VALOREM
ENERGY FOR ACTION

ANNUAL REPORT
2022

June 2023 - Designed by SCENARII

FOREWORD

2022 marks the meeting of two major crises.

Firstly, the climate crisis and its consequences: the drying up of water tables, the collapse of biodiversity, heatwaves and fires. We are also reminded of this by the IPCC and its Sixth Assessment Report, a last chance report that urges us to take swift, large-scale action to keep global warming below 2°C.

Then there's the energy crisis. Partly due to the war in Ukraine, it has reminded us of our dependence on imported fossil fuels, and has been exacerbated both by the historic unavailability of our nuclear fleet and by our chronic lag in the development of renewable energies (RE). It has caused gas prices to soar, and will be the cause of further doubts about our supply capacity. In a few words, this year will be a cruel reminder of our dependence on fossil fuels and the delay in deploying renewable energies.

2022 is also the year of renewed ambition, with the European Union first of all revising its decarbonisation targets upwards, and **French legislators more than ever on the crest of a wave**. Political rhetoric hostile to renewables, which culminated in 2021, was pitted against the pragmatism of expert reports (RTE, Ademe). They reiterated, if proof were needed, the vital role that renewable energies must play in decarbonising our societies. Faced with development times for renewable energies that are significantly longer than those of our neighbours, the government introduced a law to accelerate the development of renewable energies.

In addition, against a backdrop of generally rising prices, consumers had to be protected while at the same time protecting investment in the energy sector, which had been weakened by a sharp rise in the cost of raw materials and interest rates. And finally, a notable paradox: renewables, long accused of being a burden on public finances, have financed more than half the cost of the tariff shield, one of the most generous in Europe. The Supplementary Finance Act for 2022 introduced retrospective taxation of renewable energies, without affecting fossil fuel profits, which we have been denouncing. More than ever, **renewable energies have a decisive role to play: energies of peace to help countries achieve energy independence, and a response to the challenges of climate change.**

With this in mind, VALOREM continued its development with the year 2022 full of achievements. We are delighted to present you with the Group's second annual report and, as you will see, 2022 marks a major step forward for the Group, both geographically and in terms of the diversity of its activities and technologies.

Happy reading!

Jean-Yves GRANDIDIER
Chairman and Founder of the
VALOREM Group

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INTERVIEWS

In 2022, the VALOREM Group welcomed two new members to its Executive Committee: Philippe Tavernier (in charge of International Development, Asset Management, VALREA and Purchasing) and Bertrand Guidez (in charge of Development France and Offshore, Institutional Relations and Communications).

01

2022 was an unprecedented year for energy in France and Europe. How did each of you feel about it?

Philippe TAVERNIER: The war in Ukraine and the energy crisis we experienced this winter reminded all countries of the strategic importance of energy supply. In Greece, Poland and Finland, we saw governments demonstrate a strong desire to build a genuine strategy of energy sovereignty, which will involve accelerating the deployment of renewable energies.

Bertrand GUIDEZ: The same conclusions apply to France, where in 2022 we saw the same awareness accompanied by government announcements aimed at building French energy self-sufficiency, which we hope will involve a maximum of renewable energies.

02

What events would you like to highlight?

Philippe TAVERNIER: 2022 was a key year for the Group internationally, with many first steps being taken:

- first equity financing in Finland of the Viiatti wind farm project (over 300 MW representing 1.2% of national electricity consumption) and launch of its construction,
- first financing in Greece for a 27 MW wind farm project, followed by the launch of construction,
- a year of acceleration for the Group in Poland thanks to the arrival of our Country Manager.

In 2022, there was a real increase in the number of international teams, as there are now a dozen of us outside France!

Bertrand GUIDEZ: We had to stay the course in the face of a number of difficulties linked to the context. As prices soared, we worked enormously on the economic balance of our projects, while at the same time our teams worked hard to ensure that we achieved our bank financing ambitions. In the end, we breached our targets, with 93 MW financed in France by 2022. Finally, we also opened an Offshore Development department within the Group so that we could co-invest in projects in France and Europe!

03

What is the outlook for business in 2023?

Philippe TAVERNIER: Internationally, we aim to focus on a two-stage strategy. On the one hand, the challenge for us is to continue to consolidate our foothold in the markets where we are present in Europe. We aim to become a major player in Finland, Poland and Greece. And secondly, we will be analysing the European market to look at new country opportunities in the years ahead.

Bertrand GUIDEZ: Our portfolio of projects under development is constantly growing. We need to keep up the pace and further strengthen our local roots. We are a multi-energy Group and wish to emphasise this strategic area of diversification. As for the Offshore business, we'll certainly be announcing some good news for the Group in 2023!

Lafitte (31)

PANORAMA 2022

GROUP
LOCATION

11
Branches in development

11
Maintenance sites

Aix-en-Provence branch (13)

New premises for the head office and branches!

In 2022, the Lyon and Aix-en-Provence branches inaugurated their new premises.

That same year, VALOREM launched the construction of a third building on the site of its head office in Bègles: Téthys. The new building houses teams from OPTAREL, VALREA, the Purchasing, QHSE, IT and Offshore Development departments. As in the Hélios building, there will also be external tenants: Avento (a VALOREM Group partner), CREAQ (Aquitaine Regional Centre for Eco-Energy) and ALEC (Local Energy and Climate Agency).

All the teams took possession of the premises in the second quarter of 2023.

Téthys, Bègles (33)

OUR
HUMAN CAPITAL

Women and men at the heart of a shared project

The sustained growth in the workforce over the last five years requires particular attention to ensure that commitment remains intact and that employees flourish in an environment that facilitates the fulfilment of their missions.

Management and the social partners have proposed an increasing number of concrete actions to ensure that employees benefit from the best possible working environment and conditions.

The Group acquires new talent

- The Group has almost doubled its headcount in five years!
- VALEMO passes the 100-employee mark with 124 employees!
- The Group aims to double its workforce abroad by 2023, thanks in particular to strong international growth.

Gender equality policy

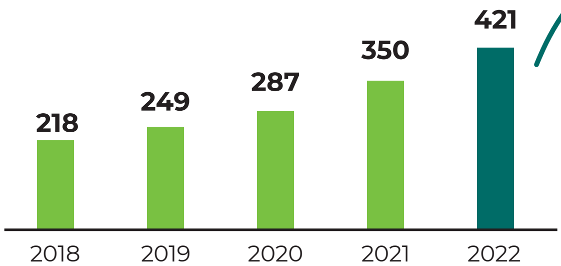
In 2022, the VALOREM Group is proud to have achieved a score of 89/100 on the Gender Index, a significant increase on 2021 (+5 points).

Elles bougent

In 2022, VALOREM decided to undertake its role as a company associated with the Elles Bougent association, whose aim is to enable young girls to discover and choose careers in "male stereotyped industries".

To break down the stereotypes surrounding these sectors of activity, 9,000 volunteers and 7,700 mentors are going out to meet young people to promote these professions. Women working at VALOREM, who are engineers by training, technicians or who have studied science, will be able to talk to secondary school pupils and university students about their jobs and their career paths.

CHANGE IN HEADCOUNT



154 women

267 men

89/100 gender equality index

+5 PTS

Integrating our new employees

The Group has put in place a number of systems to ensure that each employee benefits from optimal conditions when taking up his/her duties: general and specific induction programmes for VALEMO employees and an induction assessment.

Mentoring system: Building a special bond between old and new employees

A few years ago, mentoring was introduced within the Group as another building block in the policy of integrating new employees. The Human Resources and Continuous Improvement departments wished to intensify this system in 2022, with a view to recreating links after the two years of the pandemic but also, and above all, to meet the new needs created by the rapid growth in the workforce in recent years.

This project stems from the desire of the Group's employees to build links between themselves and to exchange methods. The aim of the mentoring scheme is to provide new employees with practical answers to their questions, help them get to know how the company works and create links between different departments and sometimes even different branches.

Offering our employees the training they need

Aware of the importance of training, the VALOREM Group ensures that the majority of its employees take part in at least one training course during the year. Thus, in 2022, 9,496 hours of training were given to our employees. By 2022, training accounted for 3.7% of total payroll.

In addition to technical and safety training, the Human Resources Department is increasingly offering cross-disciplinary skills training (also known as soft skills) to support employees in their personal development.

Sharing value with our employees

In 2019, VALOREM created an employee shareholding company to which 49% of employees subscribed, and set up a profit-sharing agreement aligned with CSR criteria.

In 2022, to go even further and enable all employees to benefit from the increase in the Group's value to which they contribute every day, management, in agreement with the union representatives, supplemented the existing systems with the creation of an employee shareholding FCPE (*fonds commun de placement d'entreprise*), approved by the AMF.

It was an immediate success: in just a few days, more than 70% of employees took part in this operation, with requests representing more than 160% of the proposed issue!

"*We're proud to see how optimistic our employees are about the renewable energy sector and the direction the Group is taking. This makes it all the more important for us to be beyond reproach and to strive for excellence if we are to earn the trust of the 255 employees who invest in VALOREM,*" stressed Marc Rouberol, VALOREM's Deputy Chief Executive Officer.

"*Employee share ownership is a great opportunity to share the value created by our work. So we are delighted that the company has made it possible to set up a system like the FCPE. This instrument will enable an alignment of interests between shareholders and employees, and a better distribution of wealth within the company,*" explained Xavier Dufraigne, a member of the working group on employee share ownership.

94%

of employees took part in at least one training course in 2022

KEY INDICATORS

- **Monthly HR Cafés** for managers to share information and HR news
- **Skills sponsorship:** 21 people gave their time to Watt For Change in 2022
- **Participation incentive** in the results + Profit-sharing scheme
- **Increase in length of service-related holiday entitlement** (2 additional days after 4 years, then 1 additional day every 4 years)
- **34 cots/places reserved in crèches** for employees' children

3 indicators from the Employee Satisfaction survey conducted in 2021 (survey carried out every 2 years):

95% of employees satisfied with working for the Group

94% of employees feel that their work is in line with their personal values and beliefs

96% employees proud to belong to VALOREM

CSR INDICATORS

+20%
Change in headcount
19% in 2021

89/100
Gender equality index
84 in 2021

3.7%
of payroll devoted to employee training
3.6% in 2021

179
bicycle premiums/users
147 in 2021

12
interns hired on fixed-term or permanent contracts after their internship
10 in 2021

37.4
average age
38.5 in 2021

1.92%
of share capital held by employees
1.24% in 2021

140,507 km
cycled by VALOREM employees
103,351 km in 2021

OUR GOVERNANCE

THE EXECUTIVE COMMITTEE IS EXPANDING!

With the Group growing rapidly, in terms of human resources, territories and business lines, the decision was made to increase the number of Executive Committee members to five. The Group aims to benefit from an even stronger complementarity of its members to arbitrate in a collegial way the operational choices of its strategic deployment.

Jean-Yves GRANDIDIER
Chairman and Founder

Representation & CSR
Senior expert in complex projects, CSR, VALEMO

Marc ROUBEROL
CEO

Management & Administration
Accounting, Management Control, Finance, General Services, IT, Legal, Data Protection Officer

Philippe ETUR
Deputy CEO

Strategy & Organisation
Design offices, DMSI, DO-QHSE, Human Resources, OPTAREL

Philippe TAVERNIER
Deputy CEO

Operations & Production
International Development, Asset Management, VALREA, Purchasing

Bertrand GUIDEZ
Deputy CEO

Operations & Production
Development France, Offshore Development, Institutional Relations, Communications

KEY FIGURES
VALOREM BUSINESS

DEVELOPMENT

5.7 GW

FRANCE	1.25 GW	2 GWp	30 MW	10 MW
INTERNATIONAL	1.45 GW	1 GWp	-	-
	2.7 GW 47%	3 GWp 52%	30 MW 1%	10 MW

14 high-voltage substations under development (France)

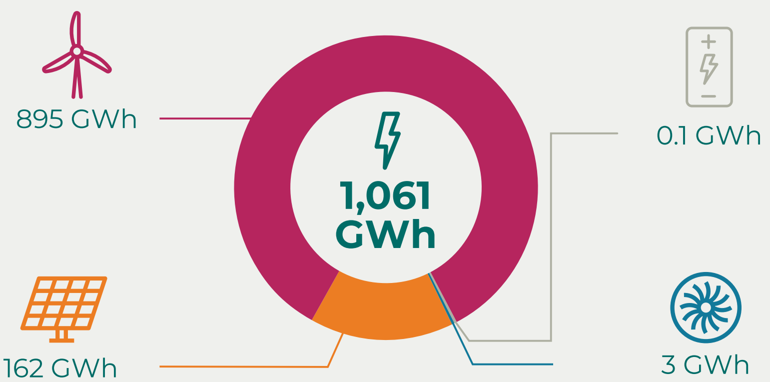
4 storage batteries under development

OUR PROJECTS UNDER DEVELOPMENT

269 MW financed

A record year!

OPERATION



Commissioning of the first storage battery in 2022 VALOREM on the metropolitan network

SUBSIDIARIES

VALREA

393 MW
sites under way, including a 27 MW wind farm in Greece and a 313 MW wind farm in Finland

15
employees

VALEMO

+1 GW
more than 100 plants in operation

265 MW
49 plants under maintenance

124
employees

OPTAREL

4 MWp
shading and roofing systems in service by 2022

18 MWp
in development

12
employees

GROUP

GROUP HUMAN RESOURCES

421
employees, including 12 outside France

CSR INDICATORS

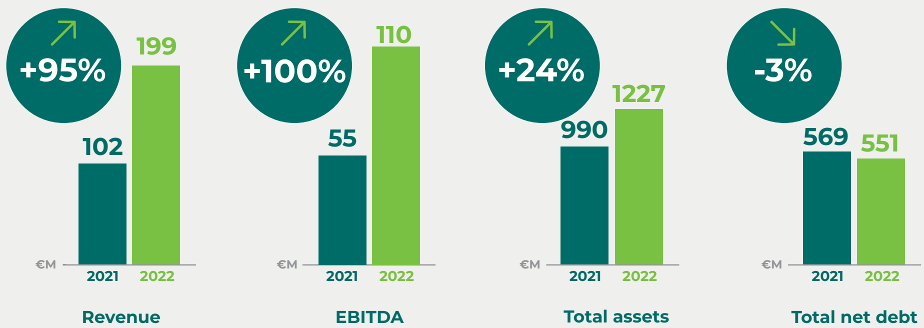
CROWDFUNDING

19 **MonParcVALOREM operations for €8.1m**
Including €5.5m for the VALEMO and VALREA fund-raising campaigns

INCLUSION CLAUSES
2,937 h
on 2 sites

10%
of the capital of projects proposed to local authorities

GROUP FINANCIAL DATA



ASSETS IN OPERATION

The year 2022 was marked by a combination of exceptional crises on the European energy markets. Difficulties with gas supplies as a result of the war in Ukraine, combined with a historically low contribution from France's nuclear and hydroelectric assets, and the increase in the carbon component of the price, led to an unprecedented rise in electricity market prices. In addition, the sector had to contend with widespread inflation (equipment costs, transport, financing), jeopardising investment in new assets.

This exceptional context was marked by a high degree of regulatory uncertainty, as well as the introduction of numerous emergency measures by European and French legislators. These largely affected assets in operation and under development. All options have been examined at Group level to mitigate the effects of this crisis and ensure the long-term viability of the business.

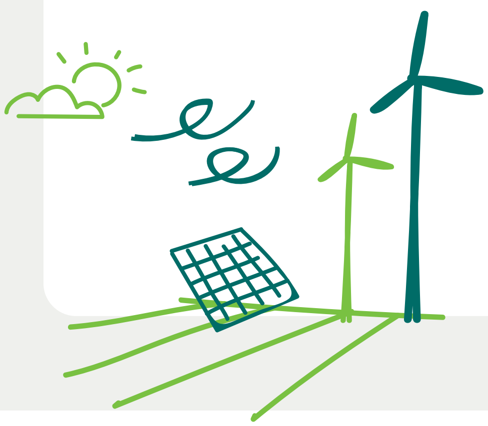
Additional remuneration

As part of the emergency measures implemented in France to limit the rise in electricity prices for end consumers, the Supplementary Budget Act for 2022 adopted on 16 August 2022 introduced a retroactive change to 1 January 2022 to a large proportion of remuneration supplement contracts, i.e. those that benefited from a clause capping the income paid by the producer to the State.

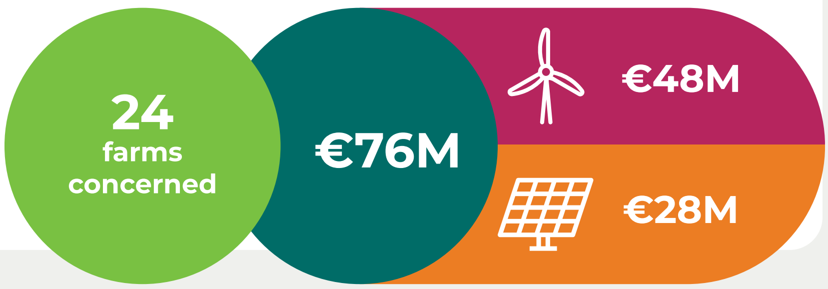
This act redefined the profit-sharing rules beyond the point where, for a given contract, the producer had paid back more to the State than it had received. From 1 January 2022, and as a result of a threshold price set at €44.78/MWh by a ministerial decree in December 2022, they will be paid in full to the State.

VALOREM will therefore have to pay the State the entire difference between the market prices received and the reference tariffs for its remuneration supplement contracts since 1 January 2022.

As a result, at 31 December 2022, these sums are recorded in the Group's balance sheet in a credit notes to be drawn up account for an amount of €69m (and will be repaid in 2023), in addition to €7m already provisioned at 31 December 2021.



KEY INDICATORS



18-month emergency measure to accelerate renewable energy production

In addition to measures to limit the rise in electricity prices, other emergency measures were taken by the French government in 2022, to enable projects facing significant additional costs to maintain their investment decision and thus contribute to accelerating the development of renewable energies.

Thus certain renewable energy projects under a remuneration supplement contract can benefit from a maximum period of 18 months, during which the electricity generated can be sold on the market, before the tariff specified in the remuneration supplement contract is activated.

In the 2022 period, the Group took advantage of this system for one wind farm (Saint-Secondin), commissioned in September 2022, with a positive impact on revenue of €1.9m.

Projects financed during 2022 and currently under construction will also be able to benefit from this measure, provided they are commissioned before 31 December 2024.

Early termination of purchase obligation contracts & infra-marginal annuities

In September 2022, the European Union announced so-called emergency measures to limit the impact on consumers of price rises on the electricity market. The main measure consisted of a contribution on the revenues of "infra-marginal" electricity producers, whose variable production costs are generally lower than wholesale market prices, formed by peak-load power plants.

The French government transposed this measure in article 54 of the Finance Act for 2023, dated 30 December 2022. This article provides for the introduction of a contribution calculated at 90% of income in excess of a price determined on the basis of technology. It stands at €100/MWh for wind and photovoltaic solar power.

For VALOREM, this contribution applies to eight wind farms and one solar farm in 2022. To meet the additional investment costs of new projects, the Group exercised its right to terminate eight power purchase agreements in France that were due to expire before 2026. During the third quarter of 2022, a sales contract was signed, covering a period from the fourth quarter of 2022 to the end of 2024 or 2025 depending on the assets. This operation had an impact on eight wind farm assets (87 MW), which are therefore liable for this new contribution.

In 2022, VALOREM commissioned the Lafitte solar farm (9 MW) and sold directly to the market from the second quarter. This farm also falls within the scope of this contribution on infra-marginal annuities.

At 31 December, VALOREM recognised a provision of €26m to reflect the impact of this contribution in its consolidated financial statements.

KEY INDICATORS

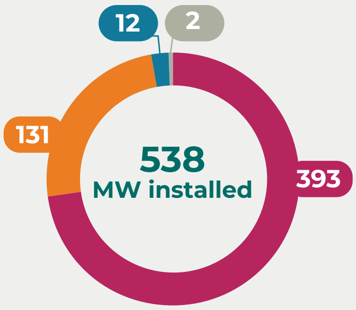
€25M	Amount Pension	€1M
8	Number of sites concerned	1
October–December 2022	Periods concerned	July–December 2022

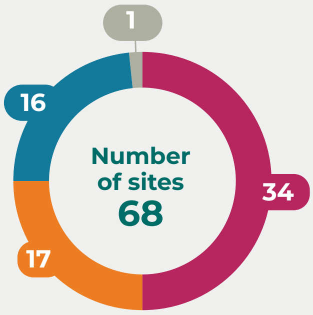
ASSETS IN OPERATION

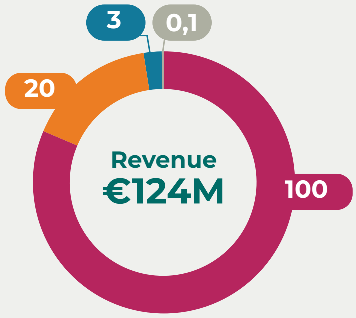
KEY FIGURES 2022

1.1 TWh
of production
compared with
1 TWh in 2021

€124M
of electrical revenue
compared with €87m in 2021







Wind Solar Hydropower Storage

93%
availability
identical to 2021

441,500 t
of CO_2 avoided

COMMISSIONED DURING THE YEAR

- **Saint Secondin :**
  12 MW wind farm, comprising 4 turbines.


Saint Secondin (86)

- **Lafitte :**
  9 MWp photovoltaic plant.


Lafitte (31)


VS Energie (86)

- **VS Énergie:** 2 MW storage battery. This is the storage battery installed in the Jazeneuil source substation, where the future wind farms of La Plaine des Moulins (15 MW) and Lavausseau (15 MW) will be connected, currently under development by our teams at the Nouvelle Aquitaine branch (Bègles).

Additional acquisition of 47% of the shares in Lhuitre Energies

In February 2022, the Group increased its equity interest in Lhuitre Energies from 17% to 64%. This wind farm in the Aube region comprises six turbines, with a total output of 12 MW.

Tax revenue from farms in operation (local taxes)

This year, €5.8m was recognised in the parent company accounts of our operating companies in respect of local taxes, compared with €4.3m in 2021.

AN INTEGRATED CSR APPROACH WITHIN OUR OPERATING ASSETS

VALOREM is keen to amplify the positive impacts of its business, and supports community networks near its farms and plants to contribute to the vitality of local communities and promote social cohesion.

Promoting initiatives in the regions where the farms are located

In 2022, the Lafitte photovoltaic plant signed a partnership agreement with Beezou to install an apiary with 16 beehives on the site.

Beezou is expanding in the Occitania region, producing honey from the Lèze valley with 400 hives, where two-thirds of the bees feed on rapeseed and sunflower nectar. The company harvests, processes and recycles honey into by-products (soaps, handmade candles, etc.).

This partnership should enable 130 kilos of honey to be produced, primarily from the hives on the Lafitte-Vigordane site, supplemented if necessary by harvests from the Lèze valley.

Undertaking to promote local integration through economic activity

In 2016, the VALOREM Group voluntarily initiated France's first system of integration clauses on photovoltaic farm construction sites. The Group would like to extend these integration clauses to jobs other than those in the construction phase, by calling on the services of specialised third parties.

To meet the requirements of landscape maintenance and SDIS regulations (legal obligations to clear undergrowth), the La Pouyère photovoltaic plant has chosen to involve ARES COOP and APADEV in 2022, whose main aim is to help people return to work. The Group therefore asked the employees of ARES COOP and APADEV to clear the undergrowth in order to reduce the mass of vegetation. Clearing undergrowth reduces the risk of fire and also helps slow the spread and intensity of any outbreak of fire. The aim for 2023 is to sign a long-term partnership with ARES COOP and APADEV on the La Pouyère site, so that 100% of the maintenance of the plot can be carried out through reintegration.

ares

apadev
L'entreprise sociale apprenante

THE GROUP LAUNCHES INTO **OFFSHORE DEVELOPMENT**

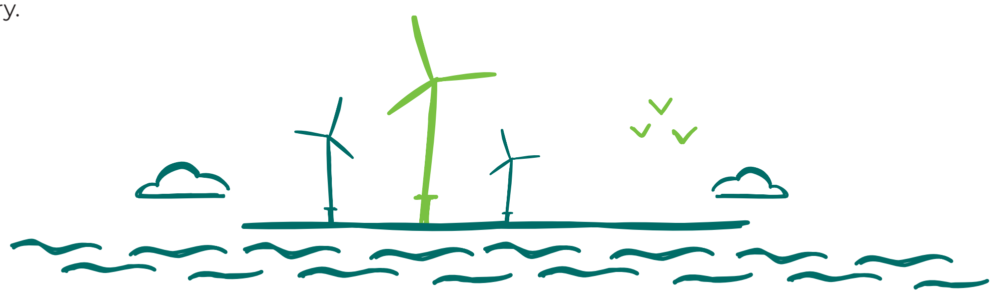
As part of the Energy Transition Act adopted in 2015, the French government set itself the target of achieving 40% renewable electricity by 2030. This will certainly involve developing the offshore wind energy sector. The aim is to reach an installed capacity of 2.4 GW in 2023 and around 5 GW in 2028. By 2050, the aim is to reach 40 GW for a volume of 50 land-based and floating farms.

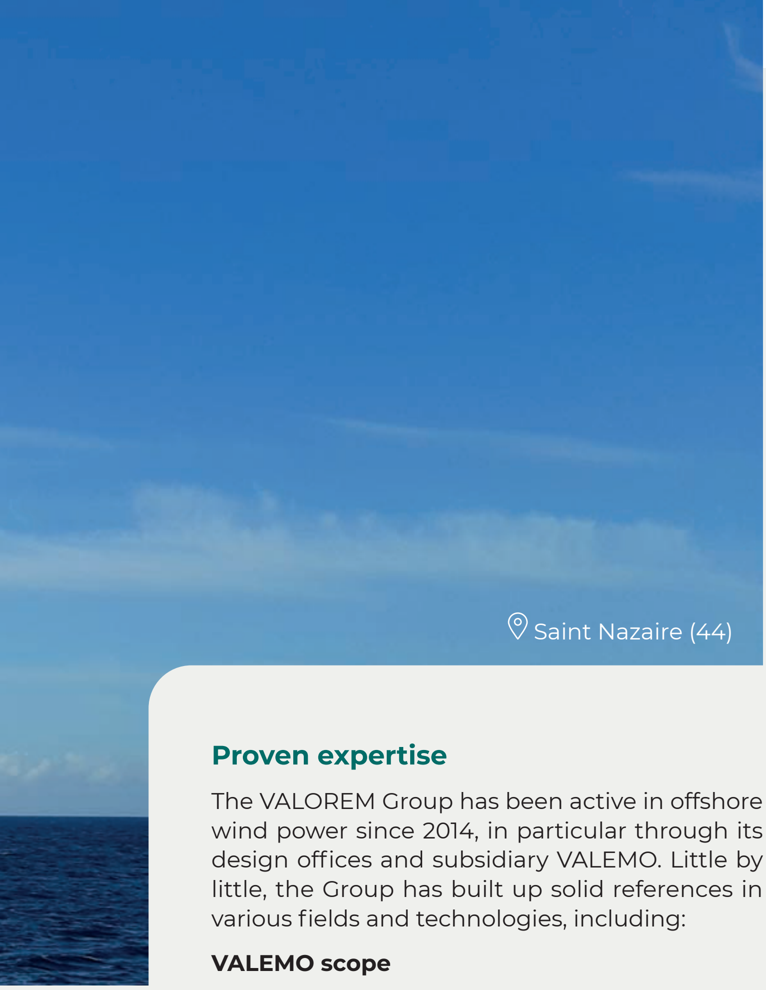
Against this backdrop, in 2014 the VALOREM Group positioned itself and affirmed its vision...

- Offshore wind power is a means of diversification and a growth driver for innovation, industry and the decarbonisation of global electricity production,
- Offshore wind power will help revitalise French industry.

... and its ambitions:

- To contribute to the emergence of offshore wind energy in France and its development worldwide, particularly in Europe,
- To become a leading player in offshore wind energy, with a presence across the entire value chain.





Saint Nazaire (44)

Proven expertise

The VALOREM Group has been active in offshore wind power since 2014, in particular through its design offices and subsidiary VALEMO. Little by little, the Group has built up solid references in various fields and technologies, including:

VALEMO scope

- **Land-based wind farm:** Quality inspections, commissioning and maintenance of the 80 wind turbines at the Saint-Nazaire offshore wind farm (for GE Renewables),
- **Floating wind farm:**: Commissioning, maintenance and engineering assistance / OPEX business plan / WTG selection for floating demonstrators / demonstrator assembly, installation, commissioning and maintenance (IDEOL on Floatgen/EOLINK),
- **Substation:** Preventive and corrective maintenance on all electrical substation equipment (Saint-Brieuc farm for Iberdrola),
- **Floating LiDAR:** Commissioning and maintenance, 24/7/365 supervision, Metocean analysis, Carbon Trust Type 2 certification, participation in R&D projects to optimise measurement at sea (Akrocean).

VALOREM scope

- **Measuring mast:** Instrumentation of the mast, commissioning and maintenance (Fécamps farm, for EDF Renewables),
- **Environmental studies:** Supervision of environmental studies, permitting and interface with public authorities (Haliade-X 12MW, Cherbourg, for General Electrics).

On the strength of its many references in offshore services, and its experience in onshore development, VALOREM announced in October 2022 its ambitions to develop and co-invest in offshore wind energy by taking a minority interest in consortia bidding for floating or land-based offshore contracts in France and Europe.

This new development business is overseen on the Executive Committee by Bertrand Guidez. His 10 years' experience in developing offshore wind projects for Iberdrola Renewables France (between 2009 and 2019) have given him a wealth of expertise in the field. "*Year after year, VALOREM has become a key player in the renewable energy sector in France, recognised for the quality of its projects, at the service of local communities. After three very successful years working alongside the Development France teams, I now intend to put all my skills at the service of the Group and contribute even more to its growth,*" said Bertrand Guidez.

VALOREM takes a position in floating offshore wind energy by supporting EOLINK.

The VALOREM Group confirmed its ambitions for offshore development by also supporting EOLINK, an innovative company in the floating offshore wind sector, and by taking part in the France-Atlantique project. Since 2015, EOLINK has been developing a new floating wind turbine concept aimed at reducing the cost of producing offshore wind-generated electricity, in particular by reducing the steel mass of the float by 30%.

VALOREM is taking part in this venture, acquiring a 17% holding in EOLINK alongside Spanish renewable energy operator ACCIONA Energía, the majority shareholder. This VALOREM-EOLINK collaboration is reflected in VALOREM's involvement in the France-Atlantique pilot project, for which ADEME has just confirmed financial support of €14.9m as part of the "France 2030" programme.

The France-Atlantique project aims to install a floating wind turbine based on the EOLINK concept at the SEM-REV offshore test site in Loire-Atlantique. With a capacity of 5 MW, the wind turbine will meet the annual electricity consumption of 7,000 inhabitants. VALOREM will supply and adapt the turbine to the EOLINK float, then take care of its installation (via its subsidiary VALREA), commissioning and maintenance (via its subsidiary VALEMO).

EOLINK wind turbine

Force Hydraulique Antillaise, Guadeloupe (971)

DEVELOPMENT **FRANCE**

BACK TO PROSPECTING IN FRANCE

2022 marks a turning point in the world of renewable energies: the energy crisis has passed and the energy transition will be accelerated, that's a fact. The Business Development department, along with the eight development branches in France, is behind tomorrow's projects and is faced today with the realities of the regions: **understanding, innovating and anticipating.**

The world is changing, competition is multiplying and the Group must adapt its prospecting methods: testing several tools, working with new service providers and developing the Group's competitive advantages to win new projects.

Once projects have been identified, the study and **consultation** phases begin: the more a project is supported and shared by the **region**, the better its development will be. In 2022, steering committees and owners' meetings were set up, as well as public meetings, participation at town councils, a review of stakeholder mapping and the relaunch of an internal working group on consultation.

Partnerships are one of the keys to successful prospecting. That's why the Group is working with local partners, extending its partnership with SOLATERRA, joining the Fédération des producteurs agrivoltaïques (FFPA) and becoming a member of the Fédération des Entreprises Publiques Locales (EPL).

"*No projects without land*." The year 2022 also provided an opportunity to restructure the land department in order to achieve Net Zero Artificialisation (ZAN). Local authorities, municipalities, departments and regions are asked to reduce the rate of artificialisation and consumption of natural, agricultural and forestry areas by 50% by 2030, compared with the rate of consumption measured between 2011 and 2020. It will also be necessary to anticipate the need for environmental land compensation. To this end, VALOREM has signed a framework contract with Caisse des Dépôts Biodiversité.

The various units in the Business Development department (new projects, land, relations with local authorities, crowdfunding and obtaining a tariff for the sale of electricity) have a common objective: to identify, secure and win tomorrow's projects today.

The Loire Brittany (Nantes) branch celebrated its 20th anniversary!

VALOREM in Pays de Retz

This was an opportunity for the VALOREM and VALEMO teams to bring together more than 150 guests, including elected representatives, mixed economy enterprises, design offices, partner companies involved in development, construction, operation and maintenance, lenders, associations and former employees.

PORTFOLIO OF PROJECTS

METROPOLITAN FRANCE AND THE CARIBBEAN

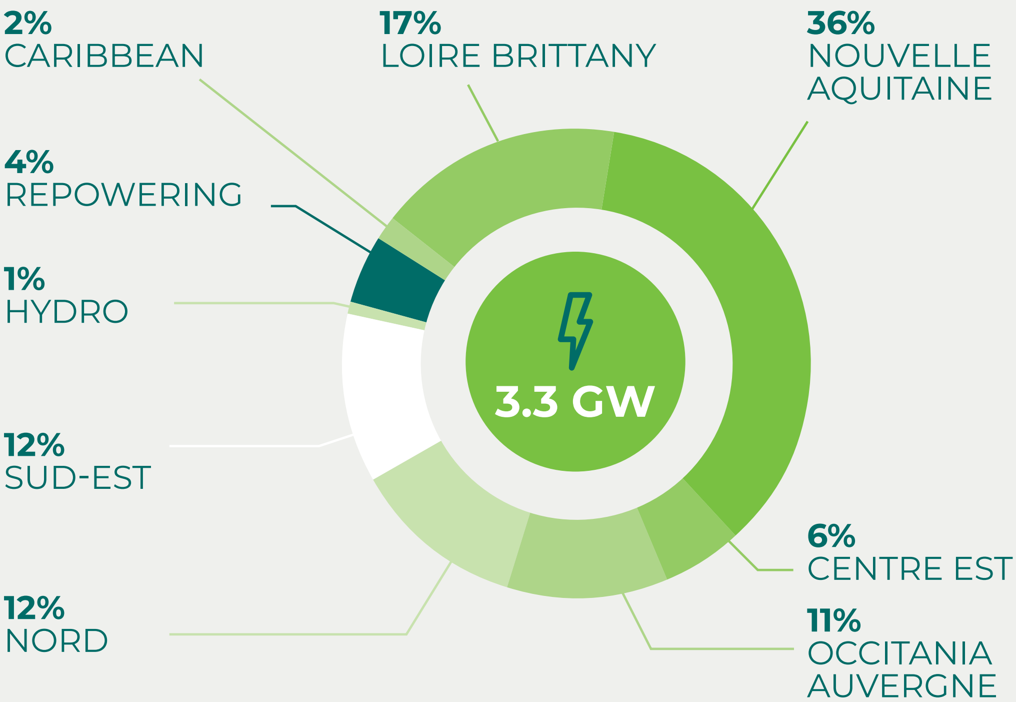
The portfolio of projects in France is equivalent to 3.3 GW, 300 MW more than last year. The French portfolio currently has a majority of photovoltaic projects, given the strong growth potential offered by this technology and the great opportunity for VALOREM to support the agricultural sector through agrivoltaics.

3.3 GW
FRANCE

1.25 GW	2 GWp	30 MW	10 MW

DISTRIBUTION BY BRANCH

Within this portfolio, the Group is currently developing 146 MW of repowering projects, to take advantage of the latest innovations in turbines, while remaining as close as possible to the regions.



FINANCING 2022

This year, 2022, was marked by seven financings in France, distributed as follows across our regions.

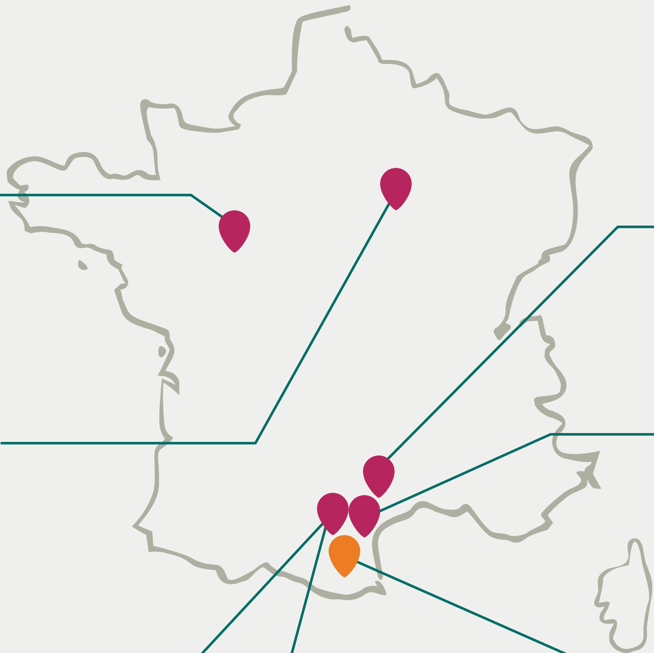
94 MW were financed in France!

Loire Brittany branch
ROSE-DES-VENTS
9 MW wind farm project, comprising 3 turbines, located in Mayenne.

Nord branch
CHENIERS FAGNIÈRES
36 MW wind farm project, comprising 8 turbines, located in the Marne department. As part of this financing, the Group also financed a HV substation at Fagnières *(see inset below)*.

Occitania Auvergne branch
SAINT-AMANS
11 MW wind farm project, comprising 5 turbines, located in the Tarn department.

Occitania Auvergne branch
VALTORET
11 MW wind farm project, comprising 5 turbines, located in the Tarn department.



Occitania Auvergne branch
AMOURES
14 MW wind farm project, comprising 6 turbines, located in the Hérault department.

Occitania Auvergne branch
CUXAC
11 MW wind farm project, comprising 3 turbines, located in the Aude department.

Occitania Auvergne branch
LIMOUX
1.5 MWp photovoltaic project, located in the Aude department. This solar plant is equipped with a 1 MW energy storage system.

Financing the Fagnières HV substation

Located in the municipality of Fagnières, this high-voltage substation will enable a total capacity of 70 MW to be connected to the RTE national grid. Construction is due to start in June. The Cheniers Énergies wind farm will be the first to be connected by June 2024.

The construction of the substation was associated with a crowdfunding campaign on our MonParcVALOREM platform. This is a first in terms of crowdfunding in France, because this fund-raising does not finance a production tool, but rather an installation that is essential to its operation.

EXCEPTIONAL TRANSACTIONS

The year was also marked by two exceptional acquisitions and disposals of shares in project companies.

Acquisition of shares in Cuxac Energies

In June 2022, VALOREM acquired the shares that TotalEnergies Renouvelables France had held in Cuxac Energies since 2014. Initially, the joint shareholders each held 50% of the company's capital.

As a result of this transaction, VALOREM is now the sole shareholder in Cuxac Energies. The Group was subsequently able to finance the project in December 2022.

Acquisition and disposal of shares in the Voulpaix projects

Le Haut Bosquet Energies and Les Royeux Energies were formed in 2012 jointly by ELICIO France and VALOREM for the purpose of developing and operating two electricity-generating wind farms located in Voulpaix.

In 2022, the two developers wished to split the two farms so that each would be the sole shareholder in one of the two project companies.

As a result, in December 2022, ELICIO and VALOREM carried out an acquisition and disposal.

VALOREM therefore sold its 50% holding in Les Royeux Energies to ELICIO, and at the same time acquired a 50% holding in Haut Bosquet from ELICIO.

The Haut Bosquet project should also be financed by VALOREM in the first half of 2023.

MON PARC VALOREM

€8M raised

MON PARC VALOREM (MY VALOREM ASSET): A RECORD YEAR FOR CROWDFUNDING

With more than €8m raised, 2022 broke the record in terms of volume raised in the last 10 years.

This result was mainly attributable to the first two rounds of corporate funding raised by our two business line subsidiaries (VALEMO and VALREA), which raised €5.5m between November and December.

This excellent performance is due to the trust placed in us by our community of over 7,000 lenders, who are always ready to lend whenever a VALOREM bid is made. It also underlines the relevance of the Group's decision in 2021 to launch our own crowdfunding portal, and the great advantage of having all our bids grouped together on an exclusive basis.

The remainder was raised for 17 other wind and solar projects, including for the first time floating photovoltaics and agrivoltaics.

Six branches submitted bids, led by the Loire-Brittany branch with €850k for seven projects, followed by the Nord branch with four projects, including a wind/solar hybrid, totalling €700k.

CSR INDICATORS

€8M
of crowdfunding raised
€3.28m in 2021

19
crowdfunding campaigns
18 in 2021

10%
of project capital is offered to local authorities
10% in 2021

11%
of total working hours reserved for unemployed people in the farms
12% in 2021

50%
of projects benefiting from at least one crowdfunding campaign

€771K
annual budget allocated to associations
€509k in 2021

DEVELOPMENT INTERNATIONAL

In 2022, the internationalisation of the VALOREM Group accelerated with an increase in the size of the project portfolios in the countries where it operates: Finland, Greece and Poland in two of its technology areas: onshore wind power and photovoltaics. The Group is also exploring potential new growth drivers to diversify its technologies: hydrogen and battery storage.

PORTFOLIO ALLOCATION

INTERNATIONALLY BY ENERGY

2.5 GW

INTERNATIONAL

1.45 GW

1 GWp

43%

Share of the Group's portfolio outside France

at the end of 2022

Now a European Independent Power Producer (IPP) thanks to the two financings completed this year (Viiatti 313 MW in Finland, and Magoula 27 MW in Greece), VALOREM will contribute to Europe's energy sovereignty, beyond its national territory, and to securing its supply of green electricity at a controlled price. The Group is also active in Romania, co-developing with its local partner Monsson Alma. Outside Europe, VALOREM is still present in Colombia, but aims to dispose of its portfolio in 2023 to refocus on Europe.

To support its international expansion, the Group relies on local structures, established in each of the three countries, with strong, fast-growing and autonomous teams able to draw on all the Group's skills. The new director of the International Business Unit, Gwenaël Jestin, will join the teams at the beginning of 2023 to support the opening of a new site in Europe.

FINLAND

VALOREM Energies Finland Oy (Helsinki)

A team of five people (with plans to double the number by 2023)

Minna Jukola
Country Manager

"VALOREM has major ambitions in Finland, with over 1 GW of projects under development. We are continuing to actively seek out new projects and explore opportunities for new collaborations, while seeking to diversify our sources of growth. Thanks to significant projects like Viiatti, we are proud to be contributing to Finland's goal of carbon neutrality by 2035, and happy to take part in its transition to energy autonomy."

In 2022, VALOREM strengthened its position as a key player in the Finnish wind energy market with the financing of the Viiatti wind farm (313 MW), comprising the Matkussaari (148.5 MW) and Kalistanneva (165 MW) wind farms. The latter was sold to the Finnish consortium Helen and Ålandsbanken Wind Power Fund, with VALOREM retaining 100% ownership of Matkussaari. The two farms are currently under construction by VALREA, and their combined output will represent 1 TWh, or 1.2% of Finland's total electricity consumption. This major operation for the Group has enabled it to increase its installed capacity by 27% and marks VALOREM's arrival as an independent producer of green electricity on a European scale.

In May 2022, VALOREM renewed a mutual cooperation agreement with its Finnish partner ENERSENSE Wind to develop a further 1 GW of onshore wind projects in Finland by 2025, in addition to the initial portfolio of 500 MW currently under development. The collaboration between the two partners, which began in 2015, is bearing fruit and has already brought more than 400 MW of onshore wind assets to the construction phase in Finland.

As part of this agreement, VALOREM is actively working on a portfolio of four new wind farm projects with a capacity of over 600 MW.

New opportunities are being explored with the development of photovoltaic projects.

Viiatti site, Finland

GREECE

REN VALOREM Hellas (Athens)

A team of five people (staff growth planned for 2023)

Thomas Stavrou
Country Manager

"In line with our business strategy, we have been developing a mixed portfolio of photovoltaic and wind renewable energy projects in Greece since 2019. Greece is a key market for the Group and after three years of activity, we are very pleased to see that VALOREM has won the confidence of the market and the country. We are delighted to be contributing to the sustainable development of Greece through our renewable energy projects and to be helping to achieve energy autonomy in Europe."

At the end of 2022, VALOREM financed the construction of the Magoula wind farm, with a total installed capacity of 27 MW, for a total investment of €40m. A flagship project for the Group, Magoula is VALOREM's first wind farm in Greece. It will generate an estimated 71 GWh a year, equivalent to the electricity consumption of 18,000 households. Construction of the farm, supported by VALREA, began at the end of 2022, with commissioning scheduled for the first quarter of 2024.

VALOREM's expansion in Greece is supported by Alpha Bank, its financial partner.

VALOREM is gradually strengthening its presence in the country, and currently has a mixed portfolio of renewable energy projects under development of around 700 MW, to be built in close collaboration with its partners and local communities. This first construction reference, together with its entire portfolio of projects under development, strengthens its position as an active, responsible and independent green energy producer.

Magoula (project model), Greece

POLAND

VALOREM Energies Poland (Varsovie)

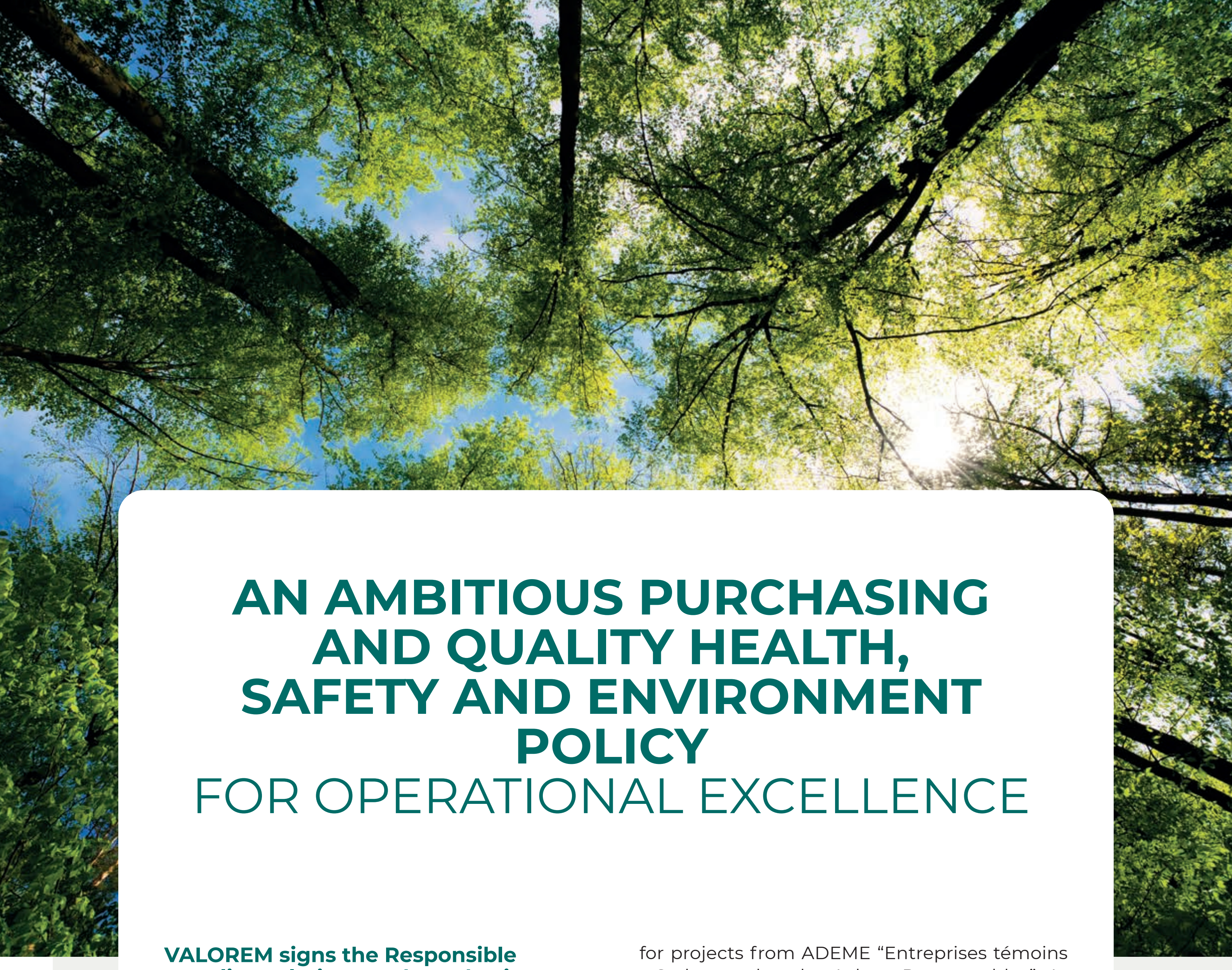
A team of two people (doubling of the team envisaged in 2023)

Katarzyna Napora
Country Manager

"I've been working in the renewable energy sector for 14 years now. I joined VALOREM in 2022 to establish the Group on the Polish market and increase the share of renewable energies in the national energy mix. We opened a branch and recruited our first employee in the second half of the year."

VALOREM has set up in Poland with the aim of accelerating the energy transition in this country with its high potential for renewable energies. The Group aims to rely on long-term local partnerships to develop, build, finance and operate renewable energy projects.

Opportunities to acquire portfolios of projects between 500 and 800 MW are currently being studied.



AN AMBITIOUS PURCHASING AND QUALITY HEALTH, SAFETY AND ENVIRONMENT POLICY
FOR OPERATIONAL EXCELLENCE

VALOREM signs the Responsible Supplier Relations and Purchasing Charter!

In 2022, the Executive Committee signed the Responsible Supplier Relations and Purchasing Charter, formalising its commitment to a responsible purchasing policy and its desire to drive continuous improvement in its practices, particularly with regard to its suppliers and its economic ecosystem as a whole.

Charte RELATIONS FOURNISSEURS ET ACHATS RESPONSABLES

This approach is in line with the convictions, values and commitments of VALOREM, which will become a Mission Company in 2021. The signing of the RSRP Charter is part of a wider Group-wide continuous improvement initiative that strengthens and structures our CSR policy. Responsible Purchasing is one of the key pillars of this approach.

Continuation of an approach initiated in 2016

The Group began working on these issues at the end of 2016, in particular via its response to a call for projects from ADEME “Entreprises témoins – Se lancer dans les Achats Responsables”: At the time, VALOREM was the only company in Aquitaine selected to be supported in launching the approach. Gradually, the Group conducted a number of SWOT workshops and drew up its first Responsible Purchasing Charter, which was circulated both internally and externally.

Outlook: On the way to the label!

The charter is the first step in a more comprehensive national programme, the logical follow-up to which is to obtain the Responsible Supplier Relations and Purchasing (RSRP) label, the first label in this field, awarded by the public authorities for a period of three years.

Backed by the ISO 20400 standard: 2017, the RSRO label is a guarantee of a certain level of maturity and credibility in the field. Its 15 assessment criteria, divided into five main areas, now serve as guidelines for our action plan.

KEY INDICATORS

Monitored and steered to adapt and adjust the action plan in accordance with the operational needs of the teams

87
near-accidents reported
compared with 52 in 2021

7.77
Frequency rate
compared with 1.78 in 2021

3,420 h
of safety training
compared with 3,098 h in 2021

0.18
Severity rate
compared with 0 in 2021

Quality, Health, Safety and Environment

2022 was a year of structuring the integrated QHSE management system on which the Group relies. The aim is to support VALOREM in its development and growth, while integrating the challenges of quality, health and safety in the workplace. Whether in our offices, at our operating sites, or at construction sites or new project sites under development, the Group relies on awareness-raising and prevention measures as well as appropriate management processes.

2022 also saw:

- One Offshore HSE position created to meet the Group's desire to expand offshore,
- Development and maintenance of HSE support on sites through:
    - An HSE visit to raise awareness among teams and subcontractors,
    - Completion of a QSE audit, which enabled us to monitor our standards and ensure that our practices evolved,
- Safety training days for VALEMO teams,
- Organising days and workshops on the theme of continuous improvement to ensure compliance with best practice within the Group and to optimise the way we do things.

Thanks to the joint efforts of all our teams in 2022, all the Group's ISO certifications were renewed without any cases of non-compliance.

afaq ISO 9001 Qualité AFNOR CERTIFICATION
afaq ISO 14001 Environnement AFNOR CERTIFICATION
afaq ISO 45001 Santé Sécurité au Travail AFNOR CERTIFICATION

As part of its work to improve practices, organisation and methods, the Group has set up equity interest workshops to define changes in organisation and methods. Work has also been initiated on identifying business-related risks. An appropriate action plan has been drawn up and will be followed to manage these risks.

Viiatti site, Finland

OUR SUBSIDIARIES
VALREA / VALEMO / OPTAREL

VALREA

2022 marks a turning point in VALREA's business, with the concrete implementation of its diversification strategy in new areas of activity such as storage, hydrogen, offshore and international.

Offshore: VALREA is involved in the EOLINK project

The teams are preparing to install the first floating wind turbine prototype of the EOLINK concept at the SEM-REV sea trials site in Loire-Atlantique.

Storage: a successful installation!

Commissioning of the VS Energies 2 MW/2.5 MWh battery storage plant on the Jazeneuil 33/90 kV HV substation. RTE certified installation on frequency system service markets and capacity mechanism in June 2022.

Acceptance and commissioning of the Group's first Hydrogen project

In early May 2022, VALREA won a public supply contract with the Rouen Normandy Metropolitan Authority (MRN) to install a fast-charging station for hydrogen buses. The station has been successfully commissioned and since April 2023, Rouen's buses have been able to fill up with hydrogen.

Finland: launch of the Group's largest site

Since spring 2022, VALREA teams have been managing the construction of the Viiatti project in Finland. This large-scale project comprises two farms:

- **The Matkussaari wind farm,** wholly-owned by VALOREM and comprising 27 turbines with an individual output of 5.5 MW. This farm, with a total capacity of 148.5 MW, will have an annual production of around 470 GWh.
- **The Kalistanneva wind farm,** sold by VALOREM to the Finnish consortium Helen and Ålandsbanken, which includes the Helsinki electricity company and the Åland Bank Wind Energy Fund. The farm comprises 30 wind turbines, each with a capacity of 5.5 MW, giving a total output of 165 MW and an estimated annual production of 530 GWh.

The 57 foundations were completed in just three months, and the project requires the construction of a 110 kV overhead power line 40 km long to be connected to the national grid.

Commissioning of the entire Viiatti site, including these two farms, is scheduled for January 2025.

First site in Greece!

In 2022, the teams prepared for the construction of the VALOREM Group's first wind farm in Greece, and following the financing of the project at the end of the year, work started on the site in the first half of 2023.

15 employees

393 MW

+1.5 GW multi-energy projects completed since its creation

SITES LAUNCHED

5 sites opened in 2022

Longueil in Seine Maritime (76)
Wind

Viiatti in Finland
Wind

Amourès in the Hérault department (34)
Wind

Saint Amans et Valtoret in the Tarn department (81) Wind

Rouen Metropolitan Authority in Seine Maritime (76)
Fuel Box

The Fuel Box is the equivalent of a hydrogen charging point. It was installed by VALREA teams on a site in the city of Rouen on behalf of the Rouen Normandy Metropolitan Authority. It recharges 14 buses in the region.

CSR INDICATORS

100%
of our photovoltaic sites in France include integration clauses

2,937
hours of social integration at the solar farms and head office
1,067 in 2021

100%
of sites that include an environmental awareness session
100% by 2021

29
people employed on social integration schemes at the farms and head office
48 in 2021

2,150 t CO_2 eq. avoided
In 2022, VALREA systematically chose cements with a lower carbon impact, leading to a reduction of 2,150 t CO_2 eq. on our sites.

VALEMO

As a multi-energy operator, VALEMO provides services to all its clients, including the Group's project companies, both in France and abroad. Its objective: To optimise the performance of its clients' assets. In 2014, VALEMO shifted its focus to marine renewable energies and gradually developed solid skills in the operation and maintenance of offshore installations (wind turbines, measurement masts, floating LiDAR, electrical substations).

Activities 2022

2022 was a prolific year for VALEMO. Revenue continued to grow, reaching €12.3m, up 44% on 2021.

VALEMO has passed the symbolic mark of 1 GW in operating assets, and is now France's fifth largest wind farm operator.

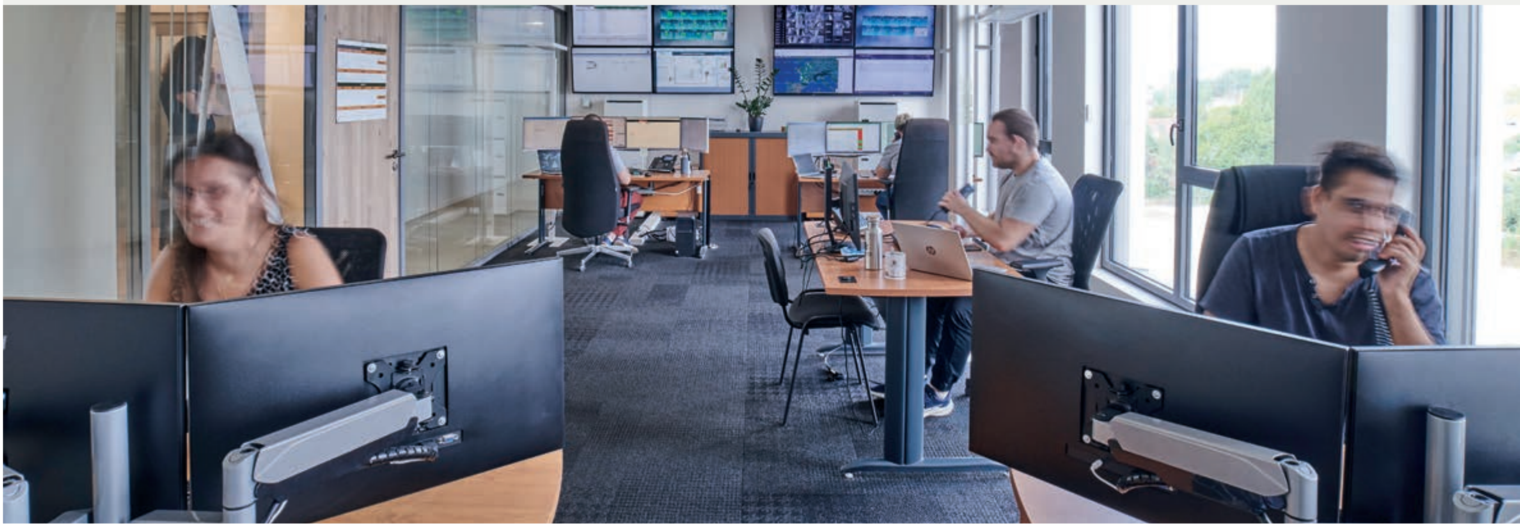
To support this growth, VALEMO is steadily increasing its resources, notably by opening four new technical bases (Orléans, Caen, Lorient and Aix-en-Provence), and expanding its teams with the arrival this year of its 100th employee!

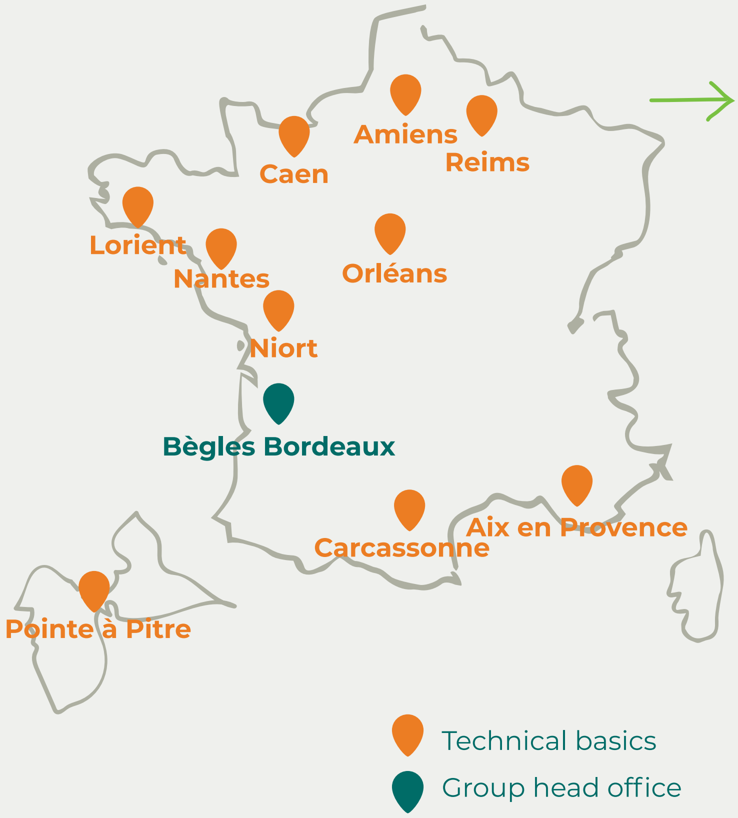
€12.3M
in revenue
+44% on 2021

124
employees

1,024 MW
108 plants
Operation

265 MW
49 plants
Maintenance





With branches all over the country, the company works as close as possible to installations, guaranteeing rapid on-site intervention.

2022 was also a symbolic year for VALEMO's offshore activity, as the teams actively participated in the construction and commissioning of France's first offshore wind farm, the Parc Eolien en Mer de Saint-Nazaire. VALEMO has been commissioned to carry out quality inspections and commissioning, and is now responsible for certain maintenance operations on the 80 wind turbines. In addition to this success and the numerous engineering studies carried out for its clients, VALEMO has continued to develop its offshore activity through its subsidiary Akrocean, which deploys its data acquisition platforms for future offshore sites throughout the world.

Lastly, VALEMO has continued to structure its activities in order to add value to its service offerings, notably through its engineering department (technical audits, automation/SCADA development, data engineering, R&D projects).

Outlook for the future

In 2023, VALEMO will continue to develop its Operations and Maintenance activities, bringing added value to its clients by deploying increasingly precise tools to monitor the performance of the plants under its management.

As such, the main developments undertaken for 2023 will relate to:

- The changeover of our control centre to 5x8 (24/7/365),
- The development of a multi-energy audit service,
- Wind turbine maintenance under direct contract with our clients,
- Consolidation of our position as an Operator in the French market,
- Becoming a key player in offshore wind energy,
- Successful international expansion.

This dynamism will also be reflected in around 20 new recruits to support the growth of VALEMO's activities in 2023 and the opening of new technical offices.

Significant events since the start of 2023

The beginning of 2023 was marked by the implementation of several contracts for third-party clients as well as for the VALOREM Group on technical maintenance, operation and audit activities. In addition, VALEMO now maintains more than 75 photovoltaic roofs, mainly on behalf of AVENTO. These successes are also the result of the reorganisation of the business development activity, implemented in 2022.

Offshore services business continues to grow at a steady pace. Following the construction of the Saint-Nazaire farm, the teams are continuing with maintenance activities on the farm, as well as assisting General Electric on subsequent projects and working with our clients on farms currently under construction. We should also mention the many commercial successes achieved by our Akrocean subsidiary at the start of the year, forcing us to ramp up our operations, on-site installation and maintenance teams in Europe and around the world.

OPTAREL

OPTAREL, a wholly-owned subsidiary of VALOREM, celebrated its 20th anniversary in 2022. Since 2017, it has dedicated itself to the development and construction of rooftop and shade-based photovoltaic solar plants. The majority of projects are concentrated in the large southwestern quarter of France. In 2022, OPTAREL continued to grow by extending its service activities to clients outside the Group. The team helps them to make the ecological transition and control energy costs, and now offers self-consumption solutions.

Looking back to 2022

The current global context has unbalanced the European electricity market. Clients who do not benefit from a regulated electricity supply contract have seen the cost of electricity soar as part of the periodic renegotiation of their contracts with their suppliers. To respond to the many legitimate requests for assistance from these consumers, OPTAREL has strengthened and reorganised its pre-sales service, tripling the number of account managers and structuring its shared services.

In addition, improvements to internal project development and construction procedures, together with the introduction by the government of an open-window tariff mechanism for building-mounted power plants of up to 500 kWp (decree S21 of October 2021), have led to a significant reduction in the time taken to complete projects. From now on, only two years will be needed between the signing of the lease agreement and commissioning.

True to its CSR policy and strong convictions, OPTAREL relies on local companies to build its photovoltaic plants.

11 MWp
Financing of 53 plants

13
employees

5 MWp
41 plants Commissioned

CERTIFICATION QUALITY
OPQIBI No 21 02 4132

FOCUS ON

OPTAREL is proud to have supported the "Ecolieu Lacoste" association's project to build and then make available an agricultural shed at the solidarity farm in the municipality of Tarnos (Landes) to workers, more than two-thirds of whom are undergoing vocational retraining in organic market gardening. The hangar will be fitted out and also serve as a sales outlet for local consumers as part of local, sustainable, responsible and socially responsible agriculture.

ACHIEVEMENTS

Car park canopies in Uby (32)
250 kWp self-consumption

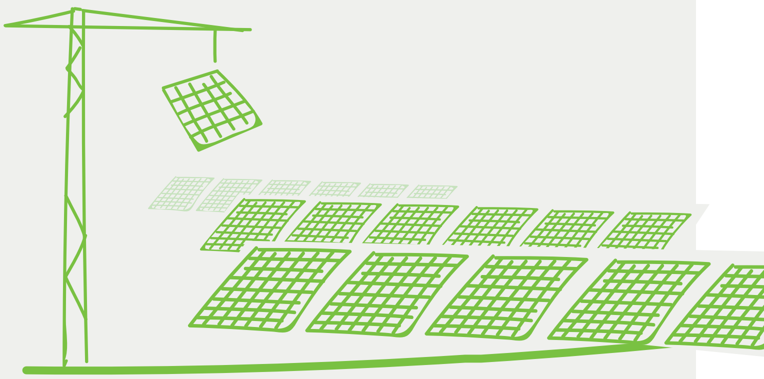
Agricultural buildings in Nanteuil-en-Vallée (16) 500 kWp for total sale

Installation of a solar system on an Intersport membrane in Sainte-Eulalie (33)
300 kWp

Outlook for the future

For 2023, OPTAREL plans to:

- continue its growth, in particular by gradually extending its prospective area to the regions naturally covered by VALOREM through the establishment of its branches (metropolitan France),
- include general contracting services,
- offer local ground-mounted photovoltaic plants (<1 MWp) for self-consumption or grid feed-in,
- complete and commission its first two collective self-consumption operations.



Foyer Isorana, Madagascar

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

WATT FOR CHANGE
FONDS DE DOTATION VALOREM

Since 2016, Watt For Change and its partners have been working with a common goal of improving the living conditions of people in France and around the world, through missions to:

Combat fuel poverty, through access to renewable energy and the renovation of low-energy homes for the most disadvantaged.

Contribute to economic and social development by supporting vulnerable populations in sustainable economic development projects.

Provide training and awareness-raising on renewable energies and responsible consumption.

28
projects supported in 2022

5
partnerships

FOCUS ON

WATT SOLIDAIRE ÉNERGIES

Renewable energies, a lever for energy renovation

Watt solidaire is a Watt For Change initiative that forms part of a project to help people renovate their homes by installing photovoltaic panels on their roofs. Watt solidaire is aimed at low-income and very low-income households to help them finance comprehensive energy renovation work on their homes.

How does it work?

Thanks to the resale of the electricity produced by the photovoltaic roof, Watt solidaire is able to pay the owners a one-off rent equivalent to 20 years' electricity production by the panels. The amount depends on the power of the installation, the amount of sunlight and the orientation of the roof.

The rent generated by the panels is used to cover the remaining costs of the home's energy renovation.

PROJECT STAGES

Research and development
- Technical studies
- Applications for authorisation
- Estimated rent

Signing of the long lease and payment of rent one month after signing

Construction of the plant coordinated with the renovation work

Commissioning of the plant

Operation of the plant for 20 years
After 20 years, disposal or refurbishment of the plant

CSR INDICATORS

26,476
beneficiaries worldwide
4,771 beneficiaries in France

€1M
annual budget 2022
€800k in 2021

93
associations supported since the beginning
60 in 2021

33
projects and partnerships supported during the year
23 in 2021

1,643 h
done by employees for WFC (volunteering or skills sponsorship)
624 h in 2021

21
employees in skills sponsorship

Saint-Secondin (86)

POLICY

Whether in the project development phase, during construction or during the operation and maintenance of farms and plants, and in the future during repowering, the Group's actions remain guided by strong values and a globally integrated CSR approach. VALOREM's CSR policy has always been highly operational and directly linked to the Group's business lines.

At every stage in the life of a project, questions relating to extrafinancial impacts arise, enabling the Group to proactively manage the risks associated with its activities, as well as improving practices and innovating.

This CSR approach is an integral part of the Group's strategic plan, alongside the Mission Statement and financial targets. VALOREM goes well beyond renewable energies and innovates to meet the major challenges of energy by proposing a model that is more ecological and supportive of others.

FOCUS 1

ENSURE RESPONSIBLE MANAGEMENT OF ITS 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.

PRIORITIES

Managing construction sites using an environmental management system

Undertaking responsible purchasing

Sharing a common mission and culture internally

FOCUS 2

IMPLEMENTING A POSITIVE TERRITORIAL 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.

PRIORITIES

Contributing to the economic dynamism of the regions

Facilitating local investment

Preserving biodiversity

FOCUS 3

VALOREM DRIVING A MUTUALLY SUPPORTIVE ENERGY TRANSITION

VALOREM, an independent and 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.

PRIORITIES

Maintaining the Group's independence

Strengthening the presence of employees in Governance

Guaranteeing transparency and ethical management

Undertaking to promote local integration through economic activity

Combating fuel poverty

Change in our Gender Index

Since 2019, companies with more than 50 employees have been required to publish a Gender Index, which measures the efforts made by French companies in terms of equal pay for women and men. This obligation is part of the Future Act of 5 September 2018, which ultimately aims to eliminate pay gaps between women and men.

The VALOREM Group has benefited from these regulations, and the majority of results are above the 75 out of 100 points legally expected. Because beyond just a score, for the Group it is about contributing to human progress by fully integrating the issues of gender diversity and professional equality.

As a result, the Group gained 5 points between 2021 and 2022, so that by the end of 2022 its index stood at 89 out of 100!

This result is the fruit of a collective effort over many years to create the conditions for career development and, above all, the attractiveness that will enable women to progress and project themselves within the Group. These initiatives also address the challenges of equality and gender diversity in the workplace.

89/100 +5 PTS

equality index women/men

The proportion of projects benefiting from at least one crowdfunding campaign

VALOREM, the first operator to involve citizens in its renewable energy projects via crowdfunding, launched MonParcValorem, a new portal dedicated to raising funds, on 13 March 2021.

In 2012, VALOREM pioneered a new model in the renewable energy sector: offering local residents the chance to make virtuous savings through participative investment. In 2021, true to its commitments, the Group decided to create a dedicated fund-raising portal, MonParcValorem.com, with the aim of facilitating the investment process for citizens wishing to get involved in renewable energy projects. By investing on MonParcValorem.com, lenders not only give meaning to their savings, but they can also, on certain projects, assign all or part of their interest, via Watt For Change (a VALOREM Group foundation), to a local association that supports residents in fuel poverty.

Proof of its success is that since the creation of the MonParcValorem portal, the community of lenders has continued to grow. By 2022, half of all projects (at all stages of development) will have raised funds. The year 2022 was a special one for the Group, as these applications involved new types of project, such as agrivoltaics in Saône et Loire, Landes and Loiret, and floating photovoltaics in Indre et Loire.

The VALOREM Group is delighted to have succeeded in involving citizens in the energy transition of their region through crowdfunding.

CSR
INDICATORS

36%

of projects benefit from at least one crowdfunding campaign

The proportion of working hours reserved for people who are no longer in employment

Since 2016, the VALOREM Group has voluntarily included integration clauses on its photovoltaic plant construction sites. A minimum of 7% of hours are reserved for people in social and economic difficulty.

This system not only helps combat social exclusion, but also serves to provide training and share construction skills. The tasks entrusted are varied: maintenance, security, earthworks and roadworks, installation of solar structures, cable pulling, fencing, etc.

This system has been a success, because since 2016, and again this year in 2022, companies have regularly exceeded their commitments, achieving an average of 11% of the planned working hours on the site.

Its success is due in particular to the partnerships created with the social clause facilitators present in the regions, who guarantee that beneficiaries are eligible for the system, support their recruitment and provide a link with the inclusive structures in the region concerned.

CSR
INDICATORS

11%

of total working hours reserved for unemployed people in the farms

12% in 2021

02

THE VALOREM MISSION

2022: VALOREM'S FIRST YEAR **AS A COMPANY WITH A MISSION**

In 2022, the Group laid the foundations for implementing its commitment. The first step was to set up a Mission Committee made up of external members, mainly from the energy sector, and internal Group members.

Throughout the year, the Committee worked to define the roadmap for our mission, which should give operational expression to our raison d'être:

“Promoting regional energies together to pave the way for a sustainable and inclusive future.”

This roadmap was set out in the 2022 mission report, assessed by KPMG France, the independent third-party organisation appointed by VALOREM.

FOREWORD BY THE CHAIRMAN OF THE MISSION COMMITTEE

Émilien STEPHAN
Chief Operations Officer at VALEMO
Staff Delegate

"In the current context of climate change, VALOREM is delighted to see ever more companies becoming aware of the impact of their activities on the environment and demonstrating their desire to respond positively to the challenges of tomorrow.

Our Mission Committee met several times during the year. What makes it special is its composition: we chose to appoint members from within the Group to reflect VALOREM's DNA, as well as external members to ensure a diversity of opinions and a wealth of knowledge. In doing so, 2022 was marked by the establishment of the fundamentals to build a shared vision, a roadmap to follow and the definition of indicators and operational objectives. The result is a roadmap with major challenges to be met and strong commitments undertaken by VALOREM."

THE MISSION COMMITTEE

EXTERNAL MEMBERS

AMORCE
(National network of territories committed to the ecological transition)

Legal person represented by
Julie FERRY
Deputy Head of the Energy Division
In charge of renewable energies

Cédric PHILIBERT
Associate researcher at the French Institute of International Relations (IFRI)

Independent consultant and senior analyst on energy and climate issues.

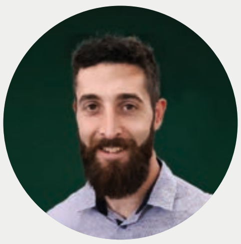
Sylvie PERRIN
Lawyer at de Gaulle Fleurance

Founder of Plateforme Verte

Sylvie FERRARI
Economist, Professor University of Bordeaux

Member of Acclimaterra

INTERNAL MEMBERS



Émilien STEPHAN
Chairman of the Mission Committee

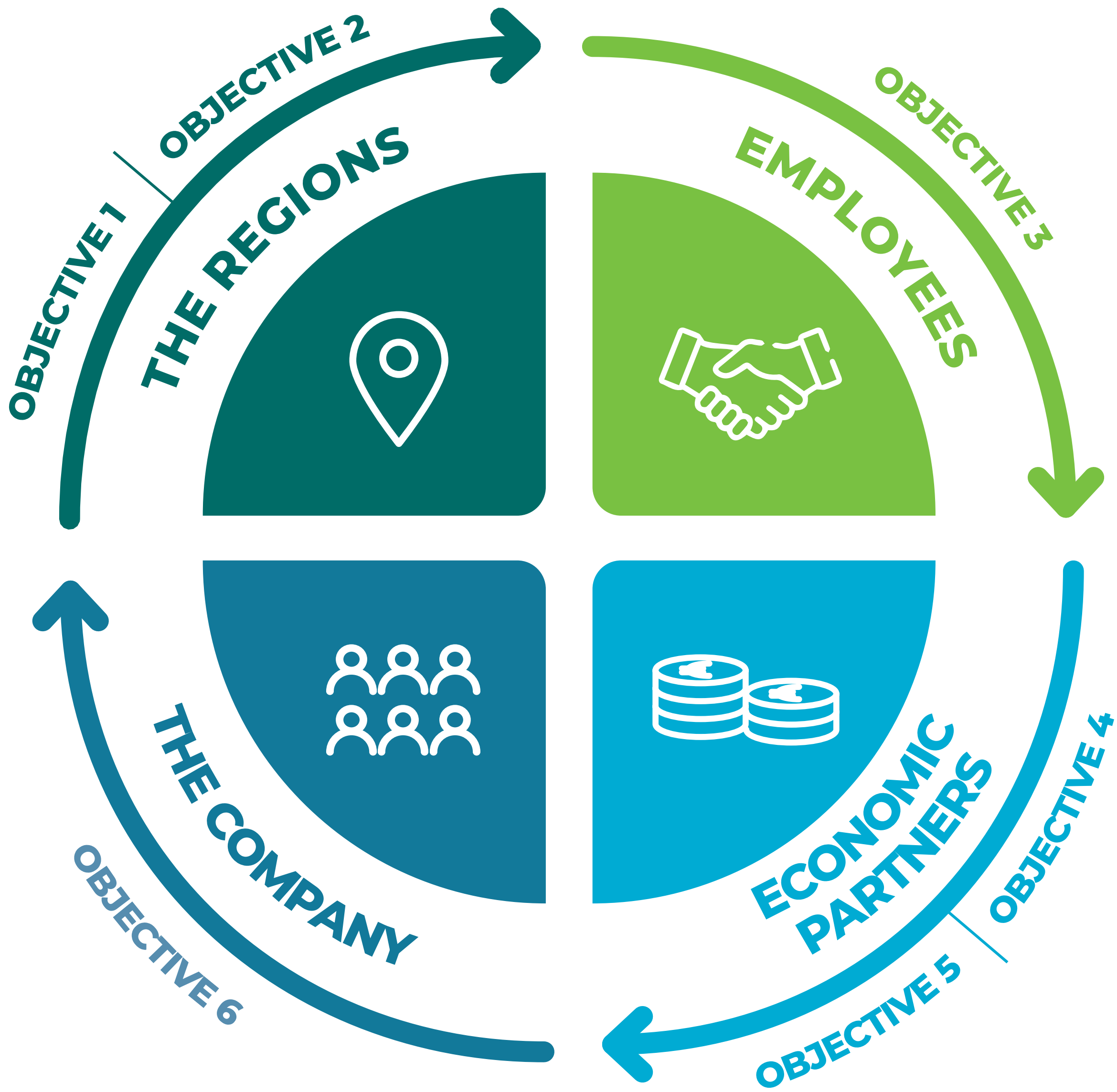
Chief Operating Officer
Staff Delegate

Philippe ETUR
Deputy CEO of VALOREM

Mélodie KHAYAT
Head of legal affairs

M&A/Financing France

The VALOREM mission roadmap sets six objectives classified according to the Group's four stakeholders. During the first year of the strategy, the committee set the indicators to be monitored for each objective.



INITIAL RESULTS

THE REGIONS

OBJECTIVE 1

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

Results indicators

1. During project development, VALOREM suggests setting up committees to encourage consultation.

→ **Results 2022:** 24 consultation committee meetings were held during the year.
In 2023, VALOREM undertakes to make this proposal systematically available to local authorities.

→ **Scope:** All projects in the development phase in France in 2022, all energy sources combined.

2. By 2025, VALOREM will propose (in consultation with the region) to open up 20% of the capital of its projects to local authorities.

→ **Results 2022:** Offer proposed to six municipalities in 2022, as part of a call for expressions of interest.
In 2023, VALOREM undertakes to make this proposal systematically available to local authorities that are partners in a project.

→ **Scope:** All projects in the development phase in France in 2022, all energy sources combined.

3. VALOREM undertakes to ensure that at least 40% of its projects benefit from a crowdfunding campaign by 2025 (these campaigns all include a specific offer for local residents in France).

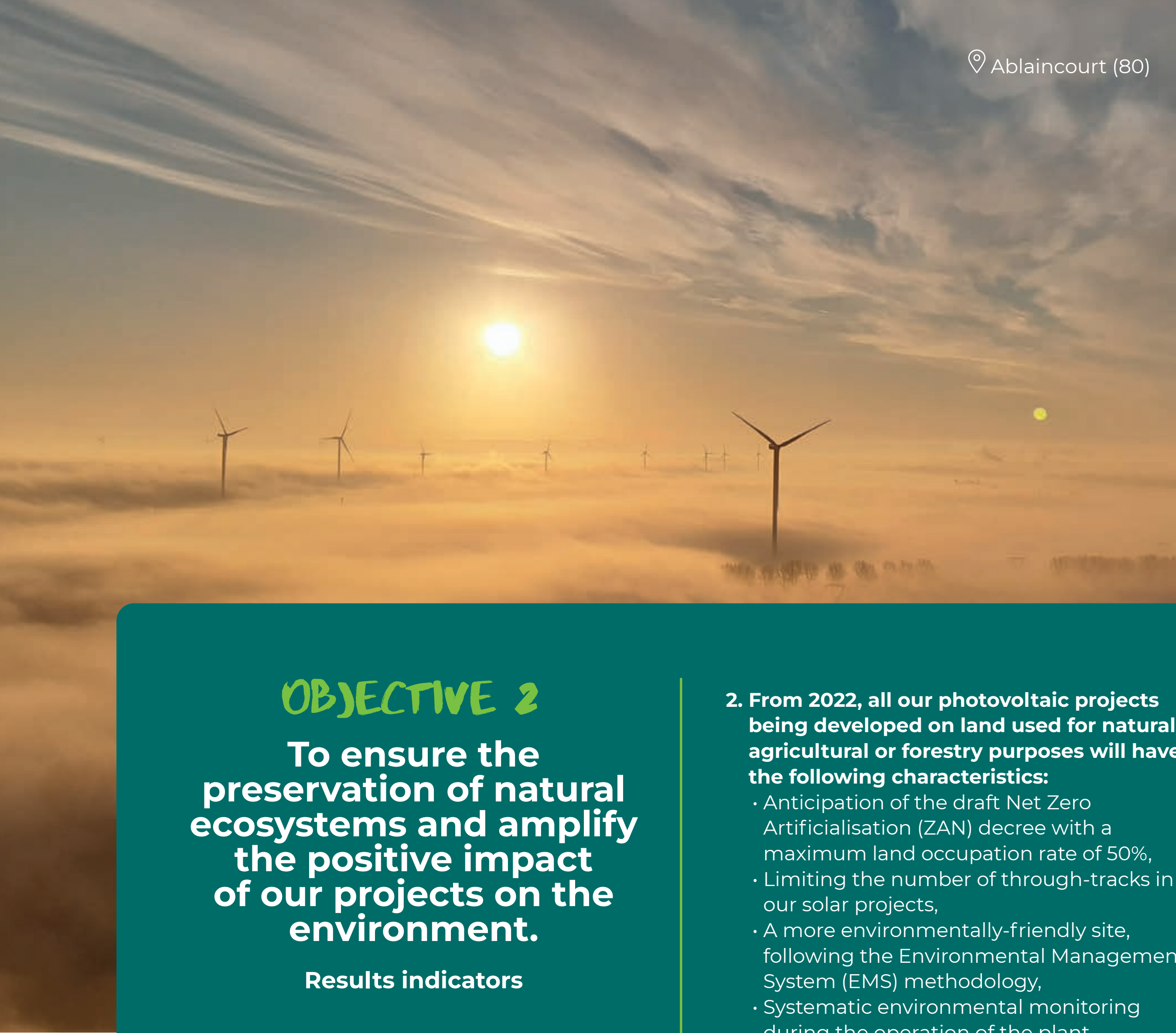
→ **Results 2022:** 36% of VALOREM projects have benefited from at least one crowdfunding campaign.

→ **Scope:** All projects in France and abroad in the development phase (from pre-feasibility studies) through to operation, all energy sources combined.

4. VALOREM aims to increase the proportion of local purchases in its projects.

→ **2022 results:** Setting up of an internal working group to define a reliable indicator.
In 2023, the Group undertakes to put in place a reliable indicator to measure this share.

→ **Scope:** All projects in France, all energies combined.



OBJECTIVE 2

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

Results indicators

1. By 2024, 100% of our new development projects will benefit from supplementary/ complementary support measures to the regulatory framework.

→ **Results 2022:** 100% of our new development projects benefit from additional studies.

→ **Examples of studies carried out:**
- GPS studies on the Grande Noctule bat in the Puy de Dôme,
- Research programme on endemic species in Guadeloupe,
- Partnership agreement with the Haut-Limousin mammology group: installation of an antenna to count the species of greater horseshoe bat / common bent-wing bat, coming out of hibernation.

→ **Scope:** All projects in France for which an application for environmental authorisation has been submitted by 2022, all energy sources included.

2. From 2022, all our photovoltaic projects being developed on land used for natural, agricultural or forestry purposes will have the following characteristics:
- Anticipation of the draft Net Zero Artificialisation (ZAN) decree with a maximum land occupation rate of 50%,
- Limiting the number of through-tracks in our solar projects,
- A more environmentally-friendly site, following the Environmental Management System (EMS) methodology,
- Systematic environmental monitoring during the operation of the plant.

→ **Results 2022:** 100% of our photovoltaic projects under development in natural, forestry or agricultural areas are being developed according to these characteristics.

→ **Scope:** All ground-mounted photovoltaic projects in France, in agricultural, forestry or natural areas defined by town planning documents: Schémas de Cohérence Territoriale, Plans Locaux d'Urbanisme, etc. Projects for which planning permission was submitted in 2022.

3. Identifying environmental issues when prospecting for sites to confirm or deny the continuation of our projects between now and 2024.

→ **Results 2022:** Formalised procedure. Environmental issues are analysed at the end of the pre-feasibility studies.

→ **Scope:** All projects in France, all energies combined.

EMPLOYEES

OBJECTIVE 3

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

Results indicators

1. Every two years, we measure the well-being of our teams. We communicate the results to them and invest with them in the areas identified for improvement.

→ **Results 2022:** Last measurement conducted in 2021: 95% of employees say they are satisfied with working for the VALOREM Group, 94% of employees feel that their work is in line with their personal values and beliefs. Next edition in 2023.

→ **Scope:** All employees of the VALOREM (France) Economic and Social Unit (ESU) with three months' service at the time the questionnaire was sent, including work-study students, as well as employees of international subsidiaries excluding trainees.

2. We undertake to work with employee representatives to develop at least one additional mechanism each year to encourage our employees to participate in the ecological transition.

→ **Results 2022:** In 2022, VALOREM is offering all its employees five days to carry out skills sponsorship projects for Watt For Change, its endowment fund or foundation. The number of days is 10 for employees aged over 55.

→ **Scope:** Employees of the VALOREM UES (France), once the trial period has been validated, including work-study students other than trainees.

3. By 2026, employee shareholders will account for 4% of the total shareholder base.

→ **Results 2022:** Employees hold 1.92% of VALOREM's capital (employee holding company and FCPE combined). By the end of 2022, 75% of VALOREM's employees will be shareholders under these two systems.

→ **Scope:** Employees of the VALOREM UES (France), once the trial period has been validated, excluding work-study students and trainees.

4. We undertake to devote at least 3.5% of our payroll to training our employees to ensure that their expertise is kept up to date and that their skills are upgraded.

→ **2022 results:** in 2022, VALOREM devoted 3.7% of its payroll to training.

→ **Scope:** Employees of the VALOREM UES (France), regardless of length of service, excluding work-study students and trainees.

ECONOMIC PARTNERS

OBJECTIVE 4

To grow, innovate and act for economically affordable renewable energy generation.

Results indicators

1. By 2028, the ground-mounted wind and photovoltaic plants in France developed by VALOREM will represent 4% of the French total.

→ **Results 2022:** 3.8% of the ground-mounted photovoltaic and onshore wind farms in operation in mainland France at the end of 2022 were developed by VALOREM.

→ **Scope:** All wind and ground-mounted photovoltaic projects in France with a capacity of more than 1 MWp.

2. We undertake to increase our innovation budget (technical innovation projects) year on year to €2m by 2025.

→ **Results 2022:** €1.2m devoted to research and innovation.

→ **Scope:** Projects in France eligible for the Research Tax Credit.

3. We undertake to put forward proposals for the introduction of a regulatory framework for an affordable and environmentally sustainable energy transition.

→ **Results 2022:** 29 representation actions declared to the HATVP (Haute Autorité pour la Transparence et la Vie Publique).

→ **Scope:** France.

OBJECTIVE 5

To develop balanced and long-term relationships with our partners.

Results indicators

1. By 2024, 100% of our employees will have been trained in our Code of Ethics and Conduct.

→ **Results 2022:**
- Risk mapping,
- Initiation of the drafting of the Group's Code of Conduct and Ethics.

→ **Scope:** France and International.

2. By 2024 (or the end of 2023), 100% of our employees will have been trained in our supplier relations code of conduct.

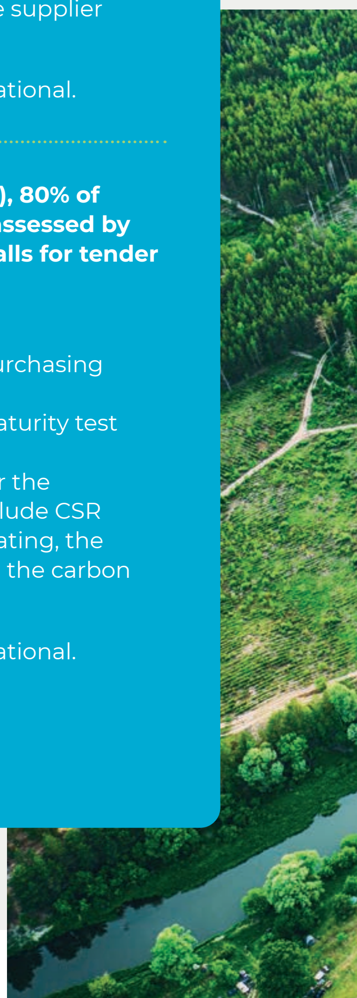
→ **Results 2022:**
- Risk mapping,
- Initiation of the drafting of the supplier relations code of conduct.

→ **Scope:** France and International.

3. By 2025 (or the end of 2024), 80% of our supplier spend will be assessed by Ecovadis and 100% of our calls for tender will include CSR criteria.

→ **Results 2022:**
- Signing of the Responsible Purchasing Charter,
- Ecovadis project launched: maturity test carried out,
- All our invitations to tender for the purchase of wind turbines include CSR criteria such as the Ecovadis rating, the origin of the components and the carbon footprint of the machines.

→ **Scope:** France and International.



THE COMPANY

OBJECTIVE 6

To defend and implement a shared vision of the energy transition.

Results indicators

1. We are making it a general practice to implement a social inclusion project in connection with our farms under construction and in operation, reserving at least 10% of the hours worked during the construction of our photovoltaic farms for employees on social inclusion schemes.

→ **Results 2022:** 11% of the hours worked on our ground-mounted photovoltaic power plant sites were dedicated to employees on work integration schemes.
Hours of social integration carried out on the basis of a forecast of working hours drawn up with the service provider when the contract is signed.

→ **Scope:** Sites for ground-mounted photovoltaic farms in France with a capacity of more than 1 MWp.

2. Every year, VALOREM devotes a budget to Watt For Change that is commensurate with its wealth creation, with a minimum of €400k to combat fuel poverty in France and around the world.

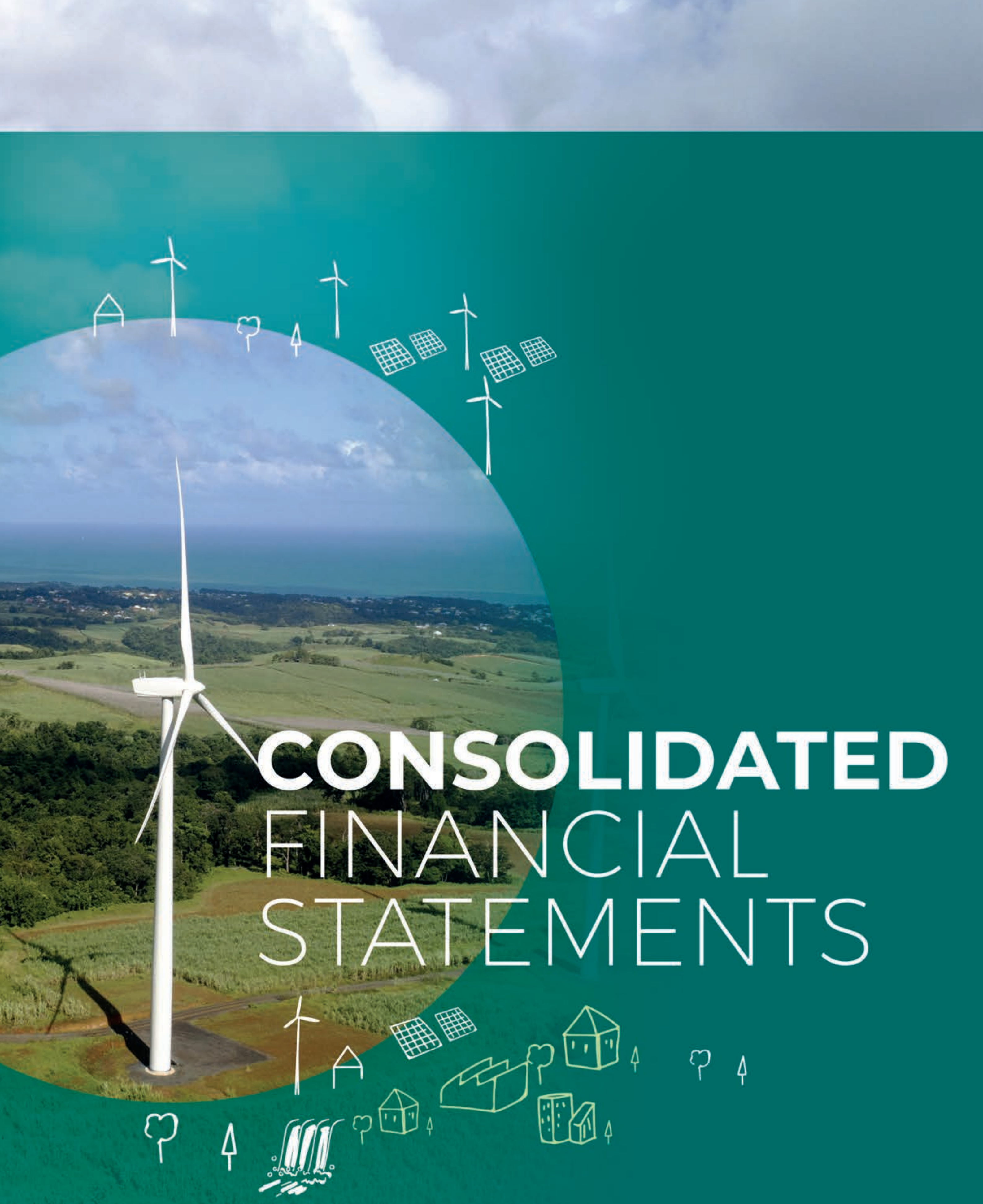
→ **2022 results:** VALOREM's endowment to the Watt For Change endowment fund of €549k.

→ **Scope:** VALOREM Group endowment to the endowment fund, redistributed to solidarity projects of the endowment fund and the VALOREM Foundation.

This roadmap launches the work of the VALOREM mission. In 2023, the members of the Committee will focus on proposing new areas of work to help it evolve and continue the transformation of the Group.

03

Sainte Rose, Les Abymes (971)



CONSOLIDATED FINANCIAL STATEMENTS

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

€M	2018	2019	2020	2021	2022
Financial position at end of year					
Intangible assets	490	588	717	750	828
Cash	52	29	114	119	154
Total Assets	**653**	**736**	**938**	**990**	**1,227**
Share capital	85	70	53	101	197
Number of shares	17,186	17,227	17,302	1,908,006	1,908,006
Financial liabilities	365	469	675	685	704
Total Liabilities	**653**	**736**	**938**	**990**	**1,227**
Overall income of actual operations					
Revenue	61	89	89	102	199
EBITDA	**40**	**46**	**49**	**55**	**110**
Operating income	**27**	**21**	**21**	**12**	**40**
Taxes	(5)	(7)	(7)	5	(3)
Net income	**13**	**1**	**(4)**	**3**	**21**
Payroll					
Average number of employees	203	237	271	314	358
Total payroll costs	15	17	20	25	32

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31ST, 2022

Contents

Consolidated statement of financial position
(in thousands of euros)

ASSETS	Notes	2022-12	2021-12
Intangible assets	4	3,803	4,266
Tangible assets	5	828,345	750,397
Equity method securities	6	1,983	3,038
Non-current financial assets	7	126,874	29,366
Other non-currents assets	9	0	1,304
Deferred tax assets	23	11,443	16,772
Total non-current assets		**972,448**	**805,143**
Inventories	8	1,945	4,080
Trade receivables and related accounts	9	62,569	33,692
Other current assets	9	35,892	28,632
Cash and cash equivalents	10	154,478	118,903
Total current assets		**254,885**	**185,307**
Total Assets		**1,227,333**	**990,450**

LIABILITIES	Notes	2022-12	2021-12
Share capital		9,540	9,540
Paid-in Capital in excess of par		26,323	26,323
Consolidated reserves & result		125,891	55,013
Result - attribuable to the Group		20,732	2,703
Shareholders' Equity attributable to the Group	11	**182,486**	**93,579**
Non-controlling interest	12	14,382	7,228
Shareholders' Equity	11	**196,868**	**100,808**
Non-current provisions	13	14,121	13,799
Bonded debt (non-current portion)	14	53,007	51,467
Lease liability (non-current portion)	14	32,035	34,660
Other non-current financing	14	625,178	620,105
Non-current financial liabilities	27	79	6,163
Other non-current liabilities	15	23,802	7,612
Deferred tax liabilities	23	42,813	22,741
Total non-current liabilities		**791,034**	**756,546**
Bonded debt (current portion)	14	1,410	610
Lease liability (current portion)	14	3,594	3,408
Current financing	14	79,471	64,935
Trade payables and related accounts	15	30,121	20,029
Current tax liabilities	15	42,011	22,444
Other current liabilities	15	82,825	21,670
Total current liabilities		**239,431**	**133,096**
Total Liabilities and Equity		**1,227,333**	**990,450**

Consolidated statement of comprehensive income
(in thousands of euros)

	Notes	2022-12	2021-12
Revenue	18	**198,791**	**101 856**
Goods purchase and inventory change		(52,470)	(33,718)
Personnel expenses	19	(32,048)	(24,757)
Third-party services expenses		(28,621)	(23,912)
Duties and taxes		(5,964)	(4,615)
Depreciation and amortization expenses and reversal	20	(46,128)	(41,784)
Provisions increases and write-down	20	(3,791)	(209)
Change in inventories of in-process and finished goods		(174)	616
Other operating income		34,238	39,981
Other operating expenses		(80)	(108)
Current operating result		**63,752**	**13,349**
Other non-current operating income	21	3,115	167
Other non-current operating expenses	21	(27,109)	(1,662)
Operating result		**39,758**	**11,854**
Share in income from equity-accounted company	6	444	32
Operating income after share of equity-accounted companies net income [in line with the Group' operations]		**40,202**	**11,887**
Income from cash and cash equivalents		105	152
Gross cost of financial indebtedness		(14,460)	(10,431)
Other financial income		7,344	6,726
Other financial expenses		(9,522)	(10,430)
Financial result	22	**(16,533)**	**(13,983)**
Income tax (expense)/credit	23	(2,813)	5 103
Net result from continuing operations		**20,856**	**3,007**
Share to non-controlling interests in susidiaries and affiliate	12	124	304
Net result Group share		**20,732**	**2,703**

Consolidated statement of profit and loss and other comprehensive income

(in thousands of euros)

	Notes	2022-12	2021-12
Net result		**20,856**	**3,007**
Items that are or may be reclassified subsequently to Profit and Loss			
Revaluation of derivatives qualified as cash flow hedge	27	100,302	23,839
Share of other items from the comprehensive result of equity-consolidated companies		416	82
Income tax on the revaluation of derivatives qualified as cash flow hedge		(25,075)	(6,014)
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
Income tax on the revaluation of liabilities linked to defined-benfit plans (actuarial gains and losses)		-	(21)
Total of the other components of comprehensive income		**75,642**	**17,967**
Net income and other components of comprehensive income		**96,476**	**20,951**
Of wich Group share		93,034	19,872
Of wich non-controlling interests		3,442	1,078

Consolidated statement of cash flow

(in thousands of euros)

	2022-12	2021-12
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**118,866**	**114,415**
Net result (Including non-controlling interests)	**20,856**	**3,007**
Elimination of income and expenses with no impact on cash flow or not related to operating activities		
Depreciation, amortization and provisions, net	52,939	38,820
Unrealized gains and losses related to changes in fair value	1,153	1,605
Gains and losses on sales	(706)	1,393
Share of income from equity-accounted companies	(444)	(32)
Dividends received (non-consolidated investments and investments in associates)	141	188
Cash flow operations after net cost of financial indebtedness and taxes	**73,940**	**44,980**
Interest expense	14,460	10,431
Income tax expense/(credit)	2,268	(5,427)
Cash flow from operations before net cost of financial indebtedness and taxes	**90,668**	**49,984**
Income taxe paid	(1,492)	(6,773)
Change in working capital requirements related to operations	73,043	10,604
Net cash flow from operating activities	**162,219**	**53,815**
Acquistion of intangible assets	(1,246)	(645)
Disposals of intangible assets	167	2
Acquisition of tangible fixed assets	(115,582)	(59,467)
Sale of tangible fixed assets	826	-
Acquisition of financial assets	(17,790)	(10,260)
Sale of financial assets	7,039	2,702
Debt on the acquistion of fixed assets	(21)	(2,418)
Acquisition of subsidiaries less cash acquired	2,130	-
Sale of a subsidiary, net of cash transferred	1,338	-
Other flows linked to investing activities	(639)	(263)
Net cash flow from investing activities	**(123,779)**	**(70,348)**
Dividends paid by the parent company	(3,275)	(3,000)
Increases (decreases) of capital	994	28,559
Loan issuance	99,162	70,184
Loans repaid	(85,558)	(64,259)
Interests paid	(14,460)	(10,431)
Other flows linked to financing activities	51	(68)
Net cash flow from financial activities	**(3,087)**	**20,984**
Change in cash and cash equivalents	**35,354**	**4,451**
Cash and cash equivalents at end of year	**154,220**	**118,866**
Control of changes in cash and cash equivalents	**35,354**	**4,451**

Change in operating working capital: €73.9M, of which €69M related to credit balances on earn-out contracts (see Note 3 - Significant events).

The main acquisitions during the year have been Grandville Energies (additional 47%), Cuxac (additional 50%), Le Haut Bosquet (additional 50%) and EOLINK (20%).

The main disposals during the year have been Kalistanneva (100%) and Les Royeux (50%).

Loan issuances include €17.7M of “tranche B”.

Loan repayments include €8.6M 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	Reserve of fair value of tangible an intagible assets	Cash flow hedge reserve	Revaluation of liabilities linked 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 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
Dividend 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 transactions with the company's owners	**1,097**	**26,207**	**(2,823)**	**-**	**-**	**-**	**24,482**	**1,893**	**26,376**
Situation at the beginning of the 2022 **financial year**	**9,540**	**26,323**	**66,552**	**-**	**(8,469)**	**(369)**	**93,579**	**7,228**	**100,807**
Net income for the year	-	-	20,732	-	-	-	20,732	124	20,856
Other comprehensive income	-	-	-	-	72,302	-	72,302	3,318	75,620
Net income and other comprehensive income	**-**	**-**	**20,732**	**-**	**72,302**	**-**	**93,034**	**3,442**	**96,476**
Dividends paid	-	-	(3,134)	-	-	-	(3,134)	-	(3,134)
Subsidiaries disposals	-	-	(120)	-	-	-	(120)	-	(120)
Closing of the period	-	-	(452)	-	-	-	(452)	1,369	918
Interest rate variation	-	-	(321)	-	-	-	(321)	2,343	2,022
Other movements	-	-	(98)	-	-	-	(98)	-	(98)
Total of the transactions with company's owners	**-**	**-**	**(4,124)**	**-**	**-**	**-**	**(4,124)**	**3,712**	**(412)**
Situation at the end of the financial year 2022	**9,540**	**26,323**	**83,160**	**-**	**63,832**	**(369)**	**182,487**	**14,382**	**196,868**

Notes to the consolidated financial statements

Year ending December 31, 2022

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 Valorem Group's financial statements for the year ended December 31, 2022 include the Company and its subsidiaries (together referred to as the «Group») as well as the Group's interests in associates and joint ventures as listed in Note 2.

They were approved by the Chairman on June 8, 2023. The going concern accounting policy was adopted by the Chairman, particularly in view of the level of available cash and cash equivalents. Management estimated that the Group's cash requirements would be covered for the next 12 months.

1.1 – Accounting standards

1.1.1 – Basis of preparation of financial information

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards («IFRS»), as adopted by the European Union as of December 31, 2022. The accounting principles, rules and methods applied by the Group in preparing the consolidated financial statements for the year ended December 31, 2022 are described in the notes below. Unless otherwise indicated, these methods have been applied consistently to all the years presented.

1.1.2 – New standards, amendments and interpretations in force in the European Union and applicable to financial years beginning on or after January 1, 2022

- Amendments to IAS 16 - Property, plant and equipment - Revenue generated before its intended use
- Amendments to IAS 37 - Costs to be taken into account when determining whether a contract is onerous
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Annual improvements to IFRS (2018-2020 cycle)

The financial statements have not been impacted by the application of these amendments and improvements.

1.1.3 – New standards, amendments and interpretations not mandatory

- Amendments to IAS 1 - Presentation of Financial Statements and Practice Statement 2
- Disclosure of accounting policies, mandatory from January 1, 2023
- Amendments to IAS 8 - Accounting estimates and changes in accounting policies, mandatory from January 1, 2023
- Amendment to IAS 12 - Deferred taxes on assets and liabilities arising from a single transaction, mandatory from January 1, 2023
- Amendments to IAS 1 - Classification of liabilities as current/non-current, mandatory from January 1, 2024 (subject to adoption by the European Union)
- Amendment to IFRS 16 - Lease Liabilities under Sale and Leaseback Transactions, mandatory from January 1, 2024 (subject to adoption by the European Union)

These new texts have not been applied in advance by the Group or are not applicable.

1.2 – Consolidation procedure

1.2.1 – Consolidation methods

→ *Subsidiaries*

A subsidiary is an entity controlled by the Group within the meaning of IFRS 10 «Consolidated financial statements». The Group controls a subsidiary when it is exposed to, or entitled to, variable returns from its relationship with the entity, and has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date of their creation or acquisition until the date on which control ceases.

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

IFRS 10 requires the exercise of judgment and an ongoing assessment of the control situation. The analysis of control is based not only on voting rights, but also on other facts and circumstances, such as representation on the entity's management body, participation in the policy-making process, and in particular participation in decisions relating to material transactions or the provision of essential technical information.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities, as well as any non-controlling interests and other equity items relating to that subsidiary. Any gain or loss due to from the loss of control is recognized in net income.

→ *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 without having 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 consolidated 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 – Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency of each Group company. The Group's consolidated financial statements and the notes to the financial statements are presented in thousands of euros, unless otherwise stated.

At December 31, 2021 and December 31, 2022, all consolidated companies are part of the euro zone. 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 recognized at fair value.

1.3 – Accounting estimates, judgments and 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 though these estimates and assumptions are regularly reviewed by Group management, in particular on the basis of past experience and expectations, certain facts and circumstances may lead to changes or variations in these estimates and assumptions, which could affect the future book value of the Group's assets, liabilities, shareholders' equity and earnings. The final figures may then differ from these estimates.

The main financial statement items dependent on estimates are as follows:

- Measurement of the tangible and non-tangible assets recoverable amount (1.3.3),
- Development costs criteria (1.3.2),
- Estimation of lease terms to determine right of use (1.3.14),
- Estimated depreciation periods for production assets (1.3.2),
- The capitalization of deferred tax assets in respect of tax loss carryforwards (1.3.10 and Note 23),
- Estimated provisions (1.3.8).

The judgments made in applying the accounting policies that have the most significant impact on the amounts recognized in the consolidated financial statements relate to:

- Determining the level of control or influence over subsidiaries, joint ventures and associates, and classifying subsidiaries as «business» or not in order to determine whether or not their acquisition corresponds to a business combination (1.2.1 and Note 2),
- Identification of agreements containing a lease contract (1.3.14),
- Revenue recognition (1.3.11).

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 represents 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 are tested for periodic impairment at least once a year. 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 3.

At 12/31/2022, goodwill was nil, as at 12/31/2021, in the absence of a business acquisition within the meaning of IFRS 3 (IFRS 3, B7).

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 activation criteria have been met when a project enters the P2 phase, i.e. when it meets the following conditions: control of the land, favorable deposit, feasible electrical connection, acceptable environmental constraints and technical and regulatory constraints that are not prohibitive.

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

Costs relating to such projects will cease to be capitalized and depreciation will be recognized 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 recognized as an expense and on a straight-line basis over the following estimated useful lives (see table 1).

The Group records a provision for dismantling and site restoration costs for each park in service (see Note 1, 1.3.8).

→ *Intangible assets*

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

These mainly comprise patents and prototypes, software and electricity contracts recognized in connection with the acquisition of project entities. They have a finite useful life. They are amortized on a straight-line basis over the following estimated useful lives (see table 2).

table 1

Wind farm components (foundations, turbines, grid connections, site development)	20 years
Components of photovoltaic parks (foundations, PV equipment, grid connection, site development)	25 years
Water park components (foundations, buildings, network connections, area development)	25 to 30 years
Fixtures and fittings	3 to 10 years
Industrial equipment and tooling	3 to 10 years
Office and computer equipment	2 to 10 years
Operating transport equipment	3 to 5 years
Furniture	3 to 10 ans

table 2

Software	1 to 5 years
Patents and prototypes	1 to 5 years
Electricity contracts	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 assets and property, plant and equipment with a limited useful life. The Group considers that there is a trigger event for impairment test when the related assets production is lower than 50% of the target (P90 WIND, P50 PV) during 2 consecutive years or when the bank requires the existing debt to be restructured. If any of such events exist, the Group performs an impairment test to assess whether the carrying amount of the asset does not exceed its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Goodwill and unamortized intangible assets are tested annually for impairment.

Assets that do not generate cash inflows largely independent of other assets are grouped together in Cash-Generating Units (CGUs). The Group has identified each project as a CGU.

Impairment losses on fixed assets in progress in project companies are assessed on a project-by-project basis, according to the risks associated with each project.

In the Valorem Group's business, only projects with sufficient initial profitability are built and operated. Insofar as, in the absence of a production incident, the resources generated by the project are predictable, the risk of not generating the expected level of cash flow is low. On the basis of historical experience, the Group reviews its portfolio of projects in progress and tests for impairment where there is uncertainty.

Recoverable value is generally assessed on the basis of value in use, which corresponds to the discounted cash flows generated by the CGU.

The data used to perform the discounted cash flow tests are taken from the projects' business plans and cover the duration of the electricity sales contracts. The underlying assumptions are updated at the test date.

1.3.4 – Inventories and work-in-progress

Inventories and work-in-progress are valued at the lower of cost and net realizable value.

Inventories mainly comprise work-in-progress relating to the external portion of projects under development, the internal portion being recorded as fixed assets. Work-in-progress is valued in accordance with the following principles: production-related labor hours, direct and indirect production costs, and borrowing costs are taken into account.

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 subscribes 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 on variable rate loans.

Derivatives with a positive fair value are recognised within "non-current financial assets" and those with a negative fair value are recognised within "non-current 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 – Employee retirement obligations

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 or mutual agreement,
- Sales of services based on :
  - o Wind turbine or solar farm construction contracts,
  - o Rendering development, operation, and maintenance services for farms,
  - o Sale price net of costs of disposals 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-recurring 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 accrued expenses relating to a major risk or dispute for the Group. In this respect, the €25,603K contribution on the inframarginal rent of electricity production» has been booked within other non-recurring operating expenses in the 2022 consolidated financial statements (Note 3 and Note 21).

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.

1.3.15 – Off-balance sheet commitments

The Group's monitoring of off-balance sheet commitments includes information on the following main commitments given and received:

- contractual commitments for payments under supplementary credits or supply contracts,
- security interests (mortgages, pledges, etc.),
- purchasing and investment obligations.

Off-balance sheet commitments are presented in Note 17.

1.3.16 – Operating segments

IFRS 8 requires operating segments to be identified on the basis of management reporting used internally by the chief operating decision-maker to make decisions on the resources to be allocated to the segment and to assess its performance. The Group is organized internally to report to management, the main operating decision-maker, on the basis of consolidated information. Consequently, development, construction, electricity sales and maintenance activities constitute operating segments under IFRS 8. The disposal of non-consolidated entities is the main component of the «Other» operating segment.

Breakdowns by region and business sector are presented in Note 18.

1.3.17 – Consolidated cash flow statement

The cash flow statement is prepared using the indirect method, and presents separately: cash flows from operating, investing and financing activities.

Cash flow from operating activities is calculated by adjusting net income for changes in working capital requirements, non-cash items (amortization, depreciation, etc.), gains on disposals and other calculated income and expenses. The Company has chosen to classify the year's disposals in this category: the main disposals during the year were Kalistanneva (100%) and Les Royeux (50%).

The €73.9M change in working capital from operating activities is mainly made up of €69M accrued credits on revenue relating to the supplementary remuneration contracts (see Note 3-Significant events), which will be repaid in 2023, and €26M accrued contribution on the inframarginal rent of electricity production within 'current tax liabilities' from eight wind farms and one solar farm.

Cash flows from investing activities correspond to cash flows from acquisitions of fixed assets, net of payables on fixed assets, disposals of fixed assets and other investments. The main acquisitions during the year were Grandville Energies (additional 47%), Cuxac (additional 50%), Le Haut Bosquet (additional 50%) and EOLINK (20%).

Financing activities are transactions resulting from changes in the size and composition of the entity's contributed capital and borrowings. Capital increases and the raising or repayment of borrowings are classified in this category. Loan issues include €17.7M of tranche B. Loan repayments include €8.6M tranche B.

Complementary information
(in thousands of euros)

EBITDA	2022-12	2021-12
Revenue	**198,791**	**101,856**
Goods purchase and inventory change	(52,470)	(33,718)
Personnel expenses	(32,048)	(24,757)
Third-party services expenses	(28,621)	(23,912)
Duties and taxes	(5,964)	(4,615)
Provisions increases and write-down	(3,785)	(209)
Change in inventories of in-process and finishes goods	(174)	616
Other operating result	34,238	39,981
Other operationg expenses	(77)	(108)
Share of income from equity-accounted company	444	32
EBITDA	**110,333**	**55,165**
Net change in amortization of fixed assets	(46,128)	(41,784)
Other operating income and expenses	(24,003)	(1,494)
Operating result after share of equity-accounted companies net income [in line with the Group's operations]	**40,202**	**11,887**

The sale of Kalistanneva has generated a €63.5M revenue and a positive impact of €40.1M on EBITDA at 12/31/2022 (Note 3).

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.

Acquisitions, takeovers and deconsolidations in 2022 had no material impact on the consolidated financial statements.

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

			2022-12		2021-12		2020-12	
Code	**Name**	**SIREN**	**Interest Rate**	**Conso-lidation Method**	**Interest Rate**	**Conso-lidation Method**	**Interest Rate**	**Conso-lidation Method**
E01	**VALOREM**	**395 388 739**	**100%**	**Parent**	**100%**	**Parent**	100%	Parent
E02	OPTAREL	441 054 038	100%	FC	100%	FC	100%	FC
E16	VALEMO	487 803 777	100%	FC	100%	FC	100%	FC
E32	VALREA	494 550 734	100%	FC	100%	FC	100%	FC
E37	AMOURES-BOUISSAC ENERGIES	501 419 600	100%	FC	100%	FC	100%	FC
E41	VALEOL	503 934 754	100%	FC	100%	FC	100%	FC
E45	AVRE ENERGIES	515 375 517	100%	FC	100%	FC	100%	FC
E127	SAINT AMANS ENERGIES	517 942 595	100%	FC	100%	FC	100%	FC
E55	VALOREM PEE	523 787 711	100%	FC	100%	FC	100%	FC
E89	SOULANES ENERGIES	487 695 124	20%	EM	20%	EM	20%	EM
E93	SAINTE ROSE ENERGIES	531 817 567	65%	FC	65%	FC	65%	FC
E69	LE HAUT BOSQUET ENERGIES	751 091 075	100%	FC	50%	EM	50%	EM
E36	VALCARE	498 219 880	100%	FC	100%	FC		
E126	DAMPIERRE ET MASSAY ENERGIES	513 072 587	100%	FC	100%	FC	100%	FC
E132	BOIS D'OLIVET ENERGIES	828 978 478	100%	FC	100%	FC	100%	FC
E76	BAALON ENERGIES	793 320 292	100%	FC	100%	FC	100%	FC
E103	VALDENOR	483 866 828	100%	FC	100%	FC	100%	FC
E122	PLUMIEUX ENERGIES	818 940 835	70%	FC	70%	FC	70%	FC
E124	CŒUR MEDOC ENERGIES	819 808 106	51%	EM	51%	EM	51%	EM
E131	RESSE ENERGIES	840 051 700	100%	FC	100%	FC	100%	FC
E145	HOMBLEUX ENERGIES	520 363 490	100%	FC	100%	FC	100%	FC
E163	SAINT SECONDIN	823 800 396	100%	FC	100%	FC		
E164	LA FIBAT	837 537 638	55%	FC	55%	FC		
E165	LONGUEUIL	909 796 997	100%	FC	100%	FC		
E168	VS ENERGIES	882 138 936	100%	FC	100%	FC		
E142	PONTENX LES FORGES ENERGIE	830 340 691	61%	FC	61%	FC	61%	FC
E44	EOLIENNES EN ACTION	512 170 432	100%	FC	100%	FC	100%	FC
E30	LA LIMOUZINIERE ENERGIES	494 943 715	38%	EM	38%	EM	38%	EM
E14	MEZZA ENERGIES	487 803 819	100%	FC	100%	FC	100%	FC
E109	VASCO ENERGIES	824 534 846	100%	FC	100%	FC	100%	FC
E08	DOSNON ENERGIES	487 805 020	100%	FC	100%	FC	100%	FC
E11	LA PLANCHE ENERGIES	484 739 743	100%	FC	100%	FC	100%	FC
E98	BEUVRAIGNES ENERGIES	481 793 701	100%	FC	100%	FC	100%	FC
E94	PAYS DE RETZ ENERGIES	482 866 076	100%	FC	100%	FC	100%	FC
E38	FERME EOLIENNE DE SMCC	480 108 828	100%	FC	100%	FC	100%	FC
E12	LAUCOURT ENERGIES	481 555 753	100%	FC	100%	FC	100%	FC
E20	SOR ENERGIES	487 761 397	100%	FC	100%	FC	100%	FC
E33	THIBIE ENERGIES	498 859 693	100%	FC	100%	FC	100%	FC
E03	CRIEL ENERGIES	452 536 881	100%	FC	100%	FC	100%	FC
E17	SAINT HILAIRE ENERGIES	487 803 587	100%	FC	100%	FC	100%	FC
E102	LA LUZETTE ENERGIES	517 981 908	65%	FC	65%	FC	65%	FC
E50	CORROY ENERGIES	519 029 474	100%	FC	100%	FC	100%	FC

			2022-12		2021-12		2020-12	
Code	**Name**	**SIREN**	**Interest Rate**	**Conso-lidation Method**	**Interest Rate**	**Conso-lidation Method**	**Interest Rate**	**Conso-lidation Method**
E42	VALFIN	503 592 495	100%	FC	100%	FC	100%	FC
E111	MATKUSSAARI WIND FARM OY		100%	FC	100%	FC	100%	FC
E178	VIIATI GRIDCO		50%	FC				
E80	MEZZA 2	813 707 072	100%	FC	100%	FC	100%	FC
E04	AUNIS ENERGIES	481 793 149	100%	FC	100%	FC	100%	FC
E07	CHALEONS ENERGIES	487 802 159	100%	FC	100%	FC	100%	FC
E22	ALBINE ENERGIES	482 405 198	100%	FC	100%	FC	100%	FC
E46	SANTERRE ENERGIES	515 379 758	100%	FC	100%	FC	100%	FC
E29	TEILLAY ENERGIES	484 739 172	100%	FC	100%	FC	100%	FC
E79	ANGERVILLE ENERGIES	494 415 169	100%	FC	100%	FC	100%	FC
E86	PUY BACOT ENERGIES	524 095 635	100%	FC	100%	FC	100%	FC
E88	LES POINTES ENERGIES	503 450 462	100%	FC	100%	FC	100%	FC
E115	ABLAINCOURT ENERGIES	531 817 427	100%	FC	100%	FC	100%	FC
E144	BRACH ENERGIES	524 091 725	100%	FC	100%	FC	100%	FC
E99	TERRES FROIDES ENERGIES	487 803 728	100%	FC	100%	FC	30%	FC
E35	AZERABLES ENERGIES	498 219 526	100%	FC	100%	FC	100%	FC
E34	SAINT SEBASTIEN ENERGIES	498 225 507	100%	FC	100%	FC	100%	FC
E125	MEZZA 4	839 844 123	100%	FC	100%	FC	100%	FC
E128	ALZONNE ENERGIES	789 244 399	99%	FC	99%	FC	99%	FC
E107	BILLOM ENERGIES	524 093 069	100%	FC	100%	FC	100%	FC
E135	CAMIAC ENERGIES	524 100 401	100%	FC	100%	FC	100%	FC
E116	NOE ENERGIES	789 243 409	100%	FC	100%	FC	100%	FC
E119	LASSICOURT ENERGIES	822 729 737	83%	FC	83%	FC	83%	FC
E129	MEZIERES	823 713 920	100%	FC	100%	FC	100%	FC
E140	MEZZA 5	850 245 218	85%	FC	85%	FC	85%	FC
E138	HOLD CO FHA 1	851 541 391	85%	FC	85%	FC	51%	EM
E143	FORCE HYDRAULIQUE ANTILLAISE	429 346 463	85%	FC	85%	FC	51%	EM
E170	AQUAFI	443 207 691	85%	FC				
E173	RIGALE	438 059 727	85%	FC				
E141	MONTBARTIER ENERGIES	823 854 005	58%	FC	100%	FC	100%	FC
E146	SAINT PERE EN RETZ	214 401 879	100%	FC	100%	FC	100%	FC
E147	MAILLOL ENERGIES	829 738 913	58%	FC	58%	FC	100%	FC
E152	MEZZA 6	850 482 399	100%	FC	100%	FC	100%	FC
E153	PINVERT	823 855 978	100%	FC	100%	FC	100%	FC
E130	MEZOS ENERGIES	823 719 961	100%	FC	100%	FC	100%	FC
E154	LA POUYERE	830 375 622	100%	FC	100%	FC	100%	FC
E155	LA TOUR BLANCHE	832 282 479	100%	FC	100%	FC		
E156	SAINT MARCEL	818 006 215	58%	FC	58%	FC	100%	FC
E161	VALOREM ENERGIES FINLAND		100%	FC	100%	FC	100%	FC
E162	REN VALOREM HELLAS		100%	FC	100%	FC	100%	FC
E58	TÔTES ENERGIES	524 096 880	100%	FC	100%	FC	100%	FC
E169	LHUITRE IG	487 802 266	63%	FC	16,66%	EM		
E171	CHENIERS	833 961 485	100%	FC				
E172	FAGNIERES	892 885 070	100%	FC				
E175	ROSE DES VENTS	832 277 354	100%	FC				
E176	VALFIN 4	849 314 190	100%	FC				
E174	MAGOULA		100%	FC				
E177	VALTORET	882 044 530	100%	FC				
E77	CUXAC ENERGIES	800 165 540	100%	FC				

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

NOTE 3
SIGNIFICANT EVENTS

In 2022, the Group commissioned 2 new wind farms (Saint Secondin and Lafitte) and 1 battery (VS Energies).

2022 was also a record year in terms of financing, as the Group financed 6 wind and 1 solar project in France (93 MW), 1 wind project in Finland (149 MW) and 1 wind project in Greece (27 MW).

As a result, VALOREM holds 819 gross MW in operation or under construction at 12/31/2022.

The VALOREM Group has also significantly increased its portfolio under development, which stands at 5.7 GW at the end of 2022 (compared with 5.0 GW at the end of 2021).

3.1 - Evolution of the management team

In 2022, 2 new executive vice presidents were appointed: Philippe Tavernier and Bertrand Guidez.

3.2 - Economic conditions

The year 2022 was marked by a combination of exceptional crises on European energy markets. Gas supply difficulties due to the war in Ukraine, combined with a historically low contribution from France's nuclear and hydroelectric assets, led to an unprecedented rise in electricity market prices. In addition, the sector has been faced with a general inflationary context (equipment costs, transport, financing), jeopardizing investment in new assets.

This exceptional context was marked by considerable regulatory uncertainty, as well as the introduction of numerous emergency measures by European and French legislators. These measures have had a major impact on assets in operation and under development. All options have been examined at Group level to mitigate the effects of this crisis and ensure the long-term viability of our business.

3.3 - Supplementary remuneration contracts

As part of the emergency measures implemented in France to limit the rise in electricity prices for end consumers, the amended finance law for 2022 adopted on August 16, 2022 introduced a retroactive change to January 1, 2022 to a large proportion of supplementary remuneration contracts, i.e. those benefiting from a so-called capping clause on revenues paid back by the producer to the State.

This law redefined revenue-sharing rules beyond the point where, for a given contract, the producer had paid back more to the State than it had collected. With effect from January 1, 2022, and as a result of a threshold price set at €44.78/MWh by ministerial decree in December 2022, these revenues are now paid in full to the State.

VALOREM will therefore have to pay the State the entire difference between the market prices received and the reference tariffs for its remuneration supplement contracts since January 1, 2022.

At 12/31/2022, the €69M relating to 2022 and the €7M relating to 2021 (already accounted for at 12/31/2021), bothe to be repaid in 2023, are booked as accrued credit revenue (within 'other current liabilities').

3.4 - 18-month emergency measure to accelerate renewable energy production

In addition to measures to limit the rise in electricity prices, other emergency measures have been taken by the French government in 2022, to enable projects facing significant cost overruns to maintain their investment decision and help accelerate the development of renewable energies.

Certain renewable energy projects covered by a supplementary remuneration contract can benefit from a maximum period of 18 months, during which electricity production can be sold on the market, before the selling price provided for in the supplementary remuneration contract is activated.

In 2022, the Group has taken advantage of this scheme for a wind farm (Saint Secondin), commissioned in September 2022, with a positive impact on sales of €1.9M.

Projects financed in 2022 and currently under construction will also benefit from this measure, provided they are commissioned before December 31, 2024.

3.5 – Early termination of purchase obligation contracts & infra-marginal rent of electricity production

In September 2022, the European Union announced so-called emergency measures to limit the impact of electricity market price rises on consumers. The main measure consisted of a contribution on the revenues of so-called «infra-marginal» electricity producers, whose variable production costs are generally lower than wholesale market prices, formed by peak-load power plants.

The French government has transposed this measure through Article 54 of the Finance Act for 2023, dated December 30, 2022. This article provides for the introduction of a contribution calculated at 90% of revenues exceeding a price determined according to the technologies. This is set at €100/MWh for wind and photovoltaic solar power.

For VALOREM, this contribution applies to eight wind farms and one solar farm for 2022. In order to meet the additional investment costs of new projects, the Group has exercised its right to terminate 8 power purchase agreements in France, which were due to expire before 2026. During the third quarter of 2022, a sales contract was signed, covering a period from the fourth quarter of 2022 to the end of 2024 or 2025, depending on the assets. This transaction affected 8 wind power assets (87MW), which are therefore liable for this new contribution.

In 2022, VALOREM commissioned the Lafitte solar farm (9 MW) and sold directly to the market from the second quarter. This park also falls within the scope of this contribution on infra-marginal rents.

At December 31, 2022, VALOREM booked a €26M accrued expense to reflect in its consolidated financial statements the impact of the contribution on the inframarginal rent of electricity production.

3.6 – Viiatti project

In 2022, VALOREM strengthened its position as a key player in the Finnish wind power industry with the financing of the Viiatti wind farm (313MW), comprising the Matkussaari 148.5MW and Kalistanneva 165MW wind farms. The latter has been sold to the Finnish consortium Helen - Ålandsbanken Wind Power Fund, with VALOREM retaining 100% ownership of Matkussaari.

Both wind farms are currently under construction, with VALREA acting as project manager. Their combined output will represent 1 TWh, or 1.2% of Finland's total electricity consumption. This major operation has enabled the Group to increase its installed capacity by 27%, and marks VALOREM's arrival as an independent producer of green electricity on a European scale.

The sale of Kalistanneva has generated a €63.5M revenue, a €40.1M EBITDA and a €39.5M net profit in the 2022 Group's consolidated financial statements.

3.7 – Acquisition of an additional 47% stake in Lhuitre Energies

In February 2022, the Group increased its stake in Lhuitre Energies from 17% to 64%. This wind farm, located in the Aube region of France, comprises 6 turbines with a total capacity of 12 MW. The fair value of the purchase price is estimated at €4,139,000.

3.8 – Acquisition - Disposal of shares in the Voulpaix projects

Le Haut Bosquet Energies and Les Royeux Energies were jointly formed in 2012 by ELICIO France and VALOREM to develop and operate two wind farms in Voulpaix. In 2022, the two developers wanted to divide the two wind farms so that each would be the sole shareholder in one of the two project companies. Thus, in December 2022, ELICIO and VALOREM carried out an acquisition-sale transaction. VALOREM sold its 50% stake in Les Royeux Energies to ELICIO, and at the same time acquired 50% of Le Haut Bosquet from ELICIO.

The fair value of the purchase price is estimated at €473,000, including an earn-out of €413,000.

3.9 – Fair value of financial instruments

As part of its financing operations, the Group takes out variable-rate loans. In line with its financial risk hedging policy, the Group systematically uses derivative financial instruments (interest rate swaps) to hedge the interest rate risk on variable-rate borrowings.

At December 31, 2022, changes in the fair value of financial instruments had a positive impact of €99.1M, of which €98.1M was recognized in other comprehensive income (€73.5M net of tax).

Financial notes to assets

NOTE 4
INTANGIBLE ASSETS

Change in intangible assets as of December 31, 2022
(in thousands of euros)

CHANGE IN GROSS VALUES	2021-12	Acquisition	Disposals	Additions to the scope	Withdrawals from the scope	Others	2022-12
Research and development expenses	1,675	131	-	-	-	-	1,806
Concessions, patents and similar rights, patents, licences	2,586	46	(15)	-	-	1,330	3,947
Intangible assets in process	3,098	1,068	(386)	-	-	(1,658)	2,123
Other intangible assets	225	-	-	-	-	-	225
Total gross values	**7,583**	**1,246**	**(400)**	-	-	**(328)**	**8,100**

AMORTIZATION CHANGE	2021-12	Acquisition	Disposals	Additions to the scope	Withdrawals from the scope	Others	2022-12
Amortization of research and development expenses	(951)	(335)	-	-	-	-	(1,286)
Amortization of concessions, patents and similar rights, patents, licences ...	(2,186)	(504)	1	-	-	-	(2,689)
Depreciation of business assets	-	(94)	-	-	-	-	(94)
Impairments on intangible assets in process	(160)	(49)	-	-	-	-	(208)
Amortization of other intangible assets	(20)	-	-	-	-	-	(20)
Total impairement and amortization	**(3,317)**	**(982)**	**1**	**-**	**-**	**-**	**(4,297)**
Intangible assets	**4,266**	**264**	**(399)**	**-**	**-**	**(328)**	**3,803**

NOTE 5
TANGIBLE ASSETS

Change in tangible assets as of December 31, 2022
(in thousands of euros)

CHANGE IN GROSS VALUES	2021-12	Acquisitions	Disposals	New contracts	End of contracts	Additions to the scope	Withdrawals from the scope	Others	2022-12
Land	1,195	682	(323)	-	-	-	-	525	2,080
Buildings	33,542	218	-	-	-	1,155	-	2,097	37,012
Technical installations, materials, and tooling	694,501	325	(170)	-	-	17,306	-	51,481	763,443
Other tangible assets	86,144	1,015	(239)	-	-	601	-	4,937	92,457
Tangible assets in process	45,970	111,845	(703)	-	-	1,913	-	(57,182)	101,843
Advances and deposit on tangible assets	-	576	-	-	-	-	-	-	576
Right of use	55,764	-	-	1,616	(295)	-	(206)	-	56,878
Total gross value	**917,115**	**114,661**	**(1,435)**	**1,616**	**(295)**	**20,975**	**(206)**	**1,859**	**1,054,289**

CHANGE IN AMORTIZATION	2021-12	Expenses	Reversals	New contracts	End of contracts	Additions to the scope	Withdrawals from the scope	Others	2022-12
Amortization of Buildings	(9,327)	(1,700)	-	-	-	(791)	-	-	(11,817)
Amortization of technical installations, materials and tooling	(120,559)	(34,994)	159	-	-	(6,805)	(65)	(2,318)	(164,582)
Amortization of other tangible assets	(18,152)	(4,345)	237	-	-	(419)	-	-	(22,679)
Impairment on tangible assets in process	(4,370)	(5,226)	-	-	-	-	302	833	(8,462)
Amortization of rights to use	(14,310)	(4,178)	-	(323)	295	-	111	-	(18,404)
Total amortizations	**(166,718)**	**(50,443)**	**396**	**(323)**	**295**	**(8 015)**	**348**	**(1,484)**	**(225,944)**
Tangible assets	**750,397**	**64,218**	**(1,039)**	**1,293**	**-**	**12,960**	**142**	**375**	**828,345**

Movements presented in the "Other" column mainly correspond to transfers following commissioning of wind farms previously classified under «Property, plant and equipment in progress» to «Buildings», «Technical installations, equipment and tooling» or «Other property, plant and equipment». The Group applies a method of depreciating inventories and fixed assets in progress, which consists in only depreciating projects presenting one of the following risks: refused authorizations, absence of tariffs, or development in an area presenting uncertainties. At December 31, 2022, impairment of property, plant and equipment in progress amounted to €8,462K.

In accordance with IAS 36 «Impairment of assets», and given the identification of a trigger event for impairment, the Group carried out an impairment test on the assets of the FHA sub-group (net amount of €63,3M). This test resulted in the recoverable amount (determined on the basis of discounted future cash flows) being higher than the carrying amount, and hence in no impairment being recognized.

Change in rights of use as of 31 December 2022
(in thousands of euros)

CHANGE IN RIGHTS TO USE GROSS VALUES	2021-12	Acquisi-tions	Disposals	New contracts	End of contracts	Additions to scope	Wit-hdrawals of scope	Others	2022-12
Wind and photovoltaic rights to use	44,851	-	-	836	(24)	-	-	-	45,663
Property rental rights to use	9,996	-	-	779	(183)	-	(206)	-	10,387
Computer equipment rights to use	635	-	-	-	-	-	-	-	635
Various equipment rights to use	281	-	-	-	(88)	-	-	-	193
Total gross value	**55,764**	**-**	**-**	**1,616**	**(295)**	**-**	**(206)**	**-**	**56,878**

CHANGE IN AMORIZA-TION OF RIGHTS TO USE	2021-12	Expenses	Reversals	New contracts	End of contracts	Additions to scope	Wit-hdrawals of scope	Others	2022-12
Amortization of wind and photovoltaic rights to use	(12,507)	(3,337)	-	-	24	-	-	-	(15,820)
Amortization of poperty rental rights to use	(1,232)	(651)	-	(323)	183	-	111	-	(1,911)
Amortization of computer equipment rights to use	(423)	(127)	-	-	-	-	-	-	(550)
Amortizations of various equipment rights to use	(148)	(63)	-	-	88	-	-	-	(123)
Total amortizations	**(14,310)**	**(4,178)**	**-**	**(323)**	**295**	**-**	**111**	**-**	**(18,404)**
Rights to use	**41,454**	**(4,178)**	**-**	**1,293**	**-**	**-**	**(94)**	**-**	**38,474**

Complementary information

NOTE 6
EQUITY METHOD SECURITIES
(in thousands of euros)

Identification of equity-method securities as of 31.12.2022	Net equity value of securities	Net profit for the year
LA LIMOUZINIERE ENERGIES	-	325
SOULANES ENERGIES	1,983	159
OTHER COMPANIES FOR THE EQUITY-METHOD	-	(40)
Total	**1,983**	**444**

Identification of equity-method securities as of 31.12.2021	Net equity value of securities	Net profit on dec. 31, 2021
LA LIMOUZINIERE ENERGIES	0	54
LES ROYEUX	0	(3)
LE HAUT BOSQUET	0	(3)
SOULANES ENERGIES	1,836	144
LHUITRE ENERGIES	1,202	92
LOUPDAT	0	(229)
CŒUR MEDOC	0	(24)
Total	**3,038**	**32**

ITEM	On dec. 31, 2022	On dec. 31, 2021
Non-current assets	24,196	33,110
Current assets	2,994	4,880
Total assets	**27,190**	**37,990**
Shareholders' Equity	11,558	14,498
Non-current liabilities	11,417	19,050
Current liabilities	4,215	4,442
Total liabilities	**27,190**	**37,990**
Revenue	**5,013**	**7,120**
Net Income	**861**	**1,416**
Impact on global net profit	779	233

NOTE 7
NON-CURRENT FINANCIAL ASSETS

Change in non-current financial assets as at 31 December 2022
(in thousands of euros)

CHANGE IN NON-CURRENT FINANCIAL ASSETS	2021-12	Increase	Decrease	Addition in scope	Wit-hdrawals from scope	Revalua-tion	Reclassi-fication	Others	Autres	2022-12
Equity securities	3,758	11,864	(460)	(5,585)	-	-	-	(638)	-	8,939
Loans to non-consolidated companies	18,090	5,445	(3,153)	-	1,602	-	-	-	-	21,984
Non-current derivative financial assets	8,074	-	-	-	-	92,075	-	-	990	101,139
Accrued interest on recei-vables and loans	-	60	-	16	-	-	-	-	-	76
Guarantees and deposits paid	1,759	184	(453)	743	-	-	-	4	-	2,237
Non-current non-derivative financial assets	4,375	-	(3,184)	-	-	-	-	0	-	1,191
Total gross value	**36,056**	**17,553**	**(7,251)**	**(4,825)**	**1,602**	**92,075**	-	**(634)**	**990**	**135,565**

CHANGE IN IMPAIRMENTS	2021-12	Expenses	Reversals	Addition in scope	Wit-hdrawals from scope	Revalua-tion		Reclassi-fication		2022-12
Impairments on equity securities	(2,074)	(388)	-	-	-	-	-	638	-	(1,824)
Impairment on loans to non-consolidated companies	(4,616)	(2,383)	132	-	-	-	-	-	-	(6,867)
Total amortizations	**(6,690)**	**(2,771)**	**132**	-	-	-		**638**	-	**(8,691)**
Non-current financial assets	**29,366**	**14,783**	**(7,119)**	**(4,825)**	**1,602**	**92,075**		**4**	**990**	**126,874**

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 31,2022
(in thousands of euros)

INVENTORIES AND WORK IN PROGRESS	2022-12			2021-12		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Inventories of goods, materials and other supplies	42	(9)	33	43	(9)	34
Inventories in process	2,443	(543)	1,900	3,980	39	4,019
Inventories - Finishes and semi-finished products	33	(20)	13	47	(20)	27
Total inventories and work in progress	**2,517**	**(572)**	**1,945**	**4,070**	**10**	**4,080**

NOTE 9
TRADE RECEIVABLES AND RELATED ACCOUNTS, OTHER CURRENT ASSETS

Presentation of trade receivables, related accounts and other current assets as of December 31, 2022
(in thousands of euros)

TRADE RECEIVABLES	2022-12			2021-12
	Gross value	Depreciation	Net value	Net value
Trade receivables and related accounts - part < 1 year	64,663	(2,094)	62,569	33,692
Trade receivables and related accounts - part < 1 year	**64,663**	**(2,094)**	**62,569**	**33,692**
Receivables from employees and social organisms	72	-	72	57
Tax receivables excluding corporate tax	25,006	-	25,006	21,468
State, tax on profits	5,075	-	5,075	1,234
Current account - assets	-	-	-	1,158
Other receivables	3,849	-	3,849	3,476
Prepaid expenses	1,883	-	1,883	1,239
Adjustment account (intra-group, bottom balance sheet)	7	-	7	
Other current assets	**35,892**	**-**	**35,892**	**28,632**
Other non curent receivables	-	-	-	1,304
TOTAL	**100,555**	**(2,094)**	**98,461**	**63,627**

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

TRADE RECEIVABLES	2022-12	< Y+1	de Y+2 to Y+5	> Y+5
Trade receivables and related accounts - part < 1 year	62,569	62,569		
Trade receivables and related accounts - part < 1 year	**62,569**	**62,569**		
Receivables from employees and social organisms	72	72		
Tax receivables excluding corporate tax	25,006	25,006		
State, tax on profits	5,075	5,075		
Other receivables	3,855	3,855		
Prepaid expenses	1,883	1,883		
Expenses to be distributed	(0)			
Other current assets	**35,892**	**35,892**		
TOTAL	**98,461**	**98,461**		

NOTE 10
CASH AND CASH EQUIVALENTS

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

CASH AND CASH EQUIVALENTS	2022-12	2021-12
Marketable securities - Cash equivalents	1,603	28,474
Liquid assets	152,875	90,429
Cash assets	**154,478**	**118,903**
Bank contributions (cash liabilities)	259	37
Cash liabilities	**259**	**37**
Net cash	**154,220**	**118,866**

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

Financial notes to liabilities

NOTE 11
SHAREHOLDERS' EQUITY

Movements affecting the Valorem Group's shareholders' equity in 2021 and 2022 are detailed in the consolidated statement of changes in shareholders' equity.

At December 31, 2021 and December 31, 2022, share capital comprised 1,908,006 shares with a par value of €5, representing a total of €9,540,030.

NOTE 12
NON-CONTROLLING INTERESTS

The Group has granted put options on all or part of its interests in certain consolidated companies to third parties holding non-controlling interests. A financial liability has been recognized for an amount corresponding to the present value of the option exercise price. These non-controlling interests are included in other non-current financing in the balance sheet.

Change on the period
(in thousands of euros)

	2022	2021
On1st January	1,701	1,701
New options booked		
Exercice of options		
Change in options actual value		
On 31 December	**1,701**	**1,701**

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

	On Dec 31, 2022		On Dec 31, 2021	
	Reserves assigned to non-controlling interests	Income for the period assigned to non-controlling interests	Reserves assigned to non-controlling interests	Income for the period assigned to non-controlling interests
SAINTE ROSE	5,265	(85)	3,551	611
LA LUZETTE ENERGIES	1,722	131	1,541	181
L HUITRE IG	2,370	511		
VIIATI GRIDCO	1,261	(4)		
AUTRES	3,640	(429)	2,153	(270)
Total	**14,258**	**124**	**7,245**	**522**

The following table summarizes information on Group subsidiaries with non-controlling interests, after intercompany eliminations:

Item	On Dec 31, 2022	On Dec 31, 2021
Non-current assets	56,360	54,054
Current assets	(3,466)	(2,278)
Total assets	**52,894**	**51,776**
Shareholders' Equity	(39,930)	(47,214)
Non-current liabilities	82,400	88,543
Current liabilities	10,424	10,447
Total liabilities	**52,894**	**51,776**
Revenue	9,144	10,492
Net income	**(1,212)**	**1,460**

NOTE 13
PROVISIONS

Change in provisions
(in thousands of euros)

PROVISIONS	2021-12	Dotations	Reversals	Addition to scope	Wit-hdrawals from scope	Others	2022-12
Provisions for decommissioning	8,384	192	-	-		263	8,839
Other provisions for charges	1,268	-	-	328	-	-	1,596
Provisions for pensions	1,649	-	(209)	-	-	-	1,440
Provisions for disputes	102	105	-	-	-	-	207
Provisions for risks	1,533	-	(22)	-	22	(356)	1,177
Investmenrs in associates	862	-	-	-	0	-	862
Sub-total non-current provisions	**13,798**	**297**	**(231)**	**328**	**22**	**(93)**	**14,121**
Provisions for risks	-	-	(220)	-	-	220	-
Sub-total current provisions	**-**	**-**	**(220)**	**-**	**-**	**220**	**-**
Total provisions	**13,799**	**297**	**(451)**	**328**	**22**	**127**	**14,121**

Provisions for dismantling correspond to the estimated future costs (discounted to present value) of restoring 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 «Other» column corresponds mainly to the negative share of companies accounted for by the equity method, and to new provisions for dismantling relating to new wind farms.

Details of investments in associates are provided in Note 6 - Investments in associates.

Provisions for retirement indemnities
(in thousands of euros)

CHANGE IN PENSIONS COMMITMENTS	2022-12	2021-12
Start of the year	1,649	1,510
Cost of commitment	(209)	220
Actuarial gains or losses	-	(80)
End of the year	**1,440**	**1,649**

ASSUMPTIONS MADE	2022-12	2021-12
Age at retirement	62 years	62 years
Rate of social security charges	40%	40%
Discount rate	3.75%	0.98%
Mortality table	INSEE 2022	INSEE 2021
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, 2022
(in thousands of euros)

FINANCIAL DEBTS	2021-12	CASH		NON-CASH				2022-12
		Increase	Decrease	New contracts	Addition to scope	Wit-hdrawals from scope	Others	
Bonded debts	51,467	3,366	-	-	-	-	(1,826)	53,007
Loans with credit establishments	611,744	67,352	(5,742)	-	4,468	-	(70,755)	607,066
Other loans and debts equivalents	6,659	16,595	(831)	-	-	-	(5,577)	16,847
Debts on rentals	34,660	-	(3,604)	836	-	(62)	205	32,035
Put on minority interests	1,701	-	-	-	-	-	-	1,701
Sub-total non-current financial loans and debts	**706,232**	**87,313**	**(10,177)**	**836**	**4,468**	**(62)**	**(77,953)**	**710,656**
Bonded debts	610	-	(610)	-	-	-	1,410	1,410
Loans with credit establishments	62,550	10,740	(72,182)	-	-	-	71,485	72,594
Other loans and debt equivalents	1,617	-	(1,887)	-	-	-	5,714	5,443
Accrued interests on loan	709	1,108	(702)	-	-	(0)	(13)	1,101
Debts on rentals	3,408	-	(28)	-	-	(35)	249	3,594
Current bank contributions	59	-	-	-	-	-	272	332
Sub-total current financial loans and debts	**68,953**	**11,848**	**(75,409)**	**-**	**-**	**(35)**	**79,117**	**84,475**
Total financial loans and debts	**775,184**	**99,162**	**(85,586)**	**836**	**4,468**	**(97)**	**1,163**	**795,130**

FINANCIAL DEBTS	2021-01	CASH		NON-CASH				2021-12
		Increase	Decrease	New contracts	Addition to scope	Wit-hdrawals from scope	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	6,632	1,269	(1,620)	-	-	-	378	6,659
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
Accrued 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**

Payables to credit institutions mainly concern financing for the Group's fleets: they generally have maturities of between 15 and 20 years, and variable rates.

Bonds are mainly held by Valorem and will be amortized between 2025 and 2031.

Increases for the period correspond mainly to the raising of debt for parks under construction. Decreases correspond to loan repayments during the period. Movements in the «Other» column correspond mainly to reclassifications from current to non-current.

Ageing balance of financial debts
(in thousands of euros)

AGEING BALANCE OF FINANCIAL DEBTS	2022-12	Y+1	Y+2 à Y+5	> Y+5
Bonded debts	54,417	1,410	14,591	38,415
Loans with credit establishments	679,660	63,407	224,276	391,978
Other loans and debts equivalents	22,368	5,443	5,814	11,110
Accrued interests on loan	1,101	1,101	-	-
Debts on rentals	35,629	3,594	12,672	19,362
Put on minority interests	1,623	-	-	1,623
Current bank contributions	332	332	-	-
Financial debts	**795,130**	**75,287**	**257 354**	**462,489**

Loans taken out by the Group are subject to compliance with banking ratios. As at December 31, 2022, no cases of non-compliance with ratios resulting in immediate repayment had been identified.

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

FINANCIAL DEBT BY CURRENCY AND BY RATE	2022-12	Fixed rate	Variable rate	Euros	Other currencies
Bonded debts	54,417	54,417	-	54,417	-
Loans with credit establishments	679,660	-	679,660	679,660	-
Other loans and debts equivalents	22,368	22,368	-	22,368	-
Accrued interests on loan	1,101	-	1,101	1,101	-
Debts on rentals	35,629	35,629	-	35,629	-
Put on minority interests	1,623	1,623	-	1,623	-
Current bank contributions	332	332	-	332	-
Financial debts	**795,130**	**114,369**	**680,761**	**795,130**	**-**

Variable-rate debt amounts to €680.8M, €654.7M of which is hedged 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, 2022
(in thousands of euros)

	2022-12	2021-12
Trade payables	30,121	20,029
Trade payables and related accouts	**30,121**	**20,029**
Social security debts	6,691	4,992
Taxes payables	42,011	22,444
Current accounts - Liabilities	-	4,325
Other payables	76,134	12,353
Other current liabilities	**124,835**	**44,114**
Other non-current debts / investment grant	23,366	7,612
Total	**178,321**	**71,754**

Tax liabilities include a €26M contribution on the inframarginal rent of electricity production (see Note 3 - Significant events).

Other payables/credit notes correspond for €76M to credit notes to be drawn up in respect of supplementary remuneration contracts (see Note 3 - Significant events).

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

AGEING BALANCE OF TRADE PAYABLES	2022-12	< Y+1	Y+2 à Y+5	> Y+5
Trade payables	30,121	30,121	-	-
Trade payables and related accounts	**30,121**	**30,121**	**-**	**-**
Social security debts	6,691	6,691	-	-
Taxes payable	42,011	42,011	-	-
Current accounts - Liabilities	-	-	-	-
Other paybles	76,134	76,134	-	-
Unearned income	-	-	-	-
Other current liablities	**124,835**	**124,835**	**-**	**-**
Other non-current debts / investment grant	23,366	-	23,366	-
Trade payables	**178,321**	**154,956**	**23,366**	**-**

Other payables correspond mainly to Valfin's debt to its co-developer Megatuuli Oy for the development of the Matkussaari and Kalistanneva projects.

NOTE 16
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

16.1 - Interest rate risk

The Group uses interest-rate swaps to hedge against fluctuations in interest rates on loans taken out to finance its generating facilities. At December 31, 2022, cash flow hedge accounting is applied to these derivative financial instruments. Interest flows relating to these interest rate swaps will be recognized in the income statement over the term of the financing arrangements, in conjunction with the interest expense on the hedged borrowings.

Several borrowings have been hedged by interest-rate swaps with a positive net fair value of €101,139,000 at December 31, 2022 (compared with a positive fair value of €1,679,000 at December 31, 2021) and a maturity similar to that of the debt to which they are linked.

The Group is exposed to market risks through its investment activities. This exposure is mainly linked to fluctuations in unhedged floating interest rates on its project debt.

Interest-rate risk is hedged by means of over-the-counter instruments with first-rate counterparties. The Group enters into financial instruments to hedge its variable-rate debts, targeting a minimum of 75% of the nominal amount, by aligning these derivatives with the maturities, reference rates, interest periods and expected amortizations of the loans being hedged.

The aim of the Group's risk management policy is to limit and control variations in interest rates and their impact on earnings and future cash flows. In 2022, against a backdrop of rising inflation, the Group used a pre-hedging swap to secure the interest rate on its financing for the year.

The table below summarizes net exposure to interest-rate risk, before and after hedging operations:

On december 31, 2022 in thousands of euros	Before hedging		After hedging	
	Fixed rate	Variable rate	Fixed rate	Variable rate
Less than a year	10,779	64,508	71,860	3,427
From 1 to 5 years	33,078	224,276	249,126	8,228
Over 5 years	70,511	391,978	448,109	14,380
Total	**114,369**	**680,761**	**769,095**	**26,035**

Sensitivity analysis for variable-rate instruments
(in thousands of euros)

On december 31, 2022	Fair value	Value adjustment Increase of 1%	Value adjustment decrease of 1%
SWAPS	102,271	35,531	(38,149)
Total	**102,271**	**35,531**	**(38,149)**

16.2 - Foreign exchange risk

To date, the Group is not exposed to any currency risk on assets in operation, as its assets are systematically financed in the functional currency.

16.3 - Counterparty risk

The Group contracts with a large number of suppliers and subcontractors, so their insolvency could not have a significant impact on its business.

With regard to electricity sales contracts, the Group considers that the counterparty risk associated with customer accounts is insignificant in view of the quality of the signatories to these contracts.

Lastly, the Group invests its cash and cash equivalents and enters into interest rate contracts with leading financial institutions.

16.4 - Liquidity risk

The liquidity position breaks down as follows:

LIQUID ASSETS	2022-12	2021-12
Cash and cash equivalents	154,220	118,866
Overdraft facilities	25,000	25,000
Total	**179,220**	**143,866**

NOTE 17
OFF-BALANCE SHEET COMMITMENTS

17.1 - Commitments given

Valorem has guaranteed Valrea to various third parties (ArcelorMittal, Sungrow, Zimmermann Solar and ZURICH) for a total of €10,470K and to Total Energies for €9,774K.

Valorem has pledged securities and/or current accounts (La Fibat, Saint Secondin and Longueil) to Société Générale, Natixis Energeco, BPCE, ING, Banque Postale, BPI and CAA for a total of €66,970K.

Mezza has pledged Vasco shares and receivables under the partner loan agreement (between Mezza and Vasco) to AUXIFIP. For its part, Vasco has pledged securities relating to all the SPVs it owns to the Banque Postale, SMBC and AUXIFIP for a total amount of €180,000K.

Various companies have pledged business receivables and equipment to several banks for a total amount of €368,596K.

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

17.2 - Commitments received

BNP Paribas, BTP Banque, Atradius and other financial institutions have given performance guarantees to Valrea for a total amount of €205K for the benefit of the State and other institutions.

Financial notes to profit and loss

NOTE 18
REVENUE AND OPERATING INCOME

Split by geographic region
(in thousands of euros)

BY GEOGRAPHIC REGION	2022-12	2021-12
Consolidated revenue	**198,791**	**101,856**
France	197,583	101,856
Europe Excl. France	1,208	-
Total by geographic region	**198,791**	**101,856**
Operating income after share of equity-accounted companies net income [in line with the Group's operations]	**40,202**	**11,887**
France	40,386	12,082
Europe Excl. France	(184)	(195)
Total by geographic region	**40,202**	**11,887**

Split by business segment
(in thousands of euros)

BY BUSINESS SEGMENT	2022-12	2021-12
Consolidated revenue	**198,791**	**101,856**
Electrical	124,599	87,005
Development	65,640	10,275
Buildings	692	574
Maintenance	7,859	4,001
Total by business segment	**198,791**	**101,856**
Operating income after share of equity-accounted companies net income [in line with the Group's operations]	**40,202**	**11,887**
Electrical	30,433	5,470
Development	8,901	5,771
Buildings	608	466
Maintenance	259	179
Total by business segment	**40,201**	**11,887**

Development sales include €63.1M from the disposal of Kalistanneva in 2022. In 2021, disposals impacted development sales by €8.7M (Garonne et Canal and Montréal).

Information on order backlog and contract assets/liabilities will not be provided, as they are deemed immaterial.

NOTE 19
PAYROLL AND HEADCOUNT

Overview of the workforce

AVERAGE HEADCOUNT BY CATEGORY	2022-12	2021-12
Managerial staff	287	256
Employees, supervisors and technicians	71	58
Total average number of employees	**358**	**314**
Employees costs	**(32,048)**	**(24,757)**
Salaries, wages and benefits	(20,153)	(15,653)
Social security contributions	(8,814)	(6,988)
Other salaries charges	(3,081)	(2,116)
Total employee costs	**(32,048)**	**(24,757)**

NOTE 20
AMORTIZATION AND PROVISIONS

Presentation of amortization and provisions
(in thousands of euros)

AMORTIZATION AND PROVISIONS	2022-12	2021-12
Amortization of intangible assets	(839)	(597)
Amortization of tangible assets	(45,289)	(41,187)
Net change in amortization of fixed assets	**(46,128)**	**(41,784)**
Impairments on intangible assets	(256)	(20)
Impairments on tangibles assets	(4,091)	(668)
Impairments on trade receivables and other current receivables	(5,694)	(1,214)
Provision expenses	(36)	(95)
Amortization (excluding fixed asset) and imapirment expenses	**(10,077)**	**(1,998)**
Write-off of fixed asset impairments	113	84
Write-off of receivables and other current receivables	5,150	1,113
Write-off of provision expenses	1,023	591
Write-off of amortization (excluding fixed assets) and depreciation	**6,286**	**1,789**
Total Amortization and provisions	**(49,919)**	**(41,993)**

Depreciation charges on property, plant and equipment mainly comprise €41,121K of charges relating to parks in operation (€37,931K in 2021) and €3,988K of depreciation charges for rights of use of property, plant and equipment in accordance with IFRS 16 (compared with €2,944K in 2021).

The Group applies a method of depreciating inventories and fixed assets in progress, which consists in only depreciating projects presenting one of the following risks: refused authorizations, absence of tariffs or development in an area presenting uncertainties.

NOTE 21
OTHER NON-CURRENT OPERATIONAL PROFITS AND LOSSES

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

	2022-12	2021-12
Revaluation of previously held interest following complementary acquisitions	35	-
Gain or loss on fixed asset sales	118	(58)
Investment grants transferred to income	213	176
Rente infra marginale	(25,603)	-
Other non-current operating income and expenses	1,244	(1,613)
Total	**(23,994)**	**(1,494)**

The change in other non-recurring operating income and expenses is mainly due to the recognition of a €25,603K accrued expense for the contribution on the inframarginal rent of electricity production described in the significant events section of Note 3.

NOTE 22
NET FINANCIAL COST

Financial results
(in thousands of euros)

NET FINANCIAL PROFITS AND LOSSES	2022-12	2021-12
Income from cash and cash equivalents	105	152
Gross cost of financial indebtedness	(14,460)	(10,431)
Write-off of impairment on financial assets	134	5,223
Miscellaneous financial income	7,210	1,503
Sub-total other financial income	**7,344**	**6,726**
Impairment on financial assets	(2,800)	(1,695)
Miscellaneous financial charges	(6,723)	(8,735)
Sub-total other financial charges	**(9,522)**	**(10,430)**
Net financial loss	**(16,533)**	**(13,983)**

Miscellaneous financial income mainly comprises the transfer of financial interest expenses to the acquisition cost of property, plant and equipment (including €3.4M relating to the capitalization of interest on the Matkussaari park assets under construction).

Other financial expenses mainly comprise interest on swaps of €3M in 2022 and €4.7M in 2021, and financial expenses on rights of use, which represent €-751K in 2022 and €-685K in 2021. In addition, income relating to the ineffective hedging of swaps was recognized in the amount of €994K.

NOTE 23
TAXES

The corporate income tax rate is 25% in 2022 for all French entities, including those in the tax consolidation group.

Presentation of the break-down of tax expense as of December 31, 2022 and 2021
(in thousands of euros)

BREAK-DOWN OF TAX EXPENSE / INCOME	2022-12	2021-12
Current tax expense (income)	(3,564)	1,116
Deferred tax expense (income)	1,443	(6,830)
CVAE	(692)	(1,175)
Total de l'impôt	**(2,813)**	**(6,889)**

Presentation of the proof of tax as of December 31, 2022 and 2021
(in thousands of euros)

TAX PROOF	déc. 2022	déc. 2021
Net income from continuing operations	20,856	3,007
Tax expense/income excluding CVAE [Entreprise Added Value Contribution]	(2,121)	5,738
Consolidated net income before taxes	**22,977**	**(2,731)**
Theroretical tax rate	25.0%	26.5%
Calculated theoretical tax	(5,744)	724
Impacts		
Impact of permanent differences	7,947	1,682
Impact of the amortization of intangible assets and goodwill	(205)	(217)
Impact of the fiscal integration a,d captalization of losses	(2,342)	2,760
Impact of the equity-consolidated companies	111	129
Impact of the difference and changes in rates	452	395
Others	(2,342)	264
Total of tax expense or income	**(2,121)**	**5,737**

Breakdown of net deferred tax assets (liabilities)
(in thousands of euros)

BREAK-DOWN OF NET DEFERRED TAXES	2022-12	Total net deferred tax	Accounted for as other items of comprehensive income	Accounted for as equity	2021-12
Temporary differences	715	715	-	-	547
Deferred taxes on farms fair value (IAS 16)	(31,188)	-	-	(31,188)	(34,037)
Deferred taxes on swaps fair value (IFRS 9)	(24,327)	748	(25,075)	-	133
Deferred taxes on elimination of tax-driven charges to provions	(29,459)	(29,459)	-	-	(27,473)
Other adjustments for tax purpose and harmonisationn	(2,053)	(2,053)	-	-	(768)
Deffered taxes (Elim. Inventory margins)	38,989	38,989	-	-	43,620
Tax loss carryforwards	15,682	15,682	-	-	10,936
Deferred taxes limitation	271	271	-	-	1,074
Sub-total net deferred taxes before capitalization and limitation	**(47,322)**	**8,941**	**(25,075)**	**(31,188)**	**(17,979)**
Deferred tax capitalization (limitation)	15,953	15,953	-	-	12,009
Total net deferred tax	**(31,369)**	**24,894**	**(25,075)**	**(31,188)**	**(5,969)**
Deferred taxes	11,443	-	-	-	16,772
Deferred tax liabilities	(42,813)	-	-	-	(22,741)
Total net deferred tax	**(31,370)**				**(5,970)**

	Y+1	Y+2	Y+3	Y+4	>Y+4	Total
Ageing balance of deferred tax excluding capitalization and limitation	(1,031)	(1,619)	(1,669)	(1,607)	(41,396)	**(47,322)**

At December 31, 2022, in view of the fact that their recovery is deemed probable in the near future, the Valorem Group recognized deferred tax assets in its consolidated financial statements in respect of its tax loss carryforwards amounting to €4.8M for the 2022 financial year. These deferred tax assets were mainly recognized in the Valorem tax consolidation group for €5.6M and in the sub-group Mezza 5 for €1.5M.

COMPLEMENTARY NOTES

NOTE 24
SUBSEQUENT EVENTS

None.

NOTE 25
REMUNERATION OF THE MAIN DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

The main executives received the following remuneration:

REMUNERATION in thousands of euros	2022	2021
Short-term employee benefits	978	1,185
Termination benefits	-	61
Total	**978**	**1,246**

The Valorem Group does not have any material related-party transactions.

NOTE 26
STATUTORY AUDITOR FEES

FEES in thousands of euros	Other services		Certification of the 2021 accounts, excluding tax		Total	
	2021	2022	2021	2022	2021	2022
BSF Audit	5	-	165	163	**170**	**163**
Fiduciaire Experts Audit	3	-	75	60	**78**	**60**
KPMG	-	-	65	58	**65**	**58**
H3P	-	-	16	11	**16**	**11**
Total	**8**	**-**	**321**	**292**	**329**	**292**

NOTE 27

FAIR VALUE OF FINANCIAL VALUE OF ASSETS AND LIABILITIES

The fair value of an asset or liability is the price that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act, and who are under no compulsion to act. The determination of fair value must be based on observable market data that provides the most reliable indication of the fair value of a financial instrument.

The classification levels in the fair value hierarchy are defined as follows:

- Level 1: price quoted on an active market,
- Level 2: price quoted on an active market for a similar instrument, or other valuation technique based on observable parameters,
- Level 3: valuation technique incorporating unobservable parameters.

For swaps, borrowings and liabilities related to put options granted to holders of non-controlling interests, fair value is determined on the basis of contractual cash flows discounted at market interest rates. The fair value of trade payables, trade receivables and other short-term receivables and payables is deemed to correspond approximately to their net book value, as the effect of discounting future cash flows is not material given their short-term nature.

31/12/2022 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	101,139	101,139	-	-	-	101,139
Other non-current financial assets	3	25,736	25,736	25,736	-	-	-
Trade receivables and related accounts	-	62,569	62,569	62,569	-	-	-
Cash and cash equivalents	1	154,478	154,478	-	154,478	-	-
Other current assets excluding tax and social assets	3	5,992	5,992	5,992	-	-	-
Total financial assets		**349,914**	**349,914**	**94,297**	**154,478**	**-**	**101,139**
Non-current financial debts excluding put	2	708,955	708,955	-	-	708,955	-
Put on minority interests	3	1,701	1,701	-	-	1,701	-
Derivative financial instruments	2	79	79	-	-		79
Current financial debts	2	84,475	84,475	-	-	84,475	-
Trade paybles and related accounts	-	30,121	30,121	-	-	30,121	-
Other current liabilities excluding tax and social liabilities	3	76,134	76,134	-	-	76,134	-
Total financial liabilities		**901,465**	**901,465**	**-**	**-**	**901,386**	**79**

31/12/2021 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**

Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

VALOREM S.A.S.

Siège social : 213 Cours Victor Hugo - 33130 Bègles

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2022

To the annual general shareholders meeting 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 2022.

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 2022 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 2022 to the date of our report.

Justification of Assessments

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 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 have been approved by the President.

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 15 June 2023

French original signed by

KPMG S.A.	BSF Audit S.A.S.
Aurélie Lalanne	Daniel Rodrigues
Partner	Partner

Rapport du Commissaires aux comptes

VALOREM S.A.S.

Siège social : 213 Cours Victor Hugo - 33130 Bègles

Rapport des commissaires aux comptes sur les comptes consolidés.

Exercice clos le 31 décembre 2022.

A l'Assemblée générale de la société VALOREM S.A.S.,

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes consolidés de la société VALOREM S.A.S. relatifs à l'exercice clos le 31 décembre 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

Fondement de l'opinion

Référentiel d'audit

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

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

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes, sur la période du 1er janvier 2022 à la date d'émission de notre rapport.

Justification des appréciations

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les appréciations suivantes qui, selon notre jugement professionnel, ont été les plus importantes pour l'audit des comptes consolidés de l'exercice.

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

Test de dépréciation des actifs du sous-groupe Force Hydraulique Antillaise

Conformément à IAS 36, la valeur des actifs incorporels et corporels dont la durée d'utilisation est limitée est testée dès qu'un indice de perte de valeur est identifié. Le test consiste à comparer la valeur nette comptable de ces actifs avec leur valeur recouvrable. La valeur recouvrable est déterminée selon les modalités décrites dans la note « 1.3.3 – Dépréciation des actifs » de l'annexe des comptes consolidés. Lorsque la valeur recouvrable est inférieure à la valeur nette comptable, cette dernière est ramenée à la valeur actuelle par la comptabilisation d'une dépréciation.

Les actifs incorporels et corporels du sous-groupe Force Hydraulique Antillaise ont fait l'objet d'un test de dépréciation selon les modalités décrites dans la note « 1.3.3 – Dépréciation des actifs » de l'annexe des comptes consolidés.

Nous avons examiné les modalités de mise en œuvre de ce test ainsi que la cohérence d'ensemble des hypothèses utilisées, revu les calculs conduisant à l'absence de dépréciation comptabilisée et nous avons vérifié que la note « 5 – Immobilisations corporelles » de l'annexe des comptes consolidés donne une information appropriée.

Comme indiqué dans la note « 1.3 – Estimations, jugements et principes comptables » de l'annexe des comptes consolidés, ces estimations reposent sur des hypothèses qui ont par nature un caractère incertain, les réalisations étant susceptibles de différer parfois de manière significative des données prévisionnelles utilisées.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du Président.

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

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

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

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

Les comptes consolidés ont été arrêtés par le Président.

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

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

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

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

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

Les commissaires aux comptes

Mérignac et Bordeaux, le 15 juin 2023

KPMG S.A.	BSF Audit S.A.S.
Aurelie Lalanne — Signature numérique de Aurelie Lalanne Date : 2023.06.15 09:58:22 +02'00'	Signé électroniquement le 15/06/2023 par Daniel Rodrigues
Aurélie LALANNE	Daniel RODRIGUES Associé

ANNUAL REPORT 2022

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