

2024 ANNUAL RES & OUTLOOK

March 27, 2025

arverne
GROUP





**Pierre
Brossollet**
Founder and
Chairman & CEO



**Emeline
Othax**
Chief Financial Officer

At the heart of the decarbonization challenge by subsurfaces ressources

Our objectives

Unlocking the potential of subsurface renewable resources



Becoming a national leader
of the geothermal industry



Securing geothermal lithium supply
One of the most critical metals for successful energy transition



Decarbonization with geothermal energy

The rise of all geothermal energies in the French energy mix



x4

Production of geothermal heat in France by 2035 ¹



x5

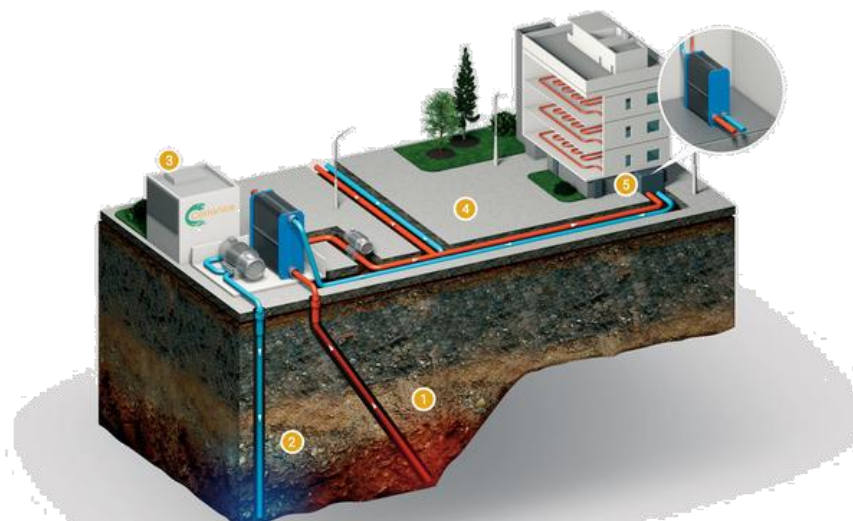
Global demand for lithium by 2040 ²

1. Source : National Integrated Energy-Cimate Plan Target, June 2024
2. Source Benchmark Mineral Intelligence, Q4 2024 – compared to 2024

Integrated player across the value chain

Geothermal heat

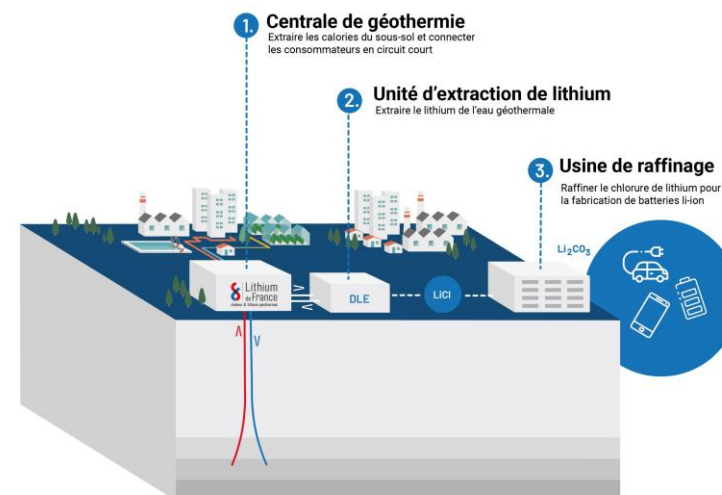
Production and commercialization



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Geothermal heat and lithium

Extraction and commercialization

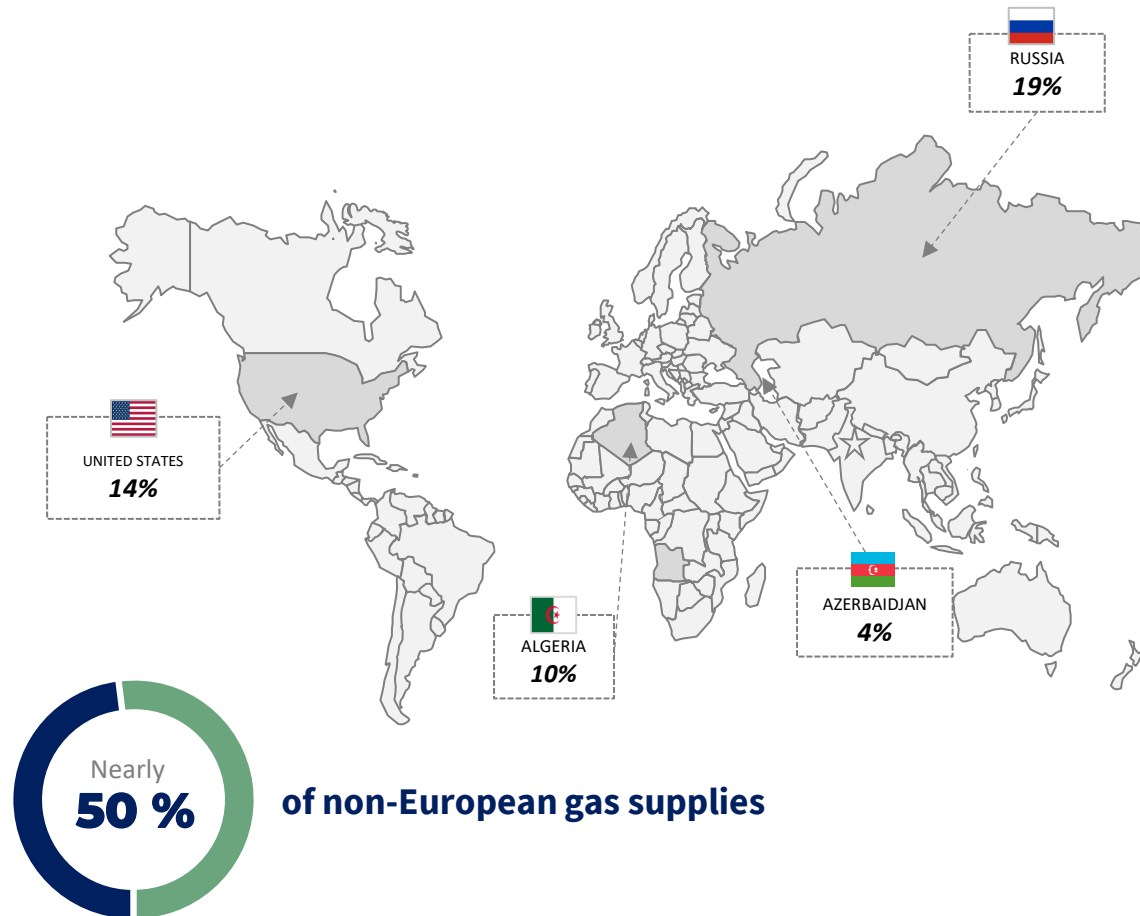


Drilling, maintenance and services

Integrated strategic tool for the Group's activities

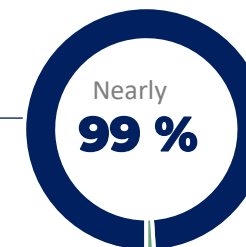
At the heart of energy sovereignty issues

Origin of French gas imports (from January to September 2024)*



*Source : European Network of Transmission System Operators for Gas (ENTSOG), Gas Infrastructure Europe (GIE) & Bloomberg via Bruegel

A highly concentrated lithium market



Nearly **99 %** of lithium supplies from non-European countries

**Source : Benchmark Mineral Intelligence 2024

Geothermal energy : a unique time-to-market !

THE ADVANTAGES OF GEOTHERMAL ENERGY...



Renewable



Local & sovereign



Discrete



Non- intermittent



Low-carbon



Economic

« Our energy policy has a goal : low carbon energy affordable for all. To achieve this, nuclear power generation is an essential axis and geothermal energy is also. »

*François Bayrou, Prime minister
General Policy Statement, January 14, 2025*

POLITICAL PLEBISCITE

« Geothermal will meet History ! »

*Sylvain Waserman, CEO of ADEME, Renewable Heat and Cold Day,
February 4, 2025*

INSTITUTIONNAL SUPPORT



MINISTÈRE
DE LA TRANSITION
ÉCOLOGIQUE

“A target of 100 TWh by 2040”

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

*European action plan for
geothermal energy*

iea




“(...) a huge potential”

¹ International Energy Agency (IEA) in the report « The future of geothermal energy » December 13, 2024




Geothermal energy : obstacles finally removed !






YESTERDAY, the energy market...

-  An energy mix largely dominated by fossil fuels and nuclear
-  Low cost energies in a relatively stable geopolitical environment
-  Limited sensitivity to energy savings and environmental issues

YESTERDAY, geothermal energy, a marginal alternative


-  « What is it ? »
-  A misidentified value chain, very large public or limited private actors
-  A risky alternative associated with high CAPEX for an uncertain ROI

TODAY: A DEEP TRANSFORMATION

-  Increasing the contribution of renewable energies
-  High price volatility and threats to energy sovereignty
-  Energy transition imperative and more stringent regulatory framework

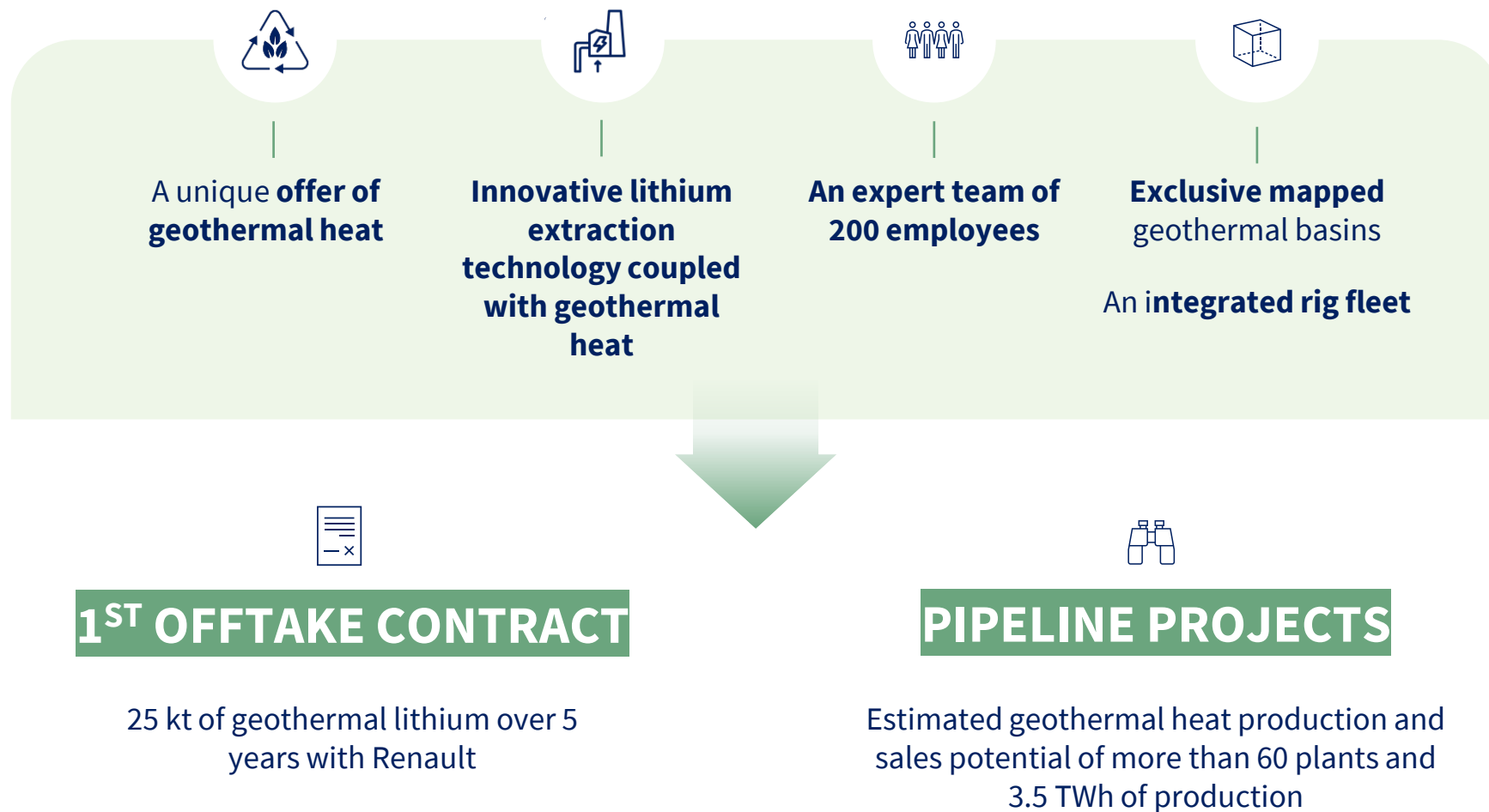


TODAY, GEOTHERMAL ENERGY: FROM POTENTIAL TO REALITY!

-  Île-de-France region, 1st geothermal region in Europe!
-  The Arverne Group's model: a recognized know-how on the entire value chain, a strategic partner
-  Arverne Group: innovation by the offer



Ready for acceleration!



INDUSTRIAL PARTNERS



FINANCIAL PARTNERS



PARTNERS IN THE SECTOR





01

2024 HIGHLIGHTS

**BUSINESS VOLUME*****€17.3m** ✓

+ 45 %
Initial target
€16-18m

**PFS**

Viability of the
Lithium de France
project

 ✓**CAPEX****€51.9m** ✓

Investments deployed

**REGULATORY**

Filing of a drilling
authorization

 ✓

All our 2024 targets have been reached !

**Business volume: consolidated revenue plus 50% of the revenue of DrillHeat (50%-owned subsidiary) and inter-sector drilling revenue*

DURING



AFTER



Roissy CDG

**adopts geothermal energy
with Arverne Group !**



Up to 80 GWh/year of heat produced



19,000 tonnes CO2 emissions avoided



3 months of construction, on time and on schedule



Drilling at 1,800 m depth

Arverne supports SAFRAN in the largest industrial geothermal project in Île-de-France region



- 75% carbon emissions

6,500 tonnes CO2 emissions avoided



84% of energy requirements replaced



- 75% of the heating bill



Drilling at 1,650 meters



Doublet end 2025





Our 1st geothermal heat contract with Clichy-sous-Bois and Livry Gargan in Île-de-France region



115 GWh of production capacity



26 km network by 2031



€90m shared by partners with the support of ADEME and Ile-de-France region



30 years concession by mutual agreement



91% renewable energy



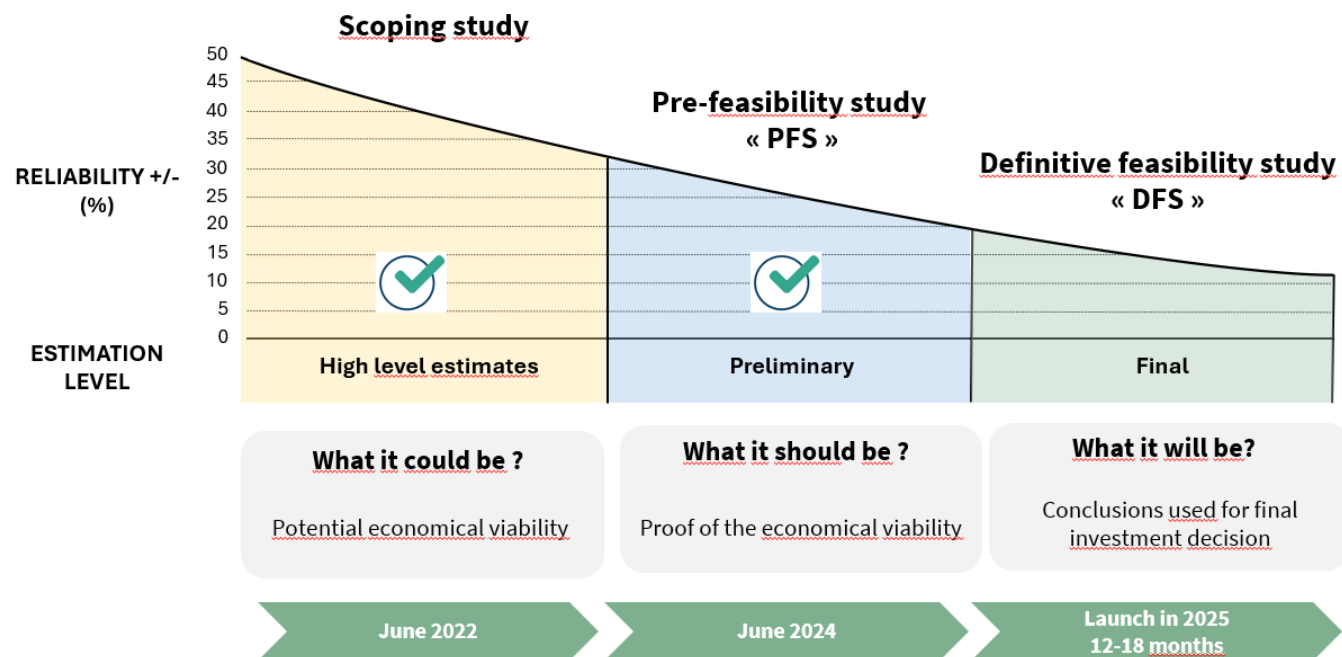
20,000 tons of CO₂ avoided



** Un partenariat minoritaire*

In the
Top 5
geothermal heat networks in Île-de-France region

Success of a new key milestone: Pre-feasibility study (PFS)



Very positive results

Higher than expected
recovery rate

Opex below the
“scoping study”

CAPEX controlled

TECHNICAL

- 27 kt/year of lithium carbonate
- DLE by Adsorption
- Recovery rate: 91% (vs 85% pre PFS)

FINANCIAL

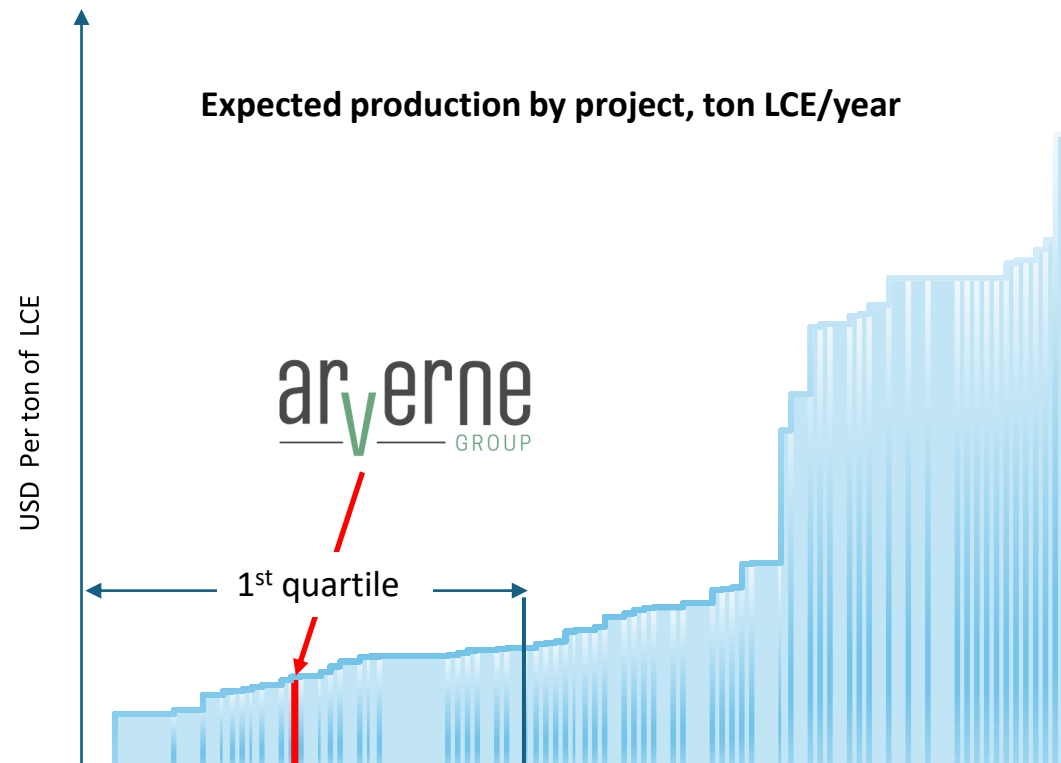
- OPEX < €4,500 /t LC
- CAPEX : between €1.8 bn and €1.9 bn (yc 15% contingency) according to the phases chosen

TARGETS

- 2027: first geothermal heat production
- 2028: first geothermal lithium production

A unique project in Alsace : heat + geothermal lithium

FOCUS ON CASH COST OF LITHIUM



*C1 cost : Mining cost + Processing cost + Reagent cost + Transportation & storage + General & Administrative, Energy & Labor + Maintenance, Other costs
Source : Benchmark Minerals Intelligence, Q2 2024

IN SHORT, THE ADVANTAGES OF THE ARVERNE LITHIUM

COMPETITIVE



In the 1st quartile of “cash costs” production

INNOVATIVE AND DISRUPTIVE



Heat and geothermal lithium by DLE technology

ECO-FRIENDLY



Water
Footprint
CO₂ emission

CONTRIBUTES TO THE DEVELOPMENT OF LOCAL COMMUNITIES



Local job creation
and heat networks



02

FINANCE

Gross business volume of €17.3m, +45% compared with 2023, in line with targets

<i>In thousands of euros</i>	2024	2023	Var. %
Deep drilling (Arverne Drilling Services)	13,954	9,835	+42%
Other	193	257	-25%
Consolidated revenues	14,147	10,092	+40%
Inter-sector drilling turnover	54	15	+260%
Shallow drilling (DrillHeat)	3,092	1,857	+67%
Gross business volume	17,293	11,964	+45%

The deep geothermal installations on the Paris Charles de Gaulle platform, completed on time and on schedule, contributed significantly to the growth.

Growth in the turnover of DrillHeat, a 50% subsidiary of Arverne Group, driven by an enhanced business strategy, increased drilling fleet productivity, expansion of teams and optimization of capacity utilization

The company reports on its gross business volume, a key operational indicator that incorporates all the achievements of the Group's subsidiaries, including DrillHeat, a 50% subsidiary operated by Arverne Group, and inter-sector drilling revenue

Consolidated income statement: in line with the Group's growth

<i>In thousands of euros</i>	2024	2023	
Revenues	14,147	10,092	Revenues + 40%, supported by geothermal installations for the Roissy Charles de Gaulle platform
Purchasing and subcontracting	(18,754)	(11,409)	
Personnel expenses	(20,326)	(13,110)	Personnel expenses : strengthening of the teams, with +85 FTEs in 2024, and structuring of the Group's governance
Taxes and duties	(335)	(292)	
Other income and expenses	6,897	2,792	Other income and expenses: of which €6.5 million of fixed production mainly related to investments for the launch of the Lithium de France drilling campaign and the rehabilitation or start-up of rigs
Current EBITDA	(18,371)	(11,928)	
Depreciation and provisions	(2,397)	(1,898)	
Current operating income	(20,768)	(13,826)	
Other non-recurring operating income & expenses	0	(47 503)	
Operating income	(20,768)	(61,330)	Financial income and expenses: generated mainly by the placement of excess cash raised at the time of the IPO (€4.9 million), Other financial products: revaluation of Lithium de France's BSA Ratchet B and debt revaluation pursuant to the agreement signed with Geoven's lenders
Financial income and expenses	11,196	6,545	
Income tax	197	968	
Share of net income of equity-accounted companies	(1,750)	-	Impairment of DrillHeat's partner current account following the company's net book position
Total net income	(11,126)	(53,816)	
Group share	(9,993)	(52,035)	
Share of non-controlling interests	(1,133)	(1,782)	

^[1] Corresponds to current income before depreciation and amortisation

C APEX plan successfully deployed, in line with the strategic roadmap towards 2031

<i>In thousands of euros</i>	2024
Development of PER	14,101
Acquisition of B18 rig	22,618
Drilling equipment	11,764
Other assets	1,470
Real estate	1,983
Gross CAPEX	51,937

Reinforcement of the knowledge of the subsoil by 3D data acquisition exploration campaigns (2 in Alsace and 1 in Auvergne)

New deep drilling machine, B18, to complete the Group's operational fleet, a strategic asset essential for the development of all types of geothermal heat projects

Complementary drilling equipment, in anticipation of upcoming campaigns for geothermal heat and geothermal lithium projects

The company reports on its gross CAPEX volume deployed, a key operational indicator to track the development plan

Balance sheet : assets

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Intangible assets	53,056	39,192
Tangible assets	52,274	19,445
Other non-current assets	3,148	3,448
Total non-current assets	108,478	62,084
Inventories and trade receivables	22,486	15,688
Other current assets	321	1,096
Cash and cash equivalents	123,834	143,229
Total current assets	146,641	160,012
Total assets	255,119	222,097

€14m increase for the development of Exclusive Exploration Licences for the subsidiaries Lithium de France and 2gré

Investment in the new drilling rig B18 (+€22.6m) and preparation of drilling campaigns

€1,8m inventories and receivables increased due to the build-up of equipment inventories in anticipation of future drilling campaigns, as well as the increase in trade receivables due to projects in progress as of December, 31 2024

■ Increase of total assets at €255m

■ €51,9m CAPEX plan, in line with forecasts

Balance sheet : liabilities

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Capital and share premium	194,302	194,302
Other reserves & Accumulated results	(38,413)	(30,210)
Non-controlling interests	13,993	14,346
Total shareholders' equity	169,881	178,438
Borrowings - non-current	31,838	9,904
Other non-current liabilities	5,136	0
Other provisions	2,103	1,632
Deferred tax liabilities	5,314	5,465
Other non-current liabilities	1,628	3,437
Total non-current liabilities	46,018	20,438
Borrowings - current	6,401	1,856
Other financial liabilities and derivatives	3,074	7,260
Other provisions	901	992
Other current liabilities	28,843	13,112
Liabilities held for sale	0	0
Total current liabilities	39,219	23,221
Total liabilities	255,119	222,097

No capital transactions

Strong financial structure resulting from successful IPO in September 2023

Increase due to:

- investment in a new rig, B18, for lease-financed drilling
- injection of €4.4m into a current account by Herrenknecht, at the time of the establishment of the new subsidiary DrillDeep

Revaluation of BSA Ratchet B derivatives on Lithium de France

Increase in supplier debts (construction works in progress and capital assets)

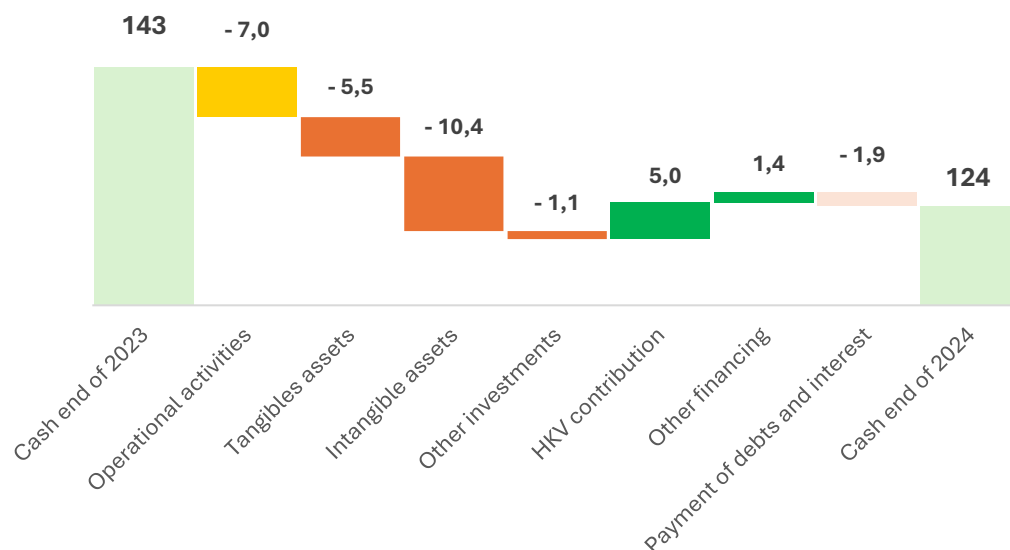
■ Net cash position in surplus at €85.6m

Cash 2024 and net financial debt

Consolidated cash at €124 million at the end of 2024 vs €143 million at the end of 2023

Net cash position is in surplus at €-85.6 million at the end of 2024 vs -131.5 million at the end of 2023

Change in cash in 2024



€7 million spent on operational activities

€17.1 million invested in CAPEX

€4.6 million of financial flows were received

<i>In thousands of euros</i>	31/12/2024	31/12/2023
Debt	8 235	10 024
Rent debts	28 950	600
Accrued interests	69	58
Factoring	987	1 078
Total borrowing and financial debts	38 239	11 760
Cash and cash equivalents	123 834	143 229
Net financial debt	-85 595	-131 469

The cash flow change reflects the Group's development phase with a large investment in CAPEX partly financed.

Consolidated statement of cash flow

In thousands of euros

	2024	2023
Net income/(loss)	(11,126)	(53,816)
Depreciation, amortization and provisions net of reversals	2,821	2,262
Other changes	(2,478)	40,590
Cash flow from operations	(10,783)	(10,964)
Changes in inventories, in trade and other receivables	(5,159)	2,053
Change in trade and other payables	5,682	2,121
Change in other current receivables/payables	4,048	(8,690)
Tax paid	(748)	130
Net cash flow from operating activities	(6,959)	(15,349)
Net acquisition of fixed assets	(9,502)	(15,590)
Capitalized development expenditure	(10,419)	(5,914)
Other changes	2 867	1,061
Net cash flow from investing activities	(17,055)	(20,444)
Capital increases	734	114,599
New borrowings	1,323	15,499
Repayment of borrowings	(463)	(7,730)
Current account contribution on <u>Herrenknecht</u>	4,525	0
Other changes	(1,499)	53,487
Net cash flow from financing activities	4,620	175,856
Change in cash and cash equivalents	(19,394)	140,063
Cash and cash equivalents as of January 1	143,227	3,165
Cash and cash equivalents as of December 31	123,834	143,227

VAT recovered on invoices related to the IPO transaction

Capex plan deployed online with roadmap

Financing from the current account injected by Herrenknecht (€ 4.4 million) into DrillDeep.

03

CSR commitments

«Through its unique know-how, Arverne Group unleashes the potential of geo-resources and sustainably values them for a pragmatic energy transition dedicated to the prosperity of the local community.»

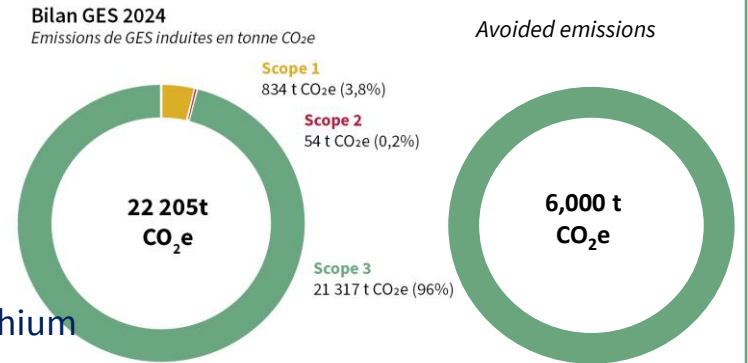


Our 10 mission-driven commitments : all achieved by 2024 !



ENVIRONMENT

- ✓ Conduct a carbon assessment of the Group CO₂ emissions by the end of 2024
- ✓ Measure the CO₂ avoided emissions thanks to our projects
- ✓ Innovate every year to minimise our environmental impact
- ✓ Promote the development of geothermal energy and geothermal lithium



EMPLOYEES

- ✓ Implement annual initiatives to improve the quality of employees' work experience
- ✓ Train 100% employee on the Code of Conduct by the end of 2024
- ✓ Encourage employees to engage in projects that promote a more sustainable and inclusive society




**100 % of
employees
trained**



REGIONS

- ✓ Support voluntary sector events in each main region where the Company operates
- ✓ Deploy consultation and information actions with the regions for our underground resource production project, in addition to the regulation
- ✓ Encourage the professional reintegration of unemployed people on the drilling sites



Open days
**Meetings local
people**

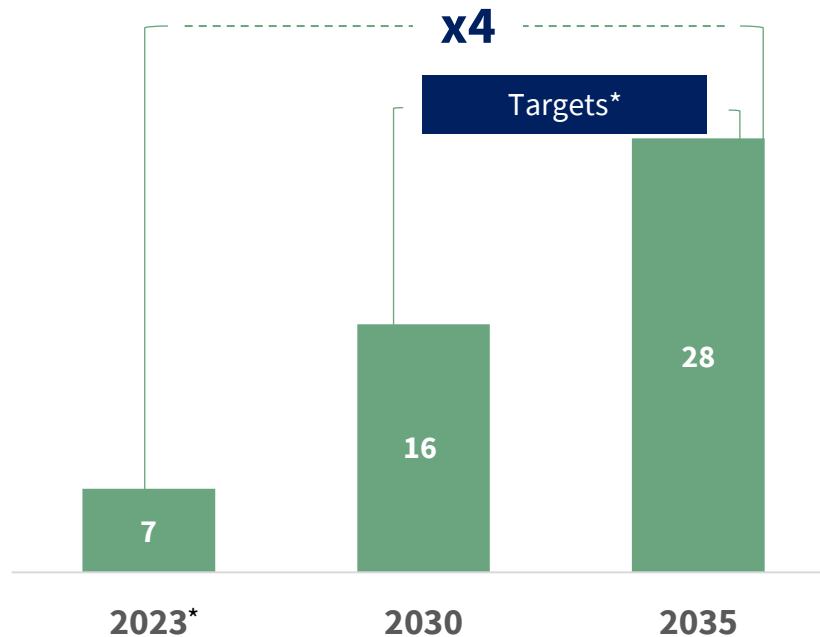


04

OUTLOOK

The geothermal potential is realizing

Geothermal production target (TWh)



(*)Source : Integrated national energy-climate plan, June 2024
(**) Source afpg : Geothermal energy in France, sector's study, 2024

GEO THERMAL ENERGY IN FRANCE
7 TWh (2023) or ~4% of
renewable heat

**GEO THERMAL POTENTIAL IN
FRANCE >**
130 TWh

Higher than imports
of Russian gas before the crisis



HOW ?

The solution : Arverne Group

Strategy & Target

Leader in
geothermal energy

Private industrial,
agricultural, public
clients (*communities, heat
networks*)

Model adapted to
customers

Selection of
strategic partners

2026
First geothermal heat
production

TIMES REDUCTION

QUALITY AND RELIABILITY

COST CONTROL

PRICE CONTROL

1 Study & engineering

- Identification of geothermal resources
- Needs assessment
- Identification of land
- Defining the well and plant architecture: optimizing and simulating power
- Legal construction
- AR-AENV instruction

2 Construction

- Civil engineering
- Drilling & testing
- Construction of geothermal heat plant

3 Production

- Commissioning of plant
- Plant operation, long term contracts
- Revenue and cash flow visibility
- Operational, Operations & Maintenance

Lithium: needs are intensifying, industry is preparing

Demand for lithium, one of the critical metals in the energy transition
x **2,5** by 2030*

MARKET CONSOLIDATION



LITHIUM SUPPLY SECURITY, VERTICAL INTEGRATION, DIVERSIFICATION

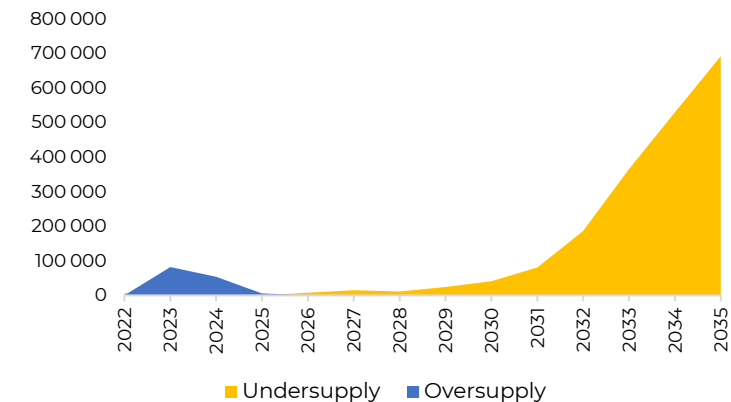


EMERGENCE OF GEOTHERMAL LITHIUM BY DLE TECHNOLOGY (DIRECT LITHIUM EXTRACTION)



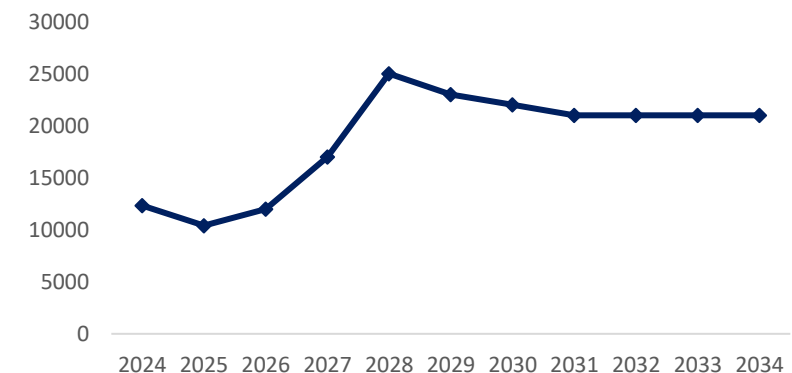
Unmet needs...

Balance Supply / Demande, MT LCE



And an anticipated price rebound

Lithium Carbonate (US\$/t)



(*) vs 2024

Source : Benchmark Mineral Intelligence, Q4 2024

Geothermal heat & lithium project in Alsace

OPERATIONAL SEQUENCING

16 production units
5 purification modules

One production unit integrates:

- 1** doublet*
- 1** geothermal heat plant
- 1** DLE* unit
- 1** connection network



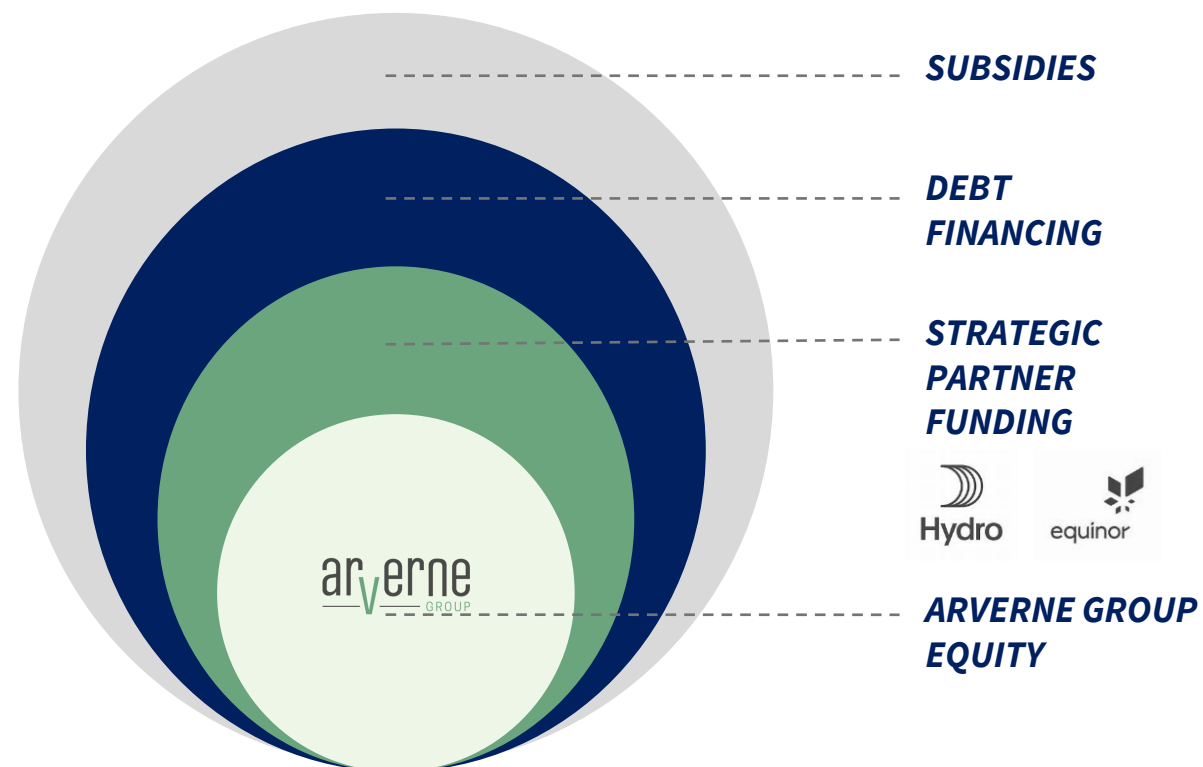
* Following the results of the PFS study, according to the phase chosen and integrating 15% of contingency

* Doublet: a production drill and a re-injection drill

*DLE: Direct Lithium Extraction

OVERALL PROJECT FUNDING MODEL

GROSS CAPEX



Indicative, non-proportional scheme

Start of operations in Alsace for the geothermal heat & lithium project



2025

2026

2027

2028

Pre-industrial phase (12 to 18 months)**CAPEX €50m
self-financed**

- DFS¹
- 1st doublet
- DLE demonstrator
- BFS²

**Industrial phase
Phase 1****CAPEX ~ €370m³
Global Project Funding Model**

- 2 doublets complementary to the one from the pre-industrial phase
- 3 geothermal plants
- 3 DLE units
- 1 purification module

¹ Definitive Feasibility Study

² Bankability Feasibility Study

³ The gross investment amount could be revalued following the completion of the pre-industrial phase

A photograph of a person wearing a white hard hat with a green 'arverne' logo and a yellow safety vest. The person is seen from the back, pointing their right hand towards a large, leafy tree in the background. The scene is outdoors with green foliage and a building with a red roof visible in the distance.

05

TARGETS

OUR 2025 TARGETS



GROSS BUSINESS VOLUME

€25-30M

+ 45 % to + 75 %



CAPEX PLAN

~€50M



LAUNCH OF THE PRE-INDUSTRIAL PHASE OF THE GEOTHERMAL HEAT AND LITHIUM PROJECT IN ALSACE



STRENGTHENING OF MISSION-DRIVEN COMPANY COMMITMENTS

OUR GROWTH TRAJECTORY TO 2031

2026

**First geothermal heat
production**

2028

**First geothermal
lithium production**

Consolidated revenue
€180m - €220m

Current EBITDA margin of around 40%

2031



Annual production capacity to
reach **4.0 TWh** of
geothermal heat per year



Annual production capacity for
the Alsace project to reach **27 kt
of lithium (LC)**

Consolidated revenue
€900m - €1bn

Current EBITDA margin of around 70%

2024 - 2031

**Gross CAPEX
€2.4bn***

- €500m allocated to the development of geothermal heat production projects
- between €1.8bn and €1.9bn for the geothermal heat and lithium project in Alsace, gross amount before subsidies, includes 15% contingency

THE PRE-INDUSTRIAL PHASE MAY LEAD TO AN ADJUSTMENT OF ITS GROWTH TRAJECTORY FOR 2031

Why invest in Arverne Group today?



01

Two strategic growing markets : heat & geothermal lithium
The answer to the challenges of sovereignty and decarbonization

02

The only player to control the entire value chain

03

A high-visibility revenue model associated with recurring cash flows

04

Key operational milestones to come: heat contracts, start of project operations in Alsace

05

Significant value creation potential

Stock market data

Stock description

ISIN
Reuters
Bloomberg

FR001400JWR8
ARVEN.PA
ARVEN FP



Place

Euronext Compartiment B

Price:
Capitalisation:

€3.98 (as of 03/25/2025)
€138m (as of 03/25/2025)



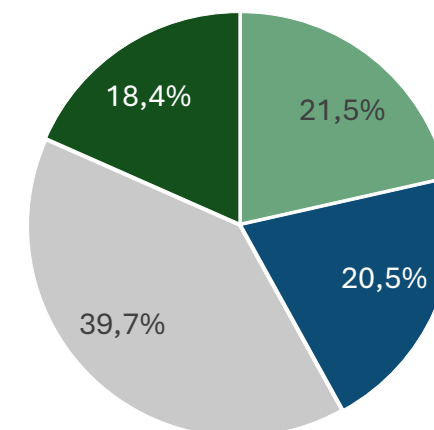
Analysts:

CIC Market Solutions
Oddo BHF
Kepler Cheuvreux
TP ICAP MIDCAP

A
G
E
N
D
A

- 04/30/2025 : Publication of the 2024 universal registration document
- 18/06/2025 : General assembly
- 09/24/2025 : H1 2025 results

Shareholder structure



■ Arosco (founder and CEO)

■ Historical shareholders of Arverne

■ Strategic shareholders (incl. Ademe Investissements, Renault, sponsors)

Disclaimer

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Certain figures and numbers in this Presentation have been rounded, therefore, the totals and percentages shown in the tables do not necessarily equal the sum of the figures, amounts or percentages rounded individually.

The limited audit review procedures have been completed and the audit report on the certification of accounts will be issued in late April.



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