temporary differences generated by:

- The initial recognition of an asset or liability for a transaction other than a business combination, with no effect on accounting profit or taxable profit (or taxable loss) at the transaction date.
- Interests in subsidiaries, joint ventures, and associates, if the Group controls the date on which the temporary differences will reverse and if these differences are unlikely to reverse within the foreseeable future.

Deferred tax assets and liabilities are measured at the expected taxation rate for the period during which the asset will be realised, or the liability settled, and which have been adopted or nearly adopted at year-end. Deferred taxes are revised at each year-end, particularly to integrate changes to tax law and the prospects of recovering any tax-deductible temporary differences. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses and tax credits if it is probable that the Group will recognise future taxable profits from which the former can be deducted. Future taxable profits are measured with respect to the reversal of the taxable temporary differences. If the amount of the temporary differences is insufficient to recognise the entire deferred tax asset, future taxable profits, adjusted for the reversal of temporary differences, are measured based on the business plan for each Group subsidiary.

The Group opted to recognise the CFE (corporate property tax) under operating income and expense, under the "Duties and taxes" heading, and considered that the CVAE tax basis falls within the scope of IAS 12 "Income Taxes".

1.3.11 – Revenue

In accordance with IFRS 15 "Revenue from Contracts with Customers", revenue is recognised when each performance obligation is satisfied, i.e., when the control of the asset or service is transferred to the customer for the expected amount.

Revenue mainly comprises:

- The sale of power generated by the production units. This power is sold in accordance with the various agreements for which prices are defined by decree.
- Sales of services based on:
  - o Wind turbine or solar farm construction contracts
  - o Rendering development, operation, and maintenance services for farms.
  - o Capital gains of costs on disposal of non-consolidated entities.

With respect to power sales, the revenue recognised corresponds to the sale of power generated and sold to the operator, at each power plant, as per the various agreements, which particularly guarantee power prices according to the number of MWh generated and sold.

Revenue is calculated based on the MWh delivered, which is a performance obligation, over the period in question. These agreements are generally concluded for a 20-year term. These agreements contain a single performance obligation, for which revenue is continuously recognised. The Group uses the exemption which allows it to recognise revenue monthly concurrently with invoices. These agreements provide for the monthly payment of power generated.

Sales of services mainly comprise the construction of wind turbine and solar farms, for which the Group is the contracting authority and oversees maintenance operations:

- Revenue from construction depends on the type of contract, which can be a turnkey package or a service agreement (assistance, contracting). This revenue is recognised on a percentage-of-completion basis.
- Revenue from maintenance or operating activities involves multi-year contracts, generally for 1 to 10 years. This revenue is recognised on a straight-line basis.
- Some contracts can include availability or performance clauses leading to penalties, which are taken into consideration in the initial recognition of the revenue, unless it is highly likely that such penalties will not apply.

1.3.12 – Other non-current operating income and expenses

"Other non-current operating income" and "Other non-current operating expenses" refer to non-current elements that are not numerous yet clearly identified, material to consolidated performance, and generally mentioned in corporate financial communications. These items are presented separately in the statement of profit and loss and include a limited number of income and expense headings such as:

- Specific gains and losses from the sale of non-current tangible or intangible assets.
- Specific impairment of non-current tangible or intangible assets.
- Specific restructuring expenses.
- Provisions for a major dispute involving the business.

1.3.13 – Cash and cash equivalents

Cash and cash equivalents include funds in bank accounts and short-term, highly liquid investments that are readily convertible to known amounts and unlikely to change in value.

1.3.14 – Leases

In accordance with IFRS 16 "Leases", when a contract is signed, the Group assesses whether the contract is, or contains, a lease.

The contract is, or contains, a lease if it conveys the right to use an identified asset for a period in exchange for consideration. To assess whether a contract entitles the holder to control an identified asset throughout the period of use of the asset, the Group assesses whether:

- The contract conveys the use of an identified asset: the asset can be identified explicitly or implicitly and must be physically distinct or substantially represent all the capacity of a physically distinct asset. If the lessor has the substantive right to substitute an asset, then the asset is not deemed identified.
- The Group has the right to receive substantially all the economic benefits from use of the asset throughout the period of use.
- The Group has the right to control the use of the asset, i.e., the right to make the most relevant decisions about how and for what purpose the asset is used. In rare cases, when the decision about how the asset is used and for what purpose are predetermined, the Group has the right to direct use of the asset if:
  - o The Group has the right to operate the asset
  - o The Group designed the asset in a way that predetermines how and for what purpose it shall be used.

The Group leases land for its power generation facilities; offices for administrative activities; and vehicles and administrative equipment. On the other hand, it was determined that customer power supply agreements do not meet the definition of a lease considering that the business does not have the right to direct how the asset is used.

Leases for wind turbine and solar farmland generally have fixed terms of between 20 and 25 years, including renewal options at the Group's discretion. The terms used for accounting purposes do not include renewal periods since the Group does not have any contracts old enough to know whether renewal clauses will be exercised.

Leases are mainly fixed and indexed.

Overhang and height requirements for the wind turbine blades, and easements and subsoil rights for underground electrical cables on land adjacent to the solar farms, are granted for the same general terms as the land lease and subject to either ad hoc or recurring payments. Overhang and height requirements and subsoil rights meet the above-mentioned criteria defining a lease, but easements do not. Therefore, lease payments for the latter are not included in the lease liability.

Office leases are mainly conventional French commercial leases (known as 3-6-9 leases because they are cancellable every three years). The enforceable period used for accounting purposes is generally 9 years since office locations are of no particular importance to operations, no significant leasehold improvements have been undertaken, and there are no other types of lease termination penalties. Rents are mainly fixed and indexed.

Leases for vehicles and computer hardware are established in consideration of a fixed rent and 3-to 6-year terms.

At the commencement date of the lease, the Group recognises a right-of-use asset and a lease liability The right-of-use asset is initially measured at cost, i.e., the initial amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments at the commencement date, plus all initial direct costs incurred, and less any lease incentives received.

The right-of-use asset is then depreciated using the straight-line method from the effective date of the lease and up to the termination of the contract. In addition, the carrying amount of the right-of-use asset is adjusted to account for remeasurement of the lease liability and, if applicable, impairment as per IAS 36.

At the date of initial application, the lease liability is measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate for a term equivalent to that of the lease.

Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is remeasured if there is a change in future lease payments resulting from a change in an index or a rate, if the Group changes its assessment of an option to purchase the underlying asset, or if the lease is extended or terminated.

When the lease liability is remeasured, the carrying value of the right-of-use asset is adjusted or recognised under profit and loss if the amount of the right-of-use asset has been reduced to zero.

Finally, the Group opted not to recognise right-of-use assets or lease liabilities for short-term leases, i.e., with a term of 12 months or less, or for leases for which the underlying assets are of low value (i.e., less than 5,000 euros). These leases are recognised as expenses.

Complementary information
(in thousands of euros)

EBITDA	2021-12	2020-12
Revenue	**101,856**	**89,214**
Goods purchase and inventory change	(33,718)	(50,705)
Personal expenses	(24,757)	(20,243)
External expenses	(23,912)	(19,829)
Duties and taxes	(4,615)	(4,271)
Provision expenses and write-off	(209)	(1,059)
Change in inventories of in-process and finishes goods	616	1,192
Other operating income	39,981	58,625
Other operationg expenses	(108)	(1,247)
Share of income from equity-accounted company	32	(2,922)
EBITDA	**55,165**	**48,755**
Net change in smortisation of fixed assets	(41,784)	(33,200)
Change in fair value of non-consolidated securities		
Other operating income and expenses	(1,494)	5,440
Operating income after share of equity-accounted companies net income [in line with the Group's operations]	**11,887**	**20,996**

EBITDA corresponds to current operating income less changes in the fair value of unconsolidated securities, allowances, and reversals for the depreciation of tangible and intangible assets and other non-current operating income and expenses.

NOTE 2
SCOPE OF CONSOLIDATION

VALOREM controls the companies that are consolidated: all contracts relating to development, construction, operation, and management are contracted with VALOREM.

In practice, only VALOREM has experience in the renewable energy sector. The Group is responsible for the day-to-day management of the company's operations, through administrative and commercial management contract.

Companies are included in the scope of consolidation when financing has been completed or when employees are present.

The consolidated and equity-accounted companies within the scope of consolidation are the following:

			2021-12		2020-12	
Code	**Name**	**SIREN**	**Interest Rate**	**Consolidation method**	**Interest Rate**	**Consolidation method**
E01	**VALOREM**	**395 388 739**	**100%**	**Mère**	**100%**	**Mère**
E02	OPTAREL	441 054 038	100%	FC	100%	FC
E05	VAL GREEN 2	483 457 800	100%	FC	100%	FC
E16	VALEMO	487 803 777	100%	FC	100%	FC
E18	SAINT POLYCARPE ENERGIES	491 799 003	100%	FC	100%	FC
E19	SAINT SALVAYRE ENERGIES	487 803 835	100%	FC	100%	FC
E21	VERAZA ENERGIES	491 802 484	100%	FC	100%	FC
E31	VAL GREEN	497 969 683	100%	FC	100%	FC
E32	VALREA	494 550 734	100%	FC	100%	FC
E37	AMOURES-BOUISSAC ENERGIES	501 419 600	100%	FC	100%	FC
E41	VALEOL	503 934 754	100%	FC	100%	FC
E45	AVRE ENERGIES	515 375 517	100%	FC	100%	FC
E127	SAINT AMANS ENERGIES	517 942 595	100%	FC	100%	FC
E55	VALOREM PEE	523 787 711	100%	FC	100%	FC
E100	LHUITRE ENERGIES	487 802 266	17%	EM	16%	EM
E89	SOULANES ENERGIES	487 695 124	20%	EM	20%	EM
E93	SAINTE ROSE ENERGIES	531 817 567	65%	FC	65%	FC
E68	LES ROYEUX ENERGIES	751 093 725	50%	EM	50%	EM
E69	LE HAUT BOSQUET ENERGIES	751 091 075	50%	EM	50%	EM
E36	VALCARE	498 219 880	100%	FC		
E126	DAMPIERRE et MASSAY ENERGIES	513 072 587	100%	FC	100%	FC
E132	BOIS D'OLIVET ENERGIES	828 978 478	100%	FC	100%	FC
E76	BAALON ENERGIES	793 320 292	100%	FC	100%	FC
E90	VALOREM CARAÏBES	792 430 936	100%	FC	100%	FC
E103	VALDENOR	483 866 828	100%	FC	100%	FC
E113	LOUPDAT ENERGIES	524 091 469	50%	EM	50%	EM
E122	PLUMIEUX ENERGIES	818 940 835	70%	FC	70%	FC
E124	CŒUR MEDOC ENERGIES	819 808 106	51%	EM	51%	EM
E131	RESSE ENERGIES	840 051 700	100%	FC	100%	FC
E145	HOMBLEUX ENERGIES	520 363 490	100%	FC	100%	FC
E163	SAINT SECONDIN	823 800 396	100%	FC		
E164	LA FIBAT	837 537 638	55%	FC		
E165	LONGUEUIL	909 796 997	100%	FC		
E168	VS ENERGIES	882 138 936	100%	FC		
E142	PONTENX LES FORGES ENERGIE	830 340 691	61%	FC	61%	FC
E44	EOLIENNES EN ACTION	512 170 432	100%	FC	100%	FC
E30	LA LIMOUZINIERE ENERGIES	494 943 715	38%	EM	38%	EM
E14	MEZZA ENERGIES	487 803 819	100%	FC	100%	FC
E109	VASCO ENERGIES	824 534 846	100%	FC	100%	FC
E08	DOSNON ENERGIES	487 805 020	100%	FC	100%	FC
E11	LA PLANCHE ENERGIES	484 739 743	100%	FC	100%	FC
E98	BEUVRAIGNES ENERGIES	481 793 701	100%	FC	100%	FC
E94	PAYS DE RETZ ENERGIES	482 866 076	100%	FC	100%	FC
E38	FERME EOLIENNE DE SMCC	480 108 828	100%	FC	100%	FC
E12	LAUCOURT ENERGIES	481 555 753	100%	FC	100%	FC
E20	SOR ENERGIES	487 761 397	100%	FC	100%	FC
E33	THIBIE ENERGIES	498 859 693	100%	FC	100%	FC
E03	CRIEL ENERGIES	452 536 881	100%	FC	100%	FC
E17	SAINT HILAIRE ENERGIES	487 803 587	100%	FC	100%	FC
E102	LA LUZETTE ENERGIES	517 981 908	65%	FC	65%	FC
E50	CORROY ENERGIES	519 029 474	100%	FC	100%	FC

			2021-12		2020-12	
Code	Name	SIREN	Interest Rate	Consolidation method	Interest Rate	Consolidation method
E42	VALFIN	503 592 495	100%	FC	100%	FC
E111	MATKUSSAARI WIND FARM OY		100%	FC	100%	FC
E110	KALISTANNEVA WIND FARM OY		100%	FC	100%	FC
E166	VALFIN 2	849 234 471	100%	FC		
E167	HONKAMAKI WIND FARM OY		100%	FC		NC
E80	MEZZA 2	813 707 072	100%	FC	100%	FC
E04	AUNIS ENERGIES	481 793 149	100%	FC	100%	FC
E07	CHALEONS ENERGIES	487 802 159	100%	FC	100%	FC
E22	ALBINE ENERGIES	482 405 198	100%	FC	100%	FC
E46	SANTERRE ENERGIES	515 379 758	100%	FC	100%	FC
E29	TEILLAY ENERGIES	484 739 172	100%	FC	100%	FC
E79	ANGERVILLE ENERGIES	494 415 169	100%	FC	100%	FC
E86	PUY BACOT ENERGIES	524 095 635	100%	FC	100%	FC
E88	LES POINTES ENERGIES	503 450 462	100%	FC	100%	FC
E115	ABLAINCOURT ENERGIES	531 817 427	100%	FC	100%	FC
E144	BRACH ENERGIES	524 091 725	100%	FC	100%	FC
E99	TERRES FROIDES ENERGIES	487 803 728	100%	FC	100%	FC
E35	AZERABLES ENERGIES	498 219 526	100%	FC	100%	FC
E34	SAINT SEBASTIEN ENERGIES	498 225 507	100%	FC	100%	FC
E125	MEZZA 4	839 844 123	100%	FC	100%	FC
E128	ALZONNE ENERGIES	789 244 399	99%	FC	99%	FC
E107	BILLOM ENERGIES	524 093 069	100%	FC	100%	FC
E135	CAMIAC ENERGIES	524 100 401	100%	FC	100%	FC
E116	NOE ENERGIES	789 243 409	100%	FC	100%	FC
E119	LASSICOURT ENERGIES	822 729 737	83%	FC	83%	FC
E129	MEZIERES	823 713 920	100%	FC	100%	FC
E140	MEZZA 5	850 245 218	85%	FC	85%	FC
E138	HOLD CO FHA 1	851 541 391	85%	FC	85%	FC
E143	FORCE HYDRAULIQUE ANTILLAISE	429 346 463	85%	FC	85%	FC
E141	MONTBARTIER ENERGIES	823 854 005	58%	FC	100%	FC
E146	SAINT PERE EN RETZ	214 401 879	100%	FC	100%	FC
E147	MAILLOL ENERGIES	829 738 913	58%	FC	100%	FC
E152	MEZZA 6	850 482 399	100%	FC	100%	FC
E153	PINVERT	823 855 978	100%	FC	100%	FC
E130	MEZOS ENERGIES	823 719 961	100%	FC	100%	FC
E154	LA POUYERE	830 375 622	100%	FC	100%	FC
E155	LA TOUR BLANCHE	832 282 479	100%	FC	100%	FC
E156	SAINT MARCEL	818 006 215	58%	FC	100%	FC
E161	VALOREM ENERGIES FINLAND		100%	FC	100%	FC
E162	REN VALOREM HELLAS		100%	FC	100%	FC
E58	TÔTES ENERGIES	524 096 880	100%	FC	100%	FC

FC : Full Consolidation
EM : Equity Method
NC : Not Consolidated

NOTE 3
COMPARABILITY OF FINANCIAL STATEMENTS & SIGNIFICANT EVENTS

3.1 - Continued growth in the portfolio and in the installed base

The Group has 548 gross MW in operation or under construction at the end of 2021.

In 2021, the Group has commissioned 14 new wind farms for a total of 104 MW and financed 3 new projects for 33 MW.

The VALOREM Group has also significantly increased its portfolio under development, which amounts to 5 GW at the end of 2021 (4.4 GW at the end of 2020), including 2.1 GW outside France.

To finance its growth, the VALOREM Group carried out on December 15, 2021, a capital increase for a total amount of 27.3 million euros (1 million euros in capital and 26.2 million euros in premiums linked to the capital) subscribed by its historical institutional shareholders (3i Infrastructure plc, BpiFrance Investissement, GSO Capital, IRDI/SORIDEC, CAAE).

3.2 - Participatory financing

A pioneer in wind energy in France, the VALOREM Group has been helping territories to develop their renewable energy potential for over 27 years. In 2012, the green energy operator pioneered a new model in the sector: redistributing the wealth from its projects to local residents through participatory investment. In this context, the VALOREM Group announced in March 2021 the creation of a portal dedicated to its fundraising "My VALOREM Park", hosted on the leading platform in the sector: Lendosphere. At the end of 2021, the Group has successfully raised more than 72 funds from 5,100 lenders for a cumulative amount of €17.8M.

3.3 - Evolution of the management team

The VALOREM Group has seen its governance evolve in 2021 with the departure of the Managing Director Frédéric Lanoë and the arrival of his successor Philippe Tavernier.

3.4 - Impact of the health crisis

In the context of the COVID-19 pandemic, the Group has succeeded in preserving the health of its employees while continuing its business.

From an operational point of view, the pandemic had no impact, as the Group is not subject to any walking risk. The Group was thus able to demonstrate the resilience of its business model in the context of a severe economic slowdown.

3.5 – Non-compliance with banking covenants

At December 31, 2021, one of the Group's financial assets did not meet the minimum debt service coverage ratio. Consequently, the Group has reclassified as 'Current financing' all the remaining debt due for an amount of 2.3 M€. This event of default was remedied after the closing via an equity injection.

3.6 – Companies included in the scope of consolidation

The following companies have been included in the scope of consolidation in fiscal year 2021 because of the level of maturity of the corresponding projects and their respective debts which have been raised: Saint Secondin, La Fibat, Longueil, Valfin 2 and Vs Energies. Valcare has also been included in the scope of consolidation, as has Honkamaki through Valfin 2.

3.7 – Removal from the scope of consolidation

In 2021, Loupdat was deconsolidated.

3.8 – Disposal of non-consolidated subsidiaries

During the year, the VALOREM Group sold the Garonne et Canal wind farm project (21 MW), generating 1.8 million in development revenues and 5.7 million in capital gains net of disposal costs, which are presented in revenues.

In addition, the Group sold the 5 MW Montreal solar farm generating 1.2 million in development revenues.

3.9 – Follow-up of the tax adjustment

Regarding the accounting audit carried out in 2018, VALOREM contested the tax reassessment and discussions with the tax authorities led to an agreement as to the quantum of deductible provision in 2019.

In this context, a tax provision of €5.2 million was set aside in 2019, in addition to the €4.7 million provision set aside in 2018 to take account of the estimated impact on 2017 and 2018. This provision was intended to cover the financial consequences of the tax audit, particularly in terms of penalties (€858,000) and interest for late payment (€67,000).

At December 31, 2020, the provision had been reversed in the amount of €2.5 million following the tax assessment notice received in early 2021 at the level of the tax group. It took into account the tax rebates for the years 2016 and 2019. The total provision thus amounted to €7.4 million.

The tax audit was completed in June 2021: the provision was reversed in full and the amount due was recognized as a liability. A payment schedule has been set up from June 2021 to December 2022.

As of December 31, 2021, the outstanding balance amounts to €3.7 million.

3.10 – Changes in consolidation method

As of December 31, 2021, no change in consolidation method had been made.

Financial notes to assets

NOTE 4
INTANGIBLE ASSETS

Change in intangible assets as of 31 December 2021
(in thousands of euros)

	2020-12	Acquisition	Disposals	Additions to the scope	Withdrawals from the scope	Others	2021-12
Change in gross values							
Research and development expenses	1,675	-	-		-	-	1,675
Concessions, patents and similar rights, patents, licences	2,056	189	-	-	-	341	2,586
Intangible assets in process	2,796	456	(4)	-	-	(150)	3,098
Other intangible assets	225	-	-	-	-	-	225
Total Gross values	**6,751**	**645**	**(4)**	**-**	**-**	**191**	**7,583**
Amortization change							
Amortization of research and development expenses	(616)	(335)	-	-	-	-	(951)
Amortization of concessions, patents and similar rights, patents, licences	(1,904)	(282)	-	-	-	-	(2,186)
Impairments on intangible assets in process	(224)	-	64	-	-	-	(160)
Amortization of other intangible assets	(20)	-	-	-	-	-	(20)
Total Impairment and amortization	**(2,764)**	**(617)**	**64**	**-**	**-**	**-**	**(3,317)**
Intangible assets	**3,987**	**28**	**60**	**-**	**-**	**191**	**4,266**

	2019-12	Acquisition	Disposals	Additions to the scope	Withdrawals from the scope	Others	2020-12
Change in gross values							
Research and development expenses	1,675	-	-	-	-	-	1,675
Concessions, patents and similar rights, patents, licences	1,909	147	-	-	-	-	2,056
Intangible assets in process	2,193	603	-	-	-	-	2,796
other intangible assets	225	-	-	-	-	-	225
Total Gross values	**6,002**	**749**	**-**	**-**	**-**	**-**	**6,751**
Amortization change							
Amortization of research and development expenses	(281)	(335)	-	-	-	-	(616)
Amortization of concessions, patents and similar rights, patents, licences	(1,802)	(102)	-	-	-	-	(1,904)
Impairments on intangible assets in process	(245)	(71)	-	-	-	92	(224)
Amortization of other intangible assets	(11)	(9)	-	-	-	-	(20)
Total inpairment and amortization	**(2,338)**	**(518)**	**-**	**-**	**-**	**92**	**(2,764)**
Intangible assets	**3,663**	**232**	**-**	**-**	**-**	**92**	**3,987**

	2020-12	Additions to the scope	Withdrawals from the scope	Others	2021-12
Goodwills variation					
Goodwill	6,212	-	-	(6,212)	-
Total Gross values	**6,212**	-	-	**(6,212)**	-

The movement in the 'Other" column affecting the goodwill is the consequence of the treatment as asset purchases of the takeover of FHA as described in paragraph 1.1.4.

NOTE 5
TANGIBLE ASSETS

Change in tangible assets as of December 31, 2021
(in thousands of euros)

	2020-12	Acquisi-tions	Disposals	New contracts	End of contracts	Additions to scope	Withdrawals from scope	Others	2021-12
Change in gross values									
Land	201	994	-	-	-	-	-	-	1,195
Buildings	29,939	-	-	-	-	-	-	3,603	33,542
Technical installations, materials, and tooling	566,286	(0)	(26)	-	-	-	-	128,796	694,501
Other tangible assets	74,351	689	(354)	-	-	-	-	10,904	86,144
Tangible assets in process	125,298	57,784	(1,146)	-	-	(120)	-	(135,847)	45,970
Rights of use	46,853	-	-	9,295	(384)	-	-	-	55,764
Total gross value	**842,928**	**59,467**	**(1,526)**	**9,295**	**(384)**	**(120)**	**-**	**7,456**	**917,115**
Change in amortization									
Amortization of Buildings	(7,795)	(1,531)	-		-	-	-	-	(9,327)
Amortization of technical installations, materials and tooling	(88,119)	(32,464)	24		-	-	-	-	(120,559)
Amortzation of other tangible assets	(14,572)	(3,909)	329		-	-	-	-	(18,152)
Impairment on tangible assets in process	(3,797)	(95)	-		-	120	-	(598)	(4,370)
Amortization of rights to use	(11,480)	(3 ,213)	-	-	384	-	-	-	(14,310)
Total amortizations	**(125,764)**	**(41,213)**	**353**	**-**	**384**	**120**	**-**	**(598)**	**(166,718)**
Tangible assets	**717,164**	**18,253**	**(1 ,173)**	**-**	**-**	**-**	**-**	**6,858**	**750,397**

	2019-12	Acquisi-tions	Disposals	New contracts	End of contracts	Additions to scope	Withdrawals from scope	Others	2020-12
Change in gross values									
Land	187	-	-	-	-	14	-	-	201
Buildings	27,101	-	-	-	-	117	-	2,720	29,939
Technical installations, materials, and tooling	421,036	35	(621)	-	-	78,066	-	67,770	566,286
Other tangible assets	58,758	170	(11)	-	-	50	-	15,384	74,351
Tangible assets in process	119,076	93,013	(30)	-	-	57		(86,818)	125,298
Rights of use	34,976	-	-	9,573	(1,550)	3,854	-	-	46,853
Total gross value	**661,134**	**93,217**	**(662)**	**9,573**	**(1,550)**	**82,158**	**-**	**(943)**	**842,928**
Change in amortization									
Amortization of Buildings	(6,322)	(1,356)	-		-	(117)	-	-	(7,795)
Amortization of technical installations, materials and tooling	(46,105)	(25,544)	362		-	(16,834)	-	-	(88,119)
Amortzation of other tangible assets	(11,318)	(3,215)	10		-	(49)	-	-	(14,572)
Impairment on tangible assets in process	(1,992)	(728)			-	-	-	(1,077)	(3,797)
Amortization of rights to use	(7,229)	(2,637)	-			(3,023)	-	-	(11,480)
Total amortizations	**(72,966)**	**(33,480)**	**373**		**347**	**(20,023)**	**-**	**(1,077)**	**(125,764)**
Tangible assets	**588,168**	**59,737**	**(290)**	**9,573**	**-**	**62,136**	**-**	**(2,020)**	**717,164**

Movements presented in the "Other" column mainly correspond to:

- Transfers following the commissioning of parks previously in "tangible fixed assets in progress" to "constructions", "technical installations, equipment and tools" or "other tangible fixed assets",
- The fair value adjustment of the assets of the FHA subgroup for €7,307,000, as a result of the processing of the takeover described in paragraph 1.1.4. In accordance with IAS 36 "impairment of assets» and taking into account the identification of an indication of impairment (level of operating performance in 2020 and 2021), the Group has implemented an impairment test on the assets of the FHA sub-group. This test led to obtaining a recoverable value (determined based on discounted future cash flows) higher than the book value and therefore the absence of recognition of an impairment.

Change in rights of use as of 31 December 2021
(in thousands of euros)

	2020-12	Acquisi-tions	Disposals	New contracts	End of contracts	Additions to scope	Withdrawals from scope	Others	2021-12
Change in rights to use gross values									
Wind and photovoltaic rights to use	41,830	-	-	3,022	-	-	-	-	44,851
Property rental rights to use	3,916	-	-	6,273	(193)	-	-	-	9,996
Computer equipment rights to use	635	-	-	-	-	-	-	-	635
Various equipment rights to use	473	-	-	-	(191)	-	-	-	281
Total gross values	**46,853**	**-**	**-**	**9,295**	**(384)**	**-**	**-**	**-**	**55,764**
Change in amorization of rights to use									
Amortization of wind and photovoltaic rights to use	(10,077)	(2,430)	-	-	-	-	-	-	(12,507)
Amortization of poperty rental rights to use	(867)	(557)	-	-	193	-	-	-	(1,232)
Amortization of computer equipment rights to use	(296)	(127)	-		-	-	-	-	(423)
Amortizations of Various equipment rights to use	(240)	(99)	-		191	-	-	-	(148)
Total amortizations	**(11,480)**	**(3,213)**	**-**	**-**	**384**	**-**	**-**	**-**	**(14,310)**
Rights to use	**35,373**	**(3,213)**	**-**	**9,295**	**-**	**-**	**-**	**-**	**41,454**

	2019-12	Acquisi-tions	Disposals	New contracts	End of contracts	Additions to scope	Withdrawals from scope	Others	2020-12
Change in rights to use gross values									
Wind and photovoltaic rights to use	31,453	-	-	6,885	-	3,492	-	-	41,830
Property rental rights to use	2,275	-	(56)	2,495	(1,161)	363	-	-	3,916
Computer equipment rights to use	918	-	-	-	(283)	-	-	-	635
Various equipment rights to use	331	-	-	193	(51)	-	-	-	473
Total gross values	**34,976**	**-**	**(56)**	**9,573**	**(1 494)**	**3,854**	**-**	**-**	**46,853**
Change in amorization of rights to use									
Amortization of wind and photovoltaic rights to use	(5,387)	(1,856)	-	(113)	-	(2,721)	-	-	(10,077)
Amortization of poperty rental rights to use	(1,243)	(511)	-	(27)	1,216	(302)	-	-	(867)
Amortization of computer equipment rights to use	(408)	(171)	-		283	-	-	-	(296)
Amortizations of Various equipment rights to use	(191)	(100)	-		51	-	-	-	(240)
Total amortizations	**(7,229)**	**(2,637)**	**-**	**(141)**	**1,550**	**(3,023)**	**-**	**-**	**(11,480)**
Rights to use	**27,747**	**(2,637)**	**(56)**	**9,432**	**55**	**831**	**-**	**-**	**35,373**

Complementary information

NOTE 6
EQUITY-METHOD SECURITIES

(in thousands of euros)

Identification of equity-method securities as of 31.12.2021	Net equity value of securities	Net profir for the year
LA LIMOUZINIERE ENERGIES	-	54
LES ROYEUX	-	(3)
LE HAUT BOSQUET	-	(3)
SOULANES ENERGIES	1,836	144
LHUITRE ENERGIES	1,202	92
LOUPDAT	-	(229)
CŒUR MEDOC	-	(24)
Total	**3,038**	**32**

Item	LA LIMOUZINIERE ENERGIES	SOULANES ENERGIES	LHUITRE ENERGIES
Non-current assets	4,088	18,800	10,222
Current assets	470	1,882	2,528
Total Assets	**4,559**	**20,681**	**12,750**
Shareholders' Equity	(1,898)	9,180	7,216
Non-current liabilities	4,036	9,783	5,231
Current liabilities	2,420	1,719	303
Total liabilities	**4,559**	**20,681**	**12,750**
Impact on Overall Result	0	247	0
Revenue	**1,114**	**3,308**	**2,698**
Net income	**143**	**719**	**554**

Liabilities were recognised in the 'Provisions' post for the Group's obligation to finance the losses of associated companies (La Limouzinière Energies) for the amount of €862,000 as of 12/31/2021.

Identification of equity-method securities as of 31.12.2020	Net equity value of securities	Net profir for the year
LA LIMOUZINIERE ENERGIES	-	95
LES ROYEUX	-	(2)
LE HAUT BOSQUET	-	(2)
SOULANES ENERGIES	1,315	136
LHUITRE ENERGIES	1,159	132
LOUPDAT ENERGIES	-	(6)
CŒUR MEDOC	-	(24)
VOYRINKANGAS	-	-
SAUNAMAA	-	-
SOUS GROUPE FHA	-	(3,250)
HOLD CO FHA 1	-	(2,154)
HOLD CO FHA 2	-	(948)
MEZZA 5	-	1,603
FORCE HYDRAULIQUE ANTILLAISE	-	(1,752)
Total	**2,474**	**(2,922)**

Item	LA LIMOUZINIERE ENERGIES	SOULANES ENERGIES	LHUITRE ENERGIES	FORCE HYDRAULIQUE ANTILLAISE
Non-current assets	4,626	20,126	11,462	
Current assets	839	2,947	2,481	
Total Assets	**5,464**	**23,073**	**13,944**	**-**
Shareholders' Equity	(2,040)	9,669	6,958	
Non-current liabilities	5,400	10,615	5,404	
Current liabilities	2,104	2,790	1,581	
Total liabilities	**5,464**	**23,073**	**13,944**	**-**
Impact on Overall Result	0	(110)	0	0
Revenue	**1,316**	**3,594**	**3,064**	**4,356**
Net income	**251**	**678**	**792**	**(3,435)**

NOTE 7
NON-CURENT FINANCIAL ASSETS

Change in non-current financial assets as at 31 December 2021
(in thousands of euros)

	2020-12	Increase	Decrease	Addition in scope	Wit-hdrawals from scope	Revalua-tion	Reclassi-fication	Others	2021-12
Change in non-current financial assets									
Equity securities	3,874	75	(192)	1		-	-	-	3,758
Loans to non-consolidated companies	15,163	2,927	(0)	-	-	-	-	-	18,090
Non-current derivative financial assets	-	-	-	-	-	7,871	-	203	8,074
Guarantees and deposits paid	617	1 ,145	(3)	-	-	-	-	-	1,759
Non-current non-derivative financial assets	3,266	3,548	(2,701)	-	-	-	262	-	4,375
Total gross value	**22,920**	**7,695**	**(2,895)**	**1**	**-**	**7,871**	**262**	**203**	**36,056**
Change in impairments									
Impairments on equity securities	(2,103)	(449)	477	-	-	-	-	-	(2,074)
Impairments on loans to non-consolidated companies	(7,645)	(771)	3,986	-	(186)	-	-	-	(4,616)
Total Amortizations	**(9,748)**	**(1,220)**	**4,463**	**-**	**(186)**	**-**	**-**	**-**	**(6 690)**
Non-current financial assets	**13,171**	**6,476**	**1,568**	**1**	**(186)**	**7,871**	**262**	**203**	**29,366**

	2019-12	Expenses	Reversals	Addition in scope	Wit-hdrawals from scope	Revalua-tion	Reclassi-fication	Others	2020-12
Change in non-current financial assets									
Equity securities	3,926	732	(79)	(704)		-	-		3,874
Loans to non-consolidated companies	24,217	757	(9,811)	-	-	-	-		15,163
Non-current derivative financial assets	695	-	-	-		(695)	-		-
Guarantees and deposits paid	3,889	87	(3,359)	-	-	-	-		617
Non-current non-derivative financial assets	3,909	1,435	(1,991)	-	-	-	(87)		3,266
Total gross value	**36,627**	**3,018**	**(15,240)**	**(704)**	**-**	**(695)**	**(87)**		**22,920**
Change in impairments									
Impairments on equity securities	(1,671)	(2,103)	1,671	-	-	-	-		(2,103)
Impairments on loans to non-consolidated companies	(7,774)	(7,831)	7,959	-	-	-	-		(7,645)
Total Amortizations	**(9,445)**	**(9,934)**	**9,630**	**-**	**-**	**-**	**-**		**(9,748)**
Non-current financial assets	**27,183**	**(6,915)**	**(5,609)**	**(704)**	**-**	**(695)**	**(87)**		**13,171**

Information on derivative financial assets is provided in note 27.

NOTE 8
INVENTORIES AND WORK IN PROGRESS

Presentation of inventories and work in progress as of December 31, 2021
(in thousands of euros)

	2021-12			2020-12		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Inventories of goods, materials and other supplies	43	(9)	34	42	(8)	35
Inventories in process	3,980	39	4,019	3,295	34	3,328
Inventories - Finishes and semi-finished products	47	(20)	27	54	(18)	37
Total inventories and work in progress	**4,070**	**10**	**4,080**	**3,391**	**8**	**3,399**

NOTE 9
TRADE RECEIVABLES AND RELATED ACCOUNTS, OTHER CURRENT ASSETS

Presentation of trade receivables, related accounts and other current assets as of December 31, 2021
(in thousands of euros)

TRADE RECEIVABLES	2021-12			2020-12
	Gross value	Depreciation	Net value	Net value
Trade receivables and related accounts - part < 1 year	35,786	(2,094)	33,692	21,320
Trade receivables and related accounts - part < 1 year	**35,786**	**(2,094)**	**33,692**	**21,320**
Receivables from employees and social organisms	57	-	57	89
Tax receivables excluding corporate tax	21,468	-	21,468	33,884
State, tax on profits	1,234	-	1,234	93
Current accounts - Assets	1,158	-	1,158	3,115
Other receivables	3,474	-	3,474	2,558
Prepaid expenses	1,239	-	1,239	1,181
Other current assets	**28,632**	**-**	**28,632**	**40,922**
Other non curent receivables	1,304	-	1,304	4
TOTAL	**65,722**	**(2,094)**	**63,627**	**62,246**

Active current accounts mainly correspond to funding advanced to unconsolidated businesses subject to the equity method.

Ageing balance of trade receivables, related accounts, and other current assets
(in thousands of euros)

TRADE RECEIVABLES	2021-12	< Y+1	de Y+2 à Y+5	> Y+5
Trade receivables and related accounts - part < 1 year	33,692	33,692		
Trade receivables and related accounts - part > 1 year	**33,692**	**33,692**		
Receivables from employees and social organisms	57	57		
Tax receivables excluding corporate tax	21,468	21,468		
State, tax on profits	1,234	1,234		
Current accounts - Assets	1,158	1,158		
Other receivables	3,476	3,476		
Prepaid expenses	1,239	1,239		
Other current assets	**28,632**	**28,632**		
Other non curent receivables	1,304	-	1,304	
Total	**63,627**	**63,627**	**1,304**	

Ageing balance of trade receivables (detail)
(in thousands of euros)

Receivables and related accounts	Book value at closing	Not due	Due at closing (in days)					Total due
			<30	31-90	90-180	180-360	>360	
to 2020-12-31	23,414	6,137	10,274	2,224	790	1,050	2,940	**17,277**
to 2021 -12-31	35 ,786	8,611	23,405	51	541	138	3,041	**27,176**

NOTE 10
CASH AND CASH EQUIVALENTS

Presentation of cash and cash equivalents
(in thousands of euros)

CASH AND CASH EQUIVALENTS	2021-12	2020-12	2019-12
Marketable securities - Cash equivalents	28,474	20,472	300
Liquid assets	90,429	93,943	28,818
Cash assets	**118,903**	**114,415**	**29,118**
Bank contributions (cash liabilities)	37	-	101
Cash liabilities	**37**	**-**	**101**
Net cash	**118,866**	**114,415**	**29,017**

Cash equivalents essentially correspond to short-term investments with high liquidity.

Financial notes to liabilities

NOTE 11
SHAREHOLDERS' EQUITY

Details of transactions affecting VALOREM group equity during the 2020 and 2021 periods can be found in the table showing variations in consolidated equity.

On 31 December 2020, share capital comprised 17,302 shares with a nominal value of 488 euros, representing a total of 8,443,376 euros.

On 31 December 2021, share capital consisted of 1,908,006 shares with a nominal value of 5 euros, representing a total of 9,540,030 euros.

NOTE 12
NON-CONTROLLING INTERESTS

The Group has granted put options for all or part of holdings in these businesses, to third parties with non-controlling interests in some consolidated businesses. On this basis, a financial debt was recognised for an amount corresponding to the current value of the put price for the option.

Change on the period
(in thousands of euros)

	2021-12	2020-12
On 1st January	1,701	1,623
New options booked		
Exercise of options		
Change in options actaul value	-	77
On 31 December	**1,701**	**1,701**

Identification of non-controlling interest
(in thousands of euros)

On december 31, 2021	Reserves assigned to non-controlling interests	Income for the period assigned to non-controlling interests
SAINTE ROSE	3,551	611
LA LUZETTE ENERGIES	1,541	181
MEZZA 5	734	(68)
FHA 1	(1,055)	(150)
Autres	2,153	(270)
Total	**6,924**	**304**

Item	SAINTE ROSE ENERGIES	FHA 1	LA LUZETTE ENERGIES
Non-current assets	57,536	(7,038)	3,557
Current assets	2,411	(8,145)	3,457
Total Assets	**59,946**	**(15,183)**	**7,013**
Shareholders' Equity	11,360	(8,404)	4,920
Non-current liabilities	43,133	44,139	1,271
Current liabilities	5,454	4,170	823
Total liabilities	**59,946**	**39,905**	**7,013**
Revenue	**7,301**		**3,191**
Net income	**790**	**335**	**335**

On december 31, 2020	Reserves assigned to non-controlling interests	Income for the period assigned to non-controlling interests
SAINTE ROSE	3,149	567
LA LUZETTE ENERGIES	1,514	181
FHA 1	(1,224)	-
Autres	389	(320)
Total	**3,828**	**429**

Item	SAINTE ROSE ENERGIES	FHA 1	LA LUZETTE ENERGIES
Non-current assets	59,688	53,170	3,483
Current assets	1,887	4,472	3,106
Total Assets	**61,575**	**57,641**	**6,589**
Shareholders' Equity	9,340	(2,122)	2,470
Non-current liabilities	47,215	764	1,186
Current liabilities	5,020	58,999	2,933
Total liabilities	**61,575**	**57,641**	**6,589**
Revenue	**6,200**		**3,427**
Net income	**1,621**		**518**

NOTE 13
PROVISIONS

Change in provisions
(in thousands of euros)

	2020-12	Dotations	Reversals	Addition to scope	Withdrawals from scope	Others	2021-12
Provisions for decommissioning	6,742	-	-	-	-	1,642	8,384
Other provisions for charges	1,268	-	-	-	-	-	1,268
Provisions for pensions	1,510	220	-	-	-	(80)	1,649
Provisions for disputes	238	-	(136)	-	-	-	102
Provisions for risks	1,327	207	-	-	-	(1)	1,533
Investmenrs in associates	2,188	-	-	-	-	(1,326)	862
Sub-total non-current provisions	**13,273**	**426**	**(136)**	**-**	**-**	**235**	**13,798**
Provisions for risks	-	220	-	-	-	(220)	-
Sub-total current provisions	**-**	**220**	**-**	**-**	**-**	**(220)**	**-**
Total provisions	**13,273**	**646**	**(136)**	**-**	**-**	**15**	**13,799**

The decommissioning provisions correspond to the estimated future costs (considering financial discounting) for the restoration of operating sites (wind and photovoltaic) which will be borne by the Group in accordance with legal or contractual provisions.

There are no individually significant disputes.

The column" others" mainly corresponds to the negative share of companies accounted for using the equity method, as well as new decommissioning provisions relating to new parks.

Note 6 on Equity method securities includes details of the securities consolidated using the equity method.

Provisions for pensions
(in thousands of euros)

CHANGE IN PENSIONS COMMITMENTS	2021-12	2020-12
Start of the year	1,510	1,018
Cost of commitment	220	148
Interests	-	8
Actuarial gains or losses	(80)	336
End of year	**1,649**	**1,510**

ASSUMPTIONS MADE	2021-12	2020-12
Age at retirement	62 years	62 years
Rate of social security charges	40%	40%
Discount rate	0.98%	0.34%
Mortality table	INSEE 2021	INSEE 2019
Salary increase rate (including inflation)	1% to 2%	1% to 2%
Revenue rate	Between 0 and 8% depending on age	Between 0 and 8% depending on age

NOTE 14
FINANCIAL DEBTS

Change in financial debts as of December 31, 2021
(in thousands of euros)

	2020-12	CASH		NON-CASH		2021-12
		Increase	Decrease	New contracts	Others	
Bonded debts	52,478	-	-		(1,011)	51,467
Loans with credit establishments	605,199	23,265	-		(16,720)	611,744
Other loans and debts equivalents	6,633	1,269	(1,620)		378	6,660
Debts on rentals	30,515	-	(2,920)	8,107	(1,041)	34,660
Put on minority interests	1,701		-		-	1,701
Sub-total non-current financial loans and debts	**696,526**	**24,534**	**(4,540)**	**8,107**	**(18,395)**	**706,232**
Bonded debts	610	-	(610)		610	610
Loans with credit establishments	59,444	46,077	(60,615)		17,644	62,550
Other loans and debt equivalents	677	1,984	(667)		(378)	1,617
Acrrued interests on loan	547	477	(315)		-	709
Debts on rentals	2,367	-	-		1,041	3,408
Current bank contributions	91	-	-		(31)	59
Sub-total current financial loans and debts	**63,735**	**48,538**	**(62,207)**		**18,886**	**68,953**
Total financial loans and debts	**760,261**	**73,072**	**(66,747)**	**8,107**	**491**	**775,184**

	2020-01	CASH		NON-CASH				2020-12
		Increase	Decrease	New contracts	Additions to scope	Withdrawals from scope	Others	
Bonded debts	53,567	2,050	(2,529)		-	-	(610)	52,478
Loans with credit establishments	411,015	391,337	(232,275)		51,283	-	(16,161)	605,199
Other loans and debts equivalents	6,337	1,954	(244)		-	(255)	(1,161)	6,633
Debts on rentals	23,259	(0)	(2,155)	5,845	748	-	2,818	30,515
Put on minority interests	1,623	77	-		-	-	-	1 ,701
Sub-total non-current financial loans and debts	**495,802**	**395,419**	**(237,204)**	**5,845**	**52,032**	**(255)**	**(15,115)**	**696,526**
Bonded debts	610	-	(610)		-	-	610	610
Loans with credit establishments	48,072	47,786	(47,375)		-	-	10,961	59,444
Other loans and debt equivalents	974	-	(1,057)		-	-	760	677
Acrrued interests on loan	401	485	(376)		34	-	1	547
Debts on rentals	1,773	-	-	35	197	-	363	2,367
Current bank contributions	106	-	-		-	-	(15)	91
Sub-total current financial loans and debts	**51,935**	**48,271**	**(49,418)**	**35**	**231**	**-**	**12,681**	**63,735**
Total financial loans and debts	**547,737**	**443,690**	**(286,622)**	**5,880**	**52,263**	**(255)**	**(2,434)**	**760,261**

Debts with credit establishments mainly concern the financing of parks: they generally have maturities of between 15 and 20 years, and variable rates.

Bond loans are mainly at the level of the company VALOREM and will be amortized between 2025 and 2031.

In 2020, the column « additions to scope » corresponds to the change in consolidation method for the entity FHA1-IG (cf. Note -2 – Scope of consolidation).

The increases of the period are new financial debts subscribed for assets under constructions. The decreases correspond to the repayments of loans made during the period. The movements presented in the “Others” column mainly correspond to reclassifications from current to non-current.

Ageing balance of financial debts
(in thousands of euros)

	2021-12	Y+1	Y+2 à Y+5	> Y+5
Bonded debts	52,077	610	15,386	36,081
Loans with credit establishments	674,294	62,550	229,522	382,222
Other loans and debts equivalents	8,276	1,617	6,660	-
Accrued interests on loan	709	709	-	-
Debts on rentals	38,069	3,408	13,191	21,470
Put on minority interests	1,701			1,701
Current bank contributions	59	59	-	-
Financial debts	**775,184**	**68,953**	**264,759**	**441,474**

Debt analysis by currency and by rate
(in thousands of euros)

	2021-12	Fixed rate	Variable rate	Euros	Other currencies
Bonded debts	52,077	52,077	-	52,077	-
Loans with credit establishments	674,294	-	674,294	674,294	-
Other loans and debts equivalents	8,276	8,276	-	8,276	-
Accrued interests on loan	709	-	709	709	-
Debts on rentals	38,069	38,069	-	38,069	-
Put on minority interests	1,701	1,701	-	1,701	-
Current bank contributions	59	59	-	59	-
Financial debts	**775,184**	**100,181**	**675,003**	**775,184**	**-**

Variable rate debt of €K 675,003 is covered for €K 591,022 by interest rate swaps.

NOTE 15
TRADE PAYABLES AND RELATED ACCOUNTS, OTHER CURRENT LIABILITIES

Presentation of trade payables, related accounts, and other current assets as of December 31, 2021
(in thousands of euros)

	2021-12	2020-12
Trade payables	20,029	19,175
Trade payables and related accouts	**20,029**	**19,175**
Social security debts	4,992	4,623
Taxes payables	22,444	30,523
Current accounts - Liabilities	4,325	5,903
Other payables	12,445	869
Unearned income	(92)	154
Other current liabilities	**44,114**	**42,072**
Other non-current debts / investment grant	7,612	9,676
Total	**71,754**	**70,923**

Ageing balance of trade payables and other creditors and other current liabilities
(in thousands of euros)

AGEING BALANCE OF TRADE PAYABLES	2021-12	< Y+1	Y+2 à Y+5	> Y+5
Trade payables	20,029	20,029	-	-
Trade payables and related accounts	**20,029**	**20,029**	**-**	**-**
Social security debts	4,992	4,992	-	-
Taxes payable	22,444	22,444	-	-
Currenr accounts - Liabilities	4,325	4,325	-	-
Other paybles	12,445	12,445	-	-
Unearned income	(92)	(92)	-	-
Other current liablities	**44,114**	**44,114**	**-**	**-**
Other non-current debts / investment grant	7,612	-	7,612	-
Trade payables	**71,754**	**64,143**	**7,612**	**-**

NOTE 16
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

16.1 - Interest rate risks

The Group uses rate swaps to hedge variation in interest rates for loans taken out to finance its power plants. On 31 December 2021, cash flow hedging accounting practices were applied to these derivatives. Interest rates for these rate swaps will be recognised under profit or loss for the duration of the loans, as per the interest applicable to the hedged borrowing. Several loans were hedging using rate SWAP type financial instruments with a fair value of €K 1,679 on 31 December 2021 (€K 20,323 on 31 December 2020) due to reach maturity between, 7 and 15 years.

The Group is exposed to market risks due to its investment operations. This exposure mainly relates to fluctuating variable interest rates for project debt, which are not hedged.

Interest rate risks are hedged using forwards, with level 1 consideration. The Group contracts financial instruments in order to hedge variable rate debt, targeting at least 75% of the notional amount by aligning these derivatives with the expected loan terms, reference rates, interest and depreciation periods covered by the hedging.

The Group's risk management policy aims to limit and manage variations in interest rates and their repercussions on profit or loss and future cash flows.

The following table summarizes net exposure to rate risks, before and after hedging:

On december 31, 2021 in thousands of euros	Financial liabilities before hedging		Financial liabilities after hedging	
	Fixed rate	Variable rate	Fixed rate	Variable rate
Less than a year	6,160	62,792	50,388	18,565
From 1 to 5 years	30,141	234,617	134,906	129,852
Over 5 years	61,015	380,458	447,059	(5,586)
Total	**97,317**	**677,867**	**632,353**	**142,832**

Sensitivity analysis for floating rate instruments
(in thousands of euros)

On december 31, 2021	Fair value	Value adjustment increase of 1%	Value adjustment decrease of 1%
SWAPS	1,679	42,284	(44,656)
Total	**1,679**	**42,284**	**(44,656)**

16.2 - Foreign exchange risks

To date, the Group is not exposed to a foreign exchange risk for assets in use, as its assets are systematically financed in the working currency.

16.3 - Counterparty risks

The Group concludes contracts with many suppliers and sub-contractors, their insolvency could not therefore significantly affect operations.

In terms of power purchase agreements, the Group considers that the counterparty risk for trade receivables is insignificant considering the quality of the signatories of these contracts.

Finally, the Group invests available liquidities, quasi-liquidities and concludes interest rate futures with high-ranking banks.

16.4 - Liquidity risks

The liquidity position can be broken down as follows:

LIQUID ASSETS	2021-12	2020-12
Cash and cash equivalents	118,903	114,415
Overdraft facilities	25,000	25,000
Total	**143,903**	**139,415**

NOTE 17
OFF-BALANCE SHEET COMMITMENTS

17.1 - Commitments made

VALOREM has also acted as guarantor for several Group companies and various third parties in respect of additional credits or supply contracts for a total amount of €19,608k.

VALOREM has guaranteed Valrea in favor of various third parties (ArcelorMittal, Sungrow, Zimmermann Solar and ZURICH) for a total amount of €11,676k.

The VALOREM company has pledged securities and/or current accounts (Tôtes, Hombleux, Baalon, Saint Marcel, Montbartier, Maillol and Mezza 6) to Société Générale, Natixis Energeco, BPCE, ING, Banque Postale, BPI and CAA for a total amount of €K 164,46.

Mezza has pledged Vasco shares as well as receivables under the partner loan agreement (between Mezza and Vasco) to AUXIFIP. Vasco has pledged securities concerning all the SPVs held towards the postal bank, SMBC and AUXIFIP for a total amount of €K 180,000.

Various companies have pledged professional receivables and equipment to several banks for a total amount of €K 237,311.

The companies Lassicourt, Resse, Noe, Camiac, Alzonne, Saint Helene and Billom have pledged a mortgage to Natixis Energeco, BPI, for an amount of €K 650.

17.2 - Commitments received

BNP Paribas, BTP Banque, Atradius and other financial institutions have given performance guarantees to Valrea for a total amount of €K 332 for the benefit of the State and other institutions.

Société Générale has given a signature commitment on behalf of VALOREM for an amount of € K90.

Financial notes to profit and loss

NOTE 18
REVENUE AND OPERATING INCOME

Split by geographic region
(in thousands of euros)

	2021-12	2020-12
Consolidated revenue	**101,856**	**89,214**
France	101,856	89,214
Europe Excl. France	-	-
Total by geographic region	**101,856**	**89,214**
Operating income after share of equity-accounted companies net income [in line with the Group's operations]	**11,887**	**20,996**
France	12,082	21,161
Europe Excl. France	(195)	(165)
Total by geographic region	**11,887**	**20,996**

Split by business segment
(in thousands of euros)

	2021-12	2020-12
Consolidated revenue	**101,856**	**89,214**
Electrical	87,005	79,546
Development	9,575	3,138
Buildings	574	777
Maintenance	4,001	3,696
Other	701	2,057
Total by business segment	**101,856**	**89,214**
Operating income after share of equity-accounted companies net income [in line with the Group's operations]	**11,887**	**20,996**
Electrical	5,470	16,817
Development	7,252	(485)
Buildings	466	4,819
Maintenance	174	(4)
Other	(1,476)	(152)
Total by business segment	**11,887**	**20,996**

Information on order books and contractual assets / liabilities will not be provided as such items are considered as insignificant.

NOTE 19
PAYROLL AND HEADCOUNT

Presentation of headcount

	2021-12	2020-12
Average headcount by category		
Managerial staff	256	205
Employees, supervisors and technicians	58	66
Total average number of employees	**314**	**271**
Employees costs		
Salaries, wages and benefits	(15,653)	(12,858)
Social security contributions	(6,988)	(5,586)
Other salaries charges	(2,116)	(1,799)
Total Employees costs	**(24,757)**	**(20,243)**

NOTE 20
AMORTIZATION AND PROVISIONS

Presentation of amortization and provisions
(in thousands of euros)

	2021-12	2020-12
Amortization of intangible assets	(597)	(446)
Amortization of tangible assets	(41,187)	(32,754)
Net change in amortization of fixed assets	**(41,784)**	**(33,200)**
Impairments on intangible assets	(20)	(71)
Impairments on tangibles assets	(668)	(1,073)
Impairments on trade receivables and other current receivables	(1,214)	(3,521)
Provision expenses	(95)	(780)
Amortization (excluding fixed asset) and imapirment expenses	**(1,998)**	**(5,445)**
Write-off of fixed asset impairments	84	92
Write-off of receivables and other current receivables	1,113	3,140
Write-off of provision expenses	591	517
Write-off of amortization (excluding fixed assets) and depreciation	**1,789**	**3,749**
Total Amortization and provisions	**(41,993)**	**(34,896)**

Reserves for the depreciation of tangible assets mainly comprise €K 37,931 for reserves for farms in use (€K 30,209 in 2020) and €K 2,944 for reserves for the depreciation of the right to use tangible assets in accordance with IFRS 16 (versus €K 2,637 in 2020).

Increases and write-off of provisions expenses relate to investment held in non-consolidated companies.

The Group applied a new impairment method for inventories and current fixed assets, validated by the tax authority, which only impairs projects with one of the following risks: authorization refused, no tariff or development in an area with uncertainties.

NOTE 21
OTHER NON-CURRENT OPERATIONAL PROFITS AND LOSSES

Presentation of other operational profits and losses
(in thousands of euros)

	2021-12	2020-12
Revaluation of previously held interest following complementary acquisitions	-	4,364
Gain or loss on fixed asset sales	(58)	(1)
Investment grants transferred to income	176	175
Other non-current operating income and expenses	(1,613)	1,197
Total	**(1,494)**	**5,735**

The revaluation of the share previously held is mainly explained by the takeover of the FHA sub-group comes to €K 3,727.

NOTE 22
NET FINANCIAL COST

Presentation of the net financial costs
(in thousands of euros)

	2021-12	2020-12
Income from cash and cash equivalents	**152**	**2**
Gross cost of financial indebtedness	**(10,431)**	**(10,194)**
Write-off of impairment on financial assets	5,223	9,630
Miscellaneous financial income	1,503	3,027
Sub-total other financial income	**6,726**	**12,657**
Impairment on financial assets	(1,695)	(11,362)
Miscellaneous financial charges	(8,735)	(9,518)
Sub-total other financial charges	**(10,430)**	**(20,880)**
Net financial loss	**(13,983)**	**(18,414)**

Miscellaneous financial income mainly consists of financial expenses transferred to CAPEX. Miscellaneous financial expenses mainly consist of swap interests.

Financial expenses for « right of use » assets represent - €K 685 in 2021 and - €K 621 in 2020.

NOTE 23
TAXES

A taxation rate of 26.5% was applied on 31 December 2021 for all entities including those that are part of the tax consolidation Group.

In addition, in application of the new French finance law, digressive taxation rates have been applied for all deferred taxes due for payment from 2021 to arrive at a rate of 25% from 2022.

Presentation of the break-down of tax expense as of December 31, 2021 and 2020
(in thousands of euros)

BREAK-DOWN OF TAX EXPENSE / INCOME	2021-12	2020-12
Current tax expense (income)	(556)	1,116
Deferred tax expense (income)	6,294	(6,830)
CVAE	(634)	(1,175)
Total Tax	**5,103**	**(6,889)**

Presentation of the proof of tax as of December 31, 2021 and 2020
(in thousands of euros)

TAX PROOF	2021-12	2020-12
Net income from continuing operations	3,007	(4,307)
Tax expense/income excluding CVAE [Entreprise Added Value Contribution]	5,738	(5,713)
Consolidated net income before taxes	**(2,731)**	**1,406**
Theroretical tax rate	26.50%	28.00%
Calculated theoretical tax	724	(394)
Impacts		
Impact of permanent differences	1,682	1,191
Impact of the amortization of intangible assets and goodwill	(217)	(1,125)
Impact of the fiscal integration and captalization of losses	2,760	(4,771)
Impact of the equity-consolidated companies	129	291
Impact of the difference and changes in rates	395	603
Impact of the consolidation gains or losses	-	-
Others	264	(1,508)
Total of tax expense or income	**5,737**	**(5,713)**

Break-down of net deferred tax assets (liabilities)
(in thousands of euros)

	2021-12	Accounted for as net income	Accounted for as other items of comprehensive income	Accounted for as equity	2020-12
Temporary differences	547	547	-	-	619
Deferred taxes on farms fair value (IAS 16)	(34,037)			(34,037)	(38,415)
Deferred taxes on swaps fair value (IFRS 9)	133	6,568	(6,435)		6,304
Deferred taxes on elimination of tax-driven charges to provions	(27,473)	(27,473)			(24,953)
Other adjustments for tax purpose and harmonisationn	(768)	(768)	-	-	(900)
Deferred taxes (Elimination of internal margins)	43,620	43,620			42,575
Activation of losses carried forward	10,936	10,936			7,171
Limitation of deferred taxes	1,074	1,171	(97)		1,606
Sub-total net deferred taxes before capitalization and limitation	**(17,979)**	**22,493**	**(6,435)**	**(34,037)**	**(14,769)**
Deferred tax capitalization (limitation)	12,009	12,107	(97)	-	8,777
Total net deferred tax	**(5,969)**	**34,600**	**(6,532)**	**(34,037)**	**(5,992)**
Deferred taxes	16,772				14,233
Deferred tax liabilities	(22,741)				(20,225)
Total net deferred tax	**(5,970)**				**(5,992)**

	Y+1	Y+2	Y+3	Y+4	>Y+4	Total
Ageing balance of deferred tax excluding capitalization and limitation	**832**	**(632)**	**(764)**	**(652)**	**(16,763)**	**(17,979)**

As of December 31, 2021, given that their recovery is considered probable soon, the VALOREM Group has recognized deferred tax assets in its consolidated financial statements in respect of its tax loss carryforwards for an amount of 2.8 million euros for the year 2021. These deferred tax assets were mainly recognized at Ablaincourt and the FHA sub-group.

Complementary notes

NOTE 24
POST EVENTS CLOSING

None.

NOTE 25
REMUNERATION OF THE MAIN DIRECTORS

The main directors received the following remuneration:

In thousands of euros	2021	2020
Short-term employee benefits	1,185	878
Termination benefits	61	-
Total	**1,246**	**878**

There are no significant related party transactions within the VALOREM group.

NOTE 26
STATUTORY AUDITOR FEES

The amount of the statutory auditor fees, as recognised in the consolidated income statement represented €K 329.

	Other services		Certification of the 2021 accounts, excluding tax		Regularisation - Cirtification of Y-1accounts, excluding tax		Total	
In thousands of euros	2020	2021	2020	2021	2020	2021	2020	2021
BSF Audit	3	5	113	165	84	-	**200**	**170**
Fiduciaire Experts Audit	58	3	-	75	58	-	**116**	**78**
KPMG	16	-	41	65	89	-	**146**	**65**
H3P	-	-	-	16	-	-	**-**	**16**
YCC Audit et Conseil	-	-	3	-	-	-	**3**	**-**
Total	**77**	**8**	**157**	**321**	**231**	**-**	**465**	**329**

NOTE 27
FAIR VALUE OF FINANCIAL VALUE OF ASSETS AND LIABILITIES

The fair value of an asset and a liability corresponds to the price agreed between the parties, which are free to conclude a contract, according to market conditions. The fair value must be determined based on observable market data, providing the most reliable indication of the fair value of a financial instrument.

Fair value hierarchy levels are defined as follows:

- Level 1 inputs: quoted price on an active market;
- Level 2 inputs: quoted price on an active market for a similar asset or other evaluation technique based on observable data;
- Level 3 inputs: evaluation technique incorporating unobservable data.

For swaps, borrowing and debt for put options granted to parties with non-controlling interests, the fair value is determined on the basis of contractual flows discounted at market interest rates. The fair value of trade debt, trade receivables and other short-term receivables and debt is considered to correspond approximately to their net carrying value, and the effect of discounting for future cash flows is not significant considering their short-term effects.

On december 31, 2021 in thousands of euros	Level	Book value	Fair Value	Loans and receivables at amortized cost	Fair Value through the income statement	Debts at amortized cost	Fair value through other comprehensive income items
Derivative financial instruments	2	8,074	8,074				8,074
Other non-current financial assets	3	21,293	21,293	21,293			
Trade receivables and related accounts	-	33,692	33,692	33,692			
Cash and cash equivalents	1	118,903	118,903		118,903		
Other current assets excluding tax and social assets	3	7,430	7,430	7,430			
Total financial assets		**189,391**	**189,391**	**62,414**	**118,903**		**8,074**
Non-current financial debts excluding put	2	704,531	704,531			704,531	
Put on minority interests	3	1,701	1,701			1,701	
Derivative financial instruments	2	6,163	6,163				6,163
Current financial debts	2	68,953	68,953			68,953	
Trade paybles and related accounts	-	20,029	20,029			20,029	
Other current liabilities excluding tax and social liabilities	3	16,678	16,678			16,678	
Total financial liabilities		**818,054**	**818,054**			**811,891**	**6,163**

On december 31, 2020 in thousands of euros	Level	Book value	Fair Value	Loans and receivables at amortized cost	Fair Value through the income statement	Debts at amortized cost	Fair value through other comprehensive income items
Derivative financial instruments	2	-	-				-
Other non-current financial assets	3	13,171	13,171	13,171			
Trade receivables and related accounts	-	21,320	21,320	21,320			
Cash and cash equivalents	1	114,415	114,415		114,415		
Other current assets excluding tax and social assets	3	6,855	6,855	6,855			
Total financial assets		**155,761**	**155,761**	**41,347**	**114,415**		**-**
Non-current financial debts excluding put	2	694,825	694,825			694,825	
Put on minority interests	3	1,701	1,701			1,701	
Derivative financial instruments	2	20,323	20,323				20,323
Current financial debts	2	63,735	63,735			63,735	
Trade paybles and related accounts	-	19,175	19,175			19,175	
Other current liabilities excluding tax and social liabilities	3	6,926	6,926			6,926	
Total financial liabilities		**806,685**	**806,685**			**786,362**	**20,323**

Statutory auditors' report on the consolidated financial statements

VALOREM S.A.S.

Registered office: 213 Cours Victor Hugo - 33130 Bègles

Statutory auditors' report on the consolidated financial statements.

For the year ended 31 December 2021

To the annual general meeting of shareholders of VALOREM S.A.S.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of VALOREM S.A.S. for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors' rules applicable to us, for the period from 1st January 2021 to the date of our report.

Emphasis of Matter

We draw attention to the following matters described in the note "1.1.4 – Accounts comparability" to the consolidated financial statements relating to:

• the change in the acquisition accounting of Force Hydraulique Antillaise sub-group;

• the change in accounting estimates relating to the capitalisation of development costs in fixed assets in progress or in inventories (work-in-progress).

Our opinion is not modified in respect of these matters.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment test of the Force Hydraulique Antillaise sub-group's assets

In accordance with IAS 36, the value of intangible and tangible assets with a definite useful life is tested as soon as an indication of an impairment loss is identified. The test consists of comparing the net book value of these assets with their recoverable value. The recoverable value is determined according to the methods described in the note "1.3.3 - Impairment of assets" to the consolidated financial statements. When the recoverable value is less than the net book value, the latter is reduced to the current value by recognising an impairment loss.

The intangible and tangible assets of the Force Hydraulique Antillaise sub-group, whose net amount shown on the balance sheet at 31 December 2021 was 66,334 thousand euros, were subject to an impairment test in accordance with the methods described in the note "1.3.3 - Impairment of assets" to the consolidated financial statements.

We have reviewed the methods used to implement this test as well as the overall consistency of the assumptions used, reviewed the calculations leading to the absence of impairment loss and verified that the note "5 – Tangible assets" to the consolidated financial statements provides an appropriate information.

As indicated in the note "1.3 - Estimates, judgements and accounting policies" to the consolidated financial statements, these estimates are based on assumptions that are by nature uncertain, as actual results may differ significantly from the forecasts used.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Président.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

• Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

• Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

• Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

• Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

The Statutory Auditors

Mérignac and Bordeaux, on 17 June 2022

French original signed by

KPMG S.A.

Aurelie Lalanne

Signature numérique de Aurelie Lalanne Date : 2022.06.17 13:29:43 +02'00'

Aurélie Lalanne
Associée

BSF Audit S.A.S.

Signé électroniquement le 17/06/2022 par Jean-Michel Gaudin

Jean-Michel Gaudin
Associé

© Photo credits

VALOREM • Vjoncheray • Julien Dalmas • Journal Sud Ouest • Stéphane Adam • Elise Ferreyrol-Barateau • Visual Drone • Ronan Le-Deuff • Florian Garcia • VisioAir • François Marchand Balloon Photo • Romain Saada • Watt For Change • BYES • Dronelis • AdobeStock

September 2022 - Designed by SCENARII

Head office

VALOREM
213, cours Victor Hugo
33323 Bègles Cedex - FRANCE
Phone +33 (0)5 56 49 42 65

www.valorem-energie.com

VALOREM
ENERGY FOR ACTION