Waga Energy
Public limited company (*société anonyme*) with a Board of Directors and share capital of €144,794
Registered office: 2 chemin du Vieux Chêne, 38240 Meylan, France
Grenoble Trade and Companies Register no. 809 233 471

REGISTRATION DOCUMENT

The Registration Document was approved on 28 September 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF approves this document after verifying that the information it contains is complete, consistent and understandable. The Registration Document bears the following approval number: I. 21-056.

This approval shall not be considered a favorable opinion on the issuer described in the Registration Document.The Registration Document may be used for the purpose of a public offering of financial securities or the admission of financial securities for trading on a regulated market if it is completed by a securities note and, if applicable, a summary and the supplement(s) thereto. The set of documents thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

It shall be valid until 28 September 2022 and, during this period but no later than at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, it shall be completed by a supplement in the event of new material facts, errors or substantial inaccuracies.

DISCLAIMER

By accepting this document, you acknowledge, and agree to be bound by, the following statements. This document is a translation of Waga Energy's *document d'enregistrement* dated 28 September 2021 (the

"Registration Document"). The Registration Document, in its original French version, is publicly available at www.amf-france.org. This translation (the "Translation") is provided for your convenience only and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part for any purpose. This translation has not been prepared for use in connection with any offering of securities. It does not contain all of the information that an offering document would contain.

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This document is available free of charge at the Company's registered office located at 2 chemin du Vieux Chêne, 38240 Meylan, France, as well as on the AMF website (www.amf-france.org) and on the Company's website (https://www.waga-energy.com).

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General Comments

In this Registration Document, and unless otherwise indicated:

- The term "Registration Document" means this Registration Document;
- The terms the "Company" or "Waga Energy" mean the company Waga Energy, whose registered office is located at 2 chemin du Vieux Chêne - 38240 Meylan, France, registered in the Grenoble Trade and Companies Register under number 809 233 471;
- The term the "Group" means the group of companies formed by the Company and its subsidiaries;
- "€" means euros and "$" means US dollars.

The Registration Document, drawn up in accordance with Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, describes the Company and/or Group as they exist on the date of approval of this Registration Document.

In order to provide accounting information enabling an understanding of the Group's financial position, the Registration Document includes the Company's consolidated financial statements for the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018, as well as the Company's consolidated financial statements for the six-month interim periods ended 30 June 2021 and 30 June 2020 prepared in accordance with International Financial Reporting Standards (IFRS) as applicable at those dates.

A glossary defining certain terms used in the Registration Document can be found in Chapter 22.

Information on the market and the competitive environment

The Registration Document, in particular in Chapter 5 "Overview of Activities", contains information on the Group's markets and its competitive positions, including information on market size. In addition to the estimates made by the Group, the elements on which the Group's statements are based come from studies and statistics of third-party organisations (see Section 1.4 "Information from third parties" in the Registration Document) and professional organisations or figures published by the Group's competitors, suppliers and customers. Certain information contained in the Registration Document is public information that the Company considers reliable but which has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to collect, analyse or calculate data on business segments would obtain the same results. Given a particularly active technological and competitive environment, this information may no longer be up to date. As a result, the Group's business may develop differently from the path outlined in the Registration Document. The Company makes no commitment and gives no guarantee as to the accuracy of this information. This information may prove to be incorrect or no longer up to date. The Group makes no commitment to publish updates to this information, except in the context of any legal or regulatory obligation that may be applicable to it, and in particular Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Forward-looking information

The Registration Document contains information on the Group's outlook and areas for development. These indications are sometimes identified by the use of the future or conditional tenses or forward-looking terms such as "consider", "envisage", "think", "aim", "expect", "suggest", "should", "aspire", "estimate", "believe", "hope", "be able" or, where appropriate, the negative form of these same terms, or any other similar variation or terminology. This information is not historical data and should not be

interpreted as a guarantee that the facts and data stated will occur. This information is based on data, assumptions and estimates considered reasonable by the Company. It could to change or be modified due to uncertainties related to the economic, financial, competitive and regulatory environment. This information is mentioned in various chapters of the Registration Document and contains data relating to the Group's intentions, estimates and objectives concerning, in particular, the market in which it operates, its strategy, growth, results, financial position, cash flow and forecasts. Forward-looking information mentioned in the Registration Document is given only as at the date of the Registration Document. The Group operates in a competitive and constantly changing environment. It cannot therefore anticipate all the risks, uncertainties or other factors likely to affect its business, their potential impact on its activity or the extent to which the materialisation of a risk or a combination of risks could lead to materially different results from those mentioned in any forward-looking information, it being noted that none of this forward-looking information is a guarantee of actual results.

Risk factors

Investors are asked to read the risk factors described in Chapter 3 "*Risk factors*" of the Registration Document carefully before making any investment decision. The occurrence of all or part of these risks is liable to have a material adverse effect on the Company's activities, financial position, results or outlook. Moreover, other risks not yet identified or considered immaterial by the Company at the date of the Registration Document could also have a material adverse effect.

Rounding

Some figures (including financial data) and percentages presented in the Registration Document have been rounded. Where applicable, the totals presented in the Registration Document may differ slightly from those that would have been obtained by adding the exact values (not rounded) of these figures.

Websites and hypertext links

References to any website and the contents of hypertext links in the Registration Document are not part of the Registration Document.

1. RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL FROM THE COMPETENT AUTHORITY

1.1 Person responsible for the Registration Document

Mathieu Lefebvre, Chairman and Chief Executive Officer of the Company.

1.2 Statement by the responsible person

I hereby certify that the information contained in this Registration Document is, to my knowledge, accurate and contains no omission that might alter its scope.

Signed in Paris,
on 28 September 2021

Mathieu Lefebvre
Chairman and Chief Executive Officer

1.3 Expert reports and declarations of interests

None.

1.4 Information from third parties

The Registration Document contains information on the Group's markets and its competitive positions, including information on the size of its markets. In addition to the estimates and analyses carried out by the Group, the elements on which the Group's statements are based come from studies and statistics of third parties and professional organisations, as well as from data published by the Group's competitors, suppliers and customers. To the best of the Company's knowledge, such information has been faithfully reproduced, and no facts have been omitted that would render this information inaccurate or misleading. However, the Company cannot guarantee that a third party using different methods to gather, analyse or calculate data on the business segments would obtain the same results.

1.5 Approval of the Registration Document

The Registration Document has been approved by the French Financial Markets Authority —*Autorité des Marchés Financiers* ("AMF")—as the competent authority under Regulation (EU) 2017/1129.

The AMF only approves this Registration Document to the extent that it complies with the standards of completeness, comprehensibility and consistency required by Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the issuer described in the Registration Document.

1.6 Person responsible for the financial information

Marie-Amélie Richel
Chief Financial Officer
Address: 2 chemin du Vieux Chêne, 38240 Meylan, France
E-mail address: marie-amelie.richel@waga-energy.com

2. STATUTORY AUDITORS

2.1 Principal Statutory Auditors

Ernst & Young and Others
Member of the Regional Association of Statutory Auditors of Versailles and the Centre
Represented by Cédric Garcia
Tour First
TSA 1444
92037 Paris-La Défense cedex, France

Start date of the first term of office: 16 January 2015

Expiration date of the current term of office: General Meeting held to approve the financial statements for the financial year ending 31 December 2026.

BM&A
Member of the Regional Association of Statutory Auditors of Paris
Represented by Alexis Thura
11 rue de Laborde
75008 Paris, France

Start date of the first term of office: appointed by the Company's General Meeting of 17 June 2021

Expiration date of the current term of office: General Meeting held to approve the financial statements for the financial year ending 31 December 2026.

2.2 Alternate Statutory Auditors

In accordance with the provisions of Article L. 823-1 of the French Commercial Code (*Code de commerce*), the Company has not appointed Alternate Statutory Auditors for Ernst & Young et Autres and BM&A.

3. RISK FACTORS

Before proceeding with the acquisition of shares in the Company, investors are invited to examine all the information contained in this Registration Document, including the risk factors described below. As at the date of this Registration Document, these risks are those which the Company believes could have a material adverse effect on the Group, its activity, financial position, results or prospects and which are important for investment decision-making. Investors should be aware, however, that the list of risks presented in Chapter 3 of the Registration Document is not exhaustive and that other risks, unknown or whose occurrence is not considered, at the date of this Registration Document, to be likely to have a material adverse effect on the Group, its activity, financial position, results or prospects, may or might in future exist or occur.

In accordance with the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this chapter presents the main risks that may, at the date of this Registration Document, affect the Group's activity, financial position, reputation, results or outlook. Within each of the risk categories mentioned below, the risk factors that, at the date of this Registration Document, the Company considers to be the most important are presented first.

The Company assessed the degree of criticality of the net risk, based on a joint analysis of two criteria: (i) the probability of the risk occurring, and (ii) the estimated magnitude of its negative impact. The degree of criticality of each risk is set out below, according to the following qualitative scale: low, medium, high.

Risk	**Probability of occurrence**	**Severity/Magnitude of risk**	**Degree of criticality**
3.1 **Risks related to the business sector**			
3.1.1 Risk related to the competitiveness of biomethane compared to natural gas	Medium	Medium	Medium
3.1.2 Risk related to gas grid connection	Medium	Medium	Medium
3.1.3 Risk related to competition in the landfill gas recovery market	Medium	Low	Medium
3.1.4 Risk related to waste management methods	Low	Medium	Low
3.1.5 Risk related to the capacity of gas grids	Low	Medium	Low
3.2 Risks related to the Group's business and strategy			
3.2.1 Industrial risks that may affect employee safety	Low	High	Medium
3.2.2 Risk related to the Group's growth strategy	Medium	Medium	Medium
3.2.3 Risk related to the construction and supply of the components necessary for the	Low	Medium	Medium

manufacture of WAGABOX® units and their integration			
3.2.4 Risk related to the operation, safety and maintenance of WAGABOX® units	Medium	Medium	Medium
3.2.5 Risk related to securing biogas procurement contracts and contractual relationships with third parties	Medium	Medium	Medium
3.2.6 Risk related to the termination of a biomethane sales contract or default or late payment by counterparties	Medium	Medium	Medium
3.2.7 Risk related to projects in the development phase	Medium	Low	Low
3.3. Market risks and risks related to the Group's financial position			
3.3.1 Risk related to the level of financial leverage and the Group's financing method	Medium	High	High
3.3.2 Liquidity risk	Low	High	Medium
3.3.3 Risk related to covenants in financing contracts	Low	Medium	Medium
3.3.4 Tax risk impacting the Group	Medium	Low	Low
3.3.5 Credit or counterparty risk	Low	Medium	Low
3.3.6 Interest rate risk	Low	Medium	Low
3.4 Legal and regulatory risks			
3.4.1 Risk related to technology and intellectual property rights belonging to the Group	Medium	High	High
3.4.2 Risk related to the reduction or review of regulated prices and tariffs for biomethane	Medium	Medium	Medium
3.4.3 Risk related to an unfavourable change in regulations or public policies supporting renewable energies	Medium	Medium	Low
3.4.4 Risk related to obtaining the necessary permits, licences and authorisations to carry out its activities or establish its facilities	Low	Medium	Low
3.5. Environmental, social and corporate governance risks			

3.5.1 Risk related to IT infrastructure	Medium	Medium	Medium
3.5.2 Risks related to climatic, meteorological and environmental fluctuations	Medium	Low	Low
3.5.3 Risk related to the ability to retain key managers and employees and the hiring and retention of new qualified employees	Low	Medium	Low

3.1 Risks related to the business sector

3.1.1 Risk related to the competitiveness of biomethane compared to natural gas

Biomethane is a renewable substitute for fossil natural gas: it is a new product, offering significant positive externalities (reduction of greenhouse gas emissions, local supply, stability of long-term production prices).

Although the Group is primarily targeting countries offering biomethane injection aid mechanisms, it is also deploying its solution in countries that do not have a biomethane injection support mechanism. For example, in early 2021 the Group launched a first landfill gas injection project in Spain, a country that does not offer a support mechanism, financed by a private biomethane purchase agreement ("Biomethane Purchase Agreement") modelled on the private purchase agreements widely used by renewable electricity producers ("Power Purchase Agreement").

The implementation of a project in one of these countries is based on the signing of a long-term agreement for the sale of biomethane with an energy company or a private operator, which implies being able to produce biomethane at a price deemed acceptable by a buyer. Energy companies will compare the price of biomethane with that of natural gas when signing a long-term purchase agreement with the Group. Although the Group believes that the price it offers is generally close to (on a par with) that of natural gas, a significant price difference, linked to a low market price (spot) for natural gas, may penalise the competitiveness of biomethane compared to natural gas.

By recovering landfill gas, a by-product of waste treatment, the Group manages to produce biomethane at a price that it considers competitive. This production cost, linked to the investment and operation of the WAGABOX® unit, is independent of the fossil fuel market and depends on the characteristics of the project (size, gas quality, distance to the grid, estimated operating duration). If the price of fossil natural gas were to fall sharply, or if the cost of producing biomethane were to increase, the competitiveness gap between fossil gas and renewable gas could reach a level deemed unacceptable for a buyer in a given jurisdiction, which could materially adversely affect the Group's ability to achieve its development objectives and results.

3.1.2 Risk related to gas grid connection

Carrying out a biomethane injection project requires connecting the WAGABOX® unit to the gas transmission or distribution grid, which transports the gas to the end consumer without modifying the gas distribution or transmission infrastructure, biomethane being substitutable for natural gas. Connection work is carried out by the grid operator under a "connection agreement" entered into with the Group.

Under this agreement, the grid operator agrees to a date for the provision of the injection station on the waste storage site, on which the commissioning of the facility depends. The operator may find itself unable to meet this date, due to problems encountered in carrying out the work, which would have an impact on the feasibility of the project and potentially the duration of the purchase agreement. Commissioning of the facility is subject to completion of the connection work. For example, in France, commissioning must be carried out within three years of signing the agreement. Failing this, the duration of the purchase agreement will be reduced.

This risk is all the more important in countries where biomethane injection projects are new and where operators lack experience. Although in most countries where the Group operates, grid operators have extensive experience with this type of project, in some countries, such as the United States, the laying of a gas pipeline also requires approval from the owners of the land crossed (right of way to be negotiated). Negotiating these easements can slow down the development of a project or increase its cost if the pipeline has to pass through less direct public access routes. Consequently, the Group cannot guarantee that a site will be connected on time and on budget. In addition, in states or countries that do

not yet have this energy, operators can simply refuse access to pipelines. Other operators may require very restrictive quality specifications that may increase the cost of treatment and prevent the project from being developed.

Any delay in connection or delivery of the injection station would systematically lead to the postponement of the start-up of the unit concerned and would therefore be liable to threaten the economic profitability of the project.

The occurrence of such events, isolated or multiple, could have a negative impact on the Company's business, financial position and outlook.

3.1.3 Risk related to competition in the landfill gas recovery market

The Group operates in a competitive sector bringing together technology suppliers and project developers, driven by an acceleration in the consumption of biomethane and the dynamic international policy of decarbonising the energy sector.

Technological competition

The recovery of landfill gas in the form of biomethane is very difficult to achieve under acceptable economic conditions. It involves removing impurities, separating methane from carbon dioxide, then nitrogen and oxygen. A limited but growing number of players are positioned in the supply of equipment or technological bricks to meet this recent market: Guild Associates (United States), Adsorption Research, Inc. (United States), Xebec (Canada), Air Liquide, DMT Environmental Technology, Carbotech, and Greenlane Renewables. In particular, the Group generated 16.3% of its revenue in 2020 (*i.e.*, €1.6 million) with Air Liquide. These technology suppliers only offer some of the services integrated into a WAGABOX® unit designed specifically for this complex gas source (CO_2 separation, denitrogenation, de-oxygenation); however, project developers can assemble several technological building blocks from different suppliers to obtain biomethane that can be injected into the natural gas grid.

As of the date of the Registration Document, the Group considers that it has a competitive advantage insofar as it has a technology capable of purifying highly polluted gas with performances considered good as well as the ability to access a large number of sites that the Company believes competitors cannot access, given the technologies needed to refine gases that are highly polluted with air in a competitive manner, at the date of the Registration Document. However, new players, such as SysAdvance (Portugal) and BCCK (United States), are trying to position themselves in this fast-growing market due to the strong demand for biomethane and public policies encouraging decarbonisation of energy production.

While the number of players capable of proposing purification technologies to recover this complex gas remains low in view of the number of waste storage sites (around 4,000 for Europe and North America), an increase in the number of technology suppliers or technological breakthroughs could increase competition by allowing new project developers to position themselves on the raw gas sources and slow the rollout of the WAGABOX® solution internationally. In addition, the technologies used by the Group may be rendered obsolete or unprofitable by technological advances, processes or different, more efficient and cost-effective approaches developed by one or more of the Group's competitors. Such a change could have a material adverse effect on the Group's business, results and development prospects.

Current or future competitors of the Group could also benefit from greater technological, commercial and financial resources than those of the Company and develop other technologies in purification or recovery of gas from waste storage. Similarly, certain players such as energy companies or private players, currently not present in the Group's markets, could also extend their activity to the recovery of biomethane produced from waste, its purification and its injection into the gas grid.

Competition for project development

Landfill gas injection projects are often developed by specialist companies, which subcontract the engineering and construction of purification plants to the aforementioned technology suppliers. Most are based in the United States: Montauk Renewables Inc., Morrow Renewables, Cambria Energy, Waste Management, Mas Energy, Energy Developement Limited, etc. Insofar as the Group itself is in charge of the development of the projects as part of its investor-operator model, without using their services, it is in direct competition with these players for access to raw gas sources. New players such as Archaea Energy (United States) are trying to position themselves in this fast-growing market (strong demand for biomethane and public policies encouraging decarbonisation of energy production). A number of consolidation operations in the biogas sector have also taken place recently. A SPAC (*Special Purpose Acquisition Company*), Rice Acquisition Corp., merged with Aria Energy and Archaea Energy in September 2021 to create a platform for biomethane production in the United States. In order to produce biomethane sustainably, the post-merger company plans to capture biogas from landfills and then purify it to comply with natural gas specifications. Depending on the jurisdiction, increased competitive pressure in the Group's current or planned markets could have the effect of slowing down the roll-out of the WAGABOX® solution internationally, with potential impacts on the Group's market shares and results.

Competition from cogeneration

Cogeneration is a recovery solution that involves burning landfill gas in an engine or turbine to produce electricity and heat. Although the WAGABOX® solution based on a major technological innovation offers an energy yield that the Company considers superior, at the date of the Registration Document, cogeneration is the most widespread solution and constitutes a form of competition. The existence of a cogeneration system on a landfill site is likely to delay or even prevent the completion of a project to recover gas in the form of biomethane. The Group will have to wait for the site operator to consider renewing its energy recovery system before launching a biomethane injection project, which could lead to additional delays in the rollout of the Group's projects. However, it should be noted that in countries such as France, cogeneration facilities for electricity and heat recovered from gas from waste storage sites are no longer eligible for either the purchase commitment or additional remuneration premium, as their development is not compatible with the greenhouse gas reduction targets under the multi-year energy programme.

Likewise, in some countries, the Group may be faced with public policies that promote the production of electricity, even though such electricity, produced from waste gas, is more expensive than other sources of renewable electricity such as hydraulic, wind or photovoltaic. A growing or stable presence of cogeneration units on sites where the Company wishes to set up a WAGABOX® unit or continued public support for this method of recovering landfill gas could slow down the Group's growth and thus have a negative impact on its business, financial position, results and outlook.

3.1.4 Risk related to waste management methods

The Group's activity is based on the recovery of a by-product resulting from the storage of household and similar waste. Although the Group believes that access to sources in developed countries will remain high and anticipates an increase in the volumes of gas available in developing countries, it cannot rule out that its activity will be impacted by legislation and related regulations.

Public authorities or regulatory bodies have the power to amend the provisions that apply to waste collection and treatment methods and to the operation of waste storage and recovery sites. These public policies and regulations could aim to reduce the proportion of waste put into storage sites or to resort to waste management or landfill methods that ultimately reduce the production of biogas. Consequently, the solution developed by the Company would become less relevant and would lose some of its interest. For example, a change in public policies that favoured waste recovery methods other than storage, such as incineration or composting, could reduce the Group's development opportunities in jurisdictions

where this change was introduced. Similarly, in certain countries there are regulatory incentives to facilitate these waste recovery methods as an alternative to disposal, such as Japan or Sweden.

While the Group believes that such measures will take several decades to become widespread, given the lower efficiency of certain alternative waste treatment methods and the steady growth in waste production worldwide, the implementation of such public policies could ultimately contribute to reducing the volumes of gas available or to reducing the proportion of methane contained in the gas, which, below a certain level, would require the Company to withdraw WAGABOX® units.

3.1.5 Risk related to the capacity of gas grids

WAGABOX® units are generally connected to the gas distribution grid, which carries gas to final consumers (with a pressure of up to 8 bars). However, the storage capacity of the distribution grids is limited, and these grids can become saturated during the warm season, due to the shutdown of heating systems, *i.e.*, the consumption of gas is lower than the production of biomethane injected into the grid. Such a situation may lead to the grid operator temporarily blocking the feed-in, resulting in a reduction or even stoppage of production and sometimes the shutdown of the WAGABOX® unit connected to it if saturation persists for several hours.

The grid's consumption capacity is assessed during the connection study carried out during the project development phase, prior to any investment decision being taken. If capacity is deemed insufficient, the grid may be strengthened in consultation with the operator, consisting of the creation of a grid (connection with another branch of the distribution grid) or a reversal (connection to the transmission grid to direct gas to a higher pressure route serving many more consumers). Although the Group takes into account the cost of this work in the budget allocated to carrying out the project, a poor assessment of capacity or the need to modify the initial grid connection could increase the time required to put the WAGABOX® unit into service, lead to lower than expected production levels, or reduce the economic profitability of the project.

In addition, insufficient grid capacity, due to grid congestion or overproduction of connected facilities, could have a significant impact on the Group's projects and lead to a reduction in the size of projects, delays in project completion, cancellation of projects, cost increases due to grid upgrades, and a potential call on guarantees that the Group has provided to the grid operator as part of the connection of a given project.

Lastly, the Group could also be affected by delays in obtaining injection capacity reservations from gas grid players (for example, in France, GRDF, GRTgaz, Teréga, etc.). Each project leader must be registered in a capacity management register in order to reserve a right to inject biomethane. The capacity register, managed by the gas grid players listed above, operates on a first-come-first-served basis, and the capacity for injecting biomethane into these grids may be restricted depending on the period. For example, in summer, when natural gas consumption is at its lowest the Group may have to reduce or halt its biomethane production. These factors may ultimately constrain the injection of the biomethane produced into the natural gas circuit of its customers, with a significant impact on project progress.
The occurrence of these events could have an adverse impact on the Group's business, financial position, results and outlook.

3.2 Risks related to the Group's business and strategy

3.2.1 Industrial risks that may affect employee safety

The Group operates in a business sector with industrial risks related to objectively hazardous installations and the various processes implemented during the operation of the WAGABOX® unit.

Most of the gases treated, such as methane, hydrogen sulphide, nitrogen, oxygen, etc., are classified as hazardous materials (flammable gas, toxic gas, anoxic gas, etc.). In terms of processes, cryogenics, a very low temperature technique used by the Group to separate biogas by distillation, store and transport it, requires specific means of control and protection in order to prevent:

- any cryogenic burns associated with liquefied gases;
- oxygenation or fires associated with oxygen and its mixes;
- anoxia, associated with inert gases; or
- poisoning from toxic gases.

In addition, pressure is an element that is central to the Group's industrial processes and also a a potential cause of industrial accidents. Pressurised equipment must be designed with safety features to limit any risk of accident due to an uncontrolled increase in pressure. Any accident caused by the occurrence of such a situation, in the event of human error or technical malfunction, could cause serious injury or death.

Although the control of such risks is incorporated from the design phase of future WAGABOX® installations, in the event of a lack of rigorous organisation of prevention systems during the installation phase, the coordination capacity of the various operators could be affected, exposing them to the risk of industrial accidents with serious consequences. There is no guarantee that the Group's insurance coverage will be sufficient to cover expected or potential losses resulting from insurable events. Furthermore, in certain cases, the compensation received from the relevant insurance company could be reduced.

Each of the risks mentioned above could have a material adverse effect on the Group's business, reputation, financial position or results and development prospects.

3.2.2 Risk related to the Group's growth strategy

The Group's strategy consists of implementing the WAGABOX® solution in a controlled manner in France and internationally in order to take significant action to reduce greenhouse gas emissions. As at the date of the Registration Document, the Group generates approximately 1% of its revenue internationally.

France is the Group's priority strategic market, given the Company's history as well as the country's policy of supporting renewable energies and in particular the injection of biomethane from waste storage sites and thanks to support for innovation, for the start-up of its activity. During the financial years ended 31 December 2019 and 31 December 2020, the Group generated 100% and 99.6%, respectively, of its revenue on the French market. For the six-month period ended 30 June 2021, the Group generated 99.4% of its revenue on the French market.

Due to its business model, the Group's international development requires the establishment of one or more dedicated subsidiaries in the target jurisdiction and integration into the local ecosystem (organisation and structuring of development and production tools in relation to the market). If the Group were to experience difficulties or fail to implement its strategy of geographically extending its offering

to new markets, particularly in the United States, Canada, the United Kingdom and Spain, this could have a material adverse effect on its outlook, business, financial position and results of operations.

This strategy of growing local teams entails a high cost of entry into a new country and an incompressible development time (creation of subsidiary, recruitment, local studies, etc.).

The risks related to the Group's international rollout strategy are numerous, including in particular:

- instability of the political environment (risk of losses in the event of expropriation, nationalisation, confiscation of property and assets, political or social unrest or presence of corruption);
- legal and commercial constraints on establishing or maintaining operational efficiency in the various markets;
- difficulties in recruiting local resources (employees, industrial partners, etc.);
- dissemination of the corporate culture;
- dispersal of skills, resources and centres of decision-making;
- obtaining the necessary permits and amendments to applicable regulations;
- volatility of local policies in favour of renewable gases;
- operational risks including the effects of the Covid-19 pandemic on customers, suppliers, partners, energy companies, offtakers or subcontractors;
- need for additional financial resources for project rollout; and
- foreign exchange or currency risk.

Difficulties may arise in the process of selecting employees or partners due to the scarcity of such partners in the target market or the Group's incorrect choice of a candidate or an unprofitable project. The inability of the Company to retain these key individuals and to attract new profiles and manage growth, or unexpected difficulties encountered during its expansion, could adversely affect its business, revenue, financial position, results or development prospects.

Making an investment in a country that does not have an incentive policy for renewable energies, and in particular for biomethane, or an unfavourable change in such a policy that would reduce the competitiveness of biomethane and therefore the profitability of the project, could have a material adverse effect on the Group's business, results or financial position.

3.2.3 Risk related to the construction and supply of the components required for the manufacture of WAGABOX® units and their integration

The Group designs the WAGABOX® solution and manages all phases through to commissioning with its internal teams. For the construction of the various components (skids, containers, chassis), the Group relies on integrators specialising in sheet metal work. The Group does not therefore have its own production workshop.

The construction of WAGABOX® units requires the purchase of various components and specific engineering operations.

Construction costs may vary depending on:

- the price of the raw materials needed for manufacturing (such as stainless steel);

- the cost of the equipment constituting the WAGABOX® unit and in particular the instrumentation; and

- the availability of certain key components (filtration membranes, special analysers, cryogenic components).

The unavailability of certain equipment and components is liable to lead to delays during the construction phase or downtime in the case of replacing a faulty component on a unit in operation. These delays may cause a loss of revenue that may not be fully offset by penalty clauses included in contracts with suppliers or equipment manufacturers. Some custom-designed equipment and parts require long manufacturing and delivery times and high costs: if these components do not perform as expected or are damaged, their replacement may entail major expenses for the Group and lead to significant delays in commissioning for the facility in question.

As part of its business, the Group subcontracts part of the design, supply and installation of WAGABOX® units to various suppliers or equipment manufacturers. In the event of an incident related to the supply chain, the Group could be faced with requests to cover additional construction costs that could increase the investment cost initially expected.

Generally, the Group's co-contractors may face supply difficulties, delivery delays and the risk of logistics chain disruption, inherent in the Covid-19 epidemic, which are liable to affect prices and conditions for obtaining the components necessary for the design of WAGABOX® units (such as steel), extending the delivery times of these units, increasing their cost, as well as disrupting the development and construction of the projects. For example, the significant increase in the price of steel and coal during the health crisis have had an impact on the Group's supply costs. Similarly, although no contractual penalties were incurred, a three-month delay in the construction phase was observed on the WAGABOX® 11 unit compared to the initial schedule following the lockdown imposed due to the health crisis.

These factors could increase the Group's procurement costs and lengthen manufacturing times, which could reduce the value of projects or render some projects unviable, each of which could have a material adverse effect on the Group's business, results or financial position.

3.2.4 Risk related to the operation, safety and maintenance of WAGABOX® units

The Group's economic performance is directly related to the performance of the WAGABOX® units. In order to manage the performance of these units without relying on third parties, the Group manages all aspects of unit operation (preventive and curative maintenance, day-to-day operation, parts inventory management, etc.). This approach also makes it possible to provide expert training and skills to those involved and contribute to the protection of the intellectual property of WAGABOX® units.

While the Group ensures the training and skills of its technicians and designs the units to minimise any technical incidents, it remains exposed to the risks inherent in an industrial activity. The operation of these units, although controlled remotely, also requires occasional human intervention. The operation of these units, although controlled remotely, requires occasional human intervention. The Group provides training and skills to the technicians and designs the units to minimise risk; however, human error is always possible. The operation of WAGABOX® units may be affected by breakdowns, or by the failure of certain components or equipment, resulting in a reduction in performance, in particular availability. These breakdowns and failures can have several causes: wear and tear of a component or equipment; negligence on the part of an employee (human error, lack of maintenance, or even deliberate sabotage). This type of incident or human error could result in the unavailability of a unit for a longer or shorter period (up to a period of around nine months in serious cases) as well as penalties. For example, a technical incident concerning the WAGABOX® Saint Palais unit, which occurred when the

unit was being commissioned, penalised the availability of the biogas treatment unit for several months. A non-availability penalty of €115,000 was provisioned in the Group's financial statements in favour of Veolia. This incident was resolved by the Group.

In addition, any vagaries in the performance of a WAGABOX® unit resulting from the lack of performance of units in operation or their shutdown, an insufficient quantity of biomethane injected into the operator's gas grid or a lower quality of biomethane than the customer expects, constitute a risk for the Group, leading to additional costs and liable to have direct economic repercussions. In the event of component failure or unit failure, delays may occur in delivering and replacing components.

An unscheduled interruption in the operation of WAGABOX® units generally results in an increase in operating and maintenance costs. These may not be recoverable under biomethane sales contracts and thus reduce the Group's revenue generated by the sale of reduced quantities of biomethane, or force the Group to incur potential penalties payable to the storage site operator or the energy company or significant costs due to the increased cost of operating the facility. An interruption could lead to the termination of a contract and could result in the early repayment of the corresponding project financing.

The occurrence of these events could have a material adverse effect on the Group's business, financial position, reputation, results and outlook.

3.2.5 Risk related to securing biogas purchase agreements and contractual relationships with third parties

Agreement for the purchase of biogas from a landfill operator

The sale of biomethane from the purification of biogas (landfill gas) is the main source of revenue from the Group's projects. (92% of revenues as at 31 December 2020). The average duration of these biogas purchase contracts is 15 years (see also Section 7.1.6 of the Registration Document). In most of the countries in which the Group operates, the biomethane produced is sold either under long-term purchase commitment agreements (as in France) or private biomethane purchase agreements ("Biomethane Purchase Agreement") (as in Spain). The buyer is then an energy company holding a gas supply licence.

To be able to meet the commitments to deliver biomethane to an energy company, securing a contract to purchase biogas from a landfill site operator is essential to carry out a project and meet the contractual commitments to both the energy company acquiring the biomethane and the operator of the storage site making its biogas available.

The contractual commitment periods between the purchase of biogas and the sale of biomethane must be aligned as much as possible. If it is not possible to match the conditions, the project could fail to operate smoothly and could be subject to penalties by either party. The same results could occur if either party fails to honour its commitments. Accordingly, for each project, the Group must comply with the legal and regulatory framework allowing it to benefit from such a contract (for example, in France, a request filed with the departmental prefect in order to obtain a certificate giving entitlement to the purchase commitment). The Group must ensure that the facilities do not disregard any contractual provision that would result in the suspension or termination of the purchase agreement.

In addition, biogas purchase contracts or biomethane sales contracts, particularly those entered into with offtakers, require the Group to agree with each counterparty on changes or adjustments to the price, depending on various parameters such as gas price indices (based on past or current changes), elements relating to the productivity of the project undertaken, or practices in the relevant jurisdiction. This requires the implementation of complex calculations related to the project. The interpretation of these adjustments related to the price and the calculations used may lead to a lengthening of the negotiations and potential disputes with the counterparties to these agreements.

When deciding to invest in a given project, the Investment Committee ensures the alignment of contracts and the control of the associated risks.

Existing contracts with third-party contractors

As part of its business, the Group also calls on numerous service providers, whether for the construction or installation of its WAGABOX® units or technical and environmental studies conducted during the development phase of the project in multiple jurisdictions. The Group may not be able to control certain aspects that may affect the quality or performance of the services by the selected third-party contractor.

If the contractors or third-party subcontractors encounter financial difficulties, fail to meet their contractual obligations, particularly in terms of product quality, or fail to comply with the laws and regulations in force in the fields of health, safety or environmental issues, the Group could suffer damage to its reputation, in addition to being subject to civil and/or criminal liability with exposure to financial penalties.

The Group's ability to take action against offending contractors or subcontractors could be limited by contractual clauses, the fragile financial solvency of the parties or their guarantees relating to the coverage of losses suffered by the Group being insufficient.

In addition, the Group is exposed to the situation whereby some of its contractors may seek to set up a commercial activity similar to that of the Group or using a technology that would compete with the Group. Despite the presence of a confidentiality obligation imposed on contractors in the majority of the Group's contracts, this situation could lead to the leakage of the Group's know-how and, in the long term, the loss of contracts, as well as financial losses.

The occurrence of these risks could have a material adverse effect on the Group's business, financial position, reputation, results and outlook.

3.2.6 Risk related to the termination of a biomethane sales contract or default or late payment by counterparties

A large part of the production of biomethane, carried out by the Group's facilities, is sold in France under long-term biomethane sales contracts (15 years) entered into with public counterparties (governments, local authorities or government-controlled companies), gas distribution companies or a limited number of private purchasers. As of the date of the Registration Document, the Group had entered into agreements to sell 100% of its biomethane production capacity.

Despite this security, the Group could face contract terminations due to any exposure to a global or regional crisis, leading to a period of volatility or economic recession with an impact on its counterparty. The execution of contracts could also be affected, in given territories, by government actions. Biomethane purchasers' links to States mean that the facilities are subject to risks related to potential expropriation procedures, the privatisation of counterparties, or unfavourable changes in legislation or policies specific to the biogas market. These terminations would have a direct impact on the Group's financial performance resulting from the underlying contracts. For example, in France the Group could also face delays impacting the tariff received under the purchase agreement, in particular if a facility is not commissioned within three years following its signature due to delays or failures by the distribution or transmission operator in charge of the connection, in accordance with Article D. 446-10 of the French Energy Code.

Moreover, depending on the country, the Group receives subsidies from public entities as part of public support policies. Requests are reviewed on a case-by-case basis by the organisations to determine the feasibility of the underlying project. Aid or subsidies are covered by a contract between the Group and the public entity and are systematically subject to objective criteria such as the relevance of the project throughout the agreement signed or compliance with certain elements of profitability. If the Group's

request for aid were to be refused or it was to lose the benefit of such aid due to a failure to fulfil a contractual condition or an unfavourable change in regulations, this could affect its reputation, its ability to obtain diverse financing, and its development in a given territory.

The financial performance of the Group's facilities depends on the regular performance by the Group's counterparties of their contractual obligations under biomethane sales agreements or the purchase of biogas. Non-performance by the Group's counterparties of their obligations under the biomethane sales agreements and/or a delay in payment by said counterparties could have a material adverse effect on the Group's business, financial position and results.

3.2.7 Risk related to projects in the development phase

The Group devotes a significant amount of time to project development. This step includes the initial prospecting, identification of waste storage sites that could be equipped, obtaining permits and authorisations, conducting environmental studies, technical and economic assessments and buy-in to the project by local stakeholders. This step requires the recruitment and training of dedicated sales teams capable of handling complex projects.

For example, the signature of the Group's first international contract in January 2021, in Spain, is the culmination of two years of work to understand the market, identify local players (landfill site managers and energy companies), promote the WAGABOX® solution and carry out field studies. The financial resources allocated by the Group to the development of projects are set to increase in the coming years. As at 30 June 2021, the Group had 82 projects in various stages of development. If the Group were to encounter difficulties during the development phases of the projects, this could lead to delays or additional cost, making the projects less competitive than initially planned, and in some cases result in the postponement or abandonment of certain projects, with the loss or impairment of development costs incurred.

The development phase of a project involves the Group not only being able to find a buyer for biomethane but also being able to agree on a price that is sufficient for the Group. This issue is all the more critical in countries that do not offer feed-in tariffs. If the Group were unable to find a purchaser or could not agree on a fair price with the biomethane purchaser, this could reduce the profitability of the project or simply cause the project to be abandoned, with a significant adverse effect on the Group's business, financial position, results and outlook.

Lastly, the implementation of a WAGABOX® project requires dedicated financing to be obtained. The Group could also encounter difficulties in obtaining the desired financing conditions, resulting in inadequate profitability or the impossibility of generating the expected returns on investment (see also risk factor 3.3.1 "*Risk related to the level of financial leverage and the Group's financing method*").

The occurrence of these events could have a material adverse effect on the Group's business, financial position, reputation, results and outlook.

3.3 Market risks and risks related to the Group's financial position

3.3.1 Risk related to the level of financial leverage and the Group's financing method

The Group is a developer, investor and project operator using its WAGABOX® technology. The financing of its assets is therefore an integral part of the Group's strategy and performance. Over the past three financial years ended respectively on 31 December 2018, 31 December 2019 and 31 December 2020, the Group's revenue amounted to €2.8 million, €7.9 million and €9.5 million respectively, reflecting the Group's strong growth in France. Nevertheless, the Group's activity involves the construction, installation and operation of WAGABOX® units, which is capital intensive and requires significant financing and refinancing through equity and external debt. For example, the Group raised funds of €10.4 million in 2019 (including €9 million received in 2019 and an additional

€1.4 million in 2020), issued convertible bonds to shares for the benefit of Eiffel Gaz Vert in 2020 and issued convertible bonds in June 2021.

The majority of the Group's financing is allocated and will be used by the project companies ("SPV" or "Special Purpose Vehicle") or AssetCos, in most cases through current account advances to SPVs. If a project does not generate enough revenue to repay the various financing obtained, this could lead to the occurrence of default or the activation of collateral by the counterparties. For example, if the Group were unable to refinance convertible bonds held by an SPV or any Group subsidiary, the bondholders could become shareholders of the Group, and the current shareholders of the Group could be diluted. Similarly, the Group could see a decline in its ability to obtain financing for its medium- and long-term projects if the investors who have provided project financing in the past do not provide it under similar conditions—particularly in terms of leverage, maturity or the cost of credit—to those observed for previous projects. This situation could lead to an increase in the cost of financing the Group in the medium and long term.

In addition, the financing conditions may also change due to factors inherent to the Company and the Group such as the perceived risk on the Group or WAGABOX® units, as well as external factors such as new banking regulations or a drastic reduction in the supply of credit. In this respect, although the Group has not experienced any refusal of financing by external funders to date, the specificities of funding in a particular geographical sector could lead to delays of varying length in obtaining the funding necessary for its development.

The Group's ability to raise additional funds will depend on financial, economic and market conditions, plus other factors over which it has no or limited control. For example, the COVID-19 health crisis initially generated uncertainties as to the possibility of developing new projects in a context of containment and restrictions limiting the possibilities of meetings. Nevertheless, the Group was able to obtain State Guaranteed Loans in order to cope with the uncertainty caused by this health crisis. The total amount of these State Guaranteed Loans amounts to €2,500 thousand as of 31 December 2020. These loans are guaranteed by the French State under the guarantee fund up to 90.00% in accordance with the terms and conditions provided for in the associated regulations.

Furthermore, the Group cannot guarantee that additional funds will be made available to it when needed and, if necessary, that said funds will be available on acceptable terms. Any inability to sustainably generate profits or obtain financing could have a material adverse effect on the Group, its prospects, its ability to achieve its objectives and its financial position.

3.3.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its cash requirements using its available resources.

As at the date of this Registration Document, the Group has recorded a historical loss for each financial year. This is due to the fact that the Group believes that it is relatively young, in a development phase and that revenue is not yet sufficient for operations to break even. As at 30 June 2021, the Group's cash amounted to €9.9 million. It was bolstered by a bond issue of €16 million (of which €0.5 million through current account compensation) received during July 2021, and enables the Group to cover its cash requirements over a period of twelve (12) months to come.

These cash requirements over the next 12 months do not include all of the financing required for the construction of the nine WAGABOX® units, which will be structured in part by drawdown on the contract with Eiffel Gaz Vert (the outstanding amount available to be drawn down stood at €13.4 million at 31 August 2021) or any other financing that the Company may put in place, and in part by using the proceeds of the capital increase carried out at the same time as the listing of the Company's shares on the regulated market of Euronext Paris. Apart from the collection of the €16 million mentioned above, since 30 June 2021, the Group's cash position has not changed significantly.

In addition, in the event that market conditions do not allow for the planned IPO, the Group could finance its future cash requirements through a combination of equity transactions, bank or bond financing or other forms of non-dilutive financing.

3.3.3 Risk related to covenants in financing contracts

The Group has entered into several financing agreements through the Company or its subsidiaries, the terms of which may vary or become restrictive.

For example, financing contracts may provide for non-financial covenants, compliance with financial ratios, or a commitment not to distribute dividends in connection with the project in question. In connection with the bonds subscribed, the Group has undertaken to comply with covenants relating in particular to *pari passu* clauses, cross-default clauses, specific debt levels, or pledges of receivables provided by the Group, limits on dividends and cash flows, and limits on debt levels to a third party. The contract entered into by the Company and SWIFT Gaz Vert relating to the OCA 2021 Tranche 2 (as this term is defined in section 8.3.3 "Bond financing") as well as the contract between the Group (at the level of its subsidiary Waga Assets) and Eiffel Gaz Vert also provide for compliance by the Company with financial ratios, in particular a gearing ratio corresponding to the equity contribution to be made by the Company to the project. In the context of financing under negotiation, ratios relating to debt service coverage by available liquidity will also be implemented.

If the Group fails to comply with a covenant in particular, it could be exposed to the early repayment of the project debt, with a significant adverse impact on the Group's ability to obtain financing in the future and on the cost of its future financing. Moreover, the fact that the Company or one of its subsidiaries had encountered significant financial difficulties could trigger the activation of the cross-default clauses present in certain financing contracts and thus lead to simultaneous defaults on several projects at SPV level. If the Company does not obtain the waiver by lenders or a restructuring agreement on their part, they may be entitled to seize the assets or securities given as collateral (in particular the Group's interest in the subsidiary that owns the facility). For example, the Eiffel Gaz Vert financing, which was entered into in the form of a bond convertible into shares of Waga Assets, includes certain limited covenants, relating in particular to the nature of the projects, the ownership of the project companies or the regulation of dividend distributions, as well as limited default events in the event of a cross-default (see sections 8.3 and 8.4 of the Registration Document). If one of the events of default occurs and is not remedied, Eiffel Gaz Vert will have the right to demand repayment, including from the Company, or, failing that, to demand the conversion of its convertible bonds into shares of the subsidiary Waga Assets.

In addition, the OCA 2021 Tranche 2 bonds include a specific restriction on distributions to shareholders and default events linked to the non-payment of debts owed by the Company, to any observed cross-default or bankruptcy proceedings against the Company or one of its subsidiaries. In the event of bankruptcy proceedings applicable to the Company, Swift Gaz Vert will have the right to demand the repayment or, failing that, to request the conversion of its convertible bonds into shares of the Company (see sections 8.3 and 8.4 of the Registration Document).

As of 30 June 2021, all covenants, notably financial and non-financial covenants, were met by the Group. As at the date of this Registration Document, the Group does not anticipate any particular difficulties with respect to the covenants in the coming months. However, the occurrence of these events could have a material adverse effect on the Group's business, financial position, reputation, results and outlook.

3.3.4 Risk related to taxation affecting the Group

As at the date of this Registration Document, the Group operates in various locations around the world (United States, Canada, Spain and France) and is therefore exposed to potential changes in tax regulations in all countries in which it operates. The Group may face changes in tax standards concerning, in particular, mandatory deductions, VAT applicable to Group projects, any withholding

tax on distributed revenue, or the tax treatment of the deductibility of interest on loans taken out for specific projects, as well as changes in the tax rates applicable to the various subsidiaries. In particular, the initiatives of governments, the OECD, the G20 or the European Union may have the effect of increasing the Group's tax burden. As such, in France, in accordance with the French Finance Law for 2020 (Law No. 2019-1479 of 28 December 2019), the application of the exemption from the domestic tax on natural gas consumption ("TICGN") for biomethane consumers was discontinued as of 1 January 2021. This legislation could constitute a case of contractual change of some contracts concluded, such as to trigger a renegotiation between the Group and the gas supplier selling the biomethane and the associated guarantees of origin pursuant to the purchase agreement. As of the date of the Registration Document, two contracts have been renegotiated by the Group and four are under negotiations at the request of each of the Group's respective counterparties. Insofar as only the regulated tariff additional premiums negotiated between the Group and the suppliers are affected, the risk for the Group of any renegotiation related to the TICGN remains limited.

In addition, the challenge by the tax authorities of a position taken by the Group could lead to adjustments, payment of additional taxes or payment of penalties. There is no guarantee that the tax authorities will validate the tax positions deemed correct and reasonable by the Group or its tax advisors. Any payment in connection with tax proceedings against the Group could have an adverse effect on its business, results, financial activity and outlook.

In addition, the Group has implemented a transfer pricing policy linked to the various international subsidiaries. The latter requires transparency towards the tax authorities with regard to the re-invoicing of costs incurred and the margins applied. If the Group were to undergo a tax audit resulting in a different interpretation by the tax authorities or the implementation of tax reassessment procedures in the event of a proven breach of the intra-group transfer pricing measures, this could not only generate expenses associated with the tax litigation, or any administrative fines, but also a reputational risk in the given jurisdiction.

The impact of these risks could increase the Group's tax burden and thus have an adverse effect on the Group's effective tax rate, financial position and results.

3.3.5 Credit or counterparty risk

Credit or counterparty risk corresponds to the risk of financial loss for the Group in the event that a party to an agreement entered into with the Group or a counterparty to a financial instrument fails to fulfil its contractual obligations.

This risk may materialise at any time during the execution of an agreement if the customer's financial situation deteriorates significantly or the customer becomes insolvent, which may result in the customer being unable to meet its commitments to the Company and/or delays in payments due to the Company.

As at the date of the Registration Document, the Group's major contracts were mainly concluded with large operators that are, to the best of the Group's knowledge, financially sound. Revenues from the Group's four main customers amounted respectively to €3.8 million (or 40% of revenues), €1.6 million (or 17% of revenues), €1.3 million (or 14% of revenues) and €1.3 million (14% of revenues) at 31 December 2020, and to €2 million (39% of revenues), €1 million (19% of revenues), €0.7 million (14% of revenues) and €0.7 million (14% of revenues) respectively at 30 June 2021. In addition, downstream, the Group's counterparties are essentially State or public for the sale of biomethane. The Group operates in a waste market that it considers to be dispersed and characterised by low concentration (presence of multiple landfill operators).

The Group's strategy also includes plans to expand internationally and diversify from the French market (see Section 5.5.2 *"WAGABOX®: a patented technology guaranteeing yield, quality and reliability*"). If a local market in which the Company operates were to be subject to a tightening of players or exposure

to regional economic crises, then the Group may not be able to completely limit any potential dependency or resulting credit or counterparty risk.

Finally,, although the Group has put in place government guarantees on the obligations of purchasers of biomethane, it remains subject to counterparty risk if the conditions relating to the implementation of the guarantees are not met.

3.3.6 Interest rate risk

Interest rate risk corresponds to the Group's exposure to changes in the interest rates of its bank debts and bonds.

The Group has limited exposure to interest rate risk, as its long-term financial liabilities are mainly remunerated at fixed rates. The only exposure to a variable rate was transformed into a fixed rate exposure by an effective interest rate swap.

3.4 Legal and regulatory risks

3.4.1 Risk related to technology and intellectual property rights belonging to the Group or used by the Group

The technology related to WAGABOX® units, which is protected by intellectual property rights, plays a central role in the development and success of the Group's activities. To this end, it is protected by six families of patents filed in France and abroad relating in particular to the coupling of the membrane and cryogenic distillation. These patent families belong to or are licensed to the Group in its field of activity. The identification of a patentable invention and the renewal and protection of patents present uncertainties and raise complex legal issues. The granting of a patent does not guarantee its validity, which could be challenged before a court in the event of a request for invalidity submitted by a third party as principal or counterclaim. Likewise, being the holder of a patent does not mean that its holder will have a monopoly on the marketing of a patented product, since there may be a competing product with the same functional characteristics. The Company's competitors could also circumvent the Company's patents and legally exploit a technology similar to that protected by the Company's patents.

If the measures taken by the Group to protect the intellectual property rights of WAGABOX® units in a given country where it operates are not sufficiently effective, or conversely, in the event of infringement by the Group of the intellectual property rights of third parties or competitors, this could have an adverse effect on the Group's business, reputation, financial position, results and outlook.

In this respect, the Group cannot guarantee with certainty that (i) its products do not infringe or violate patents or other intellectual property rights belonging to third parties, (ii) there are no patents or other intellectual property rights of third parties that may cover certain products, processes, technologies, results or activities of the Group, even if the Group has been granted a licence for said products, processes, technologies, results or activities, and that (iii) third parties will not act against the Group with a view to obtaining damages and/or the cessation of its manufacturing and/or marketing activities relating to the products or processes in question.

Similarly, following an unfavourable change in the regulations relating to the construction or operating codes applying to WAGABOX® units, the Group could lose the right to operate WAGABOX® units in a given jurisdiction. This could generate additional expenses related to compliance with this new regulation, as well as the installation and marketing of WAGABOX® units.

The Group also relies on licensing agreements, such as that signed with Air Liquide on 11 June 2015, mainly granting it a non-exclusive right to use a patent registered in the United States only and which will expire in November 2023, protecting a system for recovering methane from raw natural gas and landfill waste gas via the combination of an adsorption operation and a membrane separation operation.

If these agreements are not renewed in June 2022, the Company will not be able to use Air Liquide's U.S. patent from this date and until the patent expires in November 2023. In such a case and during this interim period only, the Company would be required to implement an equivalent process in the United States to purify VOCs, temporarily entailing higher operating costs, depending on the VOC concentration.

Moreover, the risk of legal action based on alleged violations, infringements or misappropriation of intellectual property rights or technologies belonging to third parties manufacturing or marketing products similar to the WAGABOX® unit would be liable to result in substantial costs and affect the Group's reputation and business. If these lawsuits were to be concluded, the Company could be forced to interrupt (under penalty) or delay the manufacture or sale of the products or processes covered by these lawsuits, which would significantly affect its activities. Certain competitors with more resources than the Company may be able to better bear the costs of a complex lawsuit. Any such litigation could therefore affect the Company's ability to continue all or part of its activities to the extent that the Company could be required to (i) cease selling or using its products that depend on the disputed intellectual property in a given geographical area, or pay substantial damages, which could reduce its revenues, (ii) obtain a licence from the holder of the intellectual property rights, which may not be granted or may be obtained on unfavourable terms, and/or (iii) review the design of its products in order to avoid infringing on the intellectual property rights of third parties, which could prove impossible or be long and costly, and could have an impact on its marketing efforts. As at the date of this Registration Document, the Group is not subject to any claims or litigation concerning its technology.

Conversely, the Group could face a violation of its trade secrets or its know-how due to malicious acts or cyber-attacks. The occurrence of these events and the disclosure to the public of confidential information related to its business or technology could have a significant adverse effect on the Group's reputation, business, results, financial position and development prospects.

3.4.2 Risk related to the reduction or review of regulated prices and tariffs for biomethane

In France, the Group's activity depends on regulated feed-in tariffs for biomethane. For example, in 2011 the French State introduced an obligation for the gas supplier to purchase, at a pre-determined purchase price, the biomethane injected into its grids *via* a purchase agreement concluded for a period of 15 years from the date of commissioning of the facility.

This enables the biomethane producer to cover the investment and operating costs of its facility while ensuring the profitability of the project. These tariffs are guaranteed for 15 years from the commissioning of a project. As a result, any review of these rates could have a significant adverse effect. In addition, this risk also exists in the target countries for the Group's development (United Kingdom, Canada, Italy, United States) and which have implemented support for biomethane.

The Group could face challenges related to the structuring of its activities due to regulatory decisions by authorities affecting prices and regulated tariffs on biomethane.

(See also Chapter 9 "Legislative and regulatory environment".)

3.4.3 Risk related to an unfavourable change in regulations or public policies supporting renewable energies and guarantees of origin

The Group conducts most of its business within a restrictive regulatory environment covering various topics such as environmental protection, waste management, renewable energy production, landscape regulations, health and safety at work, maintenance and control of facilities in operation, as well as the dismantling of end-of-life facilities (removal of materials, recycling of various components). For example, the operator of a waste storage site (NHWSF) is required by law to secure its site as part of its activity. The installation of a WAGABOX® on the purification site for a defined period means the Company has a contractual obligation towards the NHWSF to dismantle the facility at the end of its operation (except where an extension to the operating period is negotiated). Consequently, the Company bears the cost of dismantling the WAGABOX®. In this respect, the Company has record a provision of €226,000 at 30 June 2021. Finally, it should be noted that legislative and regulatory changes are frequent.

In particular, under the terms of the ordinance of 23 November 2020, for agreements signed after this date, the benefit of the purchase commitment is now only possible for biomethane production facilities with a maximum capacity of 300 Nm^3/h. A relaxation of the rules relating to the calculation of maximum capacity is possible, in agreement with the Directorate General for Energy and Climate. However, it cannot be ruled out that this possibility could be reviewed, or that future Group projects may not benefit from it, which would subject these projects to a call for tenders procedure and could slow down the development of the Group's activities or make it more complex and costly. From 2023, a reduction in the price of the tariff with an obligation to purchase biomethane could make some of the Group's projects that have not secured their tariffs to date, less competitive.

With regard to guarantees of origin, in France, government order no. 2021-167 of 17 February 2021 relating to hydrogen modified the guarantee of origin mechanism for biomethane production facilities. In particular, producers issuing guarantees of origin will no longer benefit from a purchase commitment agreement for contracts entered into after 30 June 2021 (see also Sections 5.1.3.6, 5.3.7 and 9.1.3).

The Group's activities benefit from public policies supporting renewable energies and their favourable nature in certain jurisdictions. These measures are the result of political and strategic orientations sensitive to environmental issues, taken by the various governments and supra-state entities, in given countries or regions. Any unfavourable change in these positions may have a material adverse effect on the Group's activities based on the sale of renewable energy, its results or financial position (see also Section 5.1.3.4 "*An energy subsidised in several countries*").

If the Group were unable to identify the regulatory changes applicable to its activities, it would expose itself to a risk of violation of the applicable provisions, which could result in criminal, administrative and/or financial penalties, which could in turn have a material adverse effect on the Group's business, results, reputation, financial position and outlook.

(See also Chapter 9 "Legislative and regulatory environment" and Sections 5.1.3.3 and 5.1.3.4. "*An energy subsidised in several countries"*)

3.4.4 Risk related to obtaining the necessary permits, licences and authorisations to carry out its activities or establish its facilities

In view of its activities on sites subject to the regulations relating to facilities classified for the protection of the environment in France ("ICPE"), in particular non-hazardous waste storage sites operated by third parties, the Group is subject to the regulatory requirements imposed on the operation of these sites even though operating authorisatios are held by third parties. The Group is thus exposed to controls carried out by the authorities in charge of policing ICPEs or, when the facilities are subject to controlled declaration, to controls by private bodies authorised by the State on the waste management sites at which it operates its WAGABOX® units.

Additional authorisations, such as land clearing permits, environmental authorisations based on water legislation, or exemptions from the ban on the destruction of protected species and their habitats may also be necessary depending on the configurations of the various facilities.

Consequently, if the Group does not obtain the necessary permits, authorisations or licences for the establishment and/or operation of its facilities, or fails to comply with, or ensure the compliance of its facilities with the applicable provisions, it could be penalised by the authorities and face administrative (formal notice; deposit of an amount of money; suspension of activity; official fine, where applicable under penalty) and/or criminal sanctions. The Group could also be affected by the increase in operating costs resulting from making its sites compliant and/or the implementation of measures by the site operator to amortise the financial sanctions suffered.

The permits, authorisations or licences obtained and necessary for the establishment and/or operation of the Group's facilities may also be subject to litigation, in particular by local residents, competitors of the Group or associations that may in particular claim before the courts that there has been deterioration of the landscapes, nuisance or noise pollution, or damage to the environment. Such claims could lead to the extension of the timeframes related to projects implemented by the Group or their cancellation.

In addition, the Group's regular authorisations could also be suspended in the event of non-compliance with regulations associated with the production or marketing of biogas. The Group is exposed to administrative and legal sanctions and bans on marketing in the event of non-compliance with applicable regulations in a given territory.

Furthermore, since 1 July 2021, pursuant to Articles L. 446-27 *et seq.* of the French Energy Code, biogas production facilities injecting into gas grids with a production capacity of more than 19.5 GWh of calorific value per year are subject to sustainability and greenhouse gas reduction criteria. In the event of non-compliance with these criteria, the administrative authorities give notice to the producer to comply with them. Failing that, the producer will have to repay the sums received in respect of the purchase commitment or the additional remuneration premium during the period of non-compliance. As at the date of the Registration Document, the Group believes it meets these criteria described above.

In addition, a new system of biogas production certificates has been codified in Articles L. 446-31 et seq. of the French Energy Code. Producers who have requested the issuance of such certificates for their facilities may be subject to periodic inspections at their own expense. Producers may be subject to penalties after formal notice (Article L. 446-48 of the aforementioned code).

Lastly, a draft decree amending the regulatory portion of the French Energy Code relating to the specific provisions for the sale of biogas provides for the control of facilities to ensure their compliance with the provisions required by the regulations for their construction and operation. Inspections will be carried out periodically, at the producer's expense, by bodies approved by the State, on new installations benefiting from a purchase commitment or additional remuneration premium, for which the effective date of the contract will be subject to the provision of a certificate of compliance. In the event of a breach noted during these inspections, the producer could face suspension of the agreement, possible administrative sanctions and a slowdown of the project during the proceedings.

The Group is thus exposed to any control inspections carried out on the ICPE waste management sites on which it deploys its WAGABOX® units, which could result in projects being slowed or a shutdown (technical at least) in the event of suspension of site activities. The Group could also be impacted by the increase in operating costs resulting from the work and compliance measures, or measures put in place by the site operator to cushion the financial penalties suffered.

3.5 Environmental, social and corporate governance risks

3.5.1 IT infrastructure risk

The Group requires IT tools for several of its activities (operations, engineering, accounting, logistics, etc.).

These IT tools, capable of processing high volumes of content and data, are intended to support the implementation and management of the Group's activities in order to set up and implement a complex operating model at the local but also global scale, with the aim of supporting the growth of its activities.

However, the Group could encounter IT failures, system and network disruptions, cyber-attacks, accidents, electrical failures, or physical or electronic intrusions in the course of its business and particularly during the implementation of the highly automated WAGABOX® unit. In particular, cyber-attacks are becoming increasingly sophisticated and include, but are not limited to, malicious software attacks, attempts to gain unauthorised access to data and systems and other electronic security breaches that could result in system disruption, unauthorised disclosure of confidential or otherwise protected information and data corruption. In particular, data loss could slow down project rollout, lead to a deterioration in customer relationships and create significant expenses to correct security breaches or damage to the system. The Company believes that the WAGABOX® unit control tools, once installed, are not exposed to an operational risk insofar as a simple reset of the programmes is sufficient to restart the facilities, which can operate autonomously for the time it takes to resolve any problems with remote connections or disruptions to the Group's activity due to hacking of its network, for example. Nevertheless, it cannot be ruled out that a prolonged malfunction of these control tools for external reasons (natural disaster, damage, etc.) could have the effect of interrupting or permanently reducing the performance of one or more units. The implementation of the various procedures intended to monitor and mitigate these threats, and increase the security of the IT system, could lead to an increase in capital expenditure and operating costs.

Lastly, the Group is also exposed to the risk of obsolescence of its IT systems in the event that it is not able to rapidly upgrade its infrastructure and its technological offer in the face of changes in the market and the demand for efficiency from its customers or prospects.

The occurrence of these events could have a material adverse effect on the Group's business, financial position, reputation, results and outlook.

3.5.2 Risk related to climate, weather and environmental fluctuations

The operation of WAGABOX® units may be affected by extreme heat. The units currently in operation are designed to operate up to an outdoor temperature of 40° C. In the event of a prolonged temperature spike, the unit's cooling circuit is no longer able to maintain the temperature of the compressors within the limits set by the manufacturer, such that the equipment malfunctions, causing the unit to shut down. Other components, also designed to operate up to a temperature of 40° C, are liable to suffer premature wear. To preserve the integrity of WAGABOX® units, the Group systematically shuts them down when the outside temperature reaches 40° C. This preventive measure represents a loss of production of several hours per day throughout heatwaves, and it may have repercussions on the revenue generated by the sale of biomethane.

Risks related to changes in climatic or meteorological conditions such as heavy rains, temperature fluctuations, hail or snowfall could significantly affect the Group's facilities and activities. Extreme weather events are liable to damage the Group's facilities but also to lead to an increase in periods of downtime in the operation of WAGABOX® units or production sites, as well as an increase in operation and maintenance costs. These situations are sources of occasional slowdowns in production levels, as well as a decrease in income and revenues.

The Group could also face unforeseen interruptions or damage to its facilities, in particular following an earthquake, hurricane, fire, malicious acts, terrorism, pandemics or any other disaster occurring in the region where the Group has a strong presence. These interruptions or damage could lead the Group to generate significant additional costs relating to the refurbishment of WAGABOX® units, which could affect the Group's operating income.

Environmental damage may also occur on the various sites on which the Group operates (technical waste landfills, storage sites, gas distribution grids), which could cause significant human and material damage as well as loss of associated revenue. The Group's civil and criminal liability would then be brought into play by the victims and their families, certain associations specializing in the fight for the protection of the environment or any third party harmed by the accident. These incidents could also tarnish the Group's image and reputation in France and internationally. As at the date of this Registration Document, the Group has not been subject to any such claims.

All of the interruptions, damage or accidents described above are liable to result in a loss of revenue and additional costs for the Group and could thus have a significant adverse effect on its business, reputation, financial position, results and outlook.

3.5.3 Risk related to the ability to retain key managers and employees and the hiring and retention of new qualified employees

The success of the Group, as well as its future growth, depends in particular on the performance of its management team, composed of some of the Group's founders: Mathieu Lefebvre, Chairman and Chief Executive Officer of the Company, Nicolas Paget, Deputy Chief Executive Officer of the Company and Guénaël Prince, Director of the Company.

Given their expertise in the renewable gas industry, and biogas in particular, their knowledge of the Group's operational processes and their relationships with the Group's long-term partners such as Air Liquide, the Group may not be able to replace them within a reasonable timeframe in the event of an accident or the departure of one of these Directors and key persons. For example, the design and construction of the WAGABOX® unit are based on a decade of research and development work involving the founders and teams benefiting from in-depth expertise in gas engineering. The efficient transmission of knowledge related to this technology could be impaired if one of the founders were to depart.

In general, the Group's business sector requires senior executives with a high level of specialist knowledge in their area of expertise, whether in financing, design, construction or operation of WAGABOX® units, or recent technological and market innovation. The limited number of qualified candidates and the strong competition for the recruitment of such executives could result in the Group not being able to benefit from skills equivalent to those of these executives. The Group may also fail to attract new talent and retain experienced staff.

In addition, the Company was created in 2015 and therefore operates a recent but rapidly growing activity. This dynamic is a source of challenges on various levels such as the strategy adopted, the establishment of the Group and the recruitment of new employees in the required locations. The Company believes that the typology of its business is likely to attract and retain employees: fighting climate change and contributing to the energy transition.

Despite the Group's development strategy, if the Group's recruitment campaigns fail to identify, attract, train and retain competent and committed employees, then the development of its activities and its results could be significantly affected.

3.6 Risk management policy

Risk management is closely monitored by Group management. The main task of risk management is to identify, assess and prioritise risks (depending on the potential impact and probability of occurrence), as well as to assist the Group's management in the choice of the most appropriate risk management strategy and, in order to limit the significant residual risks, define and monitor the related action plans. Operational risk management and internal control are the responsibility of the Group's operational departments and subsidiaries, under the functional control of the Group's Finance Department.

As from the listing of the Company's shares on the regulated market of Euronext Paris, the Audit Committee set up within the Company's Board of Directors will be responsible, in particular, for ensuring the relevance, reliability and implementation of the Company's internal control, identification, hedging and risk management procedures relating to its activities and to financial and non-financial accounting information.

For example, the action plans and internal policies put in place by the entities or departments concerned to manage the risks identified by the Group include:

- *Risk related to the competitiveness of biomethane compared to natural gas*: the Group has implemented an investment policy in certain countries (France, the United Kingdom, Italy, the United States and Canada) offering aid mechanisms for the injection of biomethane. The measures taken have various forms: tariffs with purchase commitment, subsidies, investment aid (direct or indirect subsidies), or tax exemptions. In these countries, the question of the competitiveness of biomethane compared to natural gas does not arise for the Group. The competitiveness of biomethane is also offset by the assurance for the buyer of the benefit of a stable price over the term of the contract (10 to 20 years), while the price of natural gas is characterised by high volatility, which is a major factor of uncertainty for energy companies. Lastly, the growing demand for renewable energy in all developed countries, and the involvement of gas grid operators in the energy transition, contribute to ensuring significant outlets for the biomethane produced by the Group.

- *Risk related to gas grid connection*: the Group conducts a connection study prior to any commercial negotiations with a landfill site operator. This study details the technical feasibility, the duration of the works and the cost of the connection. If connection is not possible, the project is abandoned. In addition, the market for gas grid operators tends to favour biomethane injection projects in order to preserve the value of their assets, which today is essentially based on the distribution of fossil gas, and could be threatened by the changes in public policies in the coming years. If we consider the magnitude of the potential market, these limitations only concern some of the projects and therefore do not have a major impact on the Group's ability to grow. Over the next few years, the Group will focus on projects not affected by these constraints.

- *Risk related to competition in the landfill gas recovery market*: the Group is positioned as the benchmark player in this market, with 10 units already in operation (out of a total of around 70 worldwide). It is also the only player dedicated exclusively to the recovery of landfill gas (pure player), taking care of all aspects of the projects, from development to the sale of biomethane, including financing, design, construction, installation and operation of the purification plant and owning a proprietary technology. This integrated model allows the Group to position itself in the segment of small and medium-sized purification plants (from 400 m^3/h), while companies specializing in project development are focusing on the segment of large plants for reasons of profitability linked to economies of scale. Faced with the competition, the Group benefits from a track record in an emerging market of serious players, and a unique technology whose effectiveness is demonstrated by the ability to equip all landfill sites, regardless of the volume of gas to be treated and the amount of air present in the gas, within a limit of 30%. Regarding competition from the cogeneration recovery method, most cogeneration engines installed on

waste storage sites are now gradually being replaced by biomethane units due to the high cost of electricity production in comparison with the other renewable sources.

- *Waste management terms risk*: the Group accesses landfill gas by connecting to the collection networks enabling landfill site operators to gather the gas, in order to flare it or recover it. Gas collection is mandatory in all European countries and in North America, such that the Group is technically able to install WAGABOX® units at virtually all waste storage sites in these countries. Landfill gas collection is also being developed in most countries around the world, with improvements in waste storage techniques. The availability of gas at a specific landfill site presents relatively limited risks due to the following aspects:

    - an analysis of the source based on studies is carried out by the Group and a forecast of the availability of gas over the next 10 to 20 years makes it possible to ensure the reliability of the volume of biogas that will be made available;

    - the Group secures the gas to be purified on a contractual basis;

    - in the event of a decrease in the volume available on a particular site, below the profitability threshold of WAGABOX®, the large number of waste storage sites offers a wide range of options for demobilising and relocating the WAGABOX® units on a more profitable plant;

    - the waste market is a conservative market with a high level of inertia in terms of changes in behaviour, treatment methods and therefore waste put into storage.

– *Risk related to the capacity of gas grids:* WAGABOX® units are sized according to the biogas source to be recovered, but also to the consumption capacity of the local gas grid, if this proves to be limited. A margin of error can also be included in the calculation of the business plan, to take into account a possible decrease in demand (weather conditions, decrease in consumption, etc.). In practice, there is no risk of saturation of the WAGABOX® unit when it is connected to a gas transmission grid (up to 70 bars), the consumption capacity being in this case much greater than the unit's production capacity.

– *Industrial risks that may affect employee safety*: in terms of safety, particularly the safety of people, the Group has set itself an obligation to achieve results and considers risk management to be its top priority. Incidents are analysed internally. Training sessions are regularly conducted to ensure the competence of personnel authorised to work on production sites. A Quality, Health, Safety and Environment ("QHSE") Manager was recruited in May 2020 to structure the safety approach. The Group has taken out civil liability insurance for damage caused to third parties as a result of the operation of WAGABOX® units, damage occurring to employees, in particular maintenance operators, and risks during construction.

– *Risk related to the Group's growth strategy:* the organic growth strategy of the Group's local teams makes it possible to build a solid foundation for the sustainable development of the business, notably thanks to the business model that provides for contractual[1] recurring revenue. The Group's objective is to:

    - be able to quickly dispense with temporary tariff support in order to offer energy at a competitive price, regardless of the country of operation. In addition, regulatory

[1] *The annual contractual recurring revenue correspond to the revenues anticipated by the company over a period of 10 to 20 years in the context of long-term contracts, either for the sale of biomethane or for purification services. In the case of a biomethane sales contract, revenues depend on the sale price to an energy provider (purchase obligation over the term of the contract) and on the sales volumes anticipated by the Company base on biogas audits carried out upstream for each project. For purification service, revenues depend on the service defined with the storage site operator.*

constraints on greenhouse gas emissions are expected to improve the competitiveness of biomethane on the markets;

- limit the risks related to international growth by implementing the solution in several markets with different dynamics; and

- capitalise on the signing of the first international references already under construction. The risk of this development phase is partly reduced in three strategic countries, opening up significant potential.

- *Risk related to the construction and supply of components necessary for the manufacture of WAGABOX® units and their integration:* in order to be able to respond to the risk, the Group diversifies its component supply subcontractors, so that they can be substituted easily and are present and numerous in the targeted regions.

- *Risk related to the operation, safety and maintenance of WAGABOX® units:* the Group pays close attention to safety within its activities and regularly strengthens the procedures for remote management of the units and implements preventive or curative maintenance operations. The Group plans to build a stock of critical parts in North America, which will be available when the first facility in North America is commissioned and will be located close to the Group's premises in Quebec. The IT systems used for the operation of WAGABOX® units are independent from the IT software used by the Group's management.

- *Risk related to securing biogas procurement contracts and contractual relationships with third parties:* the Group relies on the performance of its business developers to ensure the development of projects and the monitoring of available sites and their ability to secure contracts for the purchase of biogas from landfill site operators to meet contractual commitments for the sale of biomethane.

- *Risk related to the termination of a biomethane sales contract or default or late payment by counterparties: the* Group uses all of its skills and experience to meet its contractual commitments. This strategy involves continuous monitoring of WAGABOX® units in operation and significant investment by the Group's teams, both technical and commercial.

- *Risk related to projects in the development phase:* the Group believes that it has all the technical and commercial skills within its teams required to successfully complete the projects under development.

- *Risk related to the level of financial leverage and the Group's financing method:* the Group systematically prepares a financing plan before any solicitation or commitment, with an early review of the conditions and risks related to financing. In addition, downstream, the Group is in constant contact with banks and investors and monitors the state of the financing markets.

- *Liquidity risk:* since its creation, the Group has been supported by a large number of financial partners who have demonstrated complete confidence. In this respect, the Group has alternative funding solutions, including in the event that market conditions do not allow for the planned IPO, enabling it to meet its short and medium-term financial commitments.

- *Risk related to taxation affecting the Group:* the Group has a tax policy based on strict compliance with applicable laws and regulations and full transparency towards the tax authorities of the various countries in which it operates.

- *Risk related to obligations specific to covenants:* The Group conducts detailed monitoring of compliance with the covenants defined in all its financing contracts. If it were to anticipate a case of non-compliance with these covenants over a given period, it would engage in discussions

with the counterparties with the aim of obtaining a waiver. As at 30 June 2021, all commitments, particularly with respect to financial covenants, were met.

- *Credit or counterparty risk:* the Group favours trusted partners in its development strategy. In countries where customers do not benefit from state guarantees regarding the acquisition of biomethane, the Group assesses the financial strength of the operators with which it signs contracts.

- *Interest rate risk:* the Group favours fixed interest rates, thus protecting itself against any interest rate fluctuations.

- *Risk related to the technology and intellectual property rights belonging to the Group:* the Group has put in place a protection strategy through the filing of patents, which requires the publication of detailed technical information on its technology, and it constantly monitors competitor activity to identify and fight any infringement.

- *Risk related to the reduction or questioning of regulated prices and tariffs for biomethane:* the Group is developing in several markets to avoid over-dependence on a given market and in particular on subsidised markets. The Group is developing projects to produce the most competitive biomethane possible on the market, excluding public support. The price risk is partly shared with the NHWSF operator.

- *Risk related to an unfavourable change in regulations or public policies to support renewable energies and guarantees of origin:* at the same time as the development of projects benefiting from regulatory or financial support, the Group is developing a strategy of selling biomethane on a voluntary basis through direct contracts with third parties in countries without support mechanisms.

- *Risk related to obtaining the necessary permits, licenses and authorisations to carry out its activities or establish its facilities:* in most cases, WAGABOX® projects improve the environmental performance of sites without significantly impacting their environment. The authorities therefore generally accept their implementation and monitor the operation.

- *IT infrastructure risk:* the data collected by the Group is all automated and recorded on a dedicated cloud and some local servers for design software in order to accelerate the response time of the software. An external outsourcing company has been selected to monitor IT assets and ensure IT updates and security.

- *Risks related to climatic, meteorological and environmental fluctuations:* the WAGABOX® units currently under construction, and in particular those that will be commissioned in Spain and in countries where the temperature frequently reaches high levels, will be equipped with a reinforced cooling system and components with improved heat-resistance, in order that they can continue to operate at temperatures of up to 45° C. This measure will significantly reduce the risk of shutdowns due to temperature spikes. In countries where the temperature drops very low, and Canada in particular, WAGABOX® units are installed inside a building. The heat generated by the compressors is sufficient to maintain a temperature that allows the unit to operate under all circumstances. Only a few cold-insensitive components, notably the cryogenic distillation module, will remain outside the building.

- *Risk related to the ability to retain key managers and employees and the hiring and retention of new qualified employees:* the Company is positioned upstream on the training of its staff in maintenance activities for its WAGABOX® units and downstream on recruitment in dynamic employment pools. In addition, the Group has developed an attractive incentive policy for employees to benefit from the Group's results, with the allocation of founders' warrants (BSPCEs) or stock options.

4. INFORMATION ABOUT THE COMPANY

4.1 Company name and trading name

At the date of the Registration Document, the Company's corporate and trading name is "Waga Energy".

4.2 Place and registration number of the Company

The Company is registered in the Grenoble Trade and Companies Register under number 809 233 471.

The Legal Entity Identifier (LEI) of the Company is: 969500O3NXA5XJF97623.

4.3 Date of incorporation and duration

The Company was incorporated on 16 January 2015 for a period of 99 years from its registration in the Trade and Companies Register on 28 January 2015, *i.e.*, until 28 January 2114, unless extended or dissolved early.

The financial year begins on 1 January and ends on 31 December of each year.

4.4 Registered office of the Company, legal form, legislation governing its activities

The Company was incorporated as a public limited company (*société anonyme*) with a Board of Directors, governed by French law and registered with the registry of the Commercial Court of Grenoble under number 809 233 471, and is mainly subject, in its operations, to Articles L. 225-1 *et seq.* of the French Commercial Code.

The Company's registered office is located at 2 chemin du Vieux Chêne 38240 Meylan, France.

The Company's contact details are as follows:

Telephone: +33 (0)7 72 77 11 85

E-mail: contact@waga-energy.com

Website: https://waga-energy.com

The information on the Company's website is not part of the Registration Document.

5. OVERVIEW OF ACTIVITIES

5.1 General presentation

The Group believes it is the European leader in the recovery of landfill gas in the form of biomethane. According to the map of European biomethane projects published by the European Biogas Association, the Group owns the majority of projects producing biomethane from landfill.[2]

The Group has developed a purification technology that is unique in the world, called WAGABOX®, which makes it possible to recover the methane produced by the decomposition of organic materials on waste storage sites (commonly known as "landfills"), to produce biomethane, a renewable substitute for fossil natural gas. This biomethane is injected directly into the gas grids to supply individuals and businesses.

By recovering landfill gas in the form of biomethane, the Group transforms a major source of atmospheric pollution into clean, local and renewable energy. Methane (CH_4), the main component of natural gas, is a very efficient fuel, but also a powerful greenhouse gas, which has a warming power that is 84 times greater than that of carbon dioxide (CO_2) over a period of 20 years (Source: IPCC).

The WAGABOX® are fully automated production units, controlled remotely by means of an instrumentation and control system. They are modular, integrated and standardised to simplify construction, installation and operation. Once connected to the grid of a gas transmission or distribution operator, WAGABOX® units purify the extracted biogas and inject biomethane 24 hours a day seven days a week with a guaranteed uptime of 95%.

The Group uses its proprietary technology under a developer-investor-operator model. The Group develops the projects, finances the construction of the WAGABOX® units and operates them in order to treat the collected biogas. The Group derives its revenue from two distinct business models: either it buys raw gas from waste storage site operators and generates revenue by reselling biomethane to energy companies. Or the Group provides a purification service to the storage site operator, which is then responsible for selling the biomethane. In all cases, the Group remains the exclusive owner and operator of the WAGABOX® units (with the exception of the unit installed on the Lorient-Agglomération site). The biomethane producer in the regulatory sense, which is either the Group (biomethane sale model) or the storage site operator (purification service model), is responsible for negotiating with the energy company.

The Group derives its revenues from the sale of biomethane and biogas purification services paid by storage site operators for the operation of WAGABOX® units, if the operators wish to be seen as renewable energy producers. The operation of WAGABOX® units generates recurring and contractual revenues over periods of 10 to 20 years, through the signing of long-term biomethane sales contracts or long-term purification service contracts. Under the terms of the biomethane sales contracts,, the energy company has a long term purchase obligation based on a specific sale price that does not depend on changes in market prices or gas prices. Sales volumes, directly linked to the volume of biogas extracted from the site, are anticipated on the basis of biogas audits carried out in advance by the Group. The Group has no contractual commitments to the energy provider regarding the volumes of biomethane delivered. The Group finances its WAGABOX® projects through Special Purpose Vehicles ("SPVs"), one SPV holding one project. When storage site operators wish to be seen as a renewable energy producer, the Group derives its revenues from a long-term purification service contract signed with the storage site operators. The SPVs are financed by the Group's equity, bank and bond debt. They own the assets and sell the biomethane.

As at 31 August 2021, the Group operates 10 WAGABOX® units in France, at storage sites operated by industrial operators (including Suez and Veolia) or local authorities (such as Lorient-Agglomération).

[2] *https://www.europeanbiogas.eu/wp-content/uploads/2020/06/GIE_EBA_BIO_2020_A0_FULL_FINAL.pdf*

This fleet, representing a maximum installed capacity of 225 GWh/year, can supply around 35,000 households and avoid the atmospheric emission of 45,000 tonnes of CO_2 eq. per year by replacing fossil natural gas.

Nine new WAGABOX® units are under construction, including one in Spain and two in Canada. The unit to be commissioned near Barcelona is financed through a long-term Power Purchase Agreement ("PPA"), modelled on those widely used by renewable electricity producers. This contract demonstrates the Group's ability to roll out its solution internationally, independently of any government support mechanism.

The Group now intends to roll out its technology on a large scale, primarily targeting Europe and North America, where there are thousands of well-managed storage sites and gas transmission grids. By equipping as many sites as possible with WAGABOX® units, the Group intends to make an active and rapid contribution to the fight against climate change. It measures its impact using three non-financial indicators:

- the volume of biomethane injected during the year (in millions of cubic meters);
- carbon emissions avoided (in tonnes of CO_2 eq./year);
- renewable energy production (in GWh/year);

The Group's objective is to have 100 WAGABOX® units in operation by the end of 2026, *i.e.*, an additional 90 WAGABOX® units (of which nine are currently under construction), it being specified that as of the date of this Registration Document, the Group has initiated around 98 projects (*i.e.*, projects in the commercial discussion phase) and has identified more than 300 additional opportunities in countries considered strategic.

As at the date of the Registration Document, the Group estimates that the annual contractual recurring revenue contracted[3] on the basis of the projects signed and combined with the projects in operation would amount to approximately €30 million.

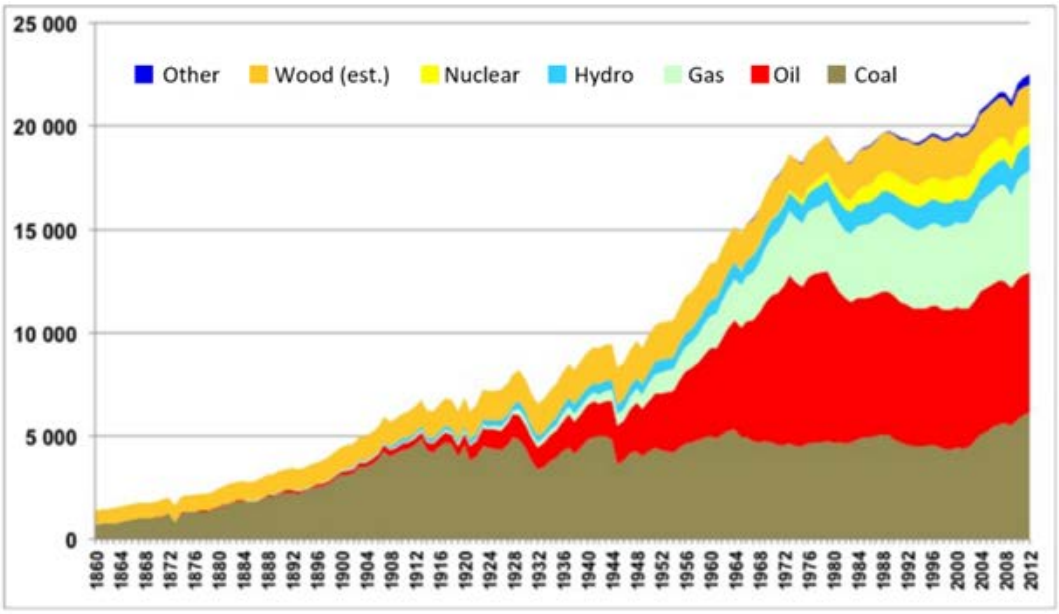
5.1.1 The urgency of the energy transition

5.1.1.1 Dependence on fossil fuels

For nearly 150 years, the development and prosperity of contemporary societies have been based on the use of fossil fuels: oil, coal and gas. Fossil fuels still account for nearly 85% of our energy consumption today.

[3] *The annual contractual recurring revenue correspond to the revenues anticipated by the company over a period of 10 to 20 years in the context of long-term biomethane sales contracts or purification services. In the case of a biomethane sales contract, the revenue depends on the sale price to an energy provider (purchase obligation over the term of the contract) and on the sales volumes anticipated by the Company on the basis of biogas audits carried out upstream for each project. Consequently, this level of annual recurring and contracted revenues of around €30 million is not a forecast figure. It is intended to represent the potential of the WAGABOX® fleet once installed (taking into account the staggering of WAGABOX® commissioning).*

Fig. 1: Change in final energy consumption by source



Source: https://jancovici.com/transition-energetique/l-energie-et-nous/lenergie-de-quoi-sagit-il-exactement/, compiled by the author from primary sources. Shilling et al. 1977, BP Statistical Review 2019, Smil 2019.

This situation generates major difficulties:

- the intensive use of fossil resources and the resulting removal of fossil carbon increase the concentration of greenhouse gases ("GHG") in the atmosphere. The concentration of carbon dioxide (CO_2) has increased by 40% since 1750[4]. This causes a rapid rise in average temperatures on earth, which disrupts the balance of the biosphere and its ecosystems on which humanity depends;

- the unequal distribution of fossil resources on the planet generates geopolitical tensions between producing countries and those that do not have them; and

- the gradual depletion of fossil resources will lead to their scarcity and an increase in the cost of accessing and exploiting these resources.

The energy sector needs to undergo a major transformation, the success of which depends on energy sobriety and the widespread development of renewable energies. This development involves a radical change in production, transportation and distribution infrastructures, as well as in consumption behaviors.

5.1.1.2 The rise of renewable energies

The contribution of renewables to final energy consumption is expected to increase from 10.5%[5] in 2018 to 17% in 2030 and to reach 25% in 2050, according to the International Renewable Energy Agency (IRENA).

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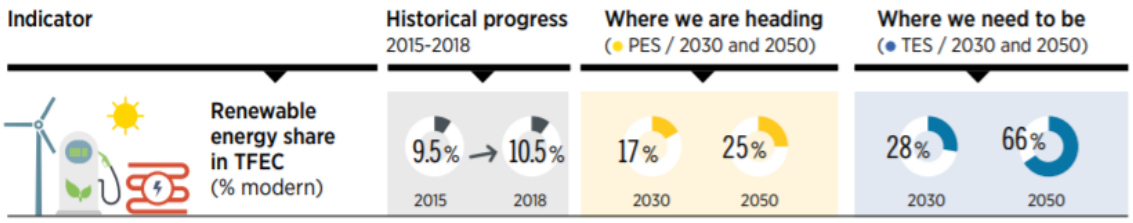
4 Source: Data and statistical studies, Ministry for the Ecological and Inclusive Transition, 2015

5 Excluding energy from traditional biomass. Renewable energies account for 18.1% of final energy consumption worldwide, taking into account energy from traditional biomass (Source: Center for Climate and Energy Solutions - 2017).



Source: IRENA "Global Renewables Outlook 2020"

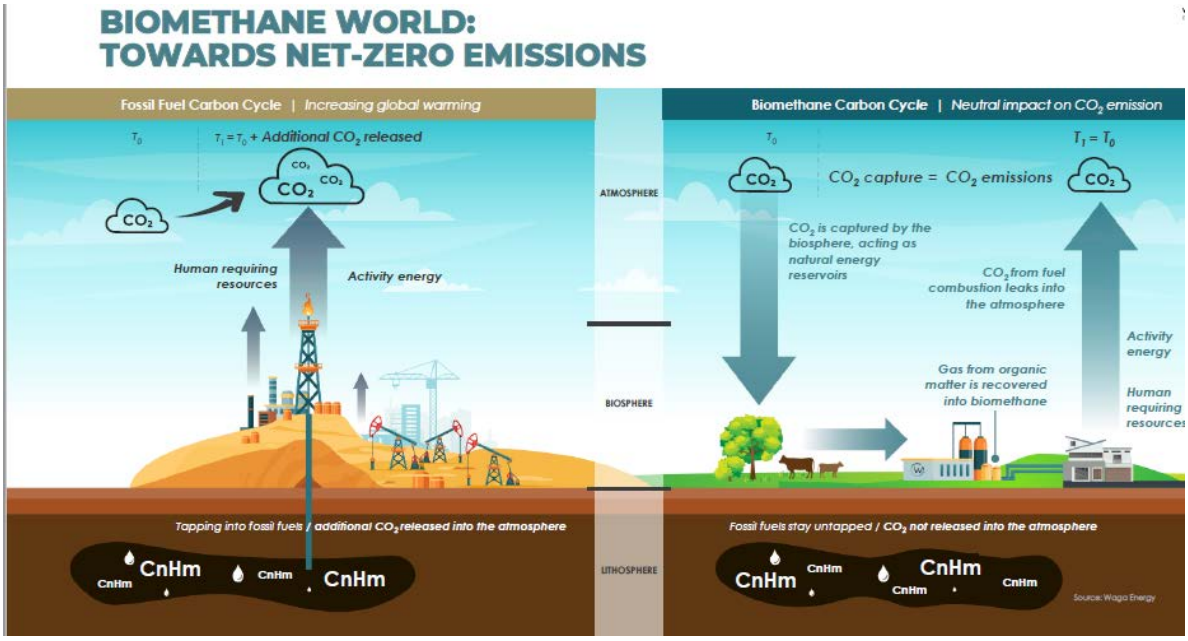
Today, biomass is the leading source of renewable energy in the global energy mix (11.6% taking into account traditional uses), far ahead of hydropower (3.1%) and wind (0.7%), geothermal, solar thermal (0.5%) and photovoltaic (0.2%) energies, according to the International Energy Agency's ("IEA") 2018 report. Biomass therefore represents 10 times the cumulative production of wind and photovoltaic power.

Despite the continued growth of renewable electricity (wind, photovoltaic and hydraulic), biomass should continue to play a central role in the energy mix: it has the advantage of being easily storable and supplying non-intermittent energy (unlike wind and photovoltaic power), and being able to meet multiple needs: heating, transportation, electricity production, etc.

Biomethane is a renewable energy gas produced from biomass. Its chemical composition is similar to that of fossil natural gas: similarly, it consists mainly of methane (CH_4), a high-performance fuel that emits fewer pollutants (particles, NOx, SOx, etc.) during combustion compared to coal or oil. In addition, the carbon molecules used in its composition come from the decomposition of organic matter, whereas in the case of natural gas they have been extracted from the ground.

Consequently, the carbon dioxide generated during the combustion of biomethane does not increase the amount of carbon present in the atmosphere: combustion only releases molecules that were already present there and were absorbed by living organisms during their development through photosynthesis (the "short carbon cycle"). There is therefore no addition of carbon to the atmosphere. Conversely, the combustion of natural gas unleashes fossil carbon into the atmosphere (the "long cycle") and contributes to worsening global warming.

Indirect reduction of GHG emissions—short carbon cycle



Source: Waga Energy

Total net emissions of biomethane produced in France injected into the gas grid and consumed in residential and commercial use amount to 23.4 g of CO_2 eq./kWh LCV according to the expected mix of the sector by 2023. This value is approximately 10 times[6] lower than that of natural gas and comparable to renewable electric and thermal energies.

5.1.2 The emergence of biomethane in the renewable mix

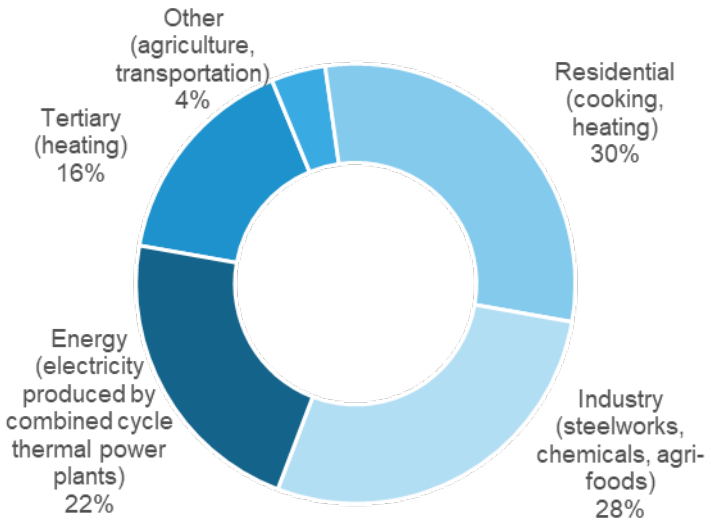
5.1.2.1 *A renewable gas with many uses*

Biomethane has many advantages: it can be stored and transported in existing gas infrastructures; and it has many uses: heating, transportation, industry, etc. It can also be used to generate electricity, in addition to intermittent renewable electricity sources (although this is not the most relevant use, as there are many ways to generate renewable electricity and very few means of producing renewable gas, which is useful for non-electrifiable uses).

Its development potential is all the more important as gas retains a crucial role in the energy mix due to its multiple uses (residential, heating, industry, electricity production, etc.). The share of natural gas in primary energy consumption should increase from 23% to 24% by 2040, while that of oil and coal will decline, according to the IEA.

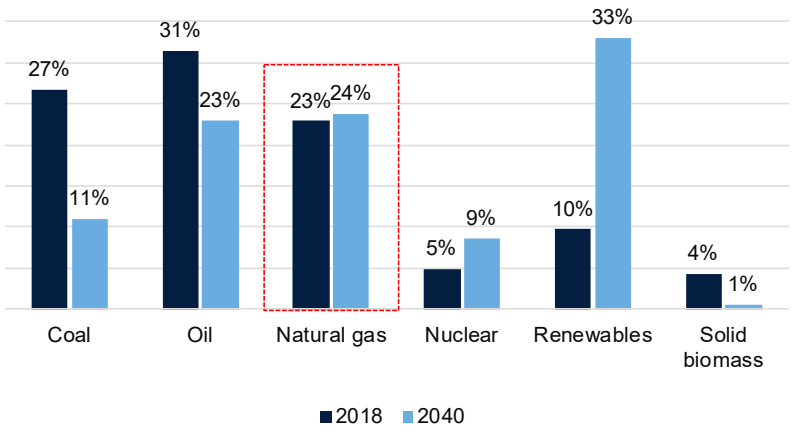
[6] *ENEA, 2020.*

Fig. 2: Main uses of natural gas in France



Sources: SDES, France's energy assessment in 2019

Fig. 3: Global primary energy demand by fuel*



Source: IEA 2020 | *sustainable development scenario

5.1.2.2 *Biomethane's potential to decarbonise the transport sector*

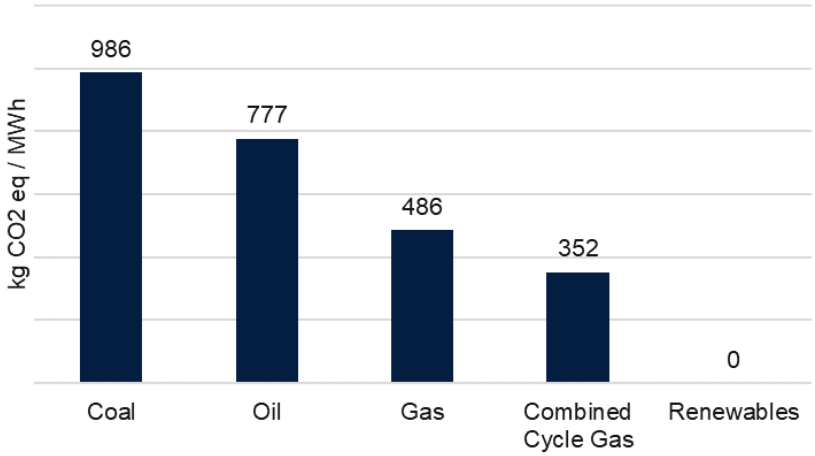
Biomethane offers the opportunity to decarbonise the transport sector on a massive scale, starting today, without making radical changes to existing infrastructures.

The transport sector accounts for 34.6% of our final energy consumption and 24.4% of greenhouse gas (GHG) emissions, according to the International Energy Agency (IEA). It is the second-largest contributor to GHG emissions, behind electricity and energy production.

To reduce their environmental impact, transport operators now use vehicles running on natural gas, termed Natural Gas Vehicles (NGVs) or BioNGV (*i.e.*, biomethane). According to data from the ADEME carbon database, NGVs emit 6% less CO_2 than Diesel, and BioNGVs emit 80% less CO_2 less than Diesel.

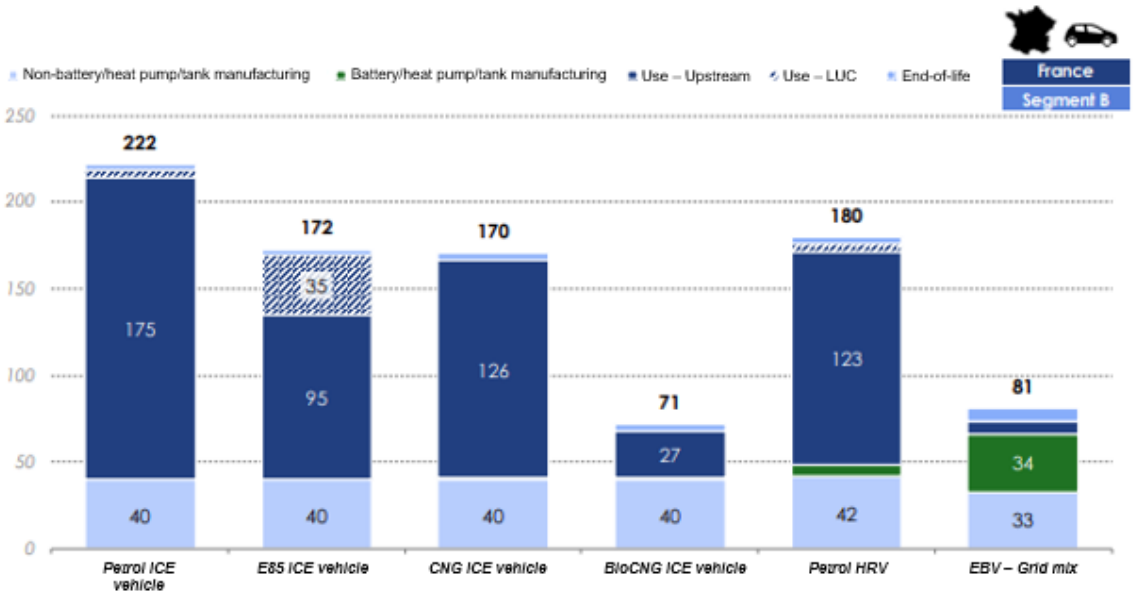
Twenty-six million vehicles run on natural gas worldwide, making it the leading alternative fuel. NGV engines emit less carbon dioxide, nitrogen oxides (NOx) and particulate matter. Vehicles running on BioNGV are even more virtuous: their lifecycle GHG emissions are lower than those of electric vehicles, according to a study by Carbone 4 on Alternative Engines.

Fig. 4: CO_2 emissions (kg/MWh) by fuel type



Sources: RTE France, ADEME, ENTSO-E

Fig. 5: Average carbon footprint over the lifetime of a car sold in 2020 (France–segment B | gCO_2 eq./km)



Source: Carbone 4

5.1.2.3 *Energy obtained by biogas purification*

Biomethane is obtained by the purification of biogas from the methanisation (or anaerobic digestion) of organic matter, *i.e.*, the fermentation of organic matter in an environment deprived of oxygen. This phenomenon occurs spontaneously in marshes, paddy fields, wastewater treatment sludge or waste

storage sites (“landfill sites” or more commonly “landfills”). It can also be produced artificially in a “methaniser” fed with organic waste (slurry, manure, agricultural or agro-industrial waste).

The biogas produced by methanisation contains between 40% and 60% methane, mixed with carbon dioxide (CO_2) and various other gases in low concentrations (nitrogen and hydrogen sulphide in particular). Its energy power is directly related to the methane concentration and can vary from 4 to 7 kWh/m^3. It can be burned directly in an engine or turbine to produce electricity and heat. However, unlike biomethane, it cannot be stored or transported in existing gas grids as it does not meet the quality requirements of the grids.

Biogas can also be purified to produce biomethane. The operation consists of increasing the concentration of methane to increase its energetic power up to 11 kWh/m^3. Biomethane containing at least 97% methane has properties identical to those of fossil natural gas. It can thus be injected directly into existing gas grids to supply households and businesses. It can also be compressed to be used as fuel (BioNGV) for vehicles or boats/vessels.

Different technologies can be used to purify biogas, depending on its origin. The biogas produced in a controlled manner in a methaniser is relatively simple to purify. On the other hand, biogas generated spontaneously by landfills is very difficult to purify because it is unpredictable, mixed with air (oxygen and nitrogen) and contains numerous pollutants. This explains why the recovery of landfill gas in the form of biomethane has not been more extensively developed.

Fig. 6: Main sources of biogas to be recovered for biomethane production

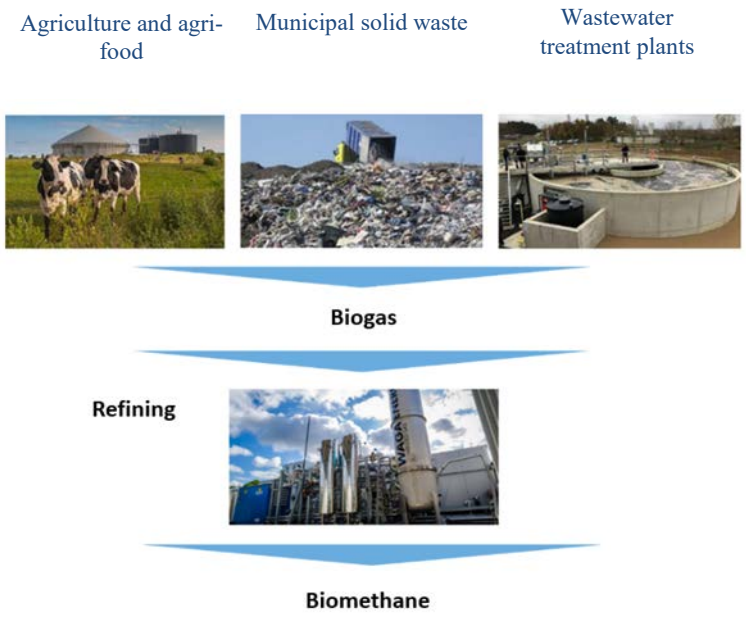
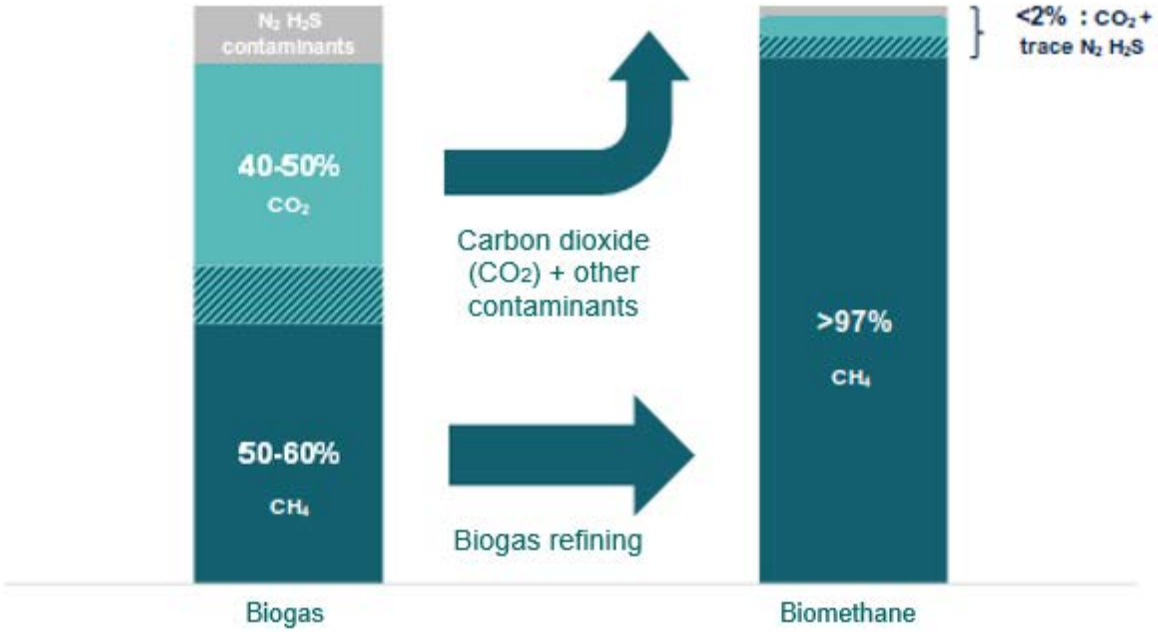


Fig. 7: From biogas to biomethane



Source: Waga Energy

5.1.2.4 *Biomethane helps reduce methane emissions*

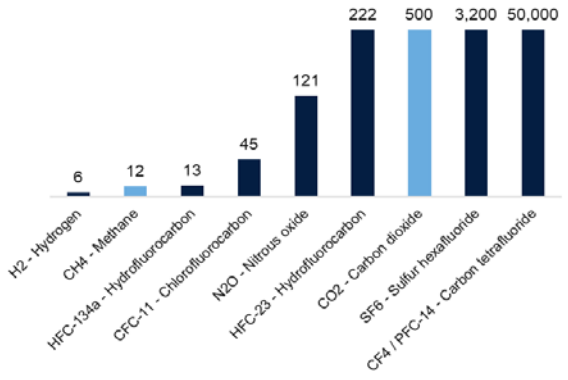
In addition to its interest as a substitute for fossil natural gas, the production of biomethane helps to reduce methane emissions into the atmosphere.

Methane is not only an energy gas: it is also a powerful greenhouse gas, with a global warming potential (GWP) that is 84 times that of carbon dioxide (CO_2) over a period of 20 years. Although it disappears after 10 years, its GWP is still 28 times that of CO_2 over a period of 100 years (Source: IPCC).

The concentration of methane in the atmosphere has increased by 150% since the beginning of the industrial era. It is the second-largest contributor to global warming, after carbon dioxide. While some methane emissions come from natural sources (paddy fields, marshes, animal digestion, etc.), more than half are linked to human activity, particularly agriculture, waste treatment and the use of fossil fuels.

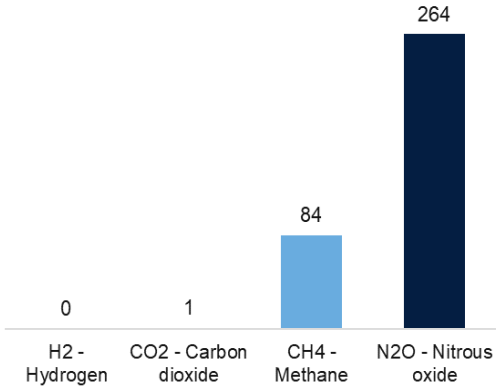
Capturing methane to transform it into biomethane is therefore an effective way to achieve the objective of reducing GHG emissions by 30% by 2030 (compared to the 1990 level) set by the European Council in 2014.

Fig. 8: **GHG emissions – lifetime in the atmosphere (years)**



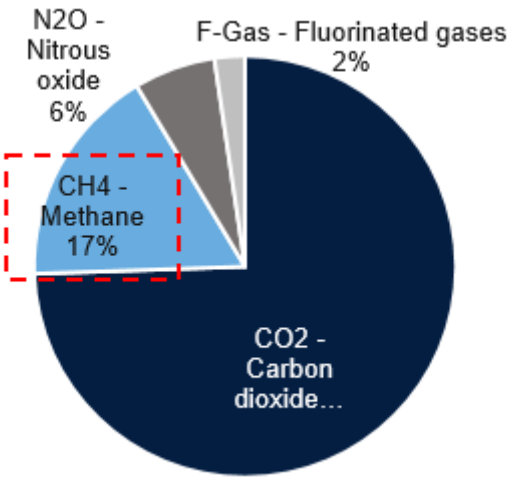
Source: Climate Change 2013: The Physical Science Basis

Fig. 9: **GHG emissions – GWP over 20 years**



Source: Climate Change 2013: The Physical Science Basis

Fig. 10: Breakdown of greenhouse gas emissions by type of gas (CO_2 equivalent)



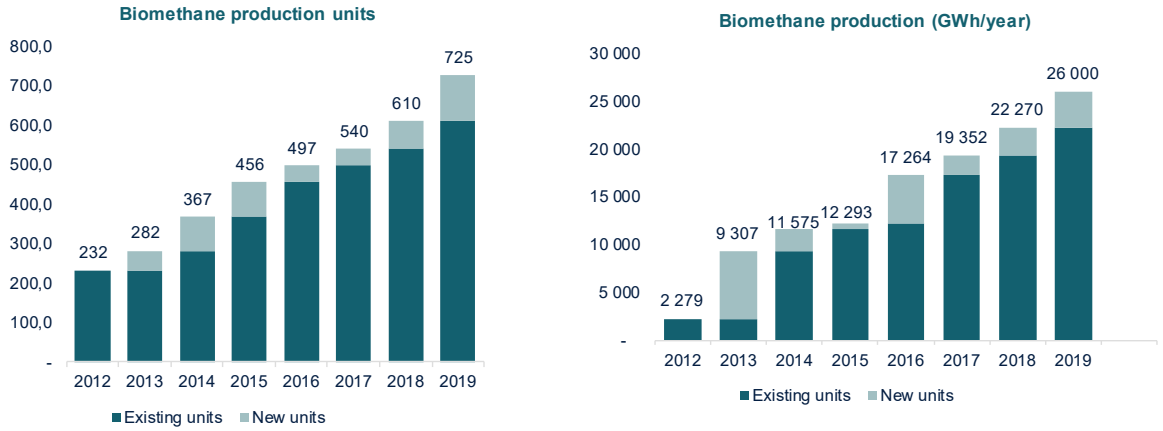
Source: Climate Watch

5.1.3 Biomethane at the heart of political and economic strategies

5.1.3.1 *Green energy boom in Europe and North America*

Biomethane has grown rapidly over the past 10 years, particularly in Europe and North America. Biomethane production in Europe thus increased by 27% in 2020 to reach 28 TWh. Growth was particularly strong in France thanks to the introduction of a feed-in tariff mechanism in 2011: the installed base comprised 214 sites in 2020 (+74%) for a total capacity of 3.8 TWh (+82%), according to the 2020 Biomethane Observatory.

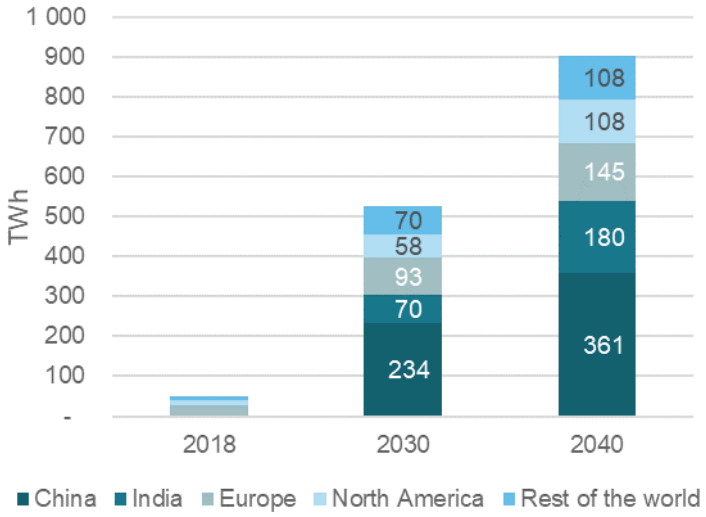
Fig. 11: Number of biomethane production units in Europe and production (GWh/year)



Source: European Biogas Association—2019

The biomethane market is still young but demand will accelerate in the coming years according to the estimates below. Global consumption could reach 527 TWh/year in 2030 and 902 TWh/year by 2040 (compared to less than 50 TWh/year in 2018) according to the International Energy Agency (SPS—Stated Policies Scenario 2018–2040). Europe is expected to see its consumption increase six-fold to reach 145 TWh/year by 2040.

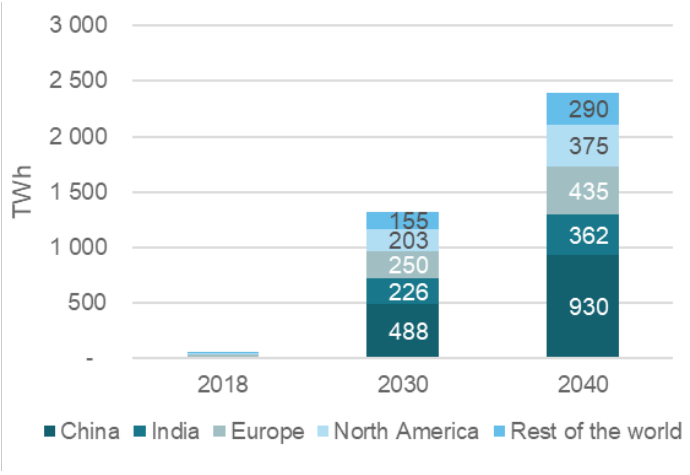
Fig. 12: Global biomethane consumption under the SPS 2018–2040 scenario



Source: AIE

In a more ambitious scenario, the IEA estimates that the consumption of biomethane could reach 1,322 TWh in 2030 and 2,392 TWh in 2040 (SDS—Sustainable Development Scenario). This level of consumption would avoid the emission of 1,000 million tonnes of GHG, *i.e.*, the equivalent of the emissions of a country such as India (that figure includes (i) CO_2 emissions that would have occurred if natural gas had been used instead of biomethane, as well as (ii) the methane emissions that would have resulted from the breakdown of raw materials if they had not been recovered).

Fig. 13: Global biomethane consumption under the SDS 2018–2040 scenario



Source: AIE

The global energy potential of biomethane is estimated by the IEA at 8,500 TWh. It could thus cover around 20% of the current global consumption of natural gas.

5.1.3.2 *Methanisation: an expensive technical solution*

Fig. 14: Methaniser in Germany

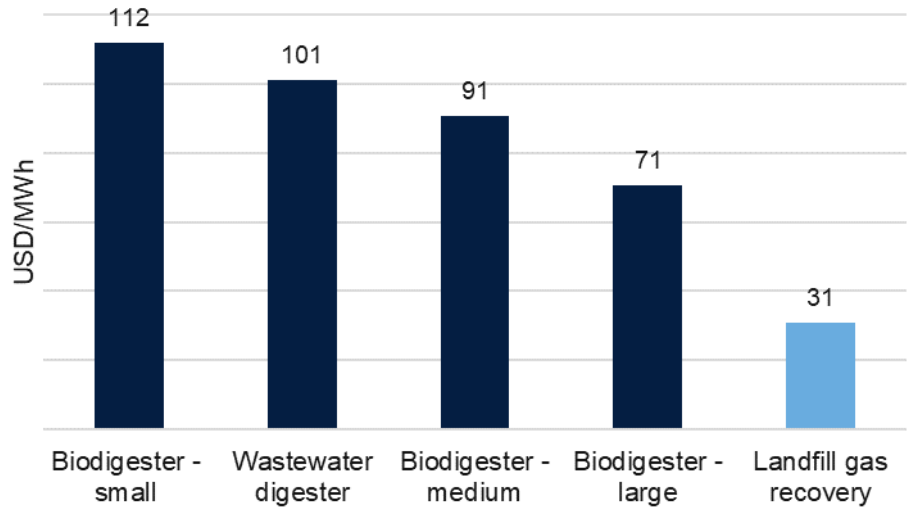
Source: Google Images

The production of biomethane today mainly comes from the purification of biogas from methanisation. The process consists in storing sorted organic waste (generally of agricultural or agri-food origin) in a digester, inside which favourable conditions are created for the development of microorganisms. The biogas obtained, which mainly consists of methane and carbon dioxide, is then purified to obtain biomethane, which can be injected directly into the gas grid.

According to the IEA, the cost of producing biomethane through methanisation is between €60 and €95 per MWh, taking into account the costs of the methaniser, the purification unit and inputs. It is therefore significantly higher than that of fossil natural gas (around €40 per MWh in August 2021).

The cost of producing biomethane is the main obstacle to its development. This is why the development of this renewable energy, which is extremely relevant for decarbonising the energy mix, remains dependent on support mechanisms put in place in each country and the political commitment of governments and the resources allocated by public finances (see in particular Section 3.4.3 “Risk related to an unfavourable change in regulations or public policies supporting renewable energies and guarantees of origin”).

Fig. 15: Average biomethane production costs (including raw material costs)



Source: IEA, 2018

5.1.3.3 *Ambitious public policies*

Biomethane is at the heart of the energy and economic strategies of many countries. In addition to its environmental interest, it meets important geostrategic challenges: produced and consumed locally, it contributes to the energy independence of States.

In France, the Energy Transition for Green Growth Act ("LTECV") sets a target of 10% renewable gas in the grids by 2030. On the basis of the proactive scenario of the forward-looking multi-year gas assessment for 2017–2035, GRDF even estimates that it is possible to reach 30% by 2030.

At the European level, the ambition of the Gas for Climate consortium, gathering the main gas transmission operators, is similar, with the objective of reaching 11% renewable gas in the grid by 2030.

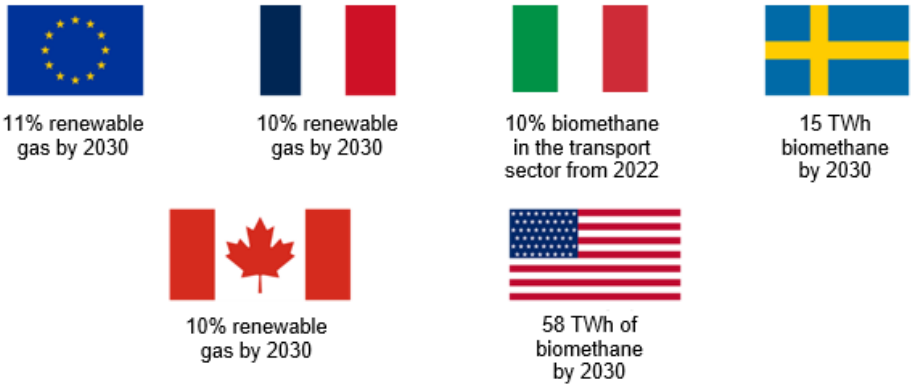
In Italy, the government adopted a ministerial decree in March 2018 to support the production of biomethane fuel. The objective is to reach 10% biofuels (mainly biomethane) in the transport sector by 2022.

Sweden's ambition is to produce 15 TWh of biomethane and biogas by 2030, compared with the 50 TWh of global demand in 2018.

Beyond Europe, Canada and the United States are also aiming high. In Canada, the Quebec grid operator Énergir is targeting 10% biomethane to be injected into the grid by 2030. The US aims to produce 58 TWh of biomethane by 2030, which is higher than global demand in 2018 (50 TWh).

Major oil companies, including TotalEnergies, BP and Shell, now consider biomethane as a strategic energy source.

Fig. 16: Targets for the integration of biomethane worldwide

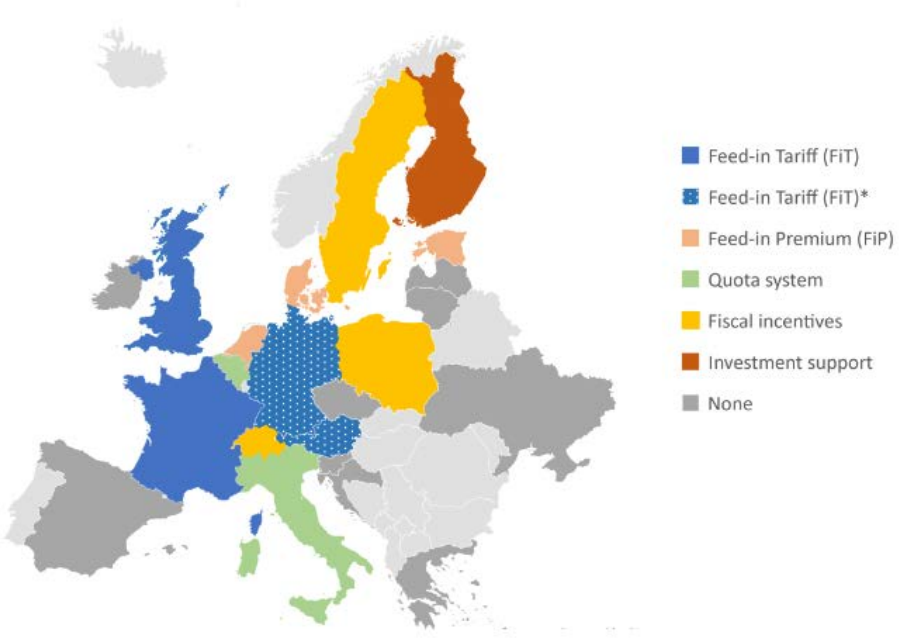


Sources: IEA 2020, Regatrace 2020, GRDF 2019, Énergir

5.1.3.4 *An energy subsidised in several countries*

Several countries, including France, Italy, Canada and the United States, have set up support mechanisms for the development of the biomethane sector. These mechanisms, from which most of the projects developed by the Company benefit, can take different forms from one country to another. They may include: (i) a price with a purchase commitment (feed-in tariff), (ii) a quota system, (iii) a subsidy on investments (capex), (iv) tax benefits, or (v) a sales price premium.

Fig. 17: Support mechanisms in Europe



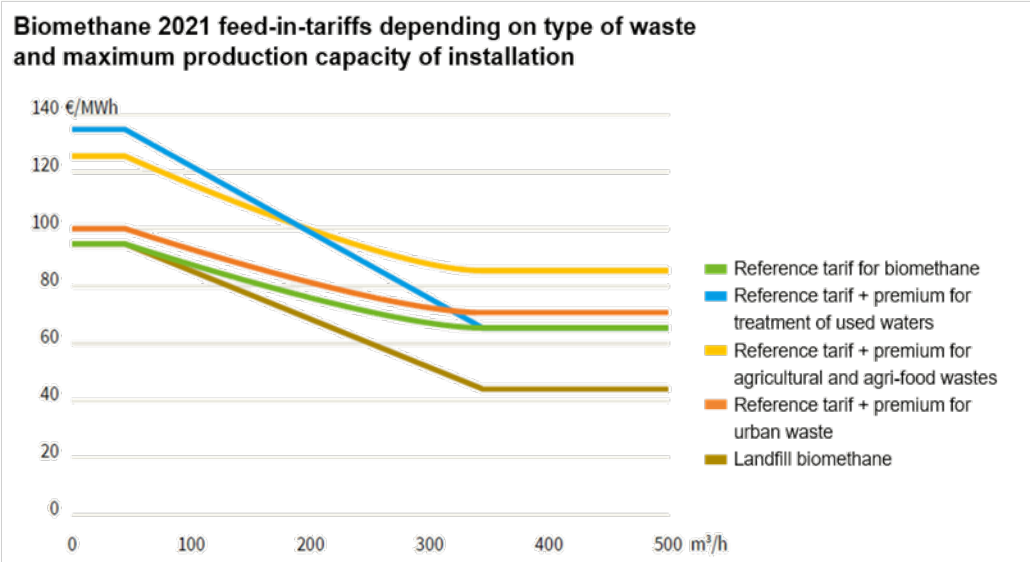
Sources: AIE, Regatrace, GRDF, Énergir

In France

In 2011, the public authorities introduced a tariff with a commitment to purchase biomethane injected into the gas grids. This system offers project leaders the guarantee that they will be able to sell their production at a price set by ordinance for a period of 15 years.

The purchase price for biomethane from a methaniser is between 64 and 139 €/MWh, depending on the maximum capacity of the production unit (expressed in Nm^3/h) and the nature of the inputs. The purchase price for biomethane produced by the purification of gas from non-hazardous waste storage facilities (storage sites) is the lowest of all: it is between 45 and 95 €/MWh, depending on the maximum capacity of the unit.

Fig. 18: Biomethane purchase price in France(*)



Source: GRDF

(*) tariffs amended at the end of November 2020 by the ordinance of 23 November 2020 setting the conditions for the purchase of biomethane injected into natural gas grids

In the United Kingdom

The United Kingdom has set up a support mechanism similar to that of France, with a guaranteed purchase price indexed to the capacity of the production unit. The government announced that in autumn of 2021, they would be launching a programme to support green gas (Green Gas Support Scheme), with the aim of accelerating the development of the sector. Several incentive systems make it possible to produce biomethane for renewable heat *via* the RHI (Renewable Heat Incentive) and for road transportation *via* the RTFO (Renewable Transport Fuel Obligation).

Fig. 19: Biomethane purchase price in the UK

	Biomethane production (MWh)	Tariff rate
Category 1	60,000 (from 40,000 vs RHI)	5.51 p/kWh
Category 2	The next 40,000	3.53 p/kWh
Category 3	More than 100,000	1.56 p/kWh

Source: GGSS

In Italy

The promotion of biomethane is ensured by the allocation of certificates of release for consumption ("**CIC**"), issued to players who provide non-renewable fuels for consumption. The number of CICs that these players are required to hold must be sufficient to cover the share of energy corresponding to the obligation to release biofuels for consumption, which is determined each year. A CIC is allocated for every 10 GCal of biomethane produced and released to producers for consumption.

A favourable tariff is provided for the first 10 years of operation: the Governmental Energy Services Management Agency designated as a "GSE" will purchase the biomethane at a price equal to that of the MPGAS (spot market price) reduced by 5% and will recognise a value of €375 per CIC. Biomethane producers also have the option of choosing another type of subsidy: they can decide to sell the CIC and biomethane themselves.

In Spain

In 2012, the government suspended the feed-in tariffs for renewable energies and the subsidies allocated for the recovery of livestock manure. There is currently no support mechanism for biomethane production, but investment subsidies are gradually being introduced.

In Germany

Support for biomethane production depends on its use. Biomethane used to produce electricity is indirectly subsidised through a mechanism to support the production of renewable electricity. For electricity production, the law on renewable energies (Erneuerbare Energien Gesetz – "EEG"), introduced in 2000 and last adjusted in 2012 (EEG 2012), provides for a technological bonus. The production units benefit from subsidies based on their production capacity:

Production capacity	Associated subsidy
1 to 700 m^3/h	3 ct/kWh
700 to 1,000 m^3/h	2 ct/kWh
1,000 to 1,400 m^3/h	1 ct/kWh

The EEG programme, modified in 2021, aims to achieve a share of 65% electricity produced from renewable energy sources by the year 2030. To achieve this objective, the changes include the introduction of calls for tenders organised by technology. As such, biomethane benefits from a separate call for tenders of 150 MW per year.

The use of biomethane in the transport sector is supported by the Federal Law on Combating Pollution (Bundes-Immissionsschutzgesetz—BImSchG), which requires oil companies to reduce their carbon footprint. A penalty of up to 470 €/tonne of CO_2 issued in excess of regulations may be applied.

Finally, companies using biomethane benefit from a tax deduction on the application of the energy tax.

In Canada

The Federal government supports the production of biomethane through investment subsidies.

In Quebec, the natural gas distributor Énergir is required to increase the proportion of biomethane in its grid to 5% in 2025, and to 10% in 2030 (Source: Énergir). To this end, it has implemented a biomethane procurement policy based on the signing of long-term contracts (20 years) at a fixed price. The Province of Quebec also grants subsidies to biomethane injection projects, which can cover up to 50% of the cost of the facilities and connection.

In British Columbia, the energy distributor Fortis BC also offers biomethane producers procurement contracts for up to 20 years, with the objective of incorporating 15% renewable gas into its grid by 2030.

United States

At the federal level, the Environmental Protection Agency ("US EPA"), which administers the Renewable Fuel Standards ("RFS"), imposes a minimum volume of renewable fuel production (RVO) based on expected petrol and diesel consumption for the year and legislative requirements of the RFS programme. Fuel refiners and importers must therefore purchase credits, called Renewable Identification Numbers (RIN), to reach the RVO. One RIN is equivalent to one US gallon of renewable fuel produced. Its price varies from 5 US dollar cents to 3.5 US dollars, depending on the type of fuel and the market, and is around 1.70 US dollars for biofuel. Considering that one US gallon (gal) of biofuel corresponds to 0.022 MWh of electricity (EPA formula), the cost of one MWh of renewable biofuel from the quota can be estimated at around 65.5 €/MWh.

In California, a second system of quotas for biofuel is combined with that of RINs. The Low Carbon Fuel Standard (LCFS) is designed to reduce carbon intensity in California's transportation fuels. Its specificity lies in the attribution of an order of merit to the various biofuels according to their carbon intensity ("CI"), *i.e.*, the emissions that they help to avoid. One LCFS credit per tonne of CO_2 avoided is attributed to biofuel producers.

5.1.3.5 *Prospects for carbon emission taxation: increasing pressure on fossil fuels*

The competitiveness of biomethane could improve with the increase in carbon prices and the application of new taxes on fossil fuels.

In 2005, Europe set up the European Union Emission Trading Scheme (EU ETS), as part of the ratification of the Kyoto Protocol. This European exchange enables manufacturers from different sectors (electricity, steel, cement, etc.) to buy and sell quotas to offset their polluting emissions.

In 2020, the price per tonne of carbon in the EU ETS increased by 33%, despite a drop in emissions linked to the economic slowdown caused by the COVID-19 epidemic. Since the beginning of 2021, the price per tonne of carbon has risen by almost 50% and for the first time passed the symbolic bar of €50. Until last December, the prices of these "rights to pollute" were negotiated at less than €30 per tonne.

This increase is linked to the announcement by the European Commission of a higher target for reducing CO_2 emissions, which is expected to reach 55% by 2030 (compared to the 1990 level) with a view to achieving carbon neutrality by 2050.

A reform of the carbon market aimed at strengthening the incentive nature of the mechanism is currently being studied. It could lead to an expansion of the number of sectors affected by the system and a reduction in the allocation of free rights.

The increase in carbon prices in the EU ETS is likely to strengthen the competitiveness of renewable energies and biomethane in particular.

Fig. 20: Change in CO_2 prices in Europe (EU ETS credit)

Source: Ember

5.1.3.6 *The guarantee of origin system: a framework ensuring traceability between producers and consumers committed to greener energy*

In several European countries, the traceability of the biomethane injected into the gas grid is ensured by the Guarantees of Origin ("GO") system: each megawatt hour gives rise to the issuance of an official electronic document certifying the date, location and origin of the production, the identity of the buyer and that of its end user. Thus, the GO serves to prove to the end customer that a share or a certain amount of energy has been produced from renewable sources. GOs are transferred as and when energy is transferred (sale of biomethane). In France, the GO register is managed by the grid operator GRDF. This system enables private individuals and companies to be sure that the energy they consume is renewable.

The creation of a European Renewable Gas Registry ("ERGaR") in July 2021 is encouraging the emergence of a single GO market and facilitating trade between countries. This initiative provides a framework for consumers wishing to benefit from local and environmentally friendly energy. It should create a favourable dynamic for the development of the renewable gas sector.

At the same time as the GO mechanism, there are other methods to encourage the production of biomethane through favourable taxation for consumers of "green" energy in Europe. For example, Sweden (whose tax system is based on a high carbon price) allows the importation of "certificates of origin" from Danish biomethane, the use of which is tax-exempt in Sweden.

Lastly, Law No. 2021-1104 of 22 August 2021 on combating climate change and strengthening resilience to its effects has created a system of biogas production certificates that can be issued by producers to suppliers, who are required to demonstrate evidence of such certificates to the State (Articles L. 446-31 et seq. of the French Energy Code). Such a system cannot be combined, for the same amount of energy, with that of the GOs (Article L. 446-40 of the French Energy Code).

5.2 Waga Energy, the specialist in the recovery of landfill gas in the form of biomethane

The Group was created in 2015 in the Grenoble region by three engineers specialising in gas engineering and committed to the fight against climate change, supported by several experts. The Group is implementing internationally a purification technology called WAGABOX®, which enables methane to be recovered from landfill gas to produce biomethane, which can be injected directly into gas distribution grids. This technology provides clean, local and renewable energy that replaces fossil natural gas. It also helps to reduce fugitive emissions of methane at waste storage sites.

The Group uses the WAGABOX® technology as part of a developer-investor-operator model. The Group buys landfill gas from waste storage site operators, finances the construction and operation of

WAGABOX® units, and generates revenue by reselling the biomethane produced to energy companies. If the storage site operator wishes to be seen as a biomethane producer, the Group generates revenue by invoicing it for the operation of the WAGABOX® unit.

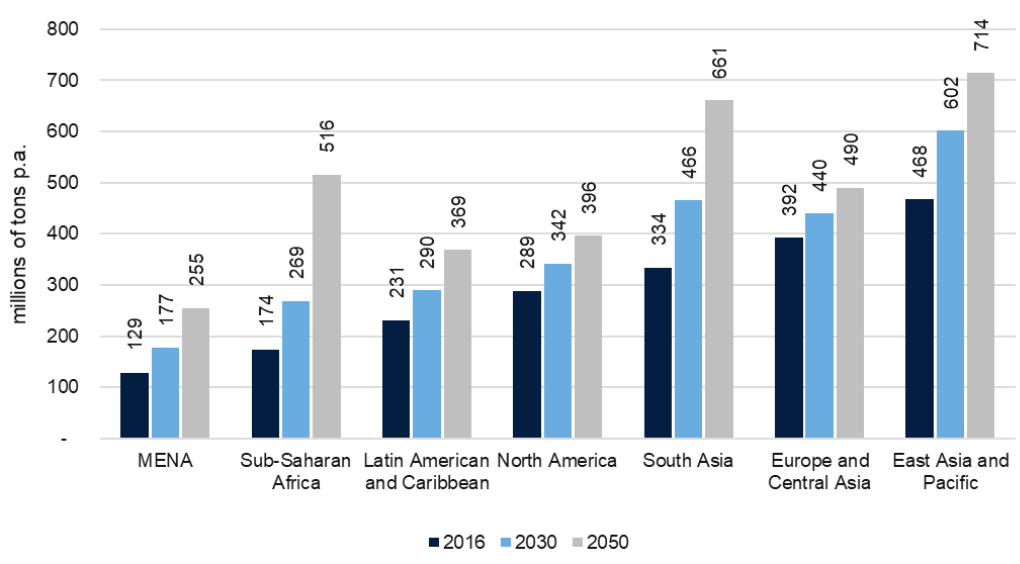
By recovering landfill gas, a by-product of waste treatment, the Group is able to market large volumes of biomethane at a price that it considers competitive, in support of the energy transition.

5.2.1 Biomethane from landfill gas: a renewable energy source and a solution to climate change

5.2.1.1 *Storage: the number one waste treatment method worldwide*

People produce more than two billion tonnes of waste per year. This figure is expected to increase in the coming years due to urbanisation and population growth. It should reach 2.6 billion tonnes in 2030 (+28%) and 3.4 billion tonnes by 2050 (+70%), according to World Bank estimates.[7]

Fig. 21: Production of household and similar waste worldwide

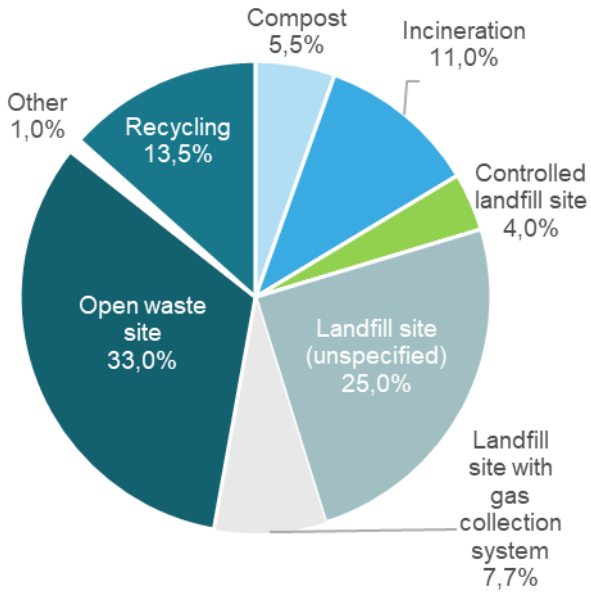


Source: World Bank

Only 13.5% of this waste is recycled worldwide (barely 50% in Europe, according to the European Environment Agency). About 70% of waste ends up in landfills for storage. This term covers a wide range of situations: waste storage facilities in developed countries are highly controlled industrial facilities that manage the environmental impact and implement energy recovery solutions. Conversely, in some countries, landfills can be simple holes in which waste is piled up, without sealing to protect the soil, groundwater or the atmosphere.

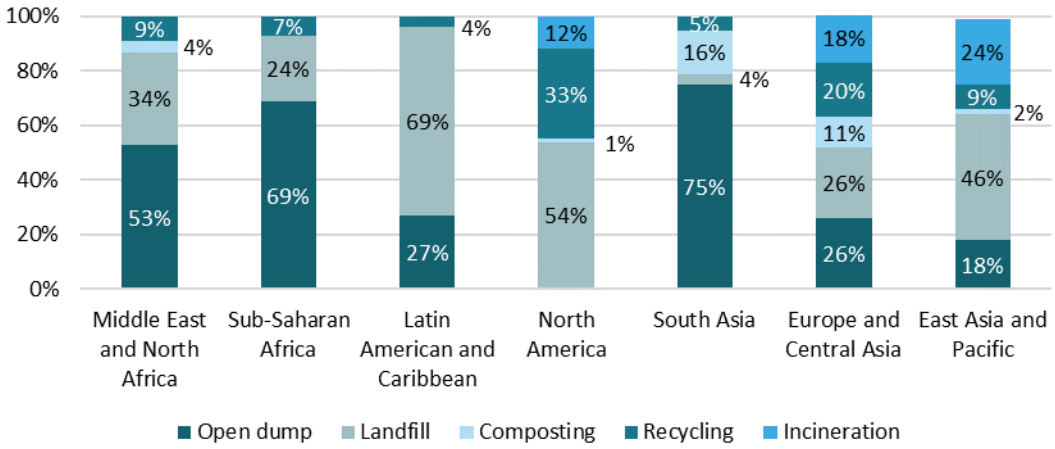
[7] *What a Waste: An Updated Look into the Future of Solid Waste Management.*

Fig. 22: Overview of waste treatment worldwide: 70% of waste is stored



Source: What A Waste (World Bank)

Fig. 23: Municipal waste treatment methods worldwide(*)



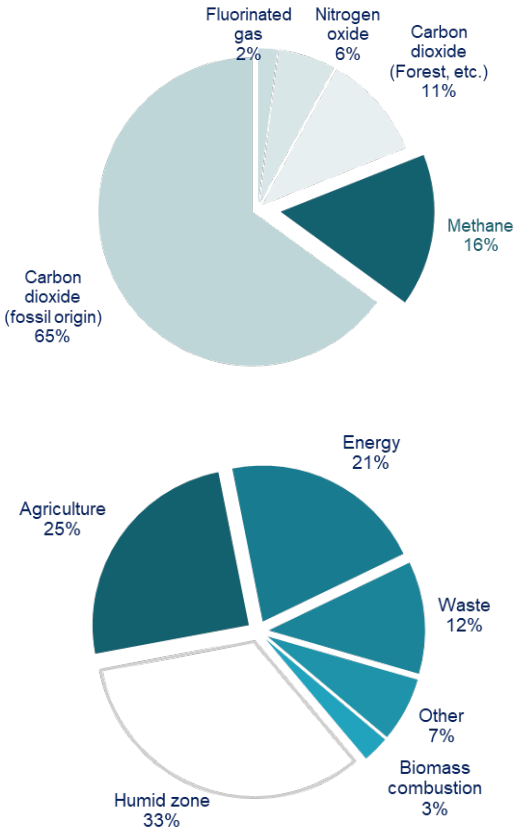
Source: World Bank
(*)CET: Technical landfill centre

Landfilled waste always contains some organic matter (diapers, food scraps, etc.). During decomposition, these organic materials naturally and spontaneously produce a gas containing a significant proportion of methane, a powerful greenhouse gas, the direct emission of which into the atmosphere contributes to global warming.

Waste management was responsible for 3.2% of greenhouse gas emissions in 2016, according to Climate Watch (latest data available). Landfills account for two-thirds of these emissions, *i.e.*, 2% of all greenhouse gas emissions (considering a global warming potential of 28 over a 100-year basis). By comparison, the air transport sector accounted for 1.9%[8] of global greenhouse gas emissions.

[8] *https://ourworldindata.org/co2-emissions-from-aviation.*

Fig. 24: Breakdown of greenhouse gas emissions and contribution to methane emissions



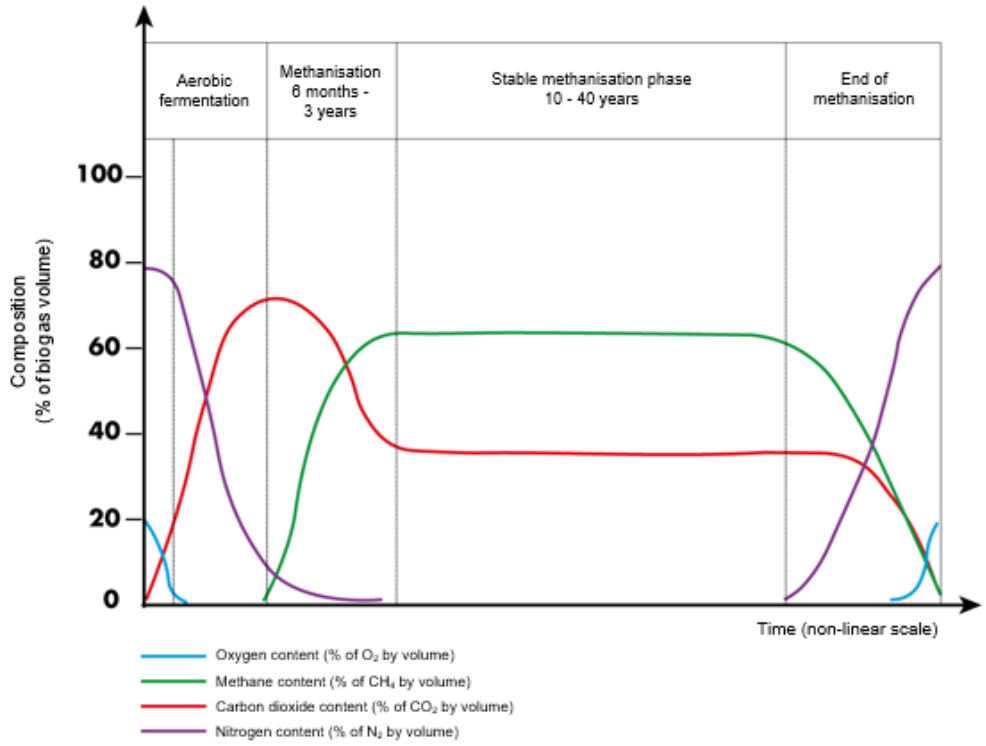
Sources: Climate Watch, World Resources Institute

5.2.1.2 *Landfill gas formation*

The decomposition of organic matter contained in buried waste (between 25% and 50% of tonnages) in a humid environment deprived of oxygen spontaneously produces biogas, mainly consisting of methane (CH_4) and carbon dioxide (CO_2), as in a methaniser. Operators must capture it to avoid fires and atmospheric pollution: methane is a highly flammable fuel and a powerful greenhouse gas.

The biogas is gathered using a network of wells and pipelines connected to a compressor. As these devices, like the waste mass, are never perfectly airtight, they also suck in air (oxygen and nitrogen), as well as various Volatile Organic Compounds (VOCs) from waste (paint, aerosol, etc.).

Fig. 25: Spontaneous methanisation process within the waste mass



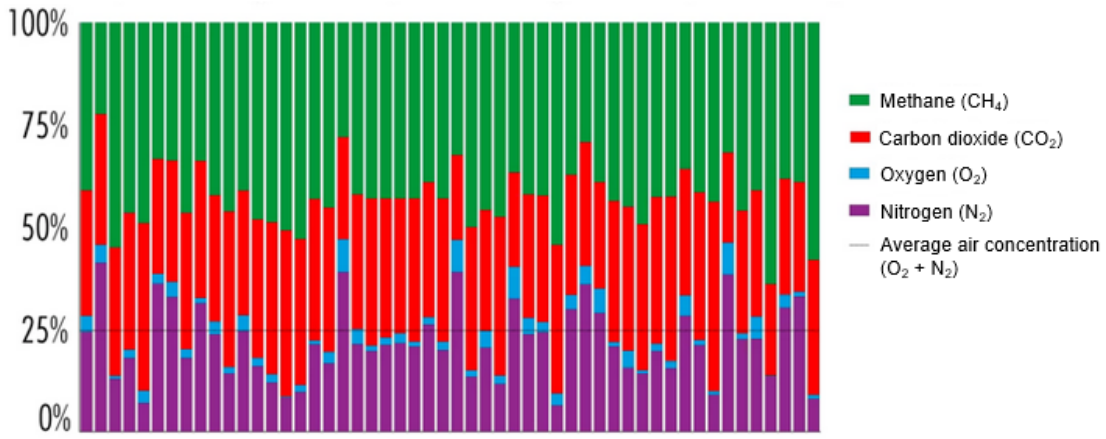
Source: Waga Energy

Gas that is flared or arrives at the recovery unit is made up from three distinct gas sources: (i) biogas generated by the fermentation of organic matter, (ii) air that enters the collection network, and (iii) Volatile Organic Compounds (VOCs).

Landfill gas consists of 40% to 50% methane, mixed with carbon dioxide, oxygen, nitrogen and various pollutants. However, its chemical composition varies depending on many criteria: the nature of the waste stored, the progress of the organic matter fermentation process, the seals on the collection system, compressor settings, etc. Resulting from a biological process, the meteorological conditions also influence its composition (notably temperature, humidity and atmospheric pressure) and its quantity.

Gas production from a storage site spans several decades. It increases steadily during the site's operational phase and peaks a few months after the last waste is added. It then gradually declines over several years, or even decades if the quantity of waste stored is significant, until the total decomposition of the organic matter.

Fig. 26: Gas composition of 52 typical landfill sites in Europe and North America



Source: Waga Energy

5.2.1.3 *Landfill gas purification: a technical and economic challenge*

Recovering methane from landfill gas and injecting it into gas grids on the one hand prevents methane emissions from entering into the atmosphere, and on the other hand, produces clean, local and renewable energy as a substitute for fossil natural gas.

To achieve this, the methane must be separated from the other components (carbon dioxide, oxygen, nitrogen, hydrogen sulphide and VOCs) until it reaches a concentration of 97%, to be compatible with the existing gas infrastructure. This operation is difficult to carry out under acceptable economic conditions:

- the separation of methane (CH_4) from oxygen (O_2) and nitrogen (N_2) is difficult to achieve because the molecules are of similar size;
- the mixture of methane and oxygen is potentially explosive under certain conditions;
- the flow rate and composition of the landfill gas are unpredictable and vary with the atmospheric conditions (temperature, pressure, humidity);
- the composition of the landfill gas varies from one site to another, depending on the nature of the waste, storage conditions and local atmospheric conditions;
- landfill gas contains pollutants and impurities that must be removed.

The purification technologies based on membrane filtration (gas permeation), physical or chemical washing, or pressure swing adsorption, used for the treatment of biogas from methanisers, are ineffective: they can separate methane from carbon dioxide, but not remove oxygen, nitrogen or Volatile Organic Compounds. Pollutants in landfill biogas can also reduce the effectiveness of these processes.

5.2.1.4 *Technical solutions deemed unsatisfactory*

A small number of players, mainly in the United States, have carried out landfill gas injection projects, combining several purification processes: membrane filtration (to separate out carbon dioxide) and pressure swing adsorption (to separate out nitrogen). However, this approach has drawbacks:

- the performance of nitrogen separation processes is greatly reduced when the nitrogen concentration is above 5% to 8%;
- the yield (methane recovery rate) decreases with increasing air concentrations;
- performance is reduced in the event of flow variations; and
- an additional process is required to remove oxygen (catalytic oxidation).

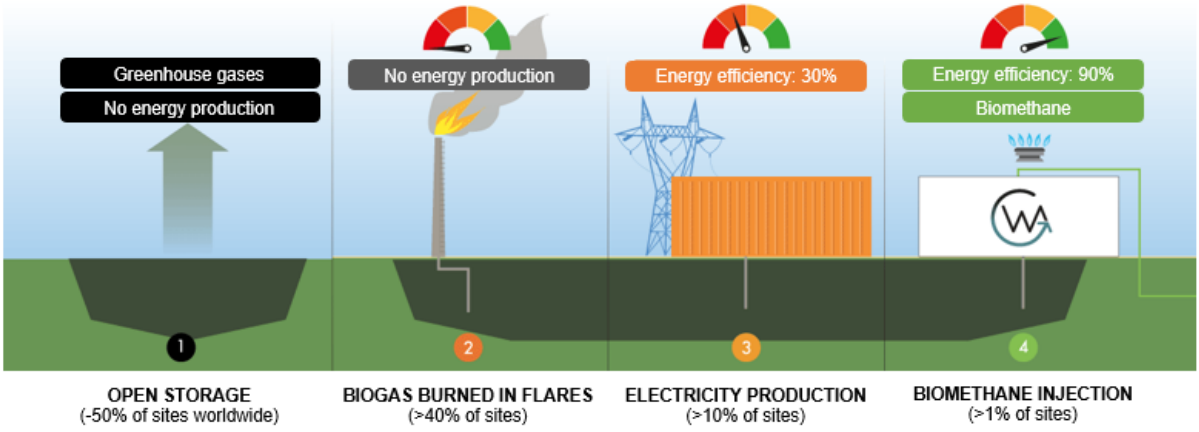
This solution is complex and very expensive. It can only be used on sites producing large volumes of gas, with a relatively low air concentration (below 10%). These constraints limit its implementation: around 70 storage sites currently recover their gas in the form of biomethane in the United States, out of a total of approximately 2,500 sites.

To date, the standard solution for recovering landfill gas is to burn it in a cogeneration engine to produce electricity and heat. However, the energy efficiency is low at around 65% when the heat can actually be used, which is rare, and falls to 30% when this is not the case due to the remoteness of the heating networks (storage sites are rarely located near urban areas). Cogeneration projects are profitable thanks to subsidies or other public support mechanisms.

In the absence of a satisfactory recovery solution, most waste storage sites simply burn the landfill gas in a flare to avoid methane emissions into the atmosphere. In countries where this is not mandatory, most of them let it escape into the atmosphere, thus contributing to global warming.

Millions of cubic metres of methane are lost every hour at storage sites around the world.

Fig. 27: Landfill gas treatment overview



Source: Waga Energy

The Group estimates that in 50% of cases, this gas is neither used nor flared. In 40% of cases, this gas is flared (*i.e.*, transformed into carbon dioxide during combustion to limit methane emissions, which have a much higher global warming potential than carbon dioxide). Thus, nearly 90% of landfills do not recover landfill gas, despite the significant energy potential.

A minority of landfills (less than 10%) have installed gas recovery systems, with the solution available to date being the generation of electricity (and heat where applicable) by means of a cogeneration engine

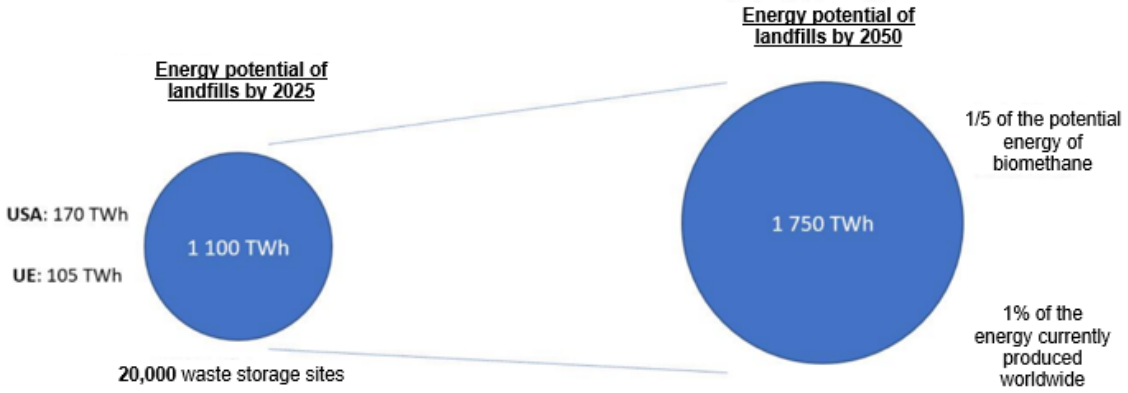
using gas combustion. However, this solution has low yields (between 30% and 65% depending on whether the heat is recovered or not).

A very small minority (less than 1%) of landfill sites have successfully installed biomethane production facilities using landfill gas.

5.2.1.5 *A renewable gas source to be exploited*

Given the volume of waste produced worldwide, waste storage sites could theoretically produce 1,100 TWh of biomethane in 2025. This potential should reach 1,750 TWh by 2050. In comparison, the production of electricity of nuclear origin represents 379 TWh per year (figure for 2019) in France.

Fig. 28: Energy potential of storage sites worldwide



Source: Waga Energy

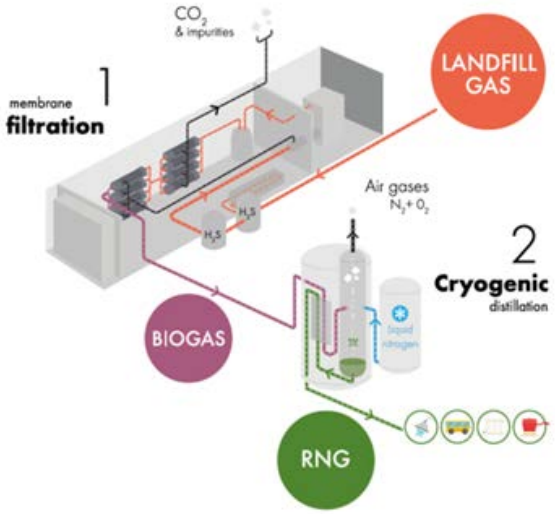
5.2.2 WAGABOX®: a patented technology guaranteeing yield, quality and reliability

5.2.2.1 *An innovative technology for the recovery of landfill gas*

The Group has developed a breakthrough technology for recovering landfill gas in the form of biomethane. Called WAGABOX®, this technology is based on the combination of two processes: membrane filtration (to separate out carbon dioxide) and cryogenic distillation (to separate out nitrogen and oxygen). These two processes are integrated into a compact, standardised and fully automated purification unit. WAGABOX® technology guarantees the production of high-quality biomethane that can be injected directly into gas grids, regardless of the air concentration (oxygen and nitrogen) in the raw gas.

The membrane filtration process for WAGABOX® units is similar to that used to treat biogas from methanisers or integrated into existing landfill gas purification systems. However, the cryogenic distillation process is totally innovative. Its principle consists of cooling the gas to a temperature of −166° C by means of a heat exchanger and by using the Joule-Thomson effect (production of cold by the expansion of a gas) to liquefy the methane while the nitrogen and oxygen remain in a gaseous state. The methane is then distilled to increase its purity in a distillation column, then re-vaporised to be injected into the grid. This cryogenic distillation has the ability to simultaneously purify nitrogen and oxygen from methane under optimal safety conditions, which, as far as we know, is unique worldwide and is the subject of patents filed by the Group in France and abroad. The Group is the exclusive owner of the patents relating to (i) the coupling of membrane filtration processes with cryogenic distillation processes, and (ii) the cryogenic distillation method..

Fig. 29: Illustration of how a WAGABOX® unit works



5.2.2.2 *A patented technology, the result of 15 years of R&D*

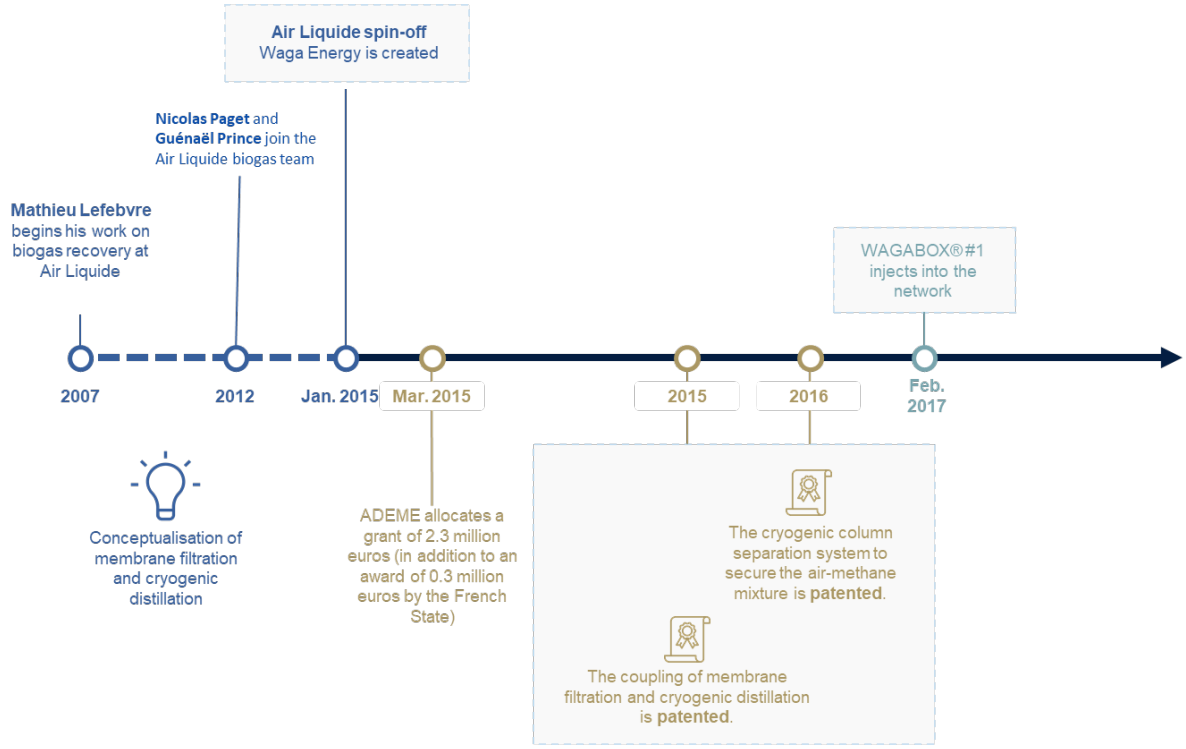
This WAGABOX® technology concept was born in 2007 in the Air Liquide group. It was developed as part of a working group on landfill gas purification created and led by engineers Pierre Briend and Mathieu Lefebvre. They were joined in 2010 by two other engineers, Nicolas Paget and Guénaël Prince.

The combination of membrane filtration and cryogenic distillation processes seemed obvious to them: the gas permeation process was developed within the Air Liquide group in the nineties within its MEDAL company, thanks to progress made in the manufacture of polymers; the cryogenic distillation is a process that led to the creation of the Air Liquide group in 1902, to produce nitrogen and oxygen from air liquefaction.

In 2015, Mathieu, Guénaël and Nicolas resigned to create the Company. The Air Liquide group decided to support this entrepreneurial approach, notably by acquiring a minority stake during the first financing campaign in June 2015, alongside Starquest Capital and the industrialist Ovive. The Air Liquide group, like other investors, continues to support the Group in the implementation of this solution.

Several years of development were necessary to move from concept to operational commissioning, carried out by the Group in February 2017.

Fig. 30: Genesis of technology development



Source: Waga Energy

The Group currently holds the rights to exploit all the intellectual property that was first developed at Air Liquide on the subject of landfill biogas purification, in the form of a license. The Group has continued its research in this sector, and has filed two major patents of which it is the exclusive owner: one relating to the coupling of membranes and cryogenic distillation, adapted to the purification of landfill biogas ("coupling" patent), and a second using a cryogenic distillation method for the efficient and safe separation of a methane/nitrogen/oxygen mix, filed on 24 December 2015 and 27 May 2016. These patents were obtained in strategic regions (Europe and the United States for the coupling patent; Europe for the patent relating to the distillation of a methane and air mix, application pending in the United States) for the Group, and are being extended worldwide, notably in countries where the Group wishes to develop.[9] WAGABOX® technology is characterised by a combination of the following technologies: (i) a membrane filtration process coupled with a PSA to purify VOCs (protected by a patent held by Air Liquide only in the United States and licensed to the Company), (ii) the coupling of this membrane filtration process to cryogenic distillation (protected by a patent held by the Company), and (iii) the cryogenic distillation method (protected by a patent held by the Company). The membrane filtration process coupled with a PSA to purify VOCs held by Air Liquide is protected by a U.S. patent that expires in November 2023. The Company's license on this patent is valid until June 2022 and may be renewed. If the Company's license on this patent is not renewed in June 2022, the Company will not be able to use Air Liquide's U.S. patent from that date until the expiration date of this patent, *i.e.*, November 2023. In such an event and during this interim period only, the Company would implement another less efficient process in the United States for the purification of VOCs.

[9] *Countries identified as strategic: France, Spain, Canada, United States, United Kingdom, Ireland, Italy, Portugal, Australia, Baltic countries (Latvia, Lithuania), certain Central European countries (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Poland), Greece, and in Latin America (Brazil, Colombia).*

Fig. 31: Patent overview

Patent	Patent number	Inventors	France	Worldwide
Process for the production of biomethane from landfill gas	1563357	Guénaël Prince Mathieu Lefebvre Pierre Briend Nicolas Paget	Granted 05/01/2018	International filing PCT/FR2016/052937 Ongoing (granted in Europe and the United States)
Process of separating a gas flow containing methane and air	1654798	Guénaël Prince Nicolas Paget Jean-Yves Lehman	Granted 25/05/2018	International filing PCT/FR2017/050651 Ongoing (granted in Europe)
Methane liquefaction method	1852962	Guénaël Prince	Ongoing	
Facility for producing gaseous biomethane by purifying biogas from landfill combining membranes, cryodistillation and deoxo	US2021060486	Guénaël Prince	Ongoing	
Facility for producing gaseous biomethane by purifying biogas from landfill combining membranes, cryodistillation and deoxo	US2021055046	Guénaël Prince	Ongoing	

Source: Waga Energy

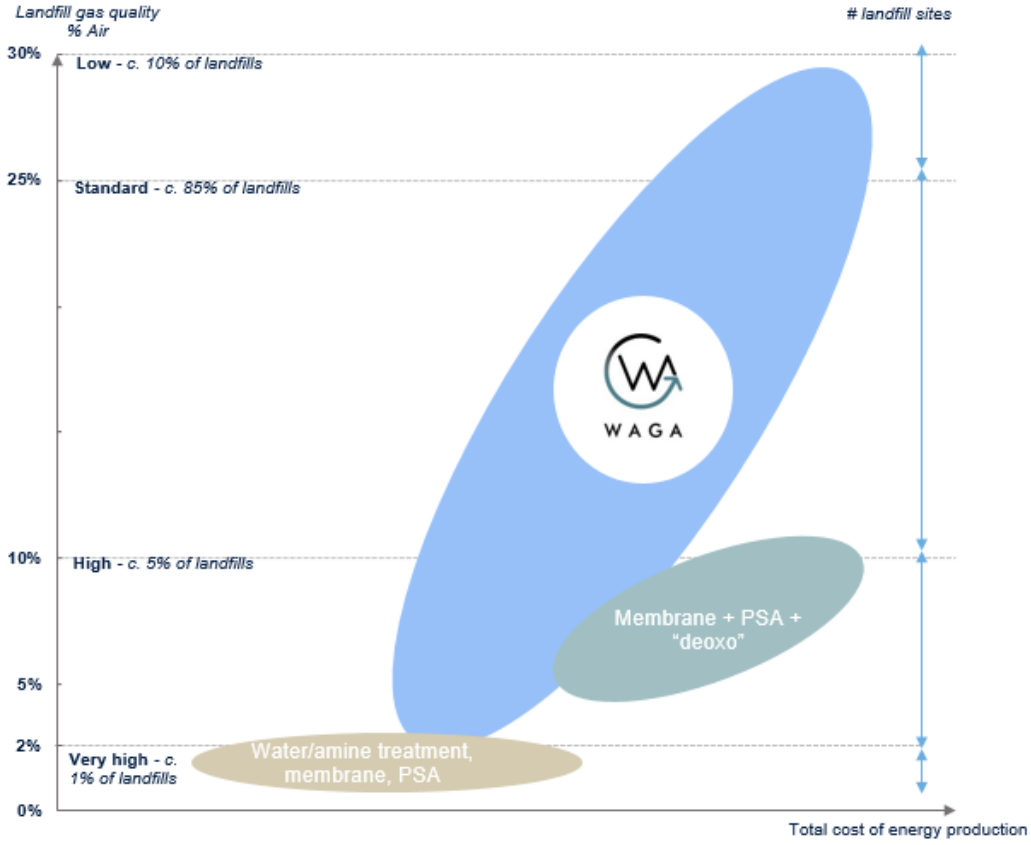
5.2.2.3 *Performance guaranteed at levels of up to 30% air in the raw gas*

WAGABOX® technology meets all the challenges posed by landfill gas purification. It guarantees the production of biomethane containing at least 97% methane from raw gas containing up to 30% air (oxygen and nitrogen). This level of purity meets the criteria imposed by gas grid operators to authorise injection.

Most waste storage facilities produce gas containing more than 10% air. For these sites, and particularly small and medium-sized sites where there are no economies of scale, the Group believes that WAGABOX® technology offers a better technical and economic balance than alternative solutions. It recovers 90% of the methane contained in the raw gas, the remaining 10% being used to burn the pollutants (in particular VOCs) in an oxidiser (and thus avoid their direct emission into the atmosphere). The yield remains constant, even when the air concentration increases or the amount of gas varies. WAGABOX® technology is able to purify landfill gas containing up to 30% air, a level rarely reached on a storage site. Thus, the implementation of this technology does not impose any operational constraints on the operator of the waste storage site, which can continue to draw in the gas to avoid fugitive emissions, which could cause unpleasant odours.

WAGABOX® technology is relatively inexpensive to implement, both in terms of investment and operation. This makes it possible to equip storage sites with small capacities, producing relatively little gas (from 200 m^3/h), or sites that are no longer in operation but still emit gas (gas emissions can last 10 to 15 years after the end of operation).

Fig. 32: Mapping of available technological solutions



Source: Waga Energy

The technology developed and patented by the Group is currently the only one that can be implemented on almost all waste storage sites, regardless of the volume of gas to be treated and its air concentration (up to a maximum of 30%). Competing solutions for obtaining a competitive biomethane production cost are limited to sites producing large volumes of gas (over around 4,000 m^3/h) with an air concentration of less than around 10%, *i.e.*, approximately 5% of storage sites worldwide.

5.2.2.4 *Fully automated, remotely controlled units*

WAGABOX® purification units are fully automated and remotely controlled using a monitoring and control system. They operate 24 hours a day, 7 days a week. The Group contractually commits to ensuring 95% uptime.

Fig. 33: Characteristics of a WAGABOX® unit–example for a typical WAGABOX® (1,500 m³/h)

Typical project - 1,500m³ / h

[50-55] GWh annual production

€ [2-3]m of annual recurring revenue

12 - 18 months of assembly

€ [5-6]m CAPEX

c. 10,000 household supplied with natural gas

1.5 FTE required for maintenance operations

c. 12,500 tons CO2 emissions avoided per year

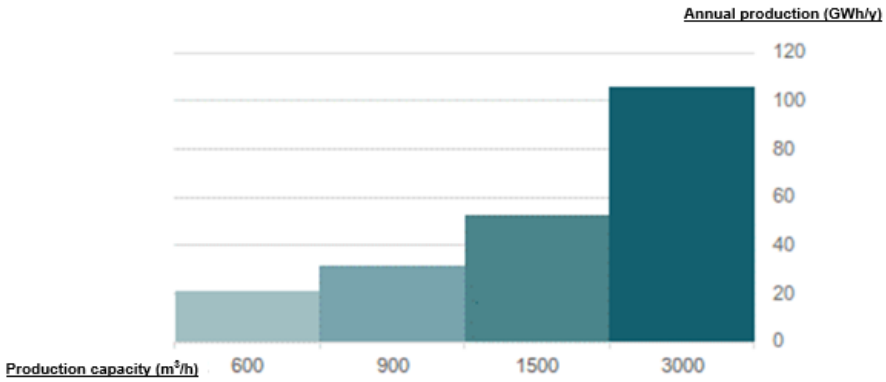
Source: Waga Energy

5.2.2.5 *Development of a modular offer*

WAGABOX® units are modular, integrated and standardised production units. They have been designed with the aim of simplifying construction, on-site installation and operation.

Four models have been developed, depending on the volume of gas to be recovered: the smallest can handle up to 600 m^3/h (*i.e.*, production of around 20 GWh/year) and the largest up to 3,000 m^3/h (*i.e.*, production in excess of 100 GWh/year). Most of the components of each of these models are identical (cryogenic distillation module, membrane filtration module, H_2S removal module, etc.), which simplifies the procurement and management of spare parts.

Fig. 34: Size and production of a WAGABOX®



Source: Waga Energy

The various modules and equipment that make up a WAGABOX® unit are pre-assembled in the workshop and delivered to the site separately. They are then connected to each other. Once assembled, the unit is connected to the site's gas capture network and to the injection station of the natural gas grid operator.

The economies of scale associated with this technology allow for reduced biomethane production costs as the size of the unit increases.

The pre-assembly and installation phase lasts between 12 and 18 months.

Fig. 35: The WAGABOX® unit installed on the Suez site in Les Ventes-de-Bourse

Source: Waga Energy

5.2.2.6 *An internationally recognised solution*

The Group has received several awards for the development of the WAGABOX® technology, and its contribution to the fight against climate change.

- Winner of the Investments for the Future Programme (*Programme d'Investissements d'Avenir*, PIA) operated by ADEME in 2015.
- In 2016, First Prize in the fight against climate change awarded by ADEME and the French Ministry of the Environment, Energy and the Sea.
- Winner of the Pollutec Innovation Competition in 2016.
- Start-up of the year in 2016 in the Auvergne-Rhône-Alpes region, awarded by l'Express and EY.
- Innovation award for ecological society in 2018 (PEXE, ADEME).
- Finalist in the European Business Awards For The Environment in 2018.
- WAGABOX® technology is one of 1,000 solutions certified by the Solar Impulse foundation based on criteria of respect for the environment and economic profitability.
- Winner of the start-up competition organised by the South Summit (Spain) in the Energy & Sustainable Development category in 2019.
- Evolen Innovation Award 2020.
- *Seal of Excellence* from the European Commission in 2019.

- French Tech For The Planet certified in 2021 (Ministry of the Economy and Ministry of Energy Transition).

- Overall ESG rating of 69/100 awarded by Ethifinance in September 2021, for an average rating of the benchmark companies of 36 out of 100. The benchmark is based on SMEs and mid-sized companies located in France in the Industry/Renewable Energy sector.

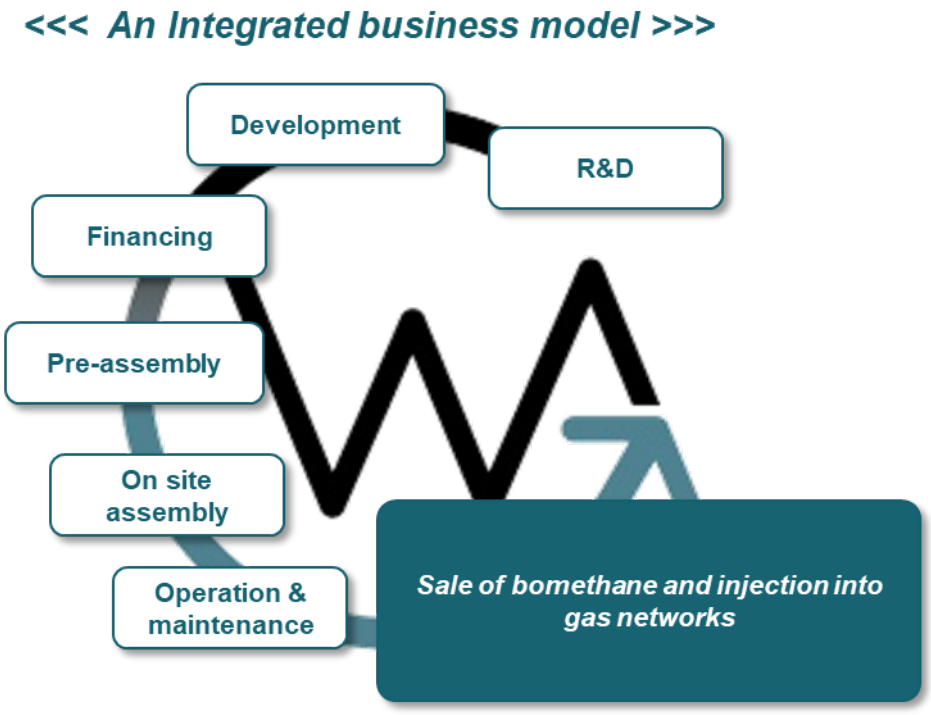
"WAGABOX® is one of the flagships of the Investments for the Future Programme operated by Ademe. This is a very innovative project that combines the three pillars of sustainable development: economy, ecology and social. It is also a good example of French expertise in gas engineering".

Bruno Léchevin, Former Chairman of ADEME, speaking on 20 April 2017 at the official inauguration of the first WAGABOX® unit in Saint-Florentin (Yonne)

5.2.3 A business model guaranteeing optimal development of the source

5.2.3.1 *An integrated model from the design of the units to the sale of biomethane*

In the context of climate emergency, the Group is implementing WAGABOX® technology as part of a developer-investor-operator model. The Group finances the construction and operation of WAGABOX® units under a long-term purchase agreement with landfill operators for the supply of landfill gas, and generates revenue by selling the biomethane produced to energy companies or private buyers ("offtakers"). If the landfill operator is considered to be a biomethane producer, the Group operates the WAGABOX® unit on its behalf under a service contract, in exchange for fixed monthly compensation indexed to the volume of biomethane produced.



***10** Wagabox® units in operation, **9** Wagabox® units under construction*

The business model was also designed with the aim of eliminating any reluctance that the acquisition of a complex purification unit for the distillation of methane might cause among storage site operators whose core business is not focused on gas engineering and cryogenics.

5.2.3.2 *A sustainable, unifying model that benefits everyone*

Landfill gas injection projects based on the WAGABOX® solution create value and positive synergies for all stakeholders: energy companies, waste storage site operators, public authorities and local communities. They also contribute to the common good through the production of renewable energy for the energy transition and the fight against climate change.

Energy companies

Energy companies have access to an abundant source of renewable gas, immediately available and at competitive prices, to meet the expectations of public authorities and consumers for greener energy. They benefit from a guaranteed purchase price over a period of 10 to 20 years, which is not the case for natural gas, the price of which is subject to significant fluctuations.

Waste storage site operators

Waste storage site operators benefit from a "turnkey" solution to recover the gas from their site, requiring no investment on their part and generating additional revenue. This revenue contributes to the profitability of the gas capture mechanism, whose implementation is mandatory in many countries, and which is often used only to supply a flare.

The installation of the WAGABOX® unit does not require any change to the organisation and operation of the storage site. It is connected upstream to the existing gas capture network, in place of the flare or the electricity recovery unit, and is connected downstream to an injection station giving access to the local gas grid. The operation of the unit and its maintenance are entirely provided by the Group.

The installation of a WAGABOX® unit contributes to improving the site's acceptability for local residents, by reducing unpleasant odours (the model encourages maximum gas capture) and by enhancing the site's image through implementation of a renewable energy project.

Governments

Governments that choose to subsidise biomethane from renewable energy waste storage facilities achieve a significant reduction in greenhouse gas emissions for a relatively small investment. The cost per megawatt hour of biomethane produced in a waste storage facility is lower than that of an anaerobic digestion unit, and of most renewable energy sources.

The WAGABOX® solution makes it possible to roll out circular economy projects on a regional scale, with residents consuming renewable gas from the waste they themselves produce. The production of clean, local and renewable energy helps to reduce the dependency of states on countries that import fossil energy.

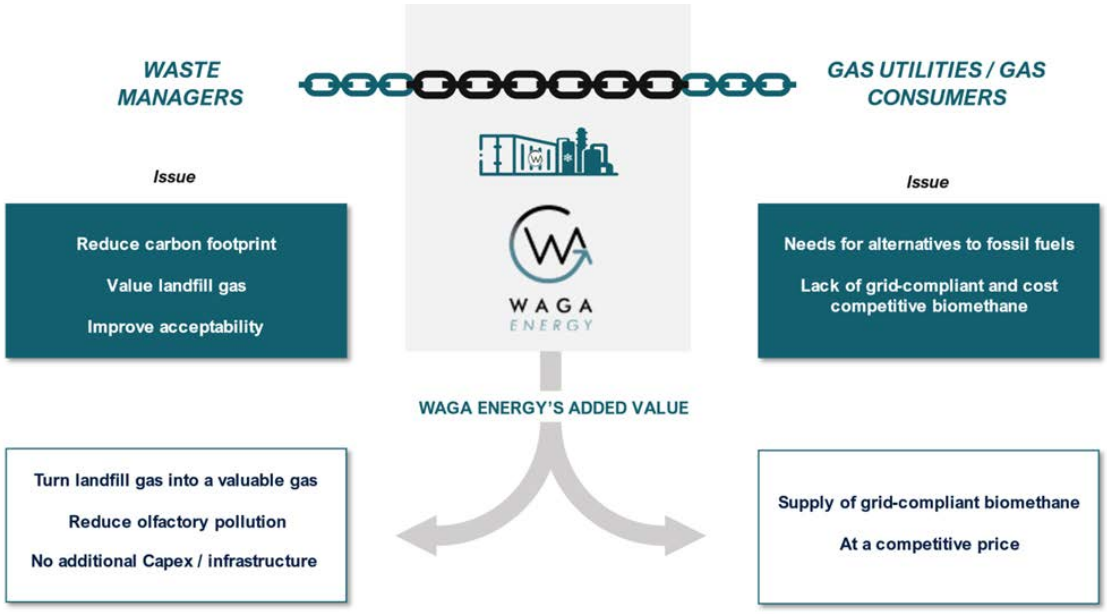
Fig. 36: Circular economy projects on a regional scale

Source: Waga Energy

1 Production de déchets	1 Waste generation
2 Collecte et transport	2 Collection and transportation
3 Enfouissement	3 Landfill
4 Fermentation	4 Fermentation
CH4 LA MOLÉCULE DE MÉTHANE	CH4 THE METHANE MOLECULE
Le biogaz, une ressource énergétique à exploiter	Biogas, an energy resource to be exploited
5 Épuration	5 Purification
Que se passe-t-il dans la WAGABOX®*?	What happens inside a WAGABOX®*?
Biométhane pur à 98%	98% pure biomethane
6 Injection du biométhane	6 Biomethane injection
7 Valorisation	7 Recovery

Finally, WAGABOX® projects improve the environmental performance of waste storage sites, which are relevant tools to support a policy of reducing waste at the source (unlike incineration, another method of processing end waste, which involves larger investments). The consequences of a reduction in tonnages or of a policy of sorting organic materials on the production of gas can be easily anticipated insofar as the process of decomposition of organic materials within a storage container extends over a period of time of at least 15 to 20 years.

Fig. 37: Waga Energy is positioned as the missing link between storage site operators and energy companies



Source: Waga Energy

5.2.3.3 *A model with financial and operational benefits*

The investor-operator model adopted by the Group allows for rapid deployment of its technology in France and internationally, which is essential to act as quickly as possible to reduce greenhouse gas emissions. By controlling all the parameters of a project (including regulatory aspects with the obtention of the required authorisations), from financing to operation, the Group is able to put a WAGABOX® unit into service 12 months after a contract is signed with a storage site operator in France. This period is currently 18 months in other countries but will be reduced as soon as the industrial organisation is stabilised there. The commissioning phase is preceded by a construction phase involving multiple partners and a development phase that leads to the signing of a contract. The construction phase lasts between 12 and 18 months while the development phase can last from six months to five years, depending on the target site, the client's demand and the length of the negotiations.

To date, the Group is the only player dedicated exclusively to the production of biomethane from landfill gas. Thanks to its investor-operator model, it has developed unique expertise in this field, which has multiple specificities compared to other renewable gas sectors. This expertise extends to commercial, legal, contractual, financial and technological aspects.

The steady increase in the yield of WAGABOX® units which results from the increase in technical team skills and better knowledge of this technological innovation and its application on landfill sites, provides a good example of the continuous improvement process in which the Group is engaged: the total production of biomethane from the first six WAGABOX® units increased by 17% during the first half of 2021 compared to the previous year.

The developer-investor-operator model adopted by the Group has many advantages, both operationally and financially.

Financial benefits

- The Group generates recurring revenue over the entire duration of the project *via* the sale of biomethane to an energy company or a purification service provided to the landfill operator, under long-term contracts (from 10 to 20 years).

- The Group pools the financing and operating costs of its fleet of WAGABOX® units.

- The Group may ultimately renew the biogas purchase and biomethane sales agreements once they expire, allowing it to continue to produce biomethane at the sites. The production cost will be further reduced to the extent that the investment will have already been amortised.

Operational benefits

- The Group is able to commission a WAGABOX® unit within 12 to 18 months after signing a contract with the storage site operator.

- The Group exercises full control over its proprietary technology, of which it remains the exclusive operator.

- The Group is committed to a process of continuous improvement of its proprietary technology, enabled by feedback generated by the operation of the units.

- The Group guarantees optimal use of the gas source and controlled safety conditions.

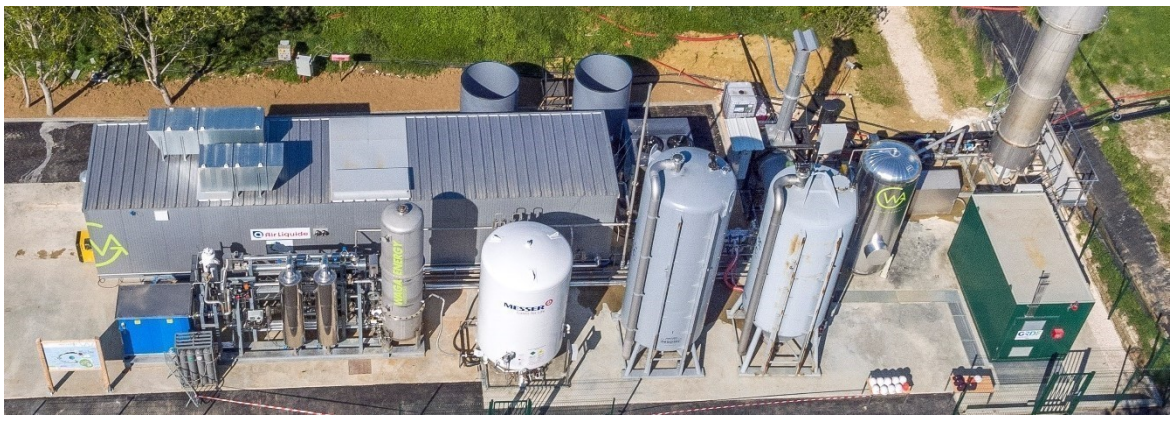
- It creates a database of information on landfill gas, using multiple sensors fitted to WAGABOX® units; this database paves the way for further improvements to the technology and new services.

- The Group has the option to reassign a unit to another site at the end of the contracts, or to reuse some of its components.

5.2.4 Rapid rollout in France and internationally

5.2.4.1 *First injection of landfill gas in Europe in February 2017*

Fig. 38: Aerial image of the first WAGABOX® unit



The Group commissioned the first WAGABOX® unit in February 2017 at the Saint-Florentin (Yonne) waste storage site, operated by Coved (a subsidiary of the Paprec group).

Its development and construction represented a total cost of €4.35 million. It was financed by a subsidy of €2.3 million granted by ADEME as part of the Investments for the Future Programme ("**PIA**"), of which €1.6 million was a repayable advance and €0.7 million was a subsidy. The remainder of the financing was provided through financing of €1.8 million from three private investors (Air Liquide Venture Capital, Ovive and Starquest Capital) and bank debt (including a loan of €0.5 million from Bpifrance).

The biomethane produced by the WAGABOX® unit in Saint-Florentin is sold to Air Liquide at the purchase commitment tariff in force in France since 2011.

To date, this first unit has injected 4.6 million m^3 of biomethane into the GRDF grid, thus avoiding the emission of approximately 7,500 tonnes of CO_2 eq. into the atmosphere (equivalent to the annual emissions of around 3,500 cars).

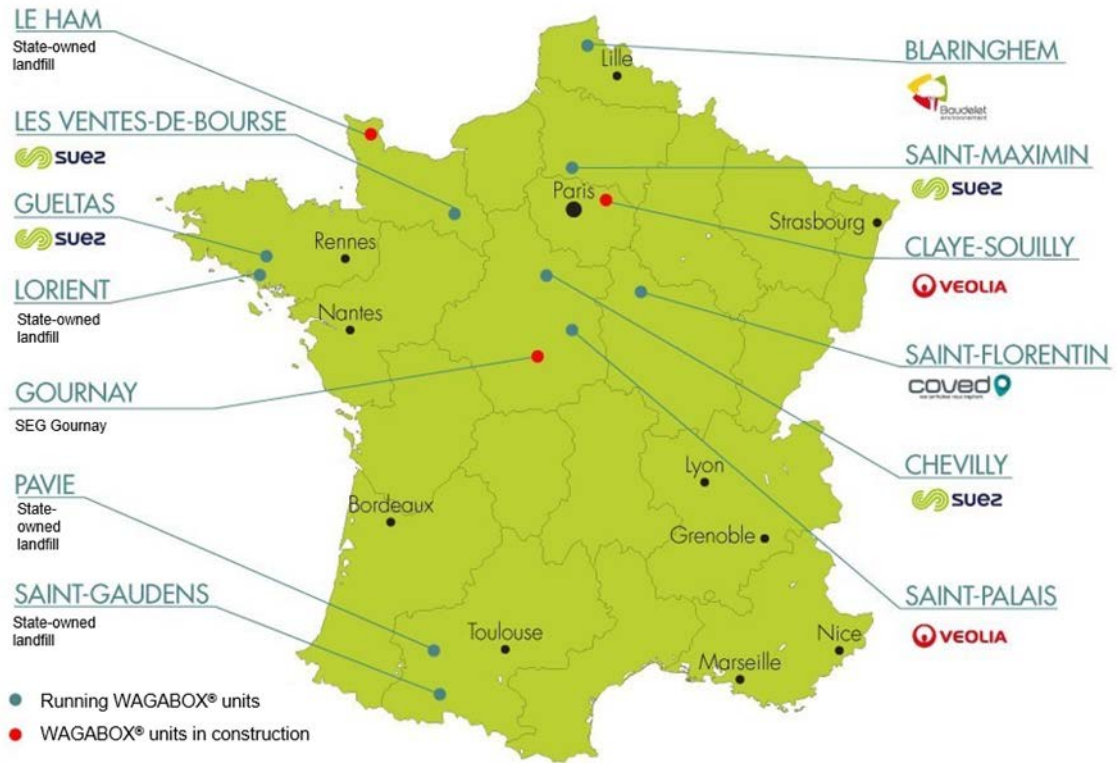
5.2.4.2 *Ten units in operation, nine others under construction*

As at 31 July 2021, the Group operated 10 WAGABOX® units in France, on waste storage sites operated by major industrial players (including Suez, Veolia and Paprec) or local authorities, such as Lorient Agglomération (Morbihan), Trigone (Gers) and the SGMAM Sivom in Liéoux (Haute-Garonne).

The biomethane production of all these units is sold by the Group, or by the operator of the landfill site, to different energy providers, at the purchase commitment tariff in force in France since 2011.

These units represent a maximum production capacity of 225 GWh/year. As of the date of the Registration Document, they have injected more than 30 million cubic metres of biomethane into the GRDF grid, thus avoiding the emission of 52,000 tonnes of CO_2 eq. into the atmosphere (*i.e.*, the annual emissions of around 20,000 cars).

Fig. 39: Mapping of WAGABOX® units in France



Saint-Florentin (Yonne)	Commissioned: 14 February 2017 Storage site operator: Coved Installed capacity: 25 GWh/year
Saint-Maximin (Oise)	Commissioned: 26 June 2017 Storage site operator: Suez Installed capacity: 25 GWh/year
Pavia (Gers)	Commissioned: 30 May 2018 Site operator: Trigone (mixed syndicate) Installed capacity: 15 GWh/year
Saint-Palais (Cher)	Commissioned: 6 November 2018 Storage site operator: Suez Installed capacity: 20 GWh/year
Gueltas (Morbihan)	Commissioned: 13 November 2018 Storage site operator: Suez Installed capacity: 25 GWh/year
Chevilly (Loiret)	Commissioned: 20 December 2018 Storage site operator: Suez Installed capacity: 15 GWh/year
Inzinzach-Lochrist (Morbihan)	Commissioned: 26 November 2019 Storage site operator: Lorient-Agglomération Installed capacity: 15 GWh/year
Les Ventes-de-Bourse (Orne)	Commissioned: 15 January 2020 Storage site operator: Suez Installed capacity: 25 GWh/year
Liéoux (Haute-Garonne)	Commissioned: 16 January 2020 Storage site operator: SGMAM Sivom Installed capacity: 35 GWh/year
Blaringhem (Nord)	Commissioned: 2 September 2020 Storage site operator: Baudelet Environnement Installed capacity: 25 GWh/year

Nine new units are also under construction as at 31 August 2021, six of which will be commissioned in France, on sites operated by Veolia (Le Ham, Claye-Souilly and Chatuzange-le-Goubet), SEG (Gournay) and three other sites that remain confidential at the time of publishing this Registration Document. The commissioning of each of these units is subject to a provisional schedule set by the Group and providing for any internal or external contingencies (such as problems relating to connection to the gas network). As at the date of this Registration Document, the Group believes that the financing of the construction of the nine WAGABOX® units will be structured in part by drawdown from the contract entered into with Eiffel Gaz Vert or any other financing that the Company may set up and partly by the use of the proceeds of the capital increase at the same time as the listing of the Company's shares on the Euronext Paris regulated market.

The WAGABOX® unit at the Veolia Claye-Souilly site (Seine-et-Marne) has a special character due to its capacity: installed on the largest waste storage site in Europe (1.1 million tonnes of waste per year), it will treat 3,000 m^3/h of raw gas and will produce 120 GWh of biomethane per year, *i.e.*, the equivalent of five or six standard-sized units. This alone will prevent the emission of more than 20,000 tonnes of CO_2 eq. per year. This is one of the largest green gas injection projects in Europe. The gas sale price will be subject to the price of the regulated tariff in force on the target commissioning date, *i.e.*, in February 2022.

5.2.4.3 *First international contracts*

A second financing amounting to €10.4 million was carried out in 2019 (including €9 million collected in 2019 and €1.4 million in 2020) from historical investors, (in particular, the shareholders of Les Saules and Aliad, who thus converted their bonds in the amount of €4 million (of which €1.2 million for the

OCA 2017 and €2.8 million for the OCA 2018)), two new investment funds: Noria and Tertium, and the company Holweb. This amount was used to finance the structuring of the Group and its international expansion. In 2019, the Group thus created two subsidiaries in North America, one based in Philadelphia (Pennsylvania, United States) and the other in Shawinigan (Quebec, Canada). See also Section 8.1 and Note 3.2.1 to the consolidated financial statements presented in Chapter 18 "Financial information" on the financing carried out in 2019.

Spain

The Group signed its first international contract in December 2020 with the Spanish group Ferrovial Servicios, specialising in services to local authorities, to equip the Can Mata waste storage site, located in the town of Els Hostalets de Pierola, some 40 kilometres from Barcelona (Catalonia, Spain). Can Mata's WAGABOX® unit will be built in France by the Group's usual subcontractors. It will treat 2,200 m^3/h of biogas and will inject 70 GWh of biomethane per year into Nedgia's grid. It will enable the emission of 17,000 tonnes of CO_2 eq. to be avoided each year.

This is the first landfill gas injection project financed by a long-term Power Purchase Agreement (PPA) in Europe, modelled on the PPA used to finance renewable electricity projects. This demonstrates the Group's ability to supply biomethane at competitive prices.

Canada

Since the beginning of 2021, the Group has also signed two contracts in Canada: the first to equip the Saint-Étienne-des-Grès site (Quebec), operated by the Régie Enercycle, and that in Cowansville (Quebec), operated by Régie Intermunicipale de Gestion des Matières Résiduelles de Brome-Missisquoi.

The WAGABOX® unit to be commissioned in Saint-Étienne-des-Grès in 2022 will be the largest ever built by the Group to date: it will treat 3,400 m^3/h of raw gas, providing 130 GWh of biomethane per year and thereby avoid the emission of 23,000 tonnes of CO_2 eq. per year into the atmosphere.

The biomethane produced in Canada will be sold to the operator Énergir and injected directly into its grid. Énergir aims to reach 10% renewable gas in its grid by 2030.

Units for the North American market will be built in Quebec by a local subcontractor.

Although Spain has suspended feed-in tariffs for renewable energies and Canada benefits from a support and subsidy system (see the regulatory frameworks applicable in Quebec and Spain in Sections 9.3 and 9.4); local specificities exist (Spain: term of 10 years on a market basis, Quebec, term of 20 years on a quasi-State counterparty). The subsidised purchase price mainly impacts landfills for which remuneration is directly linked to this subsidy. The cost of purification or transformation of biogas into biomethane is known and relatively stable regardless of the country. Profitability thus depends mainly on the risk factors specific to each country/project and only partially depends on local market conditions.

United States

In the United States, the NORU project ("*Nitrogen and Oxygen Removal Unit")* was signed in December 2020, in the form of the sale of equipment for a cryogenic distillation unit to a manufacturer, combined with a contract for the remote supervision of the unit in the operational phase.

5.3 Operational implementation of the WAGABOX® solution

5.3.1 Group business model

5.3.1.1 *An independent biomethane producer combining a proprietary technology with a "developer-investor-operator" model.*

The Group implements its patented WAGABOX® technology, developed specifically for the purification of landfill gas, through a developer-investor-operator model. It develops the projects and owns the WAGABOX® units (except for the unit at the Lorient plant), of which it is the exclusive operator.

The Group positions itself with waste storage site operators as the specialist in the recovery of landfill gas in the form of biomethane, and signs long-term raw gas purchase contracts with them (10 to 20 years). To this end, it capitalises on its unique expertise in carrying out these complex projects, its industrial know-how and its operational flexibility.

The Group sells the biomethane production of its WAGABOX® units through long-term contracts with public or publicly owned companies, gas distribution companies or energy companies, using government support mechanisms for the production of renewable gas when possible (tariff with purchase commitment, subsidies, etc.).

Each phase of a project, from business development to the sale of biomethane, and including financing, design, construction, commissioning and operation, is implemented in accordance with the Group's standards and long-term development objectives. The business model also enables the continuous improvement of WAGABOX® technology through the feedback generated by the operation of the units.

The Group only focuses on high quality projects, guaranteeing a satisfactory return on investment. The investment criteria take into account technical feasibility, economic analysis and risk analysis. These factors help to improve the performance of projects and optimise financing conditions. The Group places great importance on building long-term relationships of trust with all stakeholders.

It has sales teams in countries with significant development potential (France, Spain, Italy, the United States, Canada). Their role is to identify storage sites that could be equipped with the WAGABOX® solution, carry out technical studies and secure the rights to raw gas. These investments make it possible to assess the feasibility of the projects but also to promote the WAGABOX® solution. In the case of a call for tenders, the Group's experience enables it to construct solid offers based on realistic financial models.

In some countries, the Group also relies on developers or consultants (United Kingdom, Portugal, Australia, Italy, Canada, United States, etc.) to identify business opportunities, improve its knowledge of the market and respond to calls for tenders.

Thanks to its developer-investor-operator strategy and its proprietary technology, the Group benefits from optimal financing conditions. When a project is launched, it secures non-recourse financing on the Parent company and/or assets other than those held by the company (SPV); if this is not possible, it resorts to intermediary financing (bridge financing) while it secures long-term financing. The cash flows generated over time by the sale of biomethane, and the performance of the WAGABOX® units, are key factors in obtaining this financing.

The Group reinvests all or part of its revenues in new projects, which, with the contribution of its shareholders, strengthens its portfolio of assets. A fleet of 10 WAGABOX® units has thus been created, representing a maximum installed capacity of 225 GWh. At 31 December 2020, the average age of these units was 2.1 years and the residual term of the contracts was 12.5 years. At the date of filing this

document, nine additional units were under construction, representing a total capacity of approximately 450 GWh.

5.3.1.2 *International rollout*

Driven by the desire to develop the use of biomethane to support the energy transition, and to reduce greenhouse gas emissions (and, in particular, methane emissions from waste storage facilities), the Group is rolling out the WAGABOX® solution internationally.

The Group is mainly targeting Europe and North America, where it has operated since 2018 through a subsidiary in the United States and another in Canada. Its objective is to develop a local presence in each of the target countries, with the aim of developing WAGABOX® projects.

Development in a new market is carried out in three phases: (i) Commercial prospecting, (ii) Implementation of a first project in the target country, and (iii) Deployments.

(i) Commercial prospecting phase

The Group assesses the potential of new markets based on various criteria:

- the number of waste storage facilities in operation;
- the existence of a natural gas grid and the possibility of connecting to it;
- the existence of a stable political and economic environment, in particular enabling the Group to retain ownership of all or most of the assets;
- the existence of a policy supporting biomethane;
- the possibility of selling biomethane locally on the market at a price high enough to finance a project;
- the opportunity to enter into long-term biomethane sales contracts with reliable counterparties;
- the availability of long-term non-recourse or limited-recourse financing from local or international lenders;
- the possibility of minimising exposure to foreign exchange risks by aligning project debt, capital expenditure and revenue generated with the same strong and stable currency (euro, US dollar and Canadian dollar);
- the opportunity to achieve a leadership position in the local market.

(ii) Implementation of a first project in the target country

Once the WAGABOX® solution deployment has been approved by the Board of Directors, the Group recruits employees on site or local partners to engage in discussions with waste storage facility operators or to take part in calls for tenders.

This prospecting phase is designed to lead to a first project in this new market.

To do this, the manager of this new market works with any local partners that may be recruited and with teams and experts at the headquarters, whether on technical matters or legal and regulatory matters. These partners are developers or consultants (legal, technical). They allow the Group to rapidly acquire a sound understanding of the standards, social structures and legal and administrative frameworks.

The local teams negotiate the acquisition of the rights to exploit the gas produced by the storage sites and manage relations with all stakeholders (administration, grid operator, etc.), with the technical and operational support of the sales teams based in France.

This stage allows the Group to have a clear vision of the sustainability of the storage site, the legal framework, the conditions of connection to the grid, the possibility of recruiting teams locally, taxation and any renewable gas support mechanisms, etc. It also makes it possible to establish relationships with industrial partners and regulatory authorities.

To initiate the development of a project, the prospecting team must be able to respond positively to three questions:

- does the storage site have sufficient gas potential?
- can biomethane production be sold under satisfactory conditions?
- does the storage site operator want to work with the Group?

If this is the case, the Group's Management Committee submits the project to the Board of Directors, providing it with detailed information on the target market. The Board of Directors then authorises or denies the continuation of negotiations to lead to the signing of a contract. The first project carried out on a new market is particularly important because it will serve as an example and reference for the realisation of subsequent projects.

(iii) The deployment phase

Once the first project is underway, the Group strengthens its local presence by sending experienced project managers and technicians to the site and by recruiting local resources. Its local presence helps strengthen its legitimacy with environmental and energy players, and with all stakeholders.

The sales team continues to feed the project pipeline. The terms of involvement of the Board of Directors on the development of projects are simplified for approval of subsequent projects: it is informed of the progress of the discussions but only intervenes when authorising the signature of the contracts.

5.3.1.3 *Ownership of WAGABOX® units*

As part of its developer-investor-operator strategy, the Group makes a point of being the sole owner of WAGABOX® units. This model makes it possible to optimise the performance of the units and maintain full control over their management. It also makes it possible to implement a policy of continuous improvement of the units (retrofit) through innovation and the integration of operational feedback, as well as by pooling certain operations (notably maintenance and purchasing).

The Group's objective is to build a fleet of very high-quality assets, meeting stringent standards, delivering a superior level of performance, under perfectly controlled safety conditions.

In certain cases, however, the Group may choose to grant a minority stake to partners, in order to facilitate access to a methane source, the signing of a biomethane sales agreement or as part of a call for tenders.

In all cases, the Group remains the exclusive operator of the WAGABOX® units.

5.3.2 Project planning and development

The development of WAGABOX® projects is carried out by sales representatives with an engineering degree. This step includes prospecting, carrying out technical studies, the sizing of units and the study

of the on-site location, with a view to signing a gas purchase agreement with a waste storage site operator (or the signing of a purification service agreement when the site operator wishes to position itself as a renewable energy producer).

This stage also includes the signing of an agreement for the sale of biomethane with an energy company or a private buyer, the signing of an injection contract with the local grid operator for connection works to be undertaken and the provision of an on-site injection station.

5.3.2.1 *Organisation of the development process*

The development of a WAGABOX® project follows a structured process.

1. **Prospecting**

   Verification of technical and financial feasibility.

2. **Security**

   Transmission of an offer to the storage site operator and the securing of a tariff for the sale of biomethane.

3. **Closing**

   Finalisation and signature of contracts. The project is transferred to the team in charge of its implementation (Project team).

4. **Engineering, Procurement, and Construction (EPC)**

   Putting financing in place, supply of components, construction of the WAGABOX® unit by a subcontractor, delivery of equipment on site, connection of equipment on site, connection of the unit to the gas operator's grid, gas-in and injection. As soon as it is started up, the unit is transferred to the Operations department.

5. **Operation**

   The operating phase is the longest of all: it begins with the first injection and ends when the unit is shut down, either by the depletion of the source or by the end of the agreement signed with the storage site operator.

The duration of the commercial development phase varies: it can last from six months to 36 months. The construction phase, including delivery, lasts between 12 and 18 months. The commissioning of the unit is included in this period. At the end of this commissioning phase, the WAGABOX® unit is operational for an operating phase lasting at least ten years.

5.3.2.2 *Prospecting and identifying opportunities (phase 1)*

The Group selects project opportunities based on various criteria:

- the landfill site must be equipped with a gas collection system (this is the case for most sites in Europe and North America);

- the volume of gas must be above a certain threshold for the investment to be profitable (this threshold depends on the volume of gas to be recovered and the sale price of the biomethane);

- the forecast of raw gas production must offer sufficient visibility to ensure the project's profitability;

- the landfill site must be close enough to a gas grid to be able to connect the WAGABOX® unit. The distance depends on the methane source to be recovered and can exceed 20 kilometres. In some countries (notably Australia), the transportation of gas by truck may be considered;

- the local gas grid must be able to absorb the production of the WAGABOX® unit;

- the storage site must not be equipped with an electricity recovery unit: in this case, the WAGABOX® project is generally postponed until the equipment in place is renewed (generally every five to seven years) or at the end of the electricity sales contract. However, it can be undertaken before these dates, provided that the volume of biogas remaining is sufficient for the installation of a WAGABOX® and the contract can secure this volume. It is sometimes possible to have dual recovery, cogeneration and WAGABOX®;

- the landfill site must be professionally managed, in a robust way, free from any legal proceedings and any suspicion of corruption.

The Group mainly targets small and medium-sized storage sites, for which its technology and business model are particularly competitive. Prospecting and identification costs are financed from the Company's own funds and recognised as expense in the income statement. Prospecting costs correspond essentially to internal time and external studies or advice. These costs depend on the geography and suitability of the sites.

5.3.2.3 *Securing projects (phase 2)*

The Group begins negotiations with the storage site operator for the purchase of its gas, and embarks on the necessary steps to obtain the various permits and administrative authorisations. At the same time, it negotiates the biomethane sales agreement *via* a support mechanism or over-the-counter. At this stage, the costs incurred are capitalised and included in the project investment cost. In the event that the project is ultimately abandoned, they will be reincorporated into the Group’s expenses.

In countries where there is a government support mechanism, biomethane sales agreements generally extend over long periods (15 years for the tariff with purchase commitment in force in France). Where there is no support mechanism, the Group looks for buyers likely to make a long-term commitment and negotiates notably with major energy companies.

Long-term biomethane sales agreements provide the Group with stable revenues over long periods of time, transforming market risk into limited counterparty risk. The involvement of highly creditworthy partners and limited counterparty risk make it easier to obtain financing on favourable terms, which helps to improve the competitiveness of offers.

In addition to over-the-counter contracts, the Group regularly participates in calls for tenders launched by public entities or private parties operating a waste disposal site. The resulting raw gas purchase agreements may differ in certain respects from those negotiated over-the-counter, but are generally of a duration compatible with the project’s depreciation constraints.

5.3.2.4 *Project development and standardisation*

The Group offers waste disposal site operators four WAGABOX® unit models, providing a treatment capacity ranging from 600 to 3,000 m^3/h. This standardised approach saves engineering costs. The Group primarily targets small and medium-sized sites. It is almost the only company able to equip such sites, due to its business model and the characteristics of its proprietary technology.

5.3.2.5 *Closing (phase 3)*

The closing phase concludes with:

- the signing of all agreements (purchase of biogas, sale of biomethane, connection to the natural gas grid, where applicable EPC and Operating and Maintenance ("O&M"));
- obtaining permits and administrative authorisations;
- the preparation of financing and the subscription of insurance policies;
- hedging exposure to interest rate and foreign exchange risk.

5.3.3 Project financing

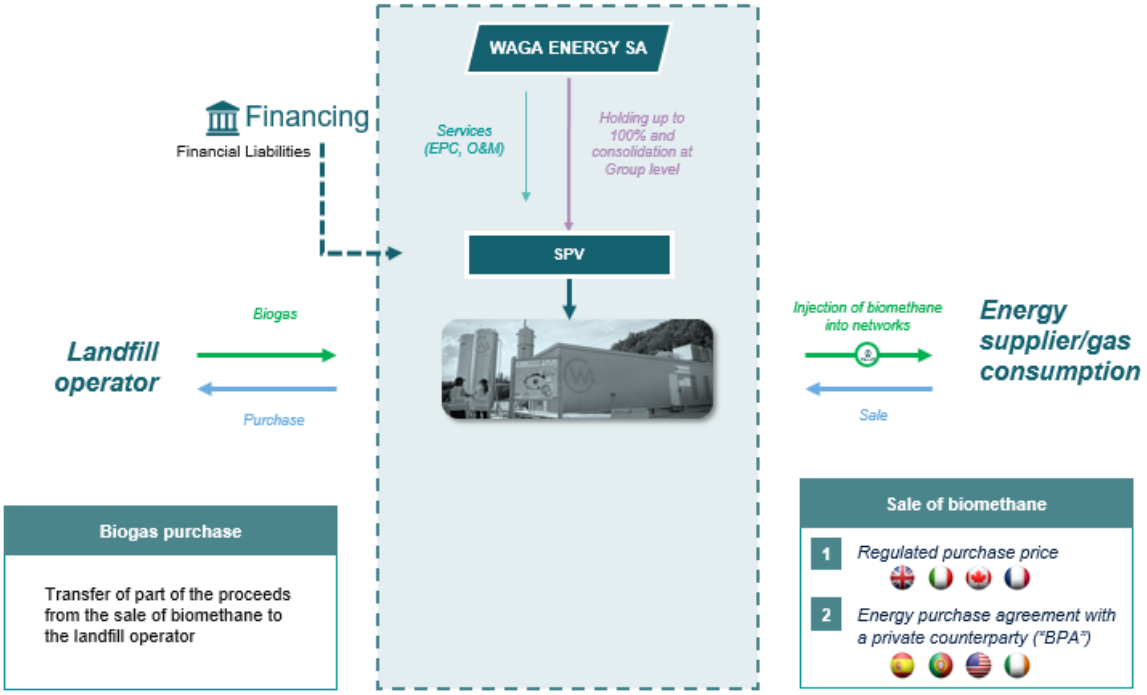
The Group's business model requires significant investments: financing a WAGABOX® project represents an investment from €3 million up to €15 million.

To support these investments, the Group has implemented a financing strategy based on the creation of dedicated Special Purpose Vehicles (SPVs). Each WAGABOX® project is supported by an SPV financed by bank or bond debt and equity. The Group also uses its SPVs to issue convertible bonds into shares (see Chapter 8 "Cash and Equity"). Equity in future projects is intended to be provided by the Group. Bank debt leverage (ratio of debt to total investments) can represent between 50% and 80% of the financing, which may vary depending on the nature of the project and which allows limited use of the Company's equity. However, this ratio may vary from one project to another or from one country to another.

All SPVs are intended to be wholly owned by the Group, although it retains the possibility to open the capital up to a minority shareholder to satisfy a mutual commercial and economic interest.

The first two SPVs, each carrying three WAGABOX® units (including one under construction for Sofiwaga Infra), are nonetheless held as minority interests (49%), the remainder being financed by third-party partners; however, the Company retains effective control (see Note 5.6.1 to the consolidated financial statements presented in Chapter 18 "Financial information"). This mechanism made it possible, during the Company's development phase, to limit equity contributions.

Fig. 40: Project structuring and main contracts



Source: Waga Energy

5.3.3.1 *Funding process*

The Group's objective is to finance the construction of WAGABOX® units through SPVs without the possibility of recourse to the assets of the parent company. Once a project in development is sufficiently advanced, the team in charge of financing studies the financing options.

Depending on the country, WAGABOX® projects may be considered to have more or less risk.

Several options are possible in addition to a share of equity:

- the construction of the unit may be financed by lenders such as historical shareholders, banks and through the issue of bonds with financing organisations, who agree to bear the risk during the unit construction phase; in this case, a financing plan is negotiated in parallel with the development of the project;

- an intermediate bond financing (bridge) may be put in place to construct the unit (such as those indicated in section 8.3.3), and less costly bank refinancing undertaken after its start-up;

- the construction of the unit may be financed with equity and bank refinancing undertaken after its commissioning.

As at 30 June 2021, the Group's bond financing (dry bonds and convertible bonds) represented approximately 37% of total financing. See also the description of the various financings in Section 8.3.3 of this Registration Document.

The Group proceeds with the financing of the project as part of a detailed and structured process involving the completion of extensive due diligence and negotiation of financing contracts. Before each project to be financed, the technical analysis and *business plan* forecasts are prepared and validated by

the Group to cover the profitability of the project and ensure the repayment of the loan made. The Group favours project portfolio financing to pool risks, which makes it possible to assume the overall cost of repayment. In these negotiations, the Group is supported by its legal advisors and its centralised financing team in France. As part of this financing process, the financial institutions and funders analyse in particular the basis of the project elements mentioned above as well as feedback from the various other WAGABOX® units in operation.

5.3.3.2 *Financing structure and scope*

The Group generally structures its project financing by setting up a separate Special Purpose Vehicle for each of the projects it develops. Financial arrangements concern either individual projects or groups of projects. Bond issues fall into the latter category.

In addition, due to the modest size of some WAGABOX® projects, the Group bundles several projects in order to obtain financing on more favourable terms than those that would be obtained if the financing were negotiated on a project-by-project basis. Project bundles allow the Group to obtain more favourable financing thanks to the increase in the volumes of biomethane produced (and therefore revenue) and the reduction of risks due to cross-guarantees between SPVs and the diversification of resources. To refinance a portfolio of projects, the Group takes into account, as at the date of this Registration Document, certain criteria such as identical geography or equivalent stage of development (similar chronology of projects). In addition, the project portfolio is financed with the aim of limiting the risk of default and the contagion effect (situation where the potentially defaulting project would be paid for by the other projects) (see also Sections 3.3.3 and 8.3.3).

In all cases, the financing subscribed by the Group on behalf of each Special Purpose Vehicle and each intermediate holding company (in the event of a project bundle) is without recourse to the Company's assets. It is also without recourse to the assets of other Group entities that are outside the scope of the financed project (or projects in the event of projects grouped in a single financing) and does not entail a refinancing risk since it is repaid in full from the cash flows generated by the projects financed.

When financing conditions are favourable, the Group may refinance projects in order to improve their Internal Rate of Return (IRR) and their financing conditions.

5.3.3.3 *Leverage/Gearing*

Each project is financed at the level of a Special Purpose Vehicle (or of the intermediate holding company in the event of a project bundle) by senior debt (with exceptional cases of multi-tranche mezzanine financing), as well as an equity fraction contributed by the Group (as well as by minority investors in certain cases).

Financing terms, and, in particular, the level of debt of a particular project, depend on a variety of factors, including:

- *Expected project cash flows*. Expected cash flows depend primarily on the pricing terms of the biomethane sales agreement and the energy production expected from the facility (biogas potential and availability). The relevant lender will therefore carry out detailed due diligence on the relevant project plan and carefully review the biomethane sales agreement(s), contractual arrangements and technical and equipment specifications for the project to ensure satisfactory quality and reliability. For this reason, the Group pays particular attention to the negotiation of contractual clauses compatible with financing (such as term extension clauses and guarantee clauses) and to equipment and technical financing solutions in order to provide sufficient comfort to potential lenders as to the reliability of its project cash flows.

- *Project location*. The calculation of leverage takes into account country risk. Projects in mature markets therefore provide greater leverage than in developing markets.

- *Counterparty risk*. In some cases, the buyer of biomethane is a private company operating in a given region or country. The financing terms will depend in part on the creditworthiness of this buyer.

- *Market risk*. The share of biomethane sold with a market risk (spot market or equivalent for renewable gas, particularly in North America) can generally bear a lower percentage of debt given the higher risk compared to sales on the regulated market.

Based on the factors described above, as well as other factors, lenders will determine the minimum debt service coverage ratio. In some cases, mainly in less mature markets involving development banks, lenders will also require a maximum gearing ratio in order to ensure a minimum percentage of equity in the project concerned.

5.3.4 Design, supply and construction of WAGABOX® units (Engineering, Procurement Construction and Commissioning or "EPCC")

The construction of WAGABOX® units is carried out by the Group's Projects division. This phase is signed between the Group and the SPV in the form of an EPCC contract.

As soon as the contracts are signed, a project manager is appointed and given responsibility for constructing the unit. He or she supervises its design (on the basis of existing standardised models), the on-site installation, the supply of parts and materials, construction of the modules by specialist subcontractors (boilermaker/integrator) in charge of assembly on the basis of the plans and instructions provided, and the delivery of equipment to the sites. The final assembly of the unit, connections and gas-in are carried out by the Group's teams.

The project manager is responsible for all technical and construction aspects of the project, from the moment the commitment decision is made by the Board of Directors until the transfer of the WAGABOX® to the operating team, as well as the management of relations with project stakeholders.

More specifically, the project manager:

- oversees the proper implementation of the technical design of the project presented in the EPCC contract;

- liaises with the local authorities and the storage site operator and the natural gas grid operator;

- manages the Group's relationship with the counterparty to the project's biomethane sales agreement;

- oversees Health, Safety and Environment ("HSE") issues in accordance with applicable regulations and Group HSE policies, in coordination with the Group's HSE Manager;

- carries out ongoing risk management;

- manages the quality control of the work, monitoring of construction at the integrator, assembly and installation, as well as the project commissioning phase and performance tests;

- manages project progress and budget matters (including reporting on planned versus actual spending);

- manages the industrial and commercial start-up of the project; and

- ensures that all the technical and regulatory documentation to be submitted to the operator is obtained and prepared.

As part of these assignments and as required, the project manager is supported by the Group's legal, financial and development teams.

The project manager relies in particular on the team in charge of the processes for the design, sizing and potential adaptation of the unit to the characteristics of the site to be equipped, as well as on the internal resources of the Projects division for the updating of regulation/automation programmes, as well as for drawings (layout, civil engineering, site interfaces, etc.) and manufacturing plans (tanks, isometrics, structures, etc.).

In France, WAGABOX® units are commissioned between 12 and 16 months after the gas purchase agreement has been signed with the storage site operator, depending on the size of the unit. In other countries, this period can reach 18 months.

Proactive management of the grid connection process is essential to deliver projects on time and at an acceptable cost, particularly in areas where local authorities and grid operators have little or no logistical and technical experience in connection with renewable gas production facilities.

In the implementation of construction, the Group relies above all on its internal resources but also uses third-party integrators for the boilermaking/integration and construction of the skids making up the WAGABOX®. The Group has a grid of long-standing shareholders capable of carrying out projects developed and undertaken by the Group in Europe and North America.

At 30 June 2021, the Group's Project division employed:

- eight project managers;
- one safety/environment engineer;
- four automation engineers;
- four planners/draughtsmen.

5.3.5 Operation of production assets

The injection into the gas grid and the signing of the individual acceptance report mark the start of the operating phase. This phase lasts 15 years in France (generally between 10 and 20 years). As the SPVs have no employees, the operation of the WAGABOX® units is subcontracted to the Group under O&M contracts. All O&M contracts related to the carrying out of a project are aligned on the same duration (15 years in France).

WAGABOX® units are fully automated and equipped with numerous sensors for remote monitoring and control. The Group's Operations division provides remote supervision, preventive and curative maintenance, as well as day-to-day operations. All these operations require specific skills and in-depth technological knowledge. Given the risks inherent in gas engineering, the operation of WAGABOX® units is carried out exclusively by trained and highly qualified employees.

The Operations department guarantees the performance of WAGABOX® units, and, in particular, their yield (methane extraction rate) and their uptime (measurement, expressed as a percentage, of the relative time during which an asset is in operation and generates value). The Group contractually commits to ensuring 95% uptime.

In line with its "developer-investor-operator" strategy, the Group places great importance on the proper functioning and preservation of its production assets. The management and operation of WAGABOX® units are facilitated by the following:

- an operations control centre and a remote supervision room based in Meylan (Isère, France);

- a stock of consumables and critical parts in Meylan (Isère, France);

- operating technicians in all regions where WAGABOX® units are in operation, able to intervene on site in less than four hours;

- stocks in each region of small equipment and consumables for the most common operations;

- a centralised operations team that oversees the units 24/7;

- the Group's internal expertise, which includes the Processes, Projects and Operations divisions.

The Group's technicians are trained in the specificities of WAGABOX® technology, and made aware of the risks associated with the operation of these units. Each of them has an in-depth knowledge of their operation, as well as the customer's expectations and the characteristics of the site on which the unit is located. Financial and administrative data relating to the asset is processed by a centralised financial team in Meylan (Isère, France).

The operations maintenance team is responsible for overseeing safety, regulatory and technical aspects in order to develop and monitor a detailed management plan for the asset. In particular, the Group's operating teams are involved in the following activities:

- production management, by constantly monitoring production levels, reacting to identified problems and managing a short-, medium- and long-term action plan to maintain optimal operational conditions;

- technical reporting;

- cost management, by preparing, monitoring and optimising the operating budget of the asset using relevant management tools;

- the management of maintenance operations, through the supervision of operations and maintenance activities, including the appropriate implementation of corrective, preventive and conditional maintenance measures;

- performance management, by calculating and monitoring asset performance indicators, such as the methane extraction rate and the facility's uptime (measurement, expressed as a percentage of the relative time during which an asset is in operation and generates value);

- safety management, by structuring the management of HSE issues, overseeing their implementation and organising the HSE indicator reporting;

- managing interfaces with the site operator, the local grid operator and the biomethane buyer;

- supporting the finance team in the preparation of reports required by lenders;

- monitoring and compliance with regulatory constraints and commitments;

- managing insurance claims and monitoring incidents, with systematic on-site visits at the end of the warranty periods.

In addition, the Group's operations and maintenance team are developing areas of expertise complementary to WAGABOX® technology and notably the optimisation of regulations to improve gas collection, connection to the natural gas grid and the interface with the grid manager, or the

monitoring of HSE regulations, which are capitalised on to establish best practices, as well as continuous improvement of WAGABOX® units and information sharing within the Group.

The specific implementation of the main management responsibilities is described in more detail below:

- *Production management*. Production management consists of a reporting function, on the one hand, and a planning and control function, on the other. The reporting function includes monthly, quarterly and annual reporting to enable asset performance to be monitored. The reporting details key performance indicators such as uptime and extraction ratios, volume injected, quality losses, analyses and feedback on significant events, among others. The purpose of this is to continuously improve WAGABOX® and the Group's best practices.

- *Planning and control*. A management plan is put in place, listing each stage (technical, administrative, commercial or other) necessary for the efficient and effective operation of the WAGABOX® concerned.

- *Maintenance management*. The Group organises and implements preventive and conditional maintenance for all of its assets.

- *Performance management*. The Group adapts its instruments and its performance measurement policy to continuously improve the WAGABOX® in collaboration with the process engineering and project management team.

- *Cost management*. The O&M team actively monitors the operating costs of the units and ensures compliance with the budget allocated and provided for in the business plan.

- *Management of feedback*. The operations and maintenance team is at the interface between all the Group's technical stakeholders. In order to have increasingly reliable and efficient assets, it manages a system to provide feedback.

5.3.6 Sales Administration—After-Sales Service

Throughout the duration of the contracts and the operation of the asset, the Group handles relations with the operator of the waste disposal site, both in terms of operations and in terms of legal and contractual matters. The same applies to other contracts in force. The Group is responsible for annually updating the tariffs (in application of contractual clauses) and in particular the indexing, verifies the monthly invoicing and manages the customer relationship, including for projects led by SPVs in which the Company is a minority shareholder.

5.3.7 Sale of biomethane by the Group

The Group sells the biomethane produced by the WAGABOX® units either under a purchase agreement with commitment signed with public counterparties or natural gas distribution companies subsidised by the State as in France. In this case, an additional premium may also be freely negotiated between the biomethane producer and the acquiring gas supplier (see also paragraph 5.1.3.6 on GOs). The Group can also sell the biomethane produced by the WAGABOX® units under a long-term energy purchase agreement entered into with a private player (*e.g.*, Biomethane Purchase Agreement or "BPA").

In this case, the remuneration includes the Guarantees of Origin ("GO") associated with the production of renewable energy, which can be marketed by the energy buyer to companies subject to carbon emission restrictions or to voluntary customers wishing to reduce their environmental footprint.

5.3.7.1 *Mandatory purchase price*

In contracts with mandatory feed-in tariffs, in force in France in particular since 23 November 2011, the Group sells the biomethane directly to an energy buyer and receives a reference price, set in advance under the ministerial ordinance for all the biomethane produced by the WAGABOX® unit up to a volume defined and declared by the Group when the project is carried out, regardless of the market price of natural gas. In France, contracts with a mandatory feed-in tariff have a term of 15 years from the date of commissioning of the WAGABOX®. The Group has secured several contracts with mandatory feed-in tariffs for waste storage sites that are already in a development phase. For all these opportunities, the Group has the possibility of developing a project within three years from the date of signature of the contract with mandatory feed-in tariffs, without losing the benefit of the tariff. In addition, the Group has the option of negotiating an additional regulated tariff premium freely with energy companies . This option remains valid for most contracts secured by the Group before November 2020, when ownership of the GOs was transferred to the State for all new contracts. Although the current value of GOs on the market is relatively low (between 0.5 and 3 €/MWh), the Group nevertheless receives compensation in addition to the feed-in tariff set by the State.

Contracts with mandatory feed-in tariffs also exist in Quebec and Italy, with terms of 20 and 10 years, respectively. In Quebec, the local operator Énergir is responsible for both connecting to its grid and purchasing all biomethane production. In Italy, the government agency for the management of energy services (GSE) governs biomethane purchase contracts with producers for a period of 10 years.

All contracts with a mandatory feed-in tariff in France, Quebec and Italy have adjustment formulas that follow inflation or specific cost indices.

Contracts with a mandatory feed-in tariff are used to encourage investment in renewable energy while it is still relatively expensive to produce renewable gas, particularly for small installations.

5.3.7.2 *OTC biomethane sale agreement (corporate BPA)*

The Group also enters into private biomethane sales contracts with certain buyers, such as specialist energy companies. These contracts generally relate to a determined quantity of biomethane, at contractually defined prices, delivered to the counterparty *via* the natural gas grid.

The certification of the renewable origin of the biomethane is carried out by the producer *via* a third party, *i.e.*, companies specializing in environmental certification that use internationally recognised protocols to confirm the renewable origin, sustainable nature and carbon intensity of the biomethane produced by the Group. The protocol used by the Group is International Sustainability and Carbon Certification ("ISCC"). Another protocol also available is known as REDCERT. In addition, the biomethane buyer must demonstrate a physical link between the injection point and the consumption point in order to provide proof of the volumes of gas injected by the Group at the point of production and the volumes taken from the grid by the buyer at the point of consumption (SWAP mechanism).

These biomethane sales agreements currently represent a relatively small percentage of the Group's portfolio in operation or under construction but are expected to grow significantly with the planned international expansion. The Group aims to achieve an increased percentage of private biomethane sales agreements in the coming years in order to increase its revenues and reduce its dependence on biomethane sales agreements with public counterparties (which may be subject to unfavourable political dynamics) and obtain greater flexibility in setting pricing structures and conditions.

The signing of over-the-counter contracts is made possible by the competitive price offered by WAGABOX® technology. In the first half of 2021, the Group signed its first BPA contract in Spain at the Can Mata site, which is a first in Europe to the Group's knowledge.

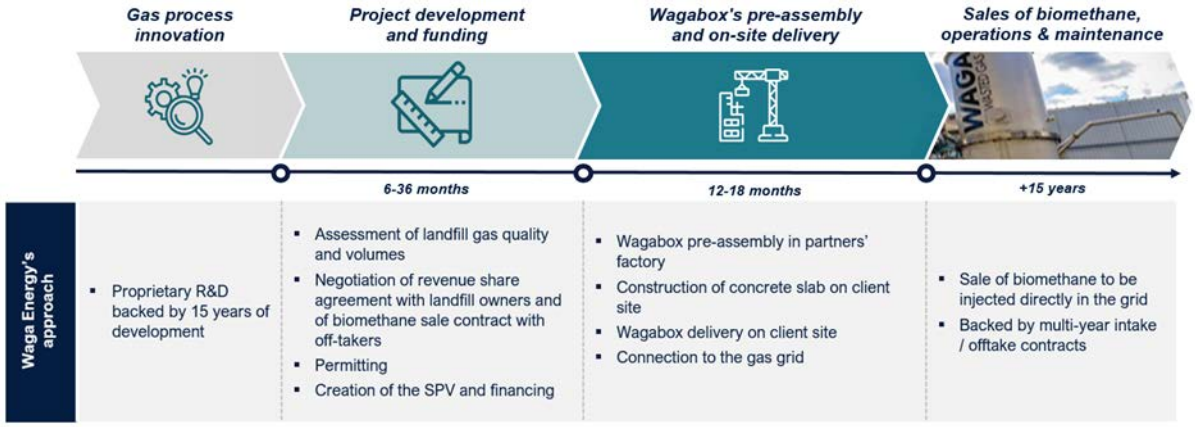
5.3.8 Capturing final value beyond the term of biomethane sales agreements

The quality of construction of the WAGABOX® units and the care taken in their operation make it possible to envisage an operating period exceeding the duration of the contracts currently signed with the landfill operators. Many waste storage sites plan to continue to operate, and therefore to produce biogas, for periods much longer than those initially agreed with the Group. The Group plans to negotiate with the operators of certain sites, if the gas source is still substantial, the extension of agreements for the purchase of raw biogas. The renegotiation of purchase contracts or the extension of these contracts would be a source of additional revenue for the Group in the long term. Nevertheless, the estimated revenue is based on the conditions applicable at the time of negotiation. The duration of the raw biogas purchase agreement is normally aligned with the duration of the biomethane sales agreement. As at the date of this Registration Document, the Group has not yet renewed any contracts, the first expiry dates falling in 2032 (see also the residual end of contracts presented in Section 7.1.6).

The cost of producing the biomethane produced by a WAGABOX® unit is the sum of three components: the purchase price of the raw biogas from the storage site operator, the project's capital expense and operating costs. In the event that contracts are extended beyond the initial term, the cost of biomethane production will no longer include a portion of the capital expense. The production cost should then be competitive with natural gas, in other words at "grid parity", even for relatively small sites.

Landfill gas, which is still largely wasted today, could be recovered and sold on the market for a price comparable to that of fossil natural gas.

Fig. 41: An integrated business model



Source: Waga Energy

5.4 Global development potential

The WAGABOX® solution, combining a patented technological innovation and an investor-operator model, paves the way for the recovery of landfill gas and transformation into biomethane worldwide.

5.4.1 More than 20,000 waste storage sites to be equipped worldwide

WAGABOX® technology is able to purify gas from most waste storage sites around the world. In addition, by efficiently recovering a by-product from waste treatment, it provides biomethane at a competitive price. These characteristics make it possible to envisage its use in all countries around the world, including those that do not offer a mechanism to support the production of renewable gas. These characteristics make it possible to envisage its deployment in all countries of the world, including those that do not offer a mechanism to support the production of renewable gas, for sites that meet the selection

criteria defined by the Group, allowing the project to be economically profitable (minimum gas volume, distance to the natural gas network, etc.), which depend on local market conditions for the price of gas.

The Group can process landfill gas with an oxygen and nitrogen concentration of up to 30%, this rate being very rarely exceeded in covered storage sites.[10] While the vast majority of storage sites are covered in developed countries, this change is underway in developing countries in line with environmental awareness and economic growth. For example, the big storage sites in Morocco, Colombia and Brazil are now largely covered. As a result, the Group is theoretically able to handle landfill gas from all OECD countries and much of the rest of the world.

The Group estimates that nearly 20,000 storage sites are in operation today worldwide.[11] The global production of municipal solid waste is currently estimated at around 2 billion tonnes per year and could reach 3.4 billion tonnes by 2050 according to the World Bank. This strong increase is driven by population growth and urbanisation in developing countries.

In developed countries, most waste (around 96%[12]) is collected to be stored ultimately in storage sites. The public authorities aim to reduce the use of the landfill model by promoting upstream sorting, but the efforts made so far have been insufficient and the prospect of a world without landfills remains remote. In addition, landfills continue to produce biogas and emit methane for several years after they cease operations.

In developing countries, only 40%[13] of waste is collected today and the landfill model appears to be the simplest and most accessible solution for improving waste treatment.

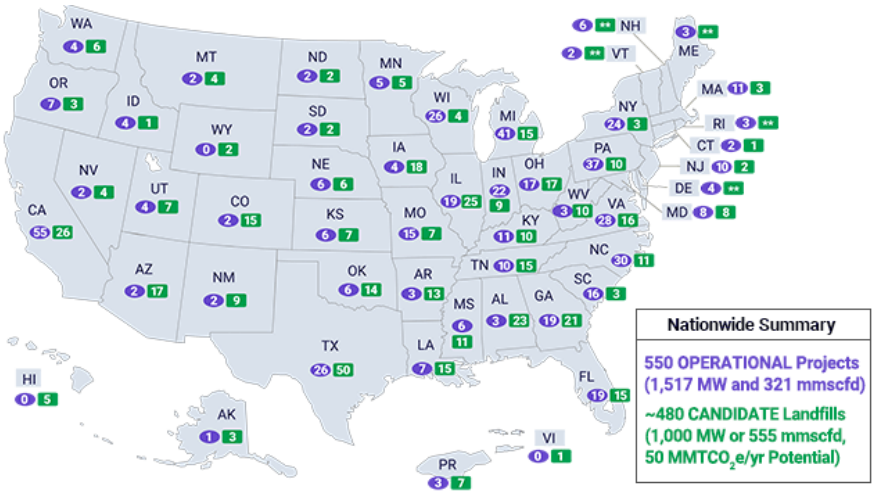
In 2017, European Union countries stored some 54 million tonnes of waste, *i.e.*, around 23% of the total volume, with nearly 1,500 landfills in Europe.[14] In France, around 230 landfills are in operation.[15] These are among the best managed worldwide thanks to the standards to which they are subject. In Poland, Slovenia, Latvia, Lithuania and Romania, most waste is stored, which suggests a high potential for gas to be recovered.

Most of the gas emanating from these landfills is now burned in flares, for lack of an accessible and efficient recovery solution. Less than 1% of landfill gas is currently recovered in the form of biomethane worldwide. The potential for deploying the WAGABOX® solution is therefore immense.

In the United States, half of the waste (approximately 254 million tonnes in total[16]) goes directly to landfills, most of which are very large. There are some 2,600 landfill sites in the United States.[17] Of these, only around 550 landfills have implemented a biogas recovery project (electricity, cogeneration, direct use, purification), and only 2.3%[18] recover their gas in the form of biomethane.

[10] *Enabling the capture and recycling of biogas.*
[11] *Waga Energy.*
[12] *What a Waste 2.0 - World Bank.*
[13] *What a Waste 2.0 - World Bank.*
[14] *Eurostat.*
[15] *ADEME.*
[16] *United States Environmental Protection Agency (EPA).*
[17] *Landfill Methane Outreach Program LMOP (EPA).*
[18] *Landfill Methane Outreach Program LMOP (EPA).*

Fig. 40: Landfill gas recovery projects in the United States–March 2021



Source: Landfill Methane Outreach Program—EPA

Of the 550 landfill gas recovery projects operating in the United States, fewer than 70 produce biomethane. Most of the technologies used do not offer economically viable solutions, which explains the low number of projects implemented despite the large number of landfill candidates.

The United States represents a very strong development potential for the Group, which offers a relevant solution for equipping a very large number of landfills.

5.4.2 Competitive biomethane

The amount of available biogas from waste storage facilities is very large and growing as mentioned in the paragraph above. WAGABOX® technology has lifted two major obstacles to roll out its recovery solution globally:

- **The ability to achieve biomethane quality compatible with injection into the gas grid despite a high concentration of air in the raw gas**

This is a necessary condition to developing a project and delivering the large quantities of energy produced to consumers efficiently and at the lowest cost. Natural gas grids represent very efficient infrastructures for distributing energy without loss, from the producer to the consumer. Thus, by using gas grids, the cost for the end consumer is not significantly increased by transportation.

In operation, WAGABOX® technology has proven its ability to purify biogas with high levels of performance, even in the event of poor biogas quality, over several years.

- **The ability to sell biomethane at a price competitive with natural gas, on a market basis (grid parity)**

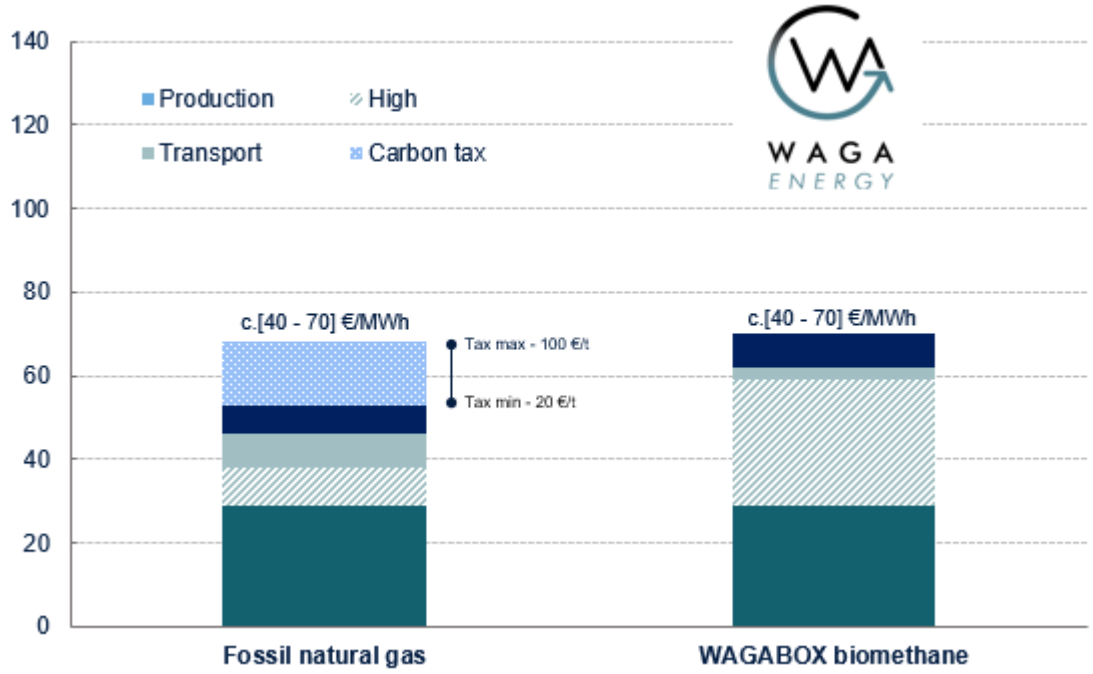
The vast majority of countries in the world do not have a mechanism to support renewable gas. To develop and invest in WAGABOX® projects, it is therefore essential to be able to market the biomethane produced on a commercial basis. For this, it is necessary to be able to produce biomethane at "grid parity". By analogy, renewable electric energies (wind and photovoltaic) have been developing massively over the last 10 years thanks to technological progress that has enabled them to compete with other conventional electricity sources, with limited or no support from public authorities.

The WAGABOX® solution makes it possible to achieve grid parity with natural gas for a large number of sites around the world, beyond a certain critical size, which obviously depends on the market price of natural gas. The Group is able to supply biomethane at a price ranging from 40 €/MWh to 70 €/MWh depending on the size of the WAGABOX®. The cost of producing biomethane from WAGABOX® naturally varies according to the size of the WAGABOX®. Thanks to economies of scale, the production cost decreases as the capacity of the landfill increases.

Energy companies purchasing biomethane from WAGABOX® projects also appreciate the stability of production costs over time, independently of fluctuations in fossil fuels prices and, in particular, natural gas, the predictability of the source over time, and the reduction in transportation and distribution costs due to the proximity of the production and consumption sites and obviously the low carbon footprint of biomethane, which reduces their greenhouse gas emissions or those of their customers.

The cost of production independent of fossil fuels, stable and predictable over the long term, represents a major competitive advantage for energy companies and consumers, subject to fluctuations in energy prices.

Fig. 41: Comparison of Waga Energy's biomethane production costs compared to natural gas



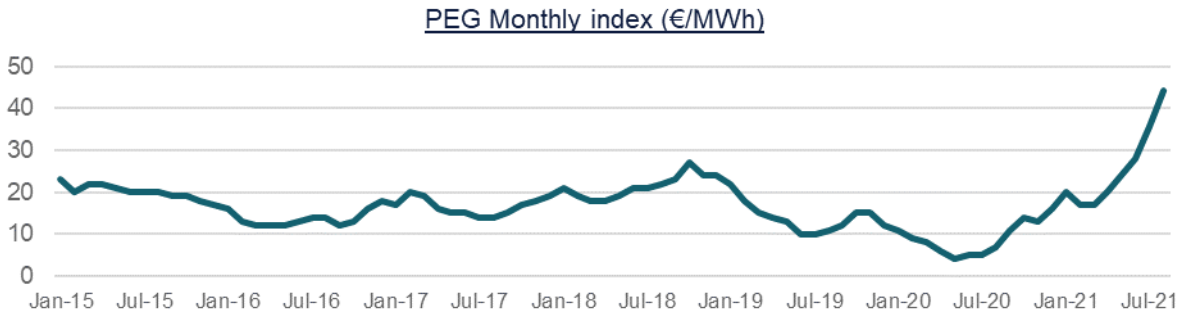
Source: ADEME, ENEA

The chart above illustrates the difference between the Group's biomethane purification costs and the selling prices in France and North America. The sales prices in North America and France enable the Group to achieve significant theoretical operating margins, validating the economic relevance of the model, regardless of the size of the WAGABOX®. The part of this chart struck through corresponds to the range of cost variation.

The price of natural gas is also heavily impacted by increasingly heavy taxation, notably with the carbon tax. The price of natural gas is also subject to market volatility, regularly subject to imbalances between supply and demand, which are themselves affected by geopolitical tensions (see in particular Section 3.3.3 "Tax risk impacting the Group").

The high fluctuations in natural gas prices in recent years can be seen in the chart below. In August 2021, the spot price of natural gas exceeded 40 €/MWh in Europe, which makes the WAGABOX® solution even more relevant.

Fig. 42: Change in natural gas prices



Future regulatory changes and the growing awareness of the population regarding greenhouse gas emissions and their consequences on climate change are likely to further increase the competitiveness of the biomethane produced by WAGABOX® units.

5.4.3 Competition

Our unique value proposition combining dedicated and proprietary technology with a developer-investor-operator model gives us a competitive advantage to continue to develop new opportunities.

5.4.3.1 *Competition in the sale of biomethane*

In certain countries, such as France and Canada, the Group benefits from incentive mechanisms that guarantee it can sell its production on favourable terms (price with purchase commitment). There is no competition in this case.

In other countries, there is no real competition in this activity. Demand is emerging from energy companies, public authorities and consumers and linked to the recent ability, notably thanks to the WAGABOX® solution, to access biomethane at a competitive price.

Very few players around the world are able to offer biomethane that is competitive with natural gas without public support. The Group is able to achieve this objective in certain cases (depending on the site size and its proximity for connection to the network) thanks to WAGABOX® technology.

5.4.3.2 *Competition for access to landfill gas*

The launch of a WAGABOX® project is dependent on the signing of a contract with a waste storage site operator for the supply of landfill gas. In this respect, the Group faces competition from a number of companies specialising in the development of renewable energy projects, offering landfill operators various recovery solutions (cogeneration, purification). These companies do not have their own technology and outsource the design and construction to specialist engineers.

Recovery solutions based on cogeneration

There are a large number of developers of projects to produce electricity from the biogas emitted by landfills.

For the past 20 years or so, most project developers have equipped waste storage sites with cogeneration units, thanks to public policies encouraging the production of renewable electricity. Landfill gas is burned in an internal combustion engine or a microturbine, coupled with an alternator, to produce

electricity and heat. However, the electricity efficiency is low (around 30%) and the heat is rarely usable due to the distance to urban areas. In addition, the gas must be partially purified (elimination of hydrogen sulphide) to preserve the equipment, which generates an additional cost.

This recovery solution seems to be losing ground due to the scarcity of public aid, linked to the fall in the production costs of renewable electricity using wind and solar power, which makes support for this energy less relevant.

However, many storage sites are equipped with cogeneration units, and therefore cannot accommodate a WAGABOX® project before the end of the existing contracts. The landfill cogeneration market is currently served by companies such as EDL, LMS, LFGTech, Clarke Energy, Infinis, Dalkia, etc.

Recovering landfill gas as biomethane

Most biomethane production projects from landfills are developed by a handful of companies located mostly in the United States (Montauk, Morrow Renewables, Cambria Energy, Mas Energy, Aria Energy, Archaea Energy, etc.).

These companies do not have proprietary dedicated landfill gas purification technology. They develop projects and subcontract the design and construction phases with the help of engineering companies. To meet the challenges posed by landfill biogas, the latter assemble multiple technological building blocks proposed by various technological suppliers (reduction of impurities, separation of CO_2, nitrogen separation, oxygen separation, grid compression, etc.). They most often use membrane technology combined with pressure swing adsorption (PSA).

Economies of scale are then necessary to obtain an economic return on the investment, since the cost of this type of engineering project specific to each site is high. The majority of biomethane production projects in the United States process volumes exceeding 4,000 m^3/h. These competitors have achieved satisfactory results on certain landfills containing a low concentration of air (less than around 10%), which is the case for a small number of high capacity landfills (less than 5% or so). The risks of an increase in the air content which would lead to a sharp drop in performance and operational risks are significant.

The first references date back to the 2000s and today around 70[19] landfills in the United States have a biomethane purification and production facility out of the 2,600 existing sites, and very few exist globally.

Technological landscape

Few companies worldwide provide total or partial technological solutions dedicated to biogas from landfill sites (Guild Associates, Air Liquide, Xebec, SysAdvance, ARI, BCCK, etc.). A combination of several technological building blocks is required to transform raw biogas into biomethane that meets the specifications required by grid operators.

- Carbon dioxide (CO_2) separation by membrane permeation (Air Liquide, DMT, Evonik, etc.) or by adsorption (Xebec, SysAdvance, Carbotech);
- Nitrogen separation (N_2) by adsorption (Guild Associates or ARI) or by distillation (BCCK);
- Oxygen reduction (O_2) by catalytic deoxidiser (PSB);
- Another stage: final purification to achieve grid quality.

19 Waga Energy.

5.4.3.3 *Description of main competitors*

Montauk Energy

Now based in Pittsburgh, Pennsylvania, Montauk Energy is a renewable energy company. It specialises in the recovery and purification of landfill gas in order to replace gases of fossil origin. Although the majority of its revenue comes from its renewable gas segment, the company also operates in the production of green electricity. Founded in 1996, the company is listed on the Nasdaq and generated total revenue of 100 million US dollars in 2020.

Morrow Renewables

Based in Midland, Texas, Morrow Energy is a company specialising in the sale and operation of gas treatment plants in the United States and internationally. Initially, the company focused on providing goods and services for the oil and gas industry. Since its founding, the company has processed more than 5.7 million cubic metres of gas and built units capable of processing more than 28 million cubic meters per day. In 2000, the company diversified its activities by building its first landfill gas treatment unit. It currently has 15 units in operation, 2 of which are managed directly. Morrow Energy is therefore an EPC, a project developer and an equipment supplier. Founded in 1987, the company is currently still private.

Aria Energy

Based in Novi, Michigan, Aria Energy is a company specialising in the development and operation of renewable energy production projects. Founded in 1986, Aria Energy is now majority owned by the Ares Management private equity fund. In the third quarter of 2021, the company merged with Archaea Energy through the SPAC Rice Acquisition Corp., owned by Rice Investment Group. The combined entity has been renamed Archaea Energy.

Archaea Energy

Based in Cansburg, Pennsylvania, Archaea Energy is a young company that develops and operates landfill gas recovery projects in the United States to supply energy to buses and trucks. Founded in 2018, the company is now majority owned by Rice Investment Group. During the third quarter of 2021, it merged with Aria Energy (see above).

Mas Energy

Based in Atlanta, Georgia, MAS Energy is an American company specialising in the investment, development and management of renewable energy production projects with a focus on landfill gas. Founded in 2007, the company is currently privately held.

Guild Associates, Inc.

Based in Dublin, Ohio, Guild Associates is a company specialising in the provision of development goods and services around chemical and gas issues for civil and military industries. The company was founded in 1981 and is currently still private. It offers a denitrogenation building block by pressure swing adsorption.

BCCK

Based in Midland, Texas, BCCK Holding specialises in the processing of oil and natural gas in industrial environments. The company specialises in the removal of nitrogen and carbon dioxide from gases. The company was founded in 1980 and is currently unlisted. The company has announced that it will supply a technological building block to separate nitrogen from methane by distillation on a landfill gas biomethane project.

Xebec

Based in Blainville, Canada, Xebec Adsorption designs, develops and manufactures products for the purification, separation, dehydration and filtration of gases and compressed air. The company operates in three segments: Systems, Service and Support, and Infrastructure. The Systems or Clean Energy segment designs and builds natural gas and hydrogen production systems. The Service and Support segment markets a wide range of air dryers in addition to the provision of services. The last segment, which does not yet generate revenue, represents the company's ambition to develop its own natural gas projects.

The company is mainly present in the United States, Canada, China, South Korea, Italy and France. It was founded in 1967 and is listed on the Toronto Stock Exchange. In 2020, it generated total revenue of 57 million Canadian dollars.

SysAdvance

Based in Povoa de Varzim, Portugal, SysAdvance is a company specialising in the supply of gas treatment technology. The company was founded in 2002 and is a deployment from a university research laboratory. The company offers its services to various industries, such as the pharmaceutical and chemical industry, oil and gas, marine, aviation, etc. The company is currently present in more than 40 countries and is still privately owned.

5.4.3.4 *The Group's competitive advantage*

The biogas market is highly fragmented. The Group's model, combining dedicated, high performance, exclusive technology with a developer-investor-operator business model, puts it in a unique position to develop new opportunities on a global scale. The strong growth of the asset base since the first installation in 2017 demonstrates the relevance of the WAGABOX® solution.

5.5 Rollout of the WAGABOX® solution on a large scale

5.5.1 Vision, ambition

In a context of climate emergency, the Group considers that the substitution of fossil fuels by renewable energies is the major economic, ecological and social revolution of the 21st century. The challenge is to start this energy transition as quickly as possible in order to limit the rise in temperatures to an acceptable level.

To this end, the Group has developed a technology that already reduces greenhouse gas emissions, by producing large volumes of biomethane at competitive prices to replace fossil fuels, and by reducing methane emissions generated by waste treatment.

This technology is implemented as part of a developer-investor-operator model favouring its rapid, controlled and large-scale rollout.

The Group believes that it is currently the leader in the recovery of landfill gas in the form of biomethane in Europe, and has the ambition to become a world leader in biomethane production.

5.5.2 International rollout strategy

In 2019, the Group began rolling out the WAGABOX® solution through the creation of subsidiaries in the United States and Canada, thanks to the sums raised during the second financing round. 98% of its potential market is international.

5.5.2.1 *Targeted expansion in strategic countries*

The Group has identified a certain number of countries considered to be strategic given the number of landfills and local market conditions, in line with the above-mentioned eligibility criteria (paragraph 5.3.2.2).

The Group identifies three broad groups of regions in order of priority:

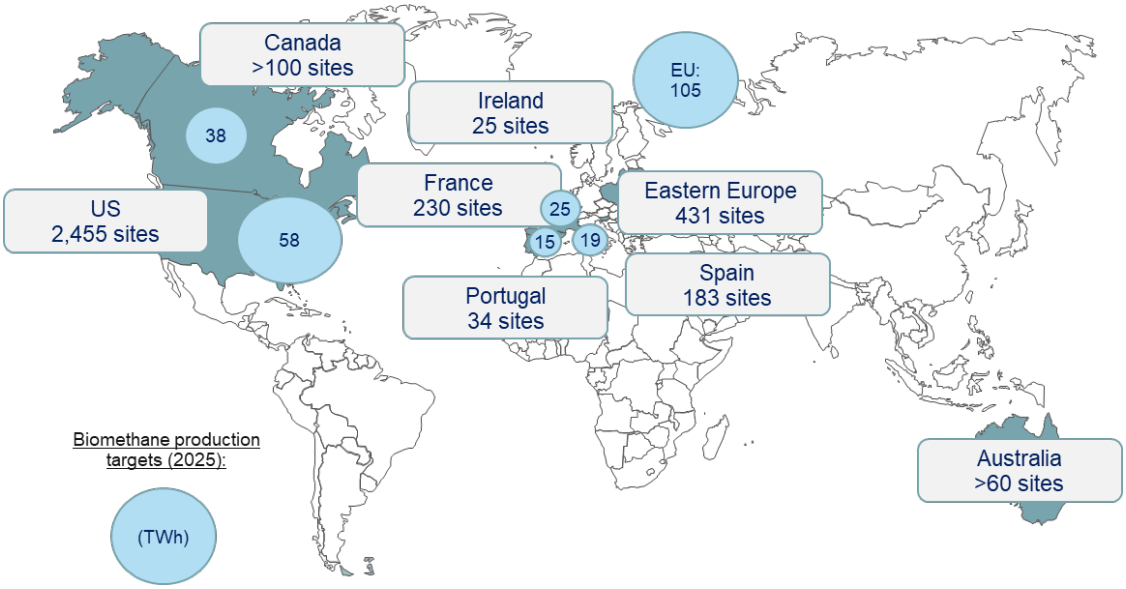
- Category 1: France, Spain, Canada, United States;
- Category 2: United Kingdom, Ireland, Italy, Portugal, Australia;
- Category 3: Baltic countries (Latvia, Lithuania), some Central European countries (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Poland), Greece, and Latin America (Brazil, Colombia).

The Group intends to consolidate its leading position in France, where the environment is favourable. The country has around 230 waste storage sites that are required to capture their gas, and the gas grid is highly developed (+220,000 km). Biomethane injection projects also benefit from a government aid scheme in the form of a feed-in tariff with a purchase commitment applicable for a period of 15 years.

The Group operates in Western European countries from its base in France. A first contract was signed in Spain at the end of 2020 with the Ferrovial Servicios group, which operates a waste storage site in the Barcelona region (Catalonia). Insofar as there is no support mechanism in this country, the biomethane produced by the Group will be sold to a private operator under a long-term Power Purchase Agreement. This project demonstrates the Group's ability to supply renewable gas at a competitive price.

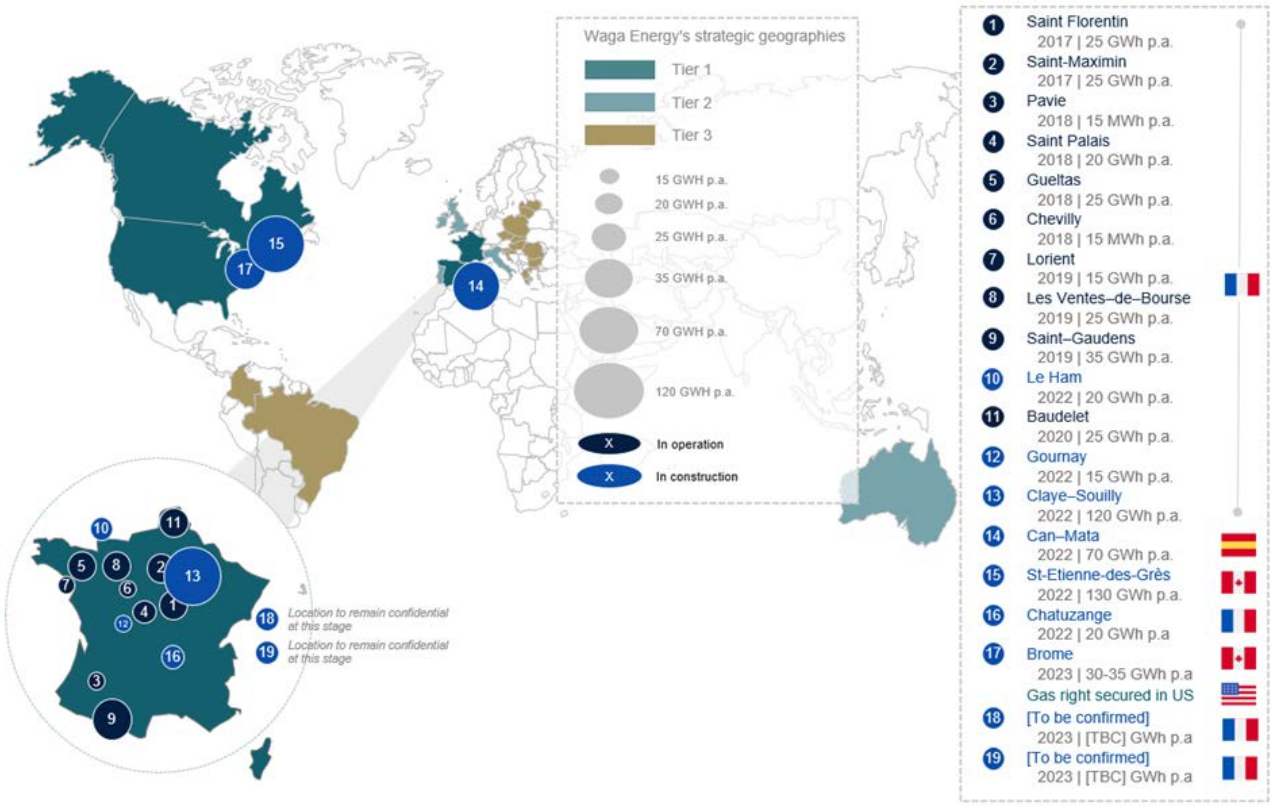
The Group signed two contracts in Quebec (Canada) in 2021, one to equip the Saint-Étienne-des-Grès (Quebec) storage site and the other to equip the Cowansville (Quebec) storage site. It expects these first references on the North American continent to stimulate its commercial development in this part of the world.

Fig. 43: Estimated number of landfills by country and biomethane production targets by country (in the countries targeted by Waga Energy)



Source: Waga Energy

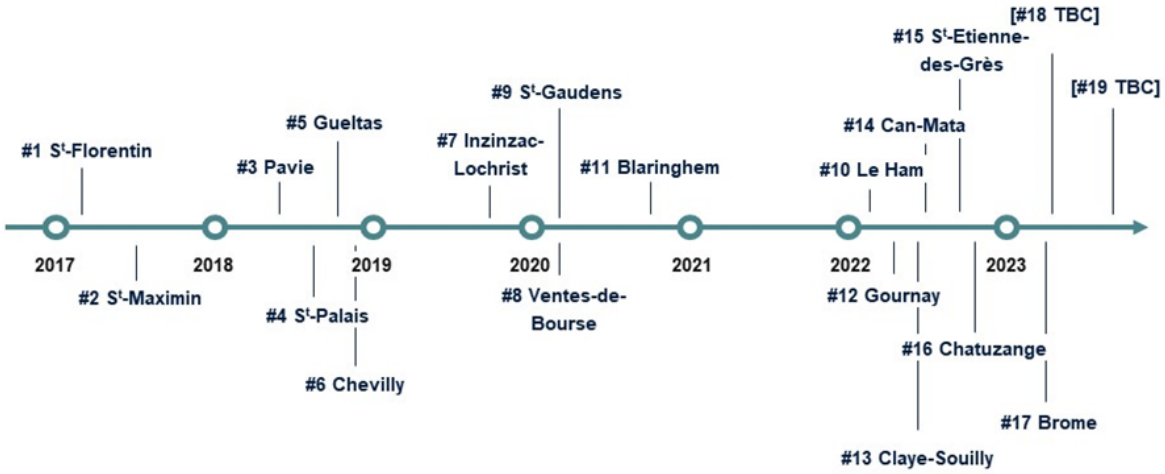
Fig. 44: Mapping of WAGABOX® units in operation and under construction



Source: Waga Energy

Note: the contruction of the18th and 19th site has not yet been officially made public.

Fig. 45: Timeline for the implementation of WAGABOX® units already signed (depending on their start-up)



Source: Waga Energy

Fig. 46: Summary table of the 19 WAGABOX® in operation and under construction

#	Municipality	Country	Type of revenue	Commissioning estimated by the Group as at the date of the Registration Document	Capacity GWh	T CO_2 eq. avoided	Landfill operator	% holding Direct / Indirect
1	**St-Florentin**	FRA	Products	14-Feb-2017	25	~4,000	Coved	100%
2	**St-Maximin**	FRA	Services	26-Jun-2017	25	~4,000	Suez	100%
3	**Pavie**	FRA	Products	30-May-2018	15	~2,500	Trigone	100%
4	**St-Palais**	FRA	Products	6-Nov-2018	20	~3,200	Veolia	49%
5	**Gueltas**	FRA	Services	13-Oct-2018	25	~4,000	Suez	49%
6	**Chevilly**	FRA	Services	20-Dec-2018	15	~2,500	Suez	49%
7	**Inzinzac-Lochrist**	FRA	Services	26-Nov-2019	15	~2,500	Lorient Agglo	N/A
8	**Les Ventes-de-Bourse**	FRA	Services	15-Jan-2020	25	~4,000	Suez	49%
9	**Saint Gaudens**	FRA	Products	16-Jan-2020	35	~5,600	Sivom SGMAM	49%
10	**Le Ham**	FRA	Products	2022	20	~3,200	Veolia	100%
11	**Blaringhem**	FRA	Services	2-Sep-2020	25	~4,000	Baudelet Evt.	100%
12	**Gournay**	FRA	Products	2022	15	~2,500	SEG	100%
13	**Claye-Souilly**	FRA	Products	2022	120	~20,000	Véolia	100%
14	**Can-Mata**	SPA	Products	2022	70	~12,000	Ferrovial	100%
15	**Saint-Étienne-des-Grès**	CAN	Products	2022	130	~22,000	Enercycle	100%
16	**Chatuzange**	FRA	Products	2022	25	~4,000	Véolia	100%
17	**Brome**	CAN	Products	2023	30	~5,000	RIGMRBM(2)	100%
18	**[Project to be announced soon]** (3)	FRA	Products	[2023]	25	~4,000	[Project to be announced soon]	[49]%
19	**[Project to be announced soon]** (3)	FRA	Products	[2023]	25	~4,000	[Project to be announced soon]	[100]%

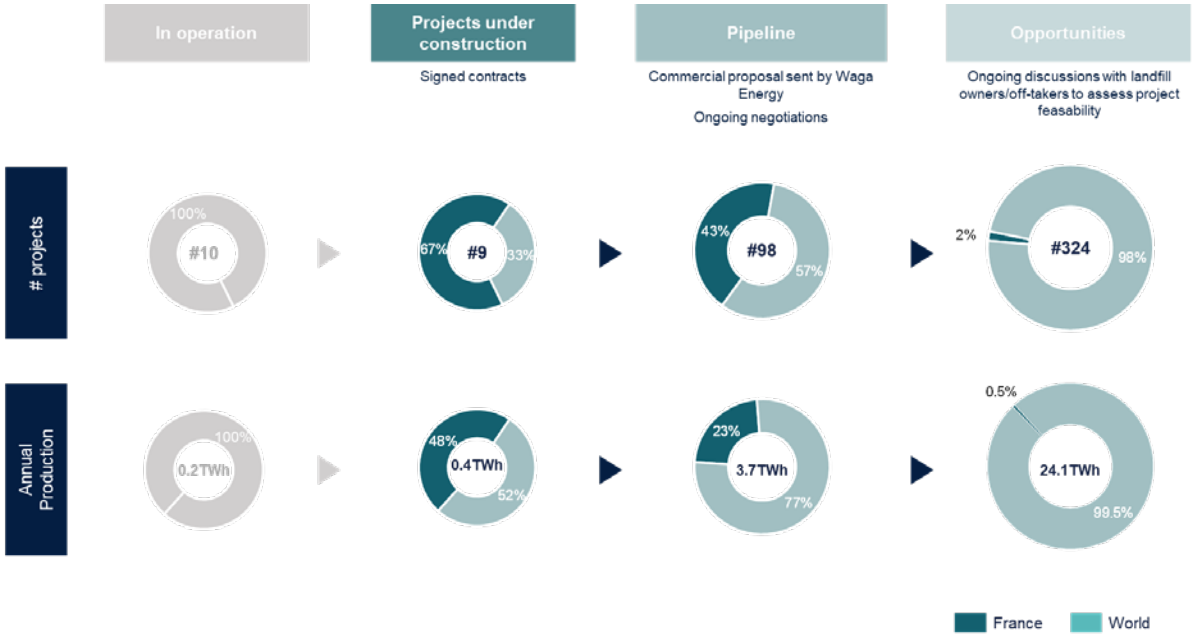
Note 1: Provision of purification services to the landfill operator ("services") or sale of biomethane ("products").

Note 2: Régie Intermunicipale de Gestion des Matières Résiduelles de Brome-Missisquoi.

Note 3 : Confidential projects

The Group believes that it can rapidly expand its installed base internationally given the number of projects and opportunities identified. It has already submitted offers to equip some 98 sites (of which 57% are international) and has also identified approximately 324 sites likely to be equipped (of which 98% are international), for which studies and discussions are underway to validate the feasibility of the projects, among an estimated total of 20,000 sites worldwide (including 1,500 in Europe and 2,700 in North America). International WAGABOX® units that are exected to produce a competitive biomethane with the local natural gas and that do not benefit from public support measures, must be of a larger size in order to achieve an economy of scale.

Fig. 47: Summary table of pipeline and identified opportunities



Source: Waga Energy

In some countries, the offer submitted by the Group and the ongoing negotiations cover the contract with the storage site and the contract with the energy company. This is the case during negotiations with NHWSF operators in countries where the sale of biomethane is regulated, such as Canada (Quebec), France and Italy.

5.5.2.2 *Strengthening of international business development teams*

To achieve this ambition, the Group needs to strengthen its international business development teams and obtain new financial resources to finance the SPVs carrying the assets.

Attracting talent is one of the Group's priorities as it aims to strengthen its teams, particularly internationally in business development positions. To this end, the Group is seeking highly qualified people who are already familiar with the ecosystem in which the Group operates (waste managers, gas infrastructure operators, energy specialists, etc.).

The business developers will be supported in each of the strategic countries by an operational team acting in concert with the teams at the registered office in France. Each strategic country will thus have a dedicated team. The majority of hires will therefore be international. The financing of new sales teams dedicated to development will be borne by the Group.

The local teams will have a great deal of independence in the execution of their assignments and will be responsible for structuring the entire project: from the identification of the counterparty signing the

purchase agreement and the storage site, to delivery of the WAGABOX® on site, injection into the gas grid, operation and maintenance of the WAGABOX®, including the feasibility study, obtaining administrative authorisations, industrialisation, pre-assembly and structuring of the Special Purpose Vehicle, where applicable.

5.5.2.3 *Development of partnerships*

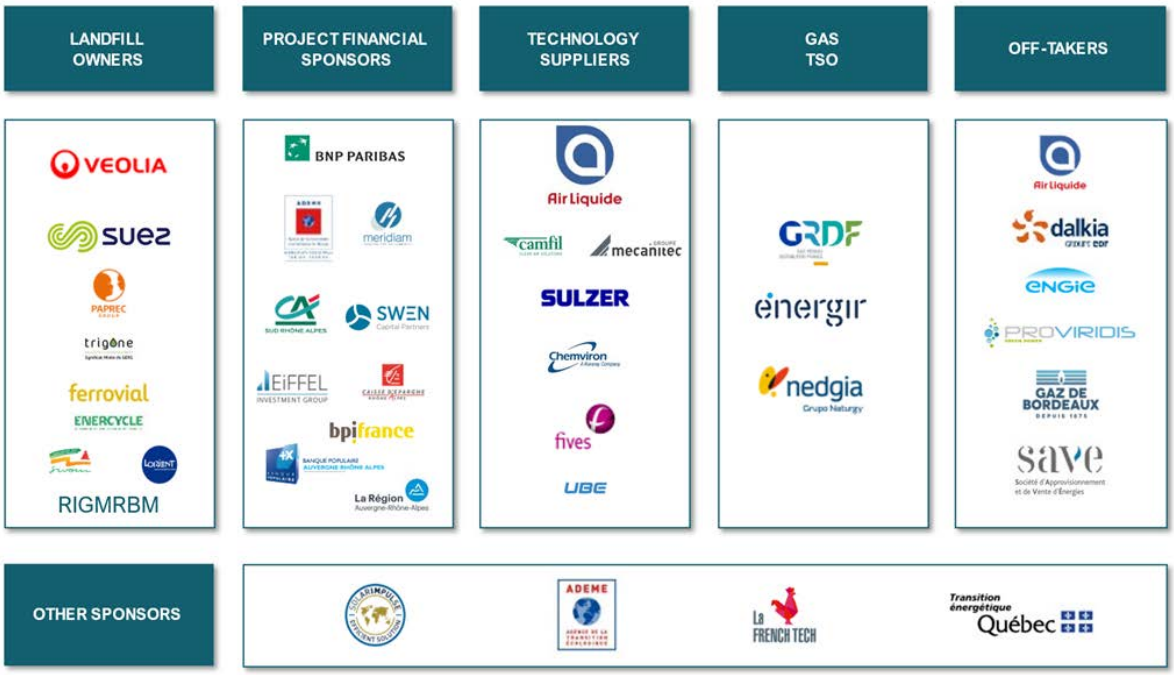
The Group is already building on its existing business relationships with world leaders in waste management to expand into new geographies. The Group also plans to sign framework contracts for the supply of biomethane to international buyers with a multiplier effect for the implementation of the WAGABOX® solution throughout the world.

The Group has forged close commercial ties with major global waste management companies, such as Veolia and Suez in France, and Ferrovial Servicios in Spain, as well as national, private and public players, such as Paprec in France and Enercycle in Canada, and local players too. The Group will rely on these partnerships to secure the sites.

At the same time, the Group has already signed energy sales contracts with private players, attracted by the green energy solution at a competitive price. This is the case for the Can Mata project in Spain. The Group aims to increase the number of private energy purchase agreements signed, and may have an interest in signing framework contracts with energy companies or, more broadly, any other gas consumer or reseller, thus facilitating the Group's development in countries that do not benefit from regulated feed-in tariffs.

More broadly, the Group may use the support of numerous partners, whether financial, industrial or commercial, to accelerate its development, while continuing to guarantee high quality execution.

Overview of the Group's current partner ecosystem



Source: Waga Energy

At 30 June 2021, the Group had 10 WAGABOX® units in operation with the following customers: COVED (one WAGABOX® unit), three local authorities (Lorient Agglomération, SIVOM de St

Gaudens, Trigone, *i.e.*, three WAGABOX® units), the SUEZ Group (four WAGABOX® units), the VEOLIA Group (one WAGABOX® unit), BAUDELET (one WAGABOX® unit). As at the date of the Registration Document, in France, of the 230 identified storage sites, the Group estimates that around 50 are potential candidates, held either by industrial operators, private groups or local authorities. The development of new projects is part of the value creation offered by Waga Energy.

The global market is very dispersed, which facilitates access to new waste storage sites. The risk of concentration is low, as there are multiple landfill operators. In addition, waste storage is a highly regulated market and as such, access to site data is facilitated.

5.5.2.4 *Increasing equity investments in Group projects*

The purpose of the Group is to provide the necessary equity to the SPVs that it develops and to control them.

Although the general objective is to hold 100% of the capital of the SPVs, the Group may want to include a minority industrial shareholder in one or other of the SPVs when there is a mutual economic interest.

As a result, the Group will be able to keep up with increasingly significant investment needs.

This policy is perfectly in line with the Group's business model, which aims to be an independent producer of renewable energy, with a recurring financial profile. It is intended that the SPVs will pay recurring dividends to the Group as the project portfolio matures.

5.5.3 Identification and conversion of opportunities

There are a large number of landfills around the world and a great deal of public information about them. It is essential for the Group to succeed in identifying the most relevant sites. The methods used remain the same from one geographical area to another but may vary marginally due to the availability or otherwise of data.

United States

In the United States, the identification of sites is mainly conducted using data from the Landfill Methane Outreach Program (LMOP). The LMOP is a programme of the US government Environmental Protection Agency (EPA), which works in cooperation with all stakeholders in the waste industry to ultimately reduce landfill gas emissions into the atmosphere. It encourages the collection and recovery of biogas generated by landfills.

The objectives of the LMOP are as follows:

- provide technical assistance and advice to assess the feasibility of projects;
- carry out information campaigns to promote biogas and encourage reduction of landfill gas emissions;
- promote partnerships, particularly with regard to project financing;
- position itself as a reference point for all landfill gas players in the United States.

It is with this in mind that the LMOP has set up a database bringing together all the information available on landfill sites in the United States, including their location, physical characteristics, gas composition, collection system in place, etc. The database currently covers just over 2,600 landfill sites in the United States.

Europe

In Europe, there is no platform that consolidates data on landfill sites. However, the administrative acts relating to the Prefectural authorisations to operate landfills make it possible to identify market opportunities. Furthermore, information platforms exist at the national or local level. Consequently, the Group gathers information at the national and/or local level to identify the most relevant sites for the installation of a WAGABOX® unit.

In addition to these publicly accessible databases, the Group leverages its existing relationships with major landfill managers to identify new opportunities in a "Key Accounts" approach.

Selection

Once the sites have been identified, the Group will make selections based on the following criteria (which are essential for site qualification):

- distance to the existing gas grid, feasibility of connection;
- quantity of air and impurities present in the captured stream, as well as the methanogenic potential of the landfill;
- quality of the landfill operator and verification of compliance by the latter with a set of regulatory and ESG criteria.

Following an initial analysis carried out on the basis of public or confidential information, the Group will conduct a site visit with the aim of confirming the accuracy of the information declared and the compliance of the sites with the various regulations in force. This stage generally makes it possible to define a technical-commercial offer which takes the form of:

- a proposal to purchase raw gas expressed as a percentage of the revenue generated by the sale of biomethane;
- an investment proposal by the Group for the unit and, if requested by the customer, other necessary works (civil engineering, connection, etc.);
- collaboration to obtain construction and operating permits for the unit.

5.5.4 A controlled supply chain and key internal skills throughout the value chain

The Group designs the WAGABOX® units itself and commissions them on site. Equipment manufacturing is outsourced and designed in modular form to maximise integration in the workshop, facilitate transportation, and limit work on site.

The components of WAGABOX® units come from a diverse base of suppliers, whether for:

- membrane filtration (separation of carbon dioxide and impurities);
- compressors (gas flow management);
- instrumentation (remote control and supervision).

The pre-assembly of WAGABOX® units is subcontracted to qualified partners, based in France for the European market and in Canada for the North American market (with the exception of cryogenic distillation modules, which account for a significant portion of the Group's know-how and are exclusively manufactured by a partner located near Grenoble, France).

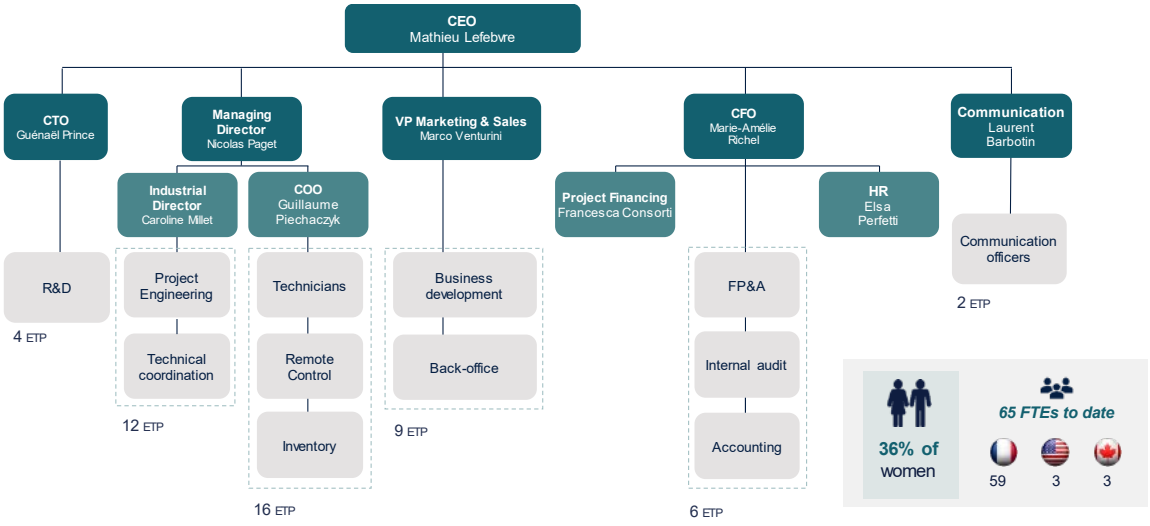
Once pre-assembled, the various components of the WAGABOX® unit are sent to the site for final assembly before commissioning. Pre-assembly in the workshop has the advantage of limiting the impact on the landfill operator's operations to the strict minimum while guaranteeing the highest quality standards during the industrialisation phase.

Companies responsible for pre-assembly of WAGABOX®

Source: Waga Energy

5.6 Organisational Structure

5.6.1 Management organisation chart



5.6.2 Presentation of the management team

Mathieu Lefebvre
Co-founder & CEO

- **Mathieu** is an engineering graduate of the École Centrale Marseille.
- He has unique expertise in the biomethane sector and the development of gas projects.
- He began his career at Air Liquide and developed the first biomethane injection projects using methanisation in France.
- Mathieu has been a permanent member of the national biomethane working group since 2009.

Guénaël Prince
Co-founder and Director

- **Guénaël** is an engineer from Arts et Métiers ParisTech and the Institut Français du Petrole (IFP School).
- He worked on the regasification of the Fos LNG terminal for Sofregaz before joining Air Liquide in process engineering, where he was in charge of the development of cryogenic processes and helium liquefaction product management.

Nicolas Paget
Co-founder and Chief Technology Officer

- **Nicolas** is a mechanical engineer who graduated from UTC Compiègne.
- He is an expert in the management of industrial gas facilities.
- Following time spent working at Technip, he joined Air Liquide's biogas team to lead the industrialisation and standardisation of biogas projects.
- Previously in charge of the development of membrane scrubbers, he worked on the first anaerobic methanisation plant for injection into the grid in France.

Marie-Amélie Richel
CFO

- **Marie-Amélie** graduated from Grenoble Ecole de Management.
- She was in charge of the audit of the financial statements for the French and EMEA entities of the Rio Tinto mining group before becoming a management controller within the CEA.

Marco Venturini
VP Marketing and Sales

- **Marco** is a lawyer by training and holds an MBA from IEP Paris, an M2 from Paris Dauphine and an Executive Masters from INSEAD.
- He has 30 years' experience in the environmental industry (waste, water, soil, energy), as Chief Executive Officer of various subsidiaries of Veolia, Paprec and EnGlobe.
- Marco has served on the Board of Directors of several companies and organisations in France, Great Britain, Italy, Morocco and Israel.

Guillaume Piechaczyk
Director of Operations

- **Guillaume** is a graduate of Arts et Métiers ParisTech and IUT de Montpellier.
- He is in charge of the operation and maintenance of WAGABOX®.
- Previously, Guillaume worked for the grid operator GRTGaz, prior to a position in charge of oil platforms for Doris Engineering.

5.7 Investments

5.7.1 Investments made since 2018

Since its creation, the Waga Energy Group's capital expenditure has mainly been related to the development and construction of WAGABOX® owned and therefore corresponds to property, plant and equipment. The investment criteria take into account technical feasibility, economic analysis and risk analysis. These factors help to improve project performance and optimise financing conditions.

The table below shows the investments made by the Group over the financial years 2018, 2019,2020 and in the first quarter of 2021.

In thousands of euros	31 December 2018	31 December 2019	31 December 2020	30 June 2021
Property, plant and equipment acquisitions	9 292	4 389	4 534	4 735
Intangible assets acquisitions	116	110	260	106
Total	**9 409**	**4 499**	**4 794**	**4 841**

The financing methods for these investments are detailed in Chapter 8 of this Registration Document.

5.7.2 Ongoing investment

As of the date of this Registration Document, the Group's firm commitments relate to the nine WAGABOX® units under construction (including six units in France and three abroad. The majority of the units are financed by the bond contracts described in section 8.3.3, and the balance is financed by the Group's own funds.

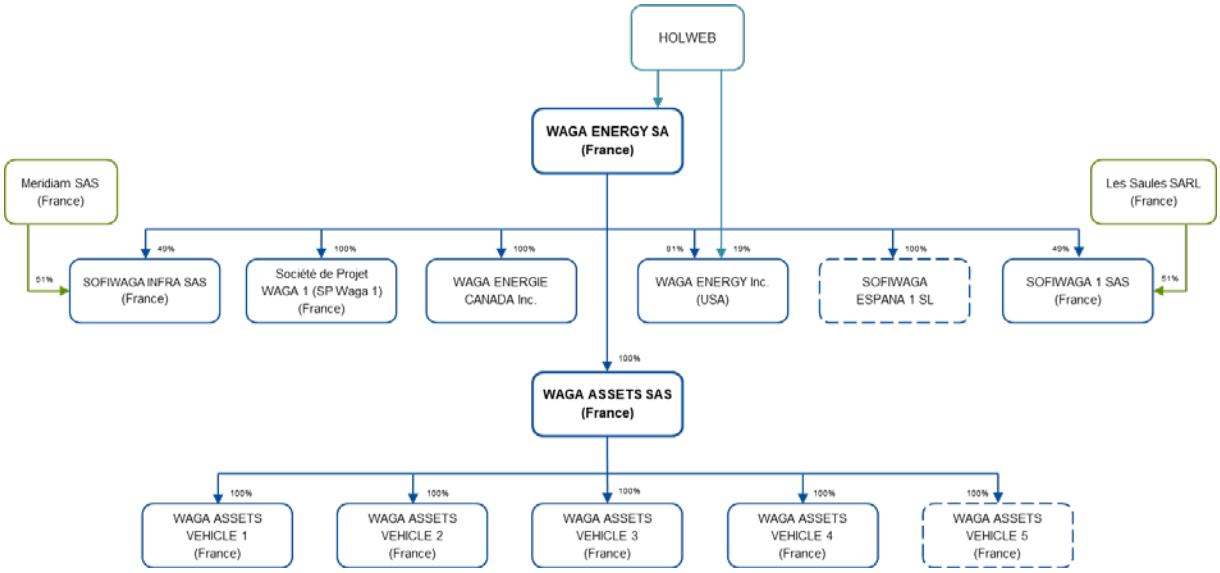
5.7.3 Future investments

The Group intends to continue to invest in its projects in France and abroad. As mentioned in Chapter 10 of the Registration Document, these investments will be adapted to the Group's ambition of achieving, by 2026, 100 WAGABOX® units in operation, *i.e.*, an additional 90 WAGABOX® units (of which nine are currently under construction).

6. ORGANISATION CHART

6.1 Group organisation

The simplified organisation chart below presents the legal organisation of the Group and its main subsidiaries at the date of the Registration Document.



Note 1: Waga Assets 5 is in the process of being created.

Note 2: Holweb is a company controlled at more than 71.2% by Mathieu Lefebvre, Guénaël Prince and Nicolas Paget

Note 3: ownership percentages are expressed in share capital and voting rights

6.2 Significant subsidiaries of the Company

The main direct and indirect subsidiaries of the Company are described below:

- **Sofiwaga 1** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with capital of €1,000,000, whose registered office is located at Zone Industrielle A-10 rue Lorival, 59113 Seclin, France and which is registered in the Lille Métropole Trade and Companies Register under number 832 083 026. Its corporate purpose includes industrial and commercial operations and service provisions relating to the design, investment, construction, study, integration, implementation, operation, sale and maintenance of units with a view to producing or recovering energy gases, including biogas, in order to produce useful energy and enable the energy produced to be used, in particular, through processes enabling its distribution, in the form of biomethane. As at the date of this Registration Document, three WAGABOX® units, WB4, WB5 and WB6, respectively, installed on the Saint-Palais, Gueltas and Chevilly sites are housed in Sofiwaga 1.

- **Sofiwaga Infra** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with capital of €939,000, whose registered office is located at 34 boulevard des Italiens, 75009 Paris, France and which is registered in the Paris Trade and Companies Register under number 840 259 303. Its corporate purpose is the design, installation, upkeep and maintenance of biogas treatment and purification

units, particularly for landfill biogas. Sofiwaga Infra houses the Les Ventes-de-Bourse and Saint-Gaudens projects.

- **SP Waga 1** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with share capital of €5,000, whose registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France and which is registered in the Grenoble Trade and Companies Register under number 891 536 302. Its corporate purpose is the design, construction, study, integration, implementation, operation, sale and maintenance of units with a view in particular to producing or recovering energy gases, including biogas, through the development and the operation of processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, electricity or heat, and enable the energy produced to be used, whatever its form.

- **Waga Assets** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with share capital of €100,000, whose registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France and which is registered in the Grenoble Trade and Companies Register under number 884 522 954. Its corporate purpose is the design, construction, study, integration, implementation, operation, sale and maintenance of units with a view, in particular, to producing or recovering energy gases, including biogas, through the development and the operation of processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, electricity or heat, and enable the energy produced to be used, whatever its form. Waga Assets finances the projects housed in its subsidiaries (mentioned in the organisation chart above in paragraph 6.1).

- **Waga Assets Vehicule 1** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with share capital of €5,000, whose registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France and which is registered in the Grenoble Trade and Companies Register under number 890 231 301. Its main activity is the production or recovery of energy gases, including biogas, through the development and operation of processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, electricity or heat, and enable the energy produced to be used, whatever its form. Waga Assets Vehicule 1 houses the WB10 project installed on the Le Ham site.

- **Waga Assets Vehicule 2** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with share capital of €5,000, whose registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France and which is registered in the Grenoble Trade and Companies Register under number 890 231 335. Its corporate purpose is the production of energy gases, including biogas, through the development and operation of processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, electricity or heat, and enable the energy produced to be used, whatever its form. Waga Assets Vehicule 2 houses the WB12 Société d'Exploitation de Gournay project installed on the Gournay site.

- **Waga Assets Vehicule 3** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with share capital of €5,000, whose registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France and which is registered in the Grenoble Trade and Companies Register under number 890 231 350. Its corporate purpose is the production of energy gases, including biogas, through the development and operation of processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, electricity or heat,

and enable the energy produced to be used, whatever its form. Waga Assets Vehicule 3 houses the WB13 Veolia / Rep project installed on the Claye-Souilly site.

- **Waga Assets Vehicule 4** is a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, with share capital of €5,000, whose registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France and which is registered in the Grenoble Trade and Companies Register under number 895 041 382. Its corporate purpose is the production of energy gases, including biogas, through the development and operation of processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, electricity or heat, and enable the energy produced to be used, whatever its form.

- **Waga Energie Canada**, a subsidiary of the Group located in Canada, is a company incorporated under Canadian law, with a capital of 100 Canadian dollars, whose registered office is located at 533 avenue de la Montagne, bureau 102, Shawinigan (Quebec) G9N 0A3, Canada, and which is registered in the Canadian Companies Register under number 11749323228.

- **Waga Energy Inc.**, a subsidiary of the Group located in the United States, is a company incorporated under US law, with capital of $10,000, whose registered office is located at Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 in the county of New Castle, USA.

- **Sofiwaga Espana 1 SL.** is a company incorporated under Spanish law (*sociedad limitada*) with capital of €10,000, whose registered office is located at Paseo de Gracia 101,4 1-08008 Barcelona and registered in the Barcelona Companies Register (*Registro Mercantil de Barcelona*) under NIF number B05438478. Its corporate purpose is the development, construction and operation of facilities for the production of gas and its marketing.

7. REVIEW OF FINANCIAL POSITION AND RESULTS

Readers are invited to read the disclosures relating to the Group's results in conjunction with the Group's condensed half-year consolidated financial statements for the six months ended 30 June 2021 and the Group's consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018, as set out in Sections 18.2 and 18.1 of this Registration Document, respectively, and prepared specifically for use in the Registration Document.

The Group's condensed half-year consolidated financial statements for the six months ended 30 June 2021 and the Group's consolidated financial statements for the years ended 31 December 2020, 2019 and 2018 have been prepared in accordance with the IFRS as adopted by the European Union.

The Statutory Auditors' limited review report on the half-year consolidated financial statements for the six months ended 30 June 2021 and the Statutory Auditors' audit reports on the Group's consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018 are presented in Section 18.3 of this Registration Document.

7.1 Financial position

7.1.1 Introduction

The Group believes that it is the only player exclusively dedicated to the recovery of landfill gas (pure player), taking care of all aspects of the projects, from development to the sale of biomethane, including financing, design, construction, installation and operation of the WAGABOX® purification unit. This integrated model allows the Group to position itself in the segment of small and medium-sized purification plants (from 400 m^3/h), while companies specializing in project development are focusing exclusively on the large plant segment for reasons of profitability. The Group's main objective is to fight global warming through its activity and accelerate the energy transition by recovering gas from landfill sites.

Historically, the Group developed the first three WAGABOX® units through a financing of €1.8 million, investment grants and bank loans. To continue its development, the structure could not raise additional funds in view of its debt ratio that is already high for a young innovative company. Nevertheless, the Group continued to develop WAGABOX® unit projects, researching sites, conducting technical studies and leading discussions with the operators of the Non-Hazardous Waste Storage Facilities ("NHWSF"). In order to keep control over the operation of the purification units and protect the intellectual property, the Group sought co-investment financing. Thus, the financing of the following three WAGABOX® units was set up with Les Saules, one of the Company's shareholders, through a project company (Sofiwaga 1)owned, as of 30 June 2021, at 49% by the Company and 51% by the co-shareholder. The Group completed another financing on the same model within the Sofiwaga Infra project company owned, as of 30 June 2021, at 49% by the Company and 51% by the co-shareholder, Meridiam. Even when the Group does not have a majority stake in these project companies or SPVs, it has effective control over them, which explains their consolidation within the Group. Two WAGABOX® units have been developed within this project company. In addition, the Group also won a tender from a public local authority in Lorient wishing to invest in the unit, as an exception to the Company's business model.

For the following projects and with a view to retaining control of the WAGABOX® units, the financing was mainly centralised by the Company and one of its subsidiaries, Waga Assets, created in 2020, both of which finance the project companies *via* interest-bearing current accounts. Investments dedicated to the construction of WAGABOX® units are now carried by Waga Assets and isolated within dedicated Special Purpose Vehicles (SPVs). The Company ensures the construction of the units that are housed by the project companies and cover their operation *via* long-term contracts with the Special Purpose Vehicle. The latter houses the biomethane sales or purification services contract, as well as the financing of the WAGABOX® units.

Financing WAGABOX® units is a major challenge for the Group's growth, whose needs are increasing every year. The optimisation of financing has a direct impact on the cost price of the biomethane produced by the unit.

The years 2020 and 2021 are periods of expansion for the Group, with the signing of the first international contracts, projects already under construction and the commissioning of new units. These years also mark an increase in the Company's workforce, with an average of 50 employees at 30 June 2021 compared to 47 employees at 31 December 2020 and 27 employees at 31 December 2019.

At the level of the Company's Research and Development division, the work is mainly carried out to improve the operation of WAGABOX® units and to seize new market opportunities through the development of new applications, such as the production of liquid biomethane "BioLNG" or the recovery of CO_2 co-produced by WAGABOX® units.

The Covid-19 health crisis affected the entire global economy and had an impact on the Group's activity, which is still difficult to measure. In this context, the Group has continued to ensure the proper functioning of its operating units by controlling them remotely and mobilising its teams remotely or on-site, and operating continuity has not been called into question.

7.1.2 Segmentation

In accordance with IFRS 8, the Group has identified only one operating segment corresponding to the production of biomethane from landfill gas purification. In the medium-term, the technology developed could be applied to other air-polluted methane sources currently under study.

In addition, the Group believes that most of its business was carried out in France during the financial years ended 31 December 2020, 2019 and 2018 and a minority in North America; two geographical areas have thus been retained: France and North America. This presentation may change in the future due to the creation in 2021 of Group subsidiaries in Spain. The Group anticipates future geographic segmentation as part of its international growth strategy.

7.1.3 Basis of preparation of the consolidated financial statements

The consolidated financial statements for the financial years ended 31 December 2018, 2019, 2020 and the condensed consolidated interim financial statements for the period ended June 30, 2021 were prepared as part of the proposed public offering and admission to trading of the shares on the French Euronext Paris regulated market.

These consolidated financial statements have been prepared in accordance with the IFRS, as adopted by the European Union at 31 December 2020. The Company has never previously prepared IFRS financial statements for its financial years.

The consolidated financial statements covering the financial years ended 31 December 2018, 2019, 2020 and the condensed consolidated interim financial statements for the period ended June 30, 2021 were approved by the Board of Directors on 23 September 2021.

7.1.4 Main factors affecting the results

Certain key factors as well as past events and transactions have had, and may continue to have, an impact on the Group's activities and results presented in this Chapter 7 of the Registration Document. The risk factors that may affect the Group's business are described in Chapter 3 of this Registration Document.

The main factors affecting the Group's results include:

- the sale price of the biomethane molecule (variable depending on geography and state subsidies);

- the cost of the raw materials needed to manufacture WAGABOX® units;
- the volume of incoming biogas to be treated;
- the production capacity and performance of WAGABOX® units;
- the installation time for WAGABOX® units;
- changes in the workforce, particularly in terms of recruitment (business developers, technicians, etc.); and
- obtaining new financing (bonds, convertible bonds, State-guaranteed loans, bank loans, subsidies) and the cost of new financing.

7.1.5 Main income statement items

The main income statement items which the Group's management uses to analyse its consolidated results are described below:

Revenues

The Group operates in the field of the engineering of biogas from waste storage facilities (commonly known as landfills), which it purifies, thanks to its unique technology combining membrane separation and cryogenic distillation, and transforms into biomethane (methane of bio-based origin). The Group's revenue is mainly generated by the sale of biomethane from biogas purification. This item is covered by the heading "income from ordinary activities" in the income statement. As an exception to the model, and in very specific cases, the Group may sell equipment.

Personnel expenses

This item mainly includes employee compensation, social security contributions, other miscellaneous personnel expenses and the net provision for pension commitments. Compensation and social security charges concern managers, technicians and supervisory staff, employees, workers and employees with fixed-term contracts.

Operating income

Operating income is current operating income from continuing operations as defined below adjusted by other non-recurring operating income and expenses.

Current operating income

Current operating income represents income from current activities less current operating expenses, including purchase of goods, external expenses, personnel expenses and net allocations to fixed assets and provisions.

Net financial income (expense)

Net financial income (expense) corresponds to all items of a financial nature:

- the cost of net financial debt, which corresponds to the costs relating to the items of financial debt, net of any income generated by cash. The cost of net debt mainly includes interest on bonds, current accounts and bank loans (see also Chapter 8 "*Cash and equity*");other financial income and other financial expenses, which are not operational in nature and are not part of the

cost of net debt, excluding IFRS 16, consist mainly of foreign exchange losses and the unwinding of discounting.

Income tax

Income tax includes current tax and deferred taxes on consolidated companies, when the bases are recognised in profit or loss. The amount of deferred taxes is the impact of the temporary differences between the carrying amount of the assets and liabilities of the consolidated companies and their respective tax bases to be used to determine the future taxable profit, using the applicable tax rates in force as at the date of this Registration Document. In accordance with the principles described above and the mechanism for capping carried forward tax losses, no deferred tax assets were recognised beyond the deferred tax liabilities in the Group's consolidated financial statements at 31 December 2018, 31 December 2019 and 31 December 2020 (see Note 8.1.4 to the consolidated financial statements).

7.1.6 Main performance indicators

The Group uses revenue and current operating income as its main performance indicators. These performance indicators are regularly monitored by the Group to analyse and evaluate its activities and trends, measure its performance, prepare profit forecasts and make strategic decisions.

In addition to IFRS indicators, the Group presents several additional indicators: EBITDA and the ratio of the age of the fleet of purification units to the residual term of the contracts. Consequently, the definitions used by the Group may not correspond to the definitions given to these same terms by other companies, and are thus not comparable. These measures should not be used to the exclusion or replacement of IFRS indicators. The tables below present these indicators for the periods indicated and their calculations. The Group is still accelerating its development and the profitability of projects already in operation cannot cover the development costs of ongoing projects.

EBITDA

EBITDA ("Earnings Before Interest, Taxes, Depreciation & Amortisation") is an indicator that measures operating performance, defined as current operating income restated for net depreciation and amortization on property, plant and equipment, intangible assets, and provisions, as presented in the income statement of the consolidated financial statements for the financial years ended 31 December 2018, 2019 and 2020.

The tables below present the revenue, EBITDA reconciliation, as well as the evolution of the WAGABOX® fleet in operation over the years ended December 31, 2020, 2019 and 2018.

- ***Revenues***

The table below shows income from ordinary activities for the financial years ended 31 December 2020, 2019 and 2018.

INCOME FROM ORDINARY ACTIVITIES (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
Sale of biomethane/Purification services	8,668	92%	5,375	68%	2,717	97%
Sale of WAGABOX®	346	4%	2,490	32%	25	1%
O&M	355	4%	27	0%	0	
Other	92	1%	11	0%	51	2%
Total	**9,460**	**100%**	**7,904**	**100%**	**2,792**	**100%**

During the financial year 2019, the Group sold one WAGABOX® to the municipality of Lorient Agglomération for an amount of €2.49 million. This sale is an exceptional transaction compared to the Group's business model. On this WAGABOX®, the Group earns recurring revenues by providing Operating & Maintenance ("*O&M*") services defined in a contract.

- ***EBITDA reconciliation***

The table below reconciles current operating income with EBITDA for the financial years ended 31 December 2020, 2019 and 2018.

Reconciliation of EBITDA/profit (loss) from continuing operations, in thousands of euros	31 December 2020	31 December 2019	31 December 2018
current operating income	-673	-384	-503
Cancellation of the impact of depreciation and amortisation and provisions	-1,935	-1,299	-940
EBITDA	1,262	915	437

- ***Average age of WAGABOX® fleet and residual term of biomethane sales agreements***

in years (*)	31 December 2020	31 December 2019	31 December 2018
Average age of the fleet	2.1	1.7	1.4
Residual term of biomethane sales agreements	12.56	12.5	13.6

**Data weighted according to production.*

The average age of the fleet corresponds to the functional operating period of the units since the date of commissioning, weighted by actual production of each WAGABOX® and shows, at the close of the financial years ended 31 December 2018, 2019 and 2020, that the installations are recent in relation to the term of the contracts.

The residual maturity of biomethane sales agreements is calculated between the closing date of the financial statements and the end of the agreement, weighted by actual production of WAGABOX®. As these are long-term agreements, this indicator makes it possible to assess the average number of remaining years of secured revenue for the Group.

7.2 Analysis of the results for the six-month periods ended 30 June 2021 and 2020

The table below shows the Group's income statement for the six months ended 30 June 2021 and 2020.

INCOME STATEMENT (in thousands of euros)	30 June 2021	30 June 2020
Income from ordinary activities	5 193	4 455
Other income	222	172
Income from current activities	**5 415**	**4 627**
Purchases of goods and changes in inventories	-2 346	-1 641
External expenses	-1 233	-808
Taxes, duties and similar payments	-58	-40
Personnel expenses	-2 001	-1 526
Other current operating income and expenses	4	-11
Depreciation, amortisation and provisions	-984	-875
Current operating income	**-1 203**	**-273**
Other non-current operating income and expenses	-292	0
Impairment of non-current assets	0	0
Operating income	**-1 495**	**-273**
Cost of net financial debt	-597	-526
Other financial income and expenses	-39	-10
Net finance income (expense)	**-636**	**-536**
Income before tax	**-2 131**	**-809**
Income tax	-128	-83
Deferred taxes P&L	0	0
Consolidated net income	**-2 259**	**-892**
Net profit (loss) - Group Share	-2 396	-1 069
Net profit (loss) - Minority interests	137	177
Basic earnings per share (in euros)	-16,55	-7,61
Diluted earnings per share (in euros)	-16,55	-7,61

7.2.1 Revenue

Revenue amounted to €5,193 thousand for the period from 1 January 2021 to 30 June 2021 compared to €4,455 thousand for the same period in 2020, *i.e.*, an increase of €738 thousand, representing growth of around 17%.

This growth is due on the one hand, to the commissioning of WAGABOX® units in 2020, notably at the Baudelet Environnement site and, on the other hand, to the continuous improvements to the WAGABOX® units already in operation.

7.2.2 EBITDA

The table below presents a reconciliation of profit (loss) from continuing operations with EBITDA for the periods from 1 January 2021 to 30 June 2021 and from 1 January 2020 to 30 June 2020.

Reconciliation EBITDA/Profit (loss) from continuing operations in thousands of euros	30 June 2021	30 June 2020
Current operating income	(1,203)	(273)
Cancellation of the impact of depreciation and amortisation and provisions	(984)	(875)
EBITDA	(219)	602

7.2.3 Purchases of goods and changes in inventories

Purchases of goods and changes in inventories increased by 43%, from an expense of €1,641 thousand in respect of the period from 1 January 2020 to 30 June 2020 to €2,346 thousand with respect to the same period in 2021. This sharp rise mainly reflects the impact of the operating costs of WAGABOX® units already in operation, which increased between 2020 and 2021. The Group has carried out curative maintenance on certain assets, which has also improved the performance of the units. Due to the recent nature and growth of the Wagabox fleet, this effect may be observed and generate variations from one period to another.

Details of purchases of goods and changes in inventories can be found in Note 4.2.2 to the condensed consolidated interim financial statements presented in Chapter 18 "Financial information".

7.2.4 External expenses

External expenses increased sharply (up by 53%), from an expense of €808 thousand for the period from 1 January 2020 to 30 June 2020 to €1,233 thousand with respect to the same period in 2021. This increase mainly corresponds to the cost of the IPO transaction currently under way and the increase in insurance premiums for the operation of WAGABOX® newly commissioned in the second half of 2022.

Details of external expenses can be found in Note 4.2.3 to the condensed consolidated interim financial statements presented in Chapter 18 "Financial information".

7.2.5 Personnel expenses

Personnel expenses were up by €475 thousand, *i.e.*, an increase of 31%, from an amount of €1,526 thousand for the period from 1 January 2020 to 30 June 2020 to €2,001 thousand for the same period in 2021, due to the rapid growth in the Company's average workforce, which rose from 36 employees as at 30 June 2020 to 50 at 30 June 2021.

7.2.6 Depreciation, amortisation and provisions

Depreciation, amortization and provisions increased from an expense of €875 thousand for the period from 1 January 2020 to 30 June 2020 to €984 thousand for the same period in 2021, *i.e.*, an increase of 12%.

Depreciation and amortisation are directly related to the number of WAGABOX® units in operation, given that no unit is currently fully depreciated. WAGABOX® are amortised over a period of 15 years for the first versions then 25 years for WAGABOX® 10 and subsequent.

7.2.7 Profit (loss) from continuing operations

As a result of the factors described above, profit (loss) from continuing operations fell by 22.7% from €(273) thousand over the period from 1 January 2020 to 30 June 2020 to €(1,203) thousand over the same period in 2021, mainly due to the increase in external expenses and WAGABOX® operating costs.

7.2.8 Other non-recurring operating income and expenses

Other non-recurring operating expenses, which amounted to €292 thousand at 30 June 2021, correspond to expenses incurred as part of the IPO process and which have not been capitalised. A portion of costs relating to intermediaries and consulting fees was deducted from shareholders' equity in the amount of €118 thousand.

7.2.9 Cost of net financial debt

The cost of net financial debt was relatively stable between the two periods and increased from an expense of €526 thousand for the period from 1 January 2020 to 30 June 2020 to an expense of €597 thousand for the period from 1 January 2021 to 30 June 2021, *i.e.*, an increase of 13%. The composition of financing and the impact of derivative liabilities can be found in Section 8.3.1.

7.3 Analysis of results for the financial years ended 31 December 2020, 2019 and 2018

The table below shows the Group's income statement (in thousands of euros) for each of the financial years ended 31 December 2020, 2019 and 2018.

INCOME STATEMENT (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018
Income from ordinary activities	9 460	7 904	2 792
Other income	366	358	504
Income from current activities	**9 826**	**8 262**	**3 297**
Purchases of goods and changes in inventories	-3 580	-3 801	-999
External expenses	-1 586	-1 507	-908
Taxes, duties and similar payments	-116	-82	-47
Personnel expenses	-3 304	-1 852	-937
Other current operating income and expenses	22	-104	32
Depreciation, amortisation and provisions	-1 935	-1 299	-940
Current operating income	**-673**	**-384**	**-503**
Other non-current operating income and expenses	-6	4	31
Operating income	**-679**	**-379**	**-472**
Cost of net financial debt	-1 016	-1 424	-469
Other financial income and expenses	-60	6	-16
Net finance income (expense)	**-1 076**	**-1 418**	**-485**
Income before tax	**-1 755**	**-1 797**	**-957**
Income tax	-157	-47	0
Consolidated net income	**-1 912**	**-1 845**	**-957**
Net profit (loss) - Group Share	-2 179	-1 960	-939
Net profit (loss) - Minority interests	267	115	-17
Basic earnings per share (in euros)	-15,05	-13,96	-8,55
Diluted earnings per share (in euros)	-15,05	-13,96	-8,55

7.3.1 Revenue

Revenue amounted to €9,460 thousand for the financial year ended 31 December 2020 compared to €7,904 thousand for the financial year ended 31 December 2019, an increase of €1,556 thousand, representing an increase of 19.7%.

Revenue amounted to €7,904 thousand for the financial year ended 31 December 2019 compared to €2,792 thousand for the financial year ended 31 December 2018, an increase of €5,112 thousand, representing growth of 183%.

These increases are mainly due to (i) the completion of expected project signatures in line with the Group's development strategy for previous years and contributions to revenue for the financial years, and (ii) the sales of biomethane achieved. The year 2020 was dedicated to the operation of the first seven WAGABOX® units, as well as the commissioning of three new units:

- WAGABOX® 8 (Suez, Les Ventes-de-Bourse) on 15 January 2020;
- WAGABOX® 9 (Sivom de Saint-Gaudens, Liéoux) on 16 January 2020; and
- WAGABOX® 11 (Baudelet Environnement, Blaringhem) on 2 September 2020.

In addition, for the Group's "purification service" model, the increase in revenue is mainly due to the increase in units in operation each financial year. As at 31 December 2020, four units were in service on this model compared to three units in operation at 31 December 2019 and only one unit at 31 December 2018.

INCOME FROM ORDINARY ACTIVITIES (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
Biomethane sales	5 421	57%	2 639	33%	1 661	59%
Purification services	3 246	34%	2 736	35%	1 056	38%
WAGABOX® sale	346	4%	2 490	32%	25	1%
O&M	355	4%	27	0%	0	
Other	92	1%	11	0%	51	2%
Total income from ordinary activities	**9 460**	**100%**	**7 904**	**100%**	**2 792**	**100%**

7.3.2 EBITDA

EBITDA amounted to €1,262 thousand for the financial year ended 31 December 2020 compared to €915 thousand for the financial year ended 31 December 2019, *i.e.*, an increase of €347 thousand.

EBITDA for the financial year ended 31 December 2019 was €915 thousand, compared to €437 thousand for the financial year ended 31 December 2018, *i.e.*, an increase of €478 thousand.

This increase is due to the increase in the number of WAGABOX® and performance improvements for units in operation, as well as control of overheads.

The EBITDA margin stood at between 11% and 16% over the period from 2018 to 2020.

7.3.3 Purchases of goods and changes in inventories

Purchases of goods and changes in inventories decreased by 6%, from an expense of €3,801 thousand for the financial year ended 31 December 2019 to €3,580 thousand for the financial year ended 31 December 2020.

Purchases of goods and changes in inventories amounted to €3,801 thousand for the financial year ended 31 December 2019 compared to €999 thousand for the financial year ended 31 December 2018.

This strong increase between 2018 and 2019 corresponds mainly to the impact of purchases for the manufacture of the purification unit intended for Lorient Agglo, as well as the operating costs of the WAGABOX® units already in operation.

Details of purchases of goods and changes in inventories can be found in Note 8.2.3 to the consolidated financial statements in Chapter 18 "Financial information".

7.3.4 External expenses

External expenses were relatively stable, with an amount of €1,586 thousand for the financial year ended 31 December 2020, compared with an amount of €1,507 thousand for the financial year ended 31 December 2019.

External expenses for the financial year ended 31 December 2019 amounted to €1,507 thousand compared with €908 thousand for the financial year ended 31 December 2018, *i.e.*, an increase of 66%.

This increase corresponds to the increase in rental expenses between 2018 and 2019, as well as the increase in insurance premiums for the operation of WAGABOX® units newly commissioned between 2018 and 2020. External services (fees) were also used to a greater extent.

Details of external expenses can be found in Note.8.2.4 to the consolidated financial statements presented in Chapter 18 "Financial information".

7.3.5 Personnel expenses

Personnel expenses were up by €1,452 thousand, *i.e.*, an increase of 78%, from €1,852 thousand for the financial year ended 31 December 2019 to €3,304 thousand for the financial year ended 31 December 2020.

Personnel expenses for the financial year ended 31 December 2019 amounted to €1,852 thousand compared with €937 thousand for the financial year ended 31 December 2018, *i.e.*, an increase of 98%.

This increase is due to the rapid growth in the Company's average workforce, which rose from 16 employees at 31 December 2018 to 27 employees at the end of 2019 and 47 employees at the end of 2020, as well as compensation based on options following the implementation of a BSPCE 2019 plan.

7.3.6 Depreciation, amortisation and provisions

The amount of depreciation, amortisation and provisions increased for the financial year ended 31 December 2020 compared to financial year ended 31 December 2019, rising from an expense of €1,299 thousand to €1,935 thousand, *i.e.*, an increase of 49%.

Depreciation, amortisation and provisions increased by 38% for the financial year ended 31 December 2019 compared to financial year ended 31 December 2018, rising from an expense of €940 thousand to €1,299 thousand.

Depreciation and amortisation are directly related to the number of WAGABOX® units in operation, given that no unit is currently fully depreciated. WAGABOX® are amortised over a period of 15 years for the first versions then 25 years for WAGABOX® 10 and following.

7.3.7 Current operating income

As a result of the factors described above, current operating income fell from €(384) thousand for the year ended 31 December 2019 to €(673) thousand for the year ended 31 December 2020, mainly due to higher depreciation and amortization.

7.3.8 Operating income

As a result of the factors described above, operating income was negatively impacted from €(379) thousand for the year ended 31 December 2019 to €(679) thousand for the year ended 31 December 2020.

Operating income increased from €(472) thousand for the financial year ended 31 December 2018 to €(379) thousand for the year ended 31 December 2019 due to the various factors mentioned above, and, in particular, the sale of the WAGABOX® in Lorient Agglomération.

7.3.9 Cost of net financial debt

The cost of net financial debt decreased from an expense of €1,424 thousand for the financial year ended 31 December 2019 to an expense of €1,016 thousand for the financial year ended 31 December 2020, a decrease of 29%, notably due to the conversion of bonds in October 2019 by holders of the OCA 2017 and OCA 2018. The cost of net financial debt increased from an expense of €469 thousand for the

financial year ended 31 December 2018 to an expense of €1,424 thousand for the financial year ended 31 December 2019, an increase of 204%. This change is mainly related to the rollout of the WAGABOX® fleet with the commissioning of three new units at the end of 2018, as well as the impact of the fair value of the convertible bond derivative for the OCA 2018 converted in 2019. See Section 8.3.1 for the composition of financing and Section 8.3.3 for the impact of derivative liabilities on the OCA 2017 and OCA 2018.

8. CASH AND EQUITY

This chapter is devoted to the presentation of information concerning the Group's equity, liquidity and sources of financing. The comments on equity, liquidity, sources of financing and cash flows presented in this chapter of the Registration Document are made on the basis of the Group's consolidated financial information and prepared in accordance with IFRS accounting standards and should be read in conjunction with the consolidated financial information and, in particular, the notes to the consolidated financial statements presented in Chapter 18 "Financial information" of this Registration Document.

8.1 General presentation

The Group's main financing requirements is primarily composed by its capital expenditures and its operating expenses in connection with the development of its business, namely the manufacture and operation of biogas purification units for the purpose of biomethane production.

As at 30 June 2021 and in financial years 2020, 2019 and 2018, the Group's main sources of liquidity were as follows:

- a financing of €10.4 million, from Air Liquide Venture Capital, Ovive, Starquest Capital, Noria, Tertium and Holweb, for the financial year ended 31 December 2019 (of which €1.4 million were collected in 2020);
- the issuance of several bonds:
  - convertible bounds issued in 2018 for an amount of €2.8 million ("**OCA 2018**"). This loan was converted in full as part of the financing in 2019 described above;
  - a subscription agreement with Eiffel Gaz Vert signed in December 2020 for a convertible bond to finance several WAGABOX® unit projects for a maximum amount of €80 million over six years, with outstandings limited to €20 million;
  - the issuance of bonds of Sofiwaga 1 subscribed by Les Saules for a total amount of €2.6 million; and
  - two issuances of convertible bonds of around €16 million on 30 June 2021.
- various bank borrowings for a total of €8.5 million drawn down, in particular State-guaranteed loans ("**SGL**"): the Group has taken out SGL totalling €2.5 million with its five historical banks (Crédit Agricole Sud Rhône Alpes, Banque Populaire AURA, BNP Paribas, Caisse d'Épargne Rhône Alpes, Bpifrance Financement), and a COVID-19 loan of €100,000 from the AURA region, implemented and signed with Bpifrance of the said region, in order to secure its cash position in the context of the Covid-19 epidemic. Furthermore, the Company took out an Innovation loan with Bpifrance Financement for an amount of €2.5 million over seven years in October 2019, and drawn down in early 2020;
- current account advances with historical shareholders, such as Les Saules and Holweb, which amounted to €2 million and €0.5 million respectively at 31 December 2020, as well as co-investors in the project companies (Meridiam) for an amount of €4.6 million at the end of 2020;
- repayable advances (aid from ADEME's Investments for the Future Programme) for a total of €1.6 million received as well as prospecting advances from Bpifrance Financement on the opening of new markets in the United States and Canada, received in the amount of €0.2 million each at 31 December 2020;

- subsidies from the research tax credit as well as grants relating to research projects (see Note 8.3.6 to the consolidated financial statements presented in Chapter 18 "Financial information"); and

- cash surplus generated by operations to finance current operations to a lesser extent (see Note 8.2.1 to the consolidated financial statements presented in Chapter 18 "Financial information").

As part of its initial public offering, the Group intends to proceed, with effect from the date of settlement-delivery of the Company's shares offered as part of the admission to trading of the Company's shares on the Euronext regulated market, with the repayment of the associate current account loan to Les Saules in the amount of €1.5 million.

Based on updated cash flow forecasts, the Group believes that it will be able to meet its liquidity needs over the period of 12 months following the date of this Registration Document, as well as pay the interest on its financial debt during this period, without taking into account the net proceeds from the IPO.

Readers are invited to read the following information on the Group's cash flows in conjunction with the Group's consolidated financial statements for the six-month period ended 30 June 2021 and the Group's consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018, having been the subject of a limited review report by the Statutory Auditors and an audit report by the Statutory Auditors, which appear respectively in Chapter 18 of this Registration Document.

8.2 Cash flow

Changes in the Group's cash and cash equivalents amounted respectively to €2,225 thousand, €1,097 thousand, €8,438 thousand and €(6,121) thousand for the years ended 31 December 2018, 2019 and 2020 and the half-year ended 30 June 2021.

The Group uses its cash to finance its capital expenditure and current operating needs. The Group's cash is mainly denominated in euros.

The table below shows the various cash flows at 30 June 2021 and 31 December 2020, 2019 and 2018:

CASH FLOW STATEMENT (in thousands of euros)	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Net income	-2 259	-1 912	-1 845	-957
Depreciation, amortisation and provisions	984	2 195	1 338	994
Share-based payments	191	386	14	0
Other calculated income and expenses	-8	46	-2	0
Cost of net financial debt	597	1 076	1 418	485
Change in tax receivables and payables (including deferred taxes)	135	-131	128	-221
Cash flow from operations	**-361**	**1 661**	**1 052**	**301**
Impact of changes in inventories	-364	-463	-31	-264
Impact of changes in trade and other receivables	-2 626	142	-796	-1 928
Impact of changes in trade and other payables	2 164	228	-404	3 313
Cash flows from operating activities	**-1 186**	**1 567**	**-179**	**1 421**
Acquisition of property, plant and equipment and intangible assets	-4 841	-4 794	-4 499	-9 409
Acquisition of financial assets	-669	-128	-35	-1
Cash flows from investing activities	**-5 510**	**-4 922**	**-4 534**	**-9 409**
Impact of changes in scope (contributions from non-controlling interests)	0	0	2	479
Capital increase (net of capital increase costs)	0	1 397	4 836	0
Issuance of loans & repayable advances	1 843	13 768	4 614	11 229
Repayments of loans & repayable advances (incl. Cost of debt)	-1 268	-3 373	-3 638	-1 497
Dividends paid	0	0	0	0
Cash flows from financing activities	**576**	**11 792**	**5 813**	**10 211**
Change in cash and cash equivalents	**-6 121**	**8 438**	**1 097**	**2 225**
Opening cash	16 001	7 563	6 465	4 239
Closing cash	9 881	16 001	7 563	6 465

Cash flows are distinguished by:

8.2.1 Cash flows from operating activities

At 30 June 2021, cash flows from operating activities amounted to €(1,186) thousand, mainly due to negative cash flow and a deterioration in working capital requirements. For the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018, respectively, cash flows from operating activities amounted respectively to €1,567 thousand, €(179) thousand and €1,421 thousand, and come from the cash flows generated by the sale of biomethane from purification units already in operation, less operating costs and changes in working capital requirements. The year 2019 was marked by a phase of significant business growth which resulted in significant operating expenses and a decline in working capital requirements.

8.2.2 Cash flows from investing activities

At 30 June 2021, the cash flow from investing activities led to a consumption of cash in the amount of €5,510 thousand, which is in line with the Company's investor-operator policy. This investment corresponds to the manufacturing of WAGABOX® which were signed at the end of 2020. Cash flows from investing activities, which led to respective cash consumption of €4,922 thousand, €4,534 thousand and €9,409 thousand over the years 2020, 2019 and 2018, were mainly linked to the Group’s investment policy in the development of wastewater purification units in France and internationally.

8.2.3 Cash flows from financing activities

At 30 June 2021, cash flows from financing activities amounted to €576 thousand. Cash flows from financing activities amounted respectively to €11,792 thousand, €5,813 thousand and €10,211 thousand for the years 2020, 2019 and 2018 respectively. In 2020, this significant financing came mainly from the issuance of a convertible bond with Eiffel Gaz Vert for a total amount of €5.5 million or €5.3 million (net of issuance costs), current account financing from long-standing shareholders Les Saules and

Holweb for respectively €2 million and €0.5 million respectively, and an SGL from credit institutions for a total amount of €2.6 million, supplemented by financing from BPI for €2.5 million. This financing was partly offset by repayments of €3.4 million in 2020. In 2019, the cash flows from financing came mainly from the capital increase. In 2018, this financing flow came mainly from the receipt of bank loans and the issuance of a convertible bond.

The Group's ability to generate cash in the future through its operating activities will depend on its future operating performance, which in turn will depend to some extent on economic, financial, competitive, market, regulatory and other factors.

As mentioned above, the Group's policy is to centralise the liquidity of the subsidiaries at the level of Waga Energy SA (parent company) and Waga Assets SAS (asset company), which then make intra-group loans to the Group's project subsidiaries.

8.3 Information on the Company's financing needs and financing structure

As of 30 June 2021, the Group's financial debt was borne by the following entities:

Type of financial debt	Amounts (in thousands of euros)	Group entity carrying the loan
Bank loans	6,634	Waga Energy SA
IFRS 16	965	Waga Energy SA
Repayable advances	1,507	Waga Energy SA
Shareholders' current account	2,126	Waga Energy SA
Convertible bonds (OCA tranche 1 et 2)	2,500	Waga Energy SA
Bank loans	1,507	SofiWaga 1
IRFS 16	2,230	SofiWaga 1
Convertible bonds (subscribed by Les Saules)	2,600	SofiWaga 1
Shareholders' current account	4,862	Sofiwaga Infra
Shareholders' current account	60	Waga Energy Inc
Convertible bonds (Eiffel Agreement)	6,913	Waga Assets
Total	**31,903**	

8.3.1 Net financial debt

The Group's net financial debt amounted to €19,493 thousand, €17,096 thousand, €28,568 thousand and €31,903 thousand for the financial years ended31 December 2018, 2019, 2020 and 30 June 2021 respectively.

Change in net financial debt between 2018 and 2019 in thousands of euros

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	31 December 2018	Issuances	Repayments	Bond conversion	Reclassification /Other	31 December 2019
Bank loans	3 199	172			-410	2 961
Associated liabilities	1 495	3 361				4 856
Repayable advances	1 588	165	-199			1 553
Bonds	2 600					2 600
Convertible bonds	0				0	0
IFRS 16 financial liabilities	3 292	220			-273	3 239
Non-current financial liabilities	**12 174**	**3 919**	**-199**		**-683**	**15 210**
Bank loans	2 619		-1 715		410	1 313
Associated liabilities	17		-17			0
Repayable advances	121	94				216
Convertible bonds	3 523	561		-4 084		0
Derivative liabilities	721	-15		-706		0
IFRS 16 financial liabilities	318	54	-289		273	357
Current financial liabilities	**7 320**	**695**	**-2 021**	**-4 791**	**683**	**1 886**
Total	**19 493**	**4 614**	**-2 220**	**-4 791**	**0**	**17 096**

The €2.4 million decrease in gross debt in 2019 compared to 2018 was mainly due to a decrease in non-current financial liabilities related to the conversion of convertible bonds issued in 2017 and the OCA 2018, amounting to €1.2 million and €2.8 million, respectively, at the time of the financing in late 2019, as well as the repayment of bank loans for €1.7 million.

Change in net financial debt between 2019 and 2020 (in thousands of euros)

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	31 December 2019	Issuances	Repayments	Bond conversion	Reclassification /Other	31 December 2020
Bank loans	2 961	5 144			-3 840	4 265
Associated liabilities	4 856	2 784	-490			7 150
Repayable advances	1 553	181	-199		-554	981
Bonds	2 600					2 600
Convertible bonds	0	5 220				5 220
IFRS 16 financial liabilities	3 239	138			-531	2 846
Non-current financial liabilities	**15 210**	**13 467**	**-689**		**-4 926**	**23 062**
Bank loans	1 313		-941		3 840	4 212
Associated liabilities	0	10				10
Repayable advances	216	59	-31		554	798
Convertible bonds	0	16				16
IFRS 16 financial liabilities	357	184	-636		531	437
Other financial liabilities		33				33
Current financial liabilities	**1 886**	**301**	**-1 607**	**0**	**4 926**	**5 506**
Total	**17 096**	**13 768**	**-2 296**	**0**	**0**	**28 568**

Maturity	31 December 2020
Less than 1 year	5 506
1-5 years	18 069
More than 5 years	4 993
Total	**28 568**

The €11.5 million increase in gross debt in 2020 compared to 2019 was mainly due to:

- the issuance of a convertible bond with Eiffel Gaz Vert for a total amount of €5.3 million (net of issuance costs amounting to €0.2 million);

- current account financing from long-standing shareholders Les Saules and Holweb for, respectively, €2 million and €0.5 million respectively; and

- obtaining SGLs from credit institutions for a total amount of €2.6 million, supplemented by financing from BPI Financement for €2.5 million.

Change in net financial debt for the half year ended 30 June 2021

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	31 December 2020	Issues	Repayments	Bond conversion	Reclassification/Other	30 june 2021
Bank loans	4 265				1 354	5 619
Associated liabilities	7 150		-112			7 038
Repayable advances	981					981
Bonds	2 600	130				2 730
Convertible bonds	5 220	1 546				6 766
IFRS 16 financial liabilities	2 846	139			-226	2 758
Non-current financial liabilities	**23 062**	**1 815**	**-112**		**1 128**	**25 894**
Bank loans	4 212		-338		-1 354	2 520
Associated liabilities	10					10
Repayable advances	798	28	-340		0	486
Bonds	0					0
Convertible bonds	16	2 500				2 516
IFRS 16 financial liabilities	437		-218		226	444
Other financial liabilities	33					33
Current financial liabilities	**5 506**	**2 528**	**-558**		**-1 128**	**6 009**
Total	**28 568**	**4 343**	**-670**	**0**	**0**	**31 903**

Maturity	30 june 2021
Less than 1 year	6 009
1-5 years	21 940
More than 5 years	3 954
Total	**31 903**

The increase in gross debt over the period from 1 January 2021 to 30 June 2021 of €3.4 million compared to the closing of the year 2020 is mainly due to:

- the additional drawdown on the bond with Eiffel for €1.2 million;

- the subscription of the OCA 2021 Tranche 1 for €2.5 million.

8.3.2 Financing through capital increases

The table below shows the main capital transactions carried out by the Group up to the date of this Registration Document.

Period	Gross amounts raised in €K	Convertible bonds in €K	Total in €K	Comments
2018				Conversion of OCA 2017 and OCA 2018 and capital increase
2019	5 000	4 000	9 000	
2020	1 400		1 400	Addition to the 2019 fundraising
Total	**6 400**	**4 000**	**10 400**	

On 15 October 2019, the Group raised funds in the amount of €9 million, of which €4 million came from the conversion of the OCA 2017 and OCA 2018 and €5 million came from the new incoming shareholders, with an additional €1.4 million collected in 2020.

8.3.3 Bond financing

The table below shows the change in bonds and convertible bonds in the consolidated financial statements prepared in accordance with IFRS as at 31 December 2020, 31 December 2019 and 31 December 2018.

Change in bonds	In €K	Green convertible bonds	SFW1 bonds	OCA 2018	OCA 2017	Derivative liabilities on OCA 2017 and OCA 2018	Total
At 1 January 2018 *		**0**	**2 600**		**1 086**	**217**	**3 904**
Collected (+)				2 800			2 800
Derivative liability (-)				-494		504	10
Repayments (-)							0
Accrued interest (+/-)				44	87		131
Conversion (+/-)							0
At 31 December 2018		**0**	**2 600**	**2 350**	**1 173**	**721**	**6 844**
Collected (+)							0
Derivative liability (-)						-15	-15
Repayments (-)							0
Accrued interest (+/-)				475	86		561
Conversion (+/-)				-2 825	-1 259	-706	-4 790
At 31 December 2019		**0**	**2 600**	**0**	**0**	**0**	**2 600**
Collected (+)		5 220					5 220
Derivative liability (-)							0
Repayments (-)							0
Accrued interest (+/-)		16					16
Conversion (+/-)							0
At 31 December 2020		**5 236**	**2 600**	**0**	**0**	**0**	**7 836**

** Including accrued interest*

The table below shows the maturities of the various bond debts as at 31 December 2020:

Breakdown by maturity	In €K	Green convertible bonds	SFW1 bonds	OCA 2018	OCA 2017	
At 31 December 2020		**5 236**	**2 600**	**0**	**0**	
Share at less than 1 year						
Share at 1-5 years		5 236				
Share at more than 5 years			2 600			

OCA 2017

On 22 June 2017, the Group issued a total of 33,334 convertible bonds, with a par value of €36, *i.e.*, a total amount of €1.2 million. These bonds had an interest rate of 6% and a non-conversion premium of 3%, and were repayable on 31 December 2020. As the OCA 2017 have all been converted into shares, no OCA 2017 are outstanding.

In accordance with IFRS 9, using the fixed/variable parity, the debt component was measured using the amortised cost method and a derivative liability was recognised and measured at fair value, for an amount of €0.2 million for the conversion option. Changes in this derivative liability are recognised in the income statement in accordance with IFRS 9.

OCA 2018

On 20 December 2018, the Group signed an agreement covering the issuance of bonds convertible into new shares subscribed by Air Liquide Investissements d'Avenir et de Démonstration, Les Saules and E Sale Maris for a maximum amount of €2.8 million.

At the end of this agreement, the Company issued 77,780 convertible bonds with a par value of €36 (*i.e.*, a total amount of €2,800,080) each maturing on 31 December 2021 and bearing interest at an annual rate of 6%, and with a non-conversion premium of 3%. As the OCA 2018 have all been converted into shares, no OCA 2018 are outstanding.

In accordance with IFRS 9, using the fixed/variable parity, the debt component was measured using the amortised cost method and a derivative liability was recognised and measured at fair value, for an amount of €0.5 million for the conversion option. Changes in this derivative liability are recognised in the income statement in accordance with IFRS 9.

As mentioned in paragraph 8.3.2, the Company carried out a capital increase on 15 October 2019, thus allowing holders of OCA 2017 and OCA 2018 to convert their bonds. This conversion, including all of the OCA 2017 and OCA 2018, led to the issuance of 14,777 new shares, *i.e.*, a capital increase of €4 million.

OCA 2021 Tranche 1

The Company, on the one hand, and the companies Air Liquide Investissements d'Avenir et de Démonstration (ALIAD), Les Saules, Noria Invest SRL, Vol-V Impulsion, SWIFT and the FPCI Tertium Croissance (together, the "**Bondholders**"), on the other hand, entered into a convertible bond issue agreement on 30 June 2021 under which the Company issued 31,405 bonds convertible into new shares of the Company, each with a par value of €318.42 (*i.e.*, the "**OCA 2021 Tranche 1**"), representing a total bond issue of €9,999,980.10.

The Bondholders fully subscribed the OCA 2021 Tranche 1 on 13 July 2021.

Under the terms of the issue agreement, the OCA 2021 Tranche 1 bear annual interest of 6% and will be redeemable on 30 June 2023, it being specified that in the absence of conversion prior to their maturity, a non-conversion premium of 3% will be added to said interest.

In accordance with the terms of the issue agreement, each OCA 2021 Tranche 1 will automatically become redeemable in cash by the Company as from the date of approval by the AMF of the prospectus relating to the admission of the Company's shares to trading on the Euronext Paris regulated market, subject to their effective listing, it being specified that: (i) a conversion premium of 17.65% will be applied to the principal amount of the OCA 2021 Tranche 1, and (ii) each Bondholder has irrevocably committed to subscribe, as part of the public offering to be carried out by the Company at the same time as the admission of its shares to trading on Euronext Paris, at the price of the said offer, for a number of Company shares representing a total subscription price at least equal to the amount of the aforementioned bond debt that it holds.

Holders	Number of OCA 2021	Amount subscribed in euros
SA ALIAD	2,355	€749,879.10
VOL-V IMPULSION (under STARQUEST management mandate)	3,140	€999,838.80
SARL Les Saules	1,571	€500,237.82
Noria Invest SRL	3,140	€999,838.80
FPCI Tertium Croissance	2,355	€749,879.10

SWIFT, represented by Swen Capital Partners	1,844	€6,000,306.48
TOTAL	31,405	€9,999,980.10

OCA 2021 Tranche 2

On 30 June 2021, the Company issued 18,844 convertible bonds into Company shares, with a par value of €318.42 each (the "**OCA 2021 Tranche 2**"), representing a total bond issue of €6,000,306.48.

The OCA 2021 Tranche 2 were fully subscribed by Swift Gaz Vert ("**Swift**") on 13 July 2021.

In accordance with their terms and conditions, the OCA 2021 Tranche 2 bear maximum annual interest of 9.2% and will be redeemable or convertible on 30 July 2029 at the latest.

The Company has undertaken to Swift to allocate the funds received under the OCA 2021 Tranche 2 to the establishment of WAGABOX® units in Europe and to allocate, by 31 December 2022, new WAGABOX® projects to a new subsidiary of the Company to be created for this purpose and at least 50% owned by the Company. In the event of the creation of this subsidiary, the OCA 2021 Tranche 2 could be redeemed, in full or in part, by the Company to Swift. At the same time,new convertible bonds, with terms similar to those of the OCA 2021 Tranche 2, would be issued by this new project company. In this context, these bonds would be convertible into shares of the newly created company (and not of the Company).

Holders of the OCA 2021 Tranche 2 may request the Company to proceed with the early conversion of all or part of the convertible bonds they hold into new shares in the event of the Company's insolvency proceedings or at any time with the Company's agreement. The conversion parity of the OCA 2021 Tranche 2 is equal to the principal nominal amount in principal plus accrued interest and/or any other amount due in respect of the convertible bonds, divided by 85% of the value of the Company's shares retained in the context of a Qualified Financing that took place less than 6 months prior to the conversion request. The Qualified Financing refers to any transaction involving the issuance of new ordinary shares for a minimum total amount of at least €10,000,000.

Sofiwaga 1 non-convertible bonds

On 13 November 2017, a bond was issued to the Group's long-standing shareholders, Les Saules, for an amount of €1 million. This bond corresponds to the issue of 1,000,000 ordinary bonds with a par value of €1 each, a term of seven years and bearing interest at a rate of 5% for the period from 13 November 2017 to 31 December 2018, then 10% from 1 January 2019 until maturity.

This bond was supplemented by a second bond issued on 13 November 2017 to Les Saules for an amount of €1.6 million. This bond corresponds to the issue of 1,600,000 ordinary bonds with a par value of €1 each, a term of 12 years and bearing interest at a rate of 5% for the period from 13 November 2017 to 31 December 2018, then 10% from 1 January 2019 until maturity.

Convertible bonds with Eiffel Gaz Vert

On 10 December 2020, the Group signed a convertible bonds into Waga Assets shares for a maximum amount of €80 million, representing 80 million bonds with a par value of €1 each, with Eiffel Gaz Vert. This fund has obtained the Greenfin Label, a label created by the French Ministry for the Ecological and Inclusive Transition, which guarantees the green nature of investment funds and is aimed at financial players that operate for the common good through transparent and sustainable practices.

This bond may be issued in several tranches, in order to finance the SPVs holding the WAGABOX® purification units and with a six-year maturity. The outstandings may not exceed €20 million. As such, the Group cannot draw on additional debt exceeding €20 million. At 31 December 2020, two tranches had been received, of €2.1 million and €3.3 million, respectively, to finance the WAGABOX® No. 12

and WAGABOX® No. 13 units respectively. The Group intends to take advantage of the strengthening of its shareholders' equity following the capital increase that would be carried out in connection with the admission of the Company's shares to trading on the regulated market of Euronext Paris to renegotiate or refinance certain financing contracts and benefit from better borrowing conditions, in particular this convertible loan.

Moreover, this contract requires compliance with certain commitments, in particular financial covenants. At 30 June 2021, these commitments, including compliance with respect to financial and non-financial covenants, were met. Thus, the limitations on the transfer of cash and distributions, the use of funds for the financed purpose, the reporting of information, the limitation of financial debt with a third party and gearing were met.

Eiffel Gaz Vert will have the right to request the conversion of its bonds into shares of the subsidiary Waga Assets (i) in the event of the occurrence of one of the events of default listed in the documentation and which has not been remedied or (ii) in the event of a change of control of the subsidiary Waga Assets.

The conversion ratio is determined, in the event of a conversion triggered by a default event, on the basis of an expert valuation with a discount, and, in the event of a conversion triggered by a change of control, on the basis of a multiple of consolidated EBITDA (as defined contractually). If Eiffel Gaz Vert fails to exercise its conversion right in either of the aforementioned cases, the bond will be redeemed in cash on the maturity date.

8.3.4 Bank loan and repayable advance financing

The tables below show changes in repayable advances, bank loans and SGLs (excluding accrued interest) as shown in the consolidated financial statements prepared in accordance with IFRS at 31 December 2020, 2019 and 2018:

Change in bank loans and repayable advances	In €K	Bank loans	Repayable advances	SGL	Total
At 1 January 2018		**3 658**	**1 116**	**0**	**4 774**
Collected (+)		3 062	593		3 655
Repayments (-)		-903			-903
At 31 December 2018		**5 817**	**1 709**	**0**	**7 526**
Collected (+)		172	259		431
Repayments (-)		-1 715	-199		-1 914
At 31 December 2019		**4 274**	**1 769**	**0**	**6 043**
Collected (+)		2 544	240	2 600	5 384
Repayments (-)		-941	-230		-1 171
At 31 December 2020		**5 877**	**1 779**	**2 600**	**10 256**

The table below shows the maturities of the various bank loans and repayable advances at 31 December 2020:

Breakdown by maturity	In €K	Bank loans	Repayable advances	SGL *	Total
At 31 December 2020		**5 877**	**1 779**	**2 600**	**10 256**
Share at less than 1 year		1 612	798	2 600	5 010
Share at 1-5 years		3 194	981		4 175
Share at more than 5 years		1 071			1 071

** At the date of the Registration Document, SGL repayments have been extended for a period of five years.*

Bank loans

As part of the financing of its investments and operations, the Group took out several bank loans with partner banks, namely BNP Paribas, Bpifrance Financement, Banque Populaire, Caisse d'Épargne and CIC prior to 2020. These bank loans, excluding SGLs, amounted to a total of €5.9 million at 31 December 2020. This amount notably includes the following loan.

On 3 October 2019, the Company signed an innovation loan agreement with Bpifrance for an amount of €2.5 million with a single payment planned for early 2020 and bearing interest at 2.62%, for the industrial and commercial launch of the WAGABOX® purification units. As a result, the Group received a total amount of €2.5 million under this agreement, having satisfied the conditions for the success of this project. This loan will be repaid over 20 quarters between 2022 and 2026.

State-Guaranteed Loans ("SGL")

During 2020, the Group contracted five SGLs to strengthen its cash position in the current context of the Covid-19 pandemic:

- one SGL taken out by the Company on 3 June 2020 with BNP Paribas for an amount of €500,000 over a period of twelve (12) months, with optional amortisation over five (5) years, bearing no interest and repayable in arrears, after a deferred period of twelve (12) months;

- one SGL taken out by the Company on 23 June 2020 with Banque Populaire Auvergne Rhône-Alpes for an amount of €500,000 over a period of twelve (12) months, with optional amortisation over five (5) years, bearing a variable fixed interest rate ranging from 0.2% to a maximum of 0.730% depending on the year of amortisation and established according to the following formula—Euribor 3M index plus the total coverage of the cost of risk at the same price as the State guarantee set in the ordinance of 23 March 2020;

- one SGL taken out by the Company on 18 May 2020 with Bpifrance Financement for an amount of €500,000 over a period of twelve (12) months, with optional amortisation over five (5) years, bearing interest at a fixed annual rate of 1.75% and repayable in arrears, after a deferred period of twelve (12) months;

- one SGL taken out by the Company on 19 June 2020 with Crédit Agricole Sud Rhône Alpes for an amount of €500,000 over a period of 12 months, with optional amortisation over five (5) years, bearing no interest and repayable in arrears, after a deferred period of twelve (12) months; and

- one SGL taken out by the Company on 17 June 2020 with Caisse d'Épargne Rhône Alpes for an amount of €500,000 over a period of twelve (12) months, with optional amortisation over five (5) years, bearing interest at a fixed annual rate of 0.25% and repayable in arrears, after a deferral period of twelve (12) months.

The Group requested the amortisation of these loans over four (4) years after a delay of one (1) additional year, in accordance with the applicable legislation. The total amount of the SGLs is €2,500 thousand at 31 December 2021. Finally, these loans benefit from a guarantee of 90.00% from the French State under the guarantee fund, in accordance with the terms and conditions provided for by the SGL regulations.

The Group also benefited from a loan from the AURA region, implemented and signed with Bpifrance of the said region of €100,000 in the context of the Covid-19 pandemic, bearing no interest, and repayable over 20 quarters between 2022 and 2027.

Repayable advances

In 2015, as part of the *Programme d'Investissement d'Avenir* (Future Investment Program ("**PIA**")), the Group obtained a repayable advance from ADEME divided into two tranches of €797,000, *i.e.*, a total of €1.595 million, bearing interest at 1.28% and 6.28%, respectively. This advance was paid in four (4) instalments between 2015 and 2018 depending on the achievement of milestones. Following the success of the project, the repayment conditions were met, leading to the staggering of the repayment of the repayable advance between 2019 and 2023.

In 2020, as part of the PIA, the Group was granted a recoverable advance of a total of €104,000. As at 31 December 2020, a first payment of €67,000 had been received. The repayment will be made in two annual instalments scheduled for 2022 and 2023.

Finally, in connection with the development of international projects in the United States and Canada, the Group was granted two repayable advances known as "Prospecting advances" from Bpifrance Financement for respective amounts of €455,000. As at 31 December 2020, these advances had been 50% received, *i.e.*, an amount of €227,500 for each advance. The repayment of these two advances is expected to be spread between 2025 and 2028 depending on the revenue generated in these regions.

8.3.5 Current account financing from long-standing shareholders

As part of the financing of its activities, the Group has used interest-bearing current account financing from long-standing shareholders such as Les Saules, Holweb and Meridiam. As at 31 December 2020, associate current accounts amounted to €2 million, €0.5 million and €4.6 million, respectively.

The current account agreement between the Company and Les Saules was entered into on 25 November 2020 and relates to a nominal amount of €2,000,000. The annual interest rate is 6%. The agreement was authorised by the Board of Directors on 17 November 2020.

The current account agreement between the Company and Holweb S.A.S. was entered into on 22 December 2020 and relates to a nominal amount of €500,000. The annual interest rate is 6%. The agreement was authorised by the Board of Directors on 10 September 2020.

8.3.6 Financing from subsidies and research tax credit

Subsidies

The start of work on WAGABOX® purification units 1 to 3 made it possible to obtain a grant from ADEME in 2017 to finance the development phase. In this respect, grants were obtained for a total amount of €1.42 million.

In addition, a Créadev grant was obtained in 2018 for a total of €313,000. Créadev is an investment and support company for companies with high potential.

Research and innovation tax credits

The Group benefits from the French research and innovation tax credits. Research and innovation tax credits ("CIR" and "CII") amounted to €260,000 in 2020, €226,000 in 2019 and €330,000 in 2018.

8.4 Restriction on use of capital

Terms of convertible bonds subscribed by Eiffel Gaz Vert.

In the context of the issue of convertible bonds for a maximum total amount of €80 million, carried out by the Group with Eiffel Gaz Vert, the terms and conditions contain certain undertakings, and notably:

- the regulation of dividend distributions by the issuer and the repayment of advances and shareholder loans only under certain specific conditions listed in the contract;

- an undertaking to comply with financial covenants;

- an undertaking not to sell assets;

- an undertaking not to provide certain sureties (collateral); and

- an undertaking not to carry out certain changes of control.

Each case is subject to the usual exceptions for this type of financing.

The bond subscribed by Eiffel Gaz Vert and issued by the subsidiary Waga Assets, wholly owned by the Company. The proposed IPO does not lead to a change in the control of the subsidiary Waga Assets and therefore does not call into question the financing at the time of the planned IPO, does not lead to its early repayment, or the conversion of bonds.

This convertible bond issuance includes a specific restriction subjecting the distribution of dividends and the repayment of shareholders advances and loans by Waga Assets (i) to the absence of an event of default and (ii) to the fact that the amounts distributed do not exceed the amount of the equity contributions made available in respect of the project in question and the cash flow generated by said project.

Waga Assets cannot distribute dividends at this stage and does not intend to distribute dividends in the short/medium term, given its stage of development. At 30 June 2021, all of these commitments, including compliance with financial covenants, were met.

Bpifrance Financement loan

The debt contracted by the Group with Bpifrance Financement on 3 October 2019 is subject to mandatory early repayment in full in the event of the occurrence of certain events, such as a change in control of the Company and voluntary early repayment may be made at the Company's discretion subject to the payment of compensation equal to 5% of the capital repaid early.

OCA 2021 Tranche 2

The OCA 2021 Tranche 2 convertible bonds contain a specific restriction on distributions to shareholders: the Company may only make current account repayments, current account interest payments, dividend and interim dividend payments or distributions of reserves to the Company's shareholders (see sections 6.1 and 16.1 of this Registration Document) if it has paid in priority the debts owed to the bondholders under these convertible bonds and due on the date of the proposed distribution. In addition, the terms and conditions of the loan provide for default events relating to the non-payment of amounts due by the Company, any observed cross-default or bankruptcy proceedings against the Company or one of its subsidiaries.

The Company is required to redeem in cash all or part of the OCA 2021 Tranche 2, within 18 months of the subscription of the bonds on 13 July 2021, so that the bondholders can use the amounts thus redeemed to subscribe, up to the same amount, to an issuance of bonds convertible into shares by a subsidiary of the Company dedicated to the financing of the WAGABOX® project (the "Issuance Programme").

Under the Issue Programme, the subscriber would be able to request early repayment of the amounts due under the bond in the event of a change of control of the issuer, a subsidiary of the Company.

Concerning this bond, subscribers would benefit from collateral such as the pledging of the subsidiary's securities and the Company's current account balance in the subsidiary.

Bank loans and SGL

There are no covenant attached to the bank loans and SGLs mentioned in Section 8.3.4.

8.5 Future funding sources

The Group has carried out a specific review of its liquidity risk and believes that, at the date of this Registration Document, it will be able to finance its activities over the next twelve (12) months, given the cash balance at its disposal to date (see Note 5.1 to the consolidated financial statements presented in Chapter 18 "Financial information")

In order to finance its future development and investments, the Company intends to carry out a capital increase as part of the admission to trading of the Company's shares on the Euronext Paris regulated market; the Group could then access other financing by taking out bank loans as part of the existing refinancing methods.

9. REGULATORY ENVIRONMENT

In general, the regulations applicable to the production of biomethane from landfill gas are dependent on public policies relating to waste management and changes in these policies. On the one hand, some jurisdictions favour the incineration of waste rather than landfill at a storage site where the waste decomposes and generates biomethane. On the other hand, the obligations imposed on waste storage facilities also vary depending on the jurisdictions with regard to requirements to collect or even recover the gas generated by the decomposition of the waste stored.

9.1 Regulatory framework applicable in France

9.1.1 Waste storage facilities

In France, non-hazardous waste storage facilities, which are subject to the regulations on facilities classified for the protection of the environment ("ICPE") must be equipped with a waste gas collection system in order to limit diffuse emissions from waste decomposition, particularly insofar as the gas generated is a greenhouse gas whose release into the atmosphere needs to be limited. The gas collected can be either eliminated by combustion (flaring) or recovered, at the discretion of the operator of the storage facility. The regulations favour this second solution, in line with the hierarchy of waste treatment methods imposed by the French Environment Code.

One of the recovery solutions provided for by the regulations applicable to waste storage IPCEs consists of purifying the gas in order to inject it into the gas distribution grid, or to use it as an alternative fuel for vehicles, heavy goods vehicles (trucks, dumper trucks, buses) in particular. This is the solution that the WAGABOX® unit implements.

The requirements relating to biogas collection operations and biomethane recovery, which are imposed on the operators of non-hazardous waste disposal sites, are mainly issued by the prefectural ordinance authorising the site, or the ministerial ordinances applicable to sites subject to registration or declaration for the ICPE segment concerned, in application of the regulations on IPCEs.

In addition to the ICPE authorisation (in the broad sense, *i.e.*, also including possible registration ordinances or declarations of non-objection to declaration), the construction of a collection and recovery facility for biomethane is subject to a building permit or a declaration of works, depending in particular on its location and characteristics. It is necessary to obtain the required planning permission before the start of construction work.

Additional authorisations, such as land clearing permits, environmental authorisations based on water legislation, or exemptions from the ban on the destruction of protected species and their habitats, may also be necessary depending on the configurations of the various facilities.

However, biogas production is not subject to authorisation under the French Energy Code (Article L. 446-1 of the French Energy Code).

Lastly, from 1 July 2021, facilities injecting biogas into the grid with a production capacity of more than 19.5 GWh of calorific potential per year must comply with sustainability and greenhouse gas reduction criteria (Article L. 446-27 of the French Energy Code). As a result, these facilities must "*have a potential to reduce greenhouse gas emissions by at least 70% compared to the greenhouse gas emissions resulting from the use of fossil fuels when this production takes place in facilities commissioned from 1 January 2021 to 31 December 2025*" (Article L. 281-6 of the French Energy Code). This percentage is increased to 80% for facilities commissioned after 1 January 2026. As at the date of the Registration Document, the Group believes it meets these criteria. (see also 3.4.4 *"Risk related to obtaining the necessary permits, licences and authorisations to carry out its activities or establish its facilities*")

9.1.2 Connection and injection into the gas grid

The purified biomethane can be injected into the natural gas transmission or distribution grid, under the terms of a connection contract and an injection contract, as provided for in Article D. 446-13 of the French Energy Code.

The connection contract is an agreement between the biomethane producer and the operator of the public grid concerned. Connection is the subject of several studies, at the expense of the applicant, and generally takes several months before validation of the technical option. The cost of connecting the biomethane production facility to the public grid is borne by the biomethane producer. However, the latter may benefit from part of the connection cost being paid by the grid operator, currently up to a limit of 40% of the costs and €400,000. The commissioning of the installation is subject to its connection to the public grid in question.

The injection contract, also signed between the biomethane producer and the public grid operator, defines the conditions for injection and includes obligations relating to the quality of the biomethane injected.

9.1.3 Biomethane purchase agreement, guarantees of origin and biogas production certificates

The producer of biomethane injected into the natural gas transmission or distribution grid is eligible for a commitment to purchase the injected gas, under the terms of the French Energy Code, subject to obtaining a certificate giving entitlement to the purchase commitment from the Prefect of the department in which the facility is located and identification of the facility by the French Environment and Energy Management Agency (ADEME), which then issues a receipt to the producer.

The purchase agreement must be signed within three months of being granted the aforementioned receipt. Failing that, the latter becomes null and void and a new Application must be made to the Prefect.

The purchase agreement is entered into with a natural gas supplier, on the understanding that companies supplying more than 10% of the French domestic market are required to enter into a biomethane purchase agreement with any producer who so requests.

The tariff for the purchase of biomethane, which must be included in the purchase agreement, is determined by a ministerial ordinance setting the applicable tariffs, in particular according to the size of the production facility.

To date, there are two tariff ordinances in France governing the sale of biogas:

(i) the first, dated 23 November 2011, applicable to contracts signed before 25 November 2020; and

(ii) the second, dated 23 November 2020, for contracts signed after this date.

Certain clauses of the purchase agreement are mandatory and regulated (Article R. 446-2 of the French Energy Code):

> "*1° The tariffs for the purchase of biomethane produced for each category of facility;*
>
> *2° The administrative or technical obligations required to preserve the proper functioning of the natural gas transmission and distribution grids, which are imposed on the producer in order to benefit from these feed-in tariffs;*

3° The conditions of entry into force of the contract, as well as its duration, which cannot exceed fifteen years".

The purchase agreement is based on a template agreement submitted to the Ministers in charge of energy and finance.

The purchase agreement is for a period of 15 years. This may be reduced if the facility is not commissioned within three years from the signing of said contract.

For contracts entered into from 25 November 2020, pursuant to the aforementioned ordinance of 23 November 2020, the purchase commitment is only possible for biomethane production facilities with a maximum capacity of 300 Nm^3/h. Larger facilities must respond to calls for tenders organised by the public authorities. That said, the regulatory framework has not been adopted to date, and these measures have not yet been implemented. Nevertheless, a draft decree of the Minister in charge of energy governing this system was submitted for consultation until 7 June 2021. It is expected to be adopted in the coming months.

However, in collaboration with all partners in the sector, the Company has obtained from the Directorate General for Energy and Climate ("DGEC") relaxation of the rules for applying the maximum production capacity (Cmax) that determines the feed-in tariff applied to facilities injecting biomethane. This easing allows the possibility of lowering the Cmax in order to benefit from a higher feed-in tariff. This provision, which the sector has been requesting for five years, represents a major step forward and reduces the economic risk in the event of a reduction in biogas production over time.

Ordinance no. 2021-167 of 17 February 2021 modified the guarantees of origin mechanism for facilities producing biomethane. In particular, it creates an electronic register of guarantees of origin for renewable gas injected into the natural gas grid, intended to facilitate the valuation of guarantees of origin (see also Section 5.1.3.6 on the guarantees of origin system). Despite this, producers issuing guarantees of origin will not be able to benefit from a purchase commitment agreement for contracts concluded after 30 June 2021.

Finally, Law No. 2021-1104 of 22 August 2021 on combating climate change and strengthening resilience to its impacts created a system of certificates for the production of biogas injected into natural gas networks, codified in Articles L. 446-31 et seq. of the French Energy Code. These certificates are issued by producers who so request and can be resold to suppliers, who are required to provide evidence of the certificates to the State. However, this scheme cannot be combined, for the same quantity of biogas, with that of guarantees of origin. It should be noted that at the date of publication of this Registration Document, the implementing regulations have not yet been published.

9.2 Regulatory framework applicable in the United States

The municipal or county governments are the main authorities responsible for managing non-hazardous solid waste. Federal involvement in the management of non-hazardous solid waste is limited to: establishing guidelines for state and regional solid waste management plans; a ban on the disposal of solid waste in landfills that do not meet certain federal standards; the granting of permits for solid waste landfills; and regulation of the transportation of solid waste in coastal waters. The Environmental Protection Agency ("EPA") has issued specific standards for the operation and design of all solid waste landfills.

In this regard, in 2016 the Obama administration updated the initial New Source Performance Standards ("NSPS") programme of 1996 for the treatment of gas emissions from landfill sites. Thus, the NSPS law requires the installation of a Gas Collection and Control System ("GCCS"), in order to collect gas from landfill cells and bring it to a control system (such as a flaring system) or to a treatment system where it is then recovered and used as energy.

9.2.1 General framework

The Renewable Fuel Standard ("RFS") programme—created under the Energy Policy Act ("EPAct") in 2005 (signed by George W. Bush), which amended the Clean Air Act ("CAA")—is a national policy with the aim of replacing a certain volume of fuels extracted from oil by renewable fuel. The Energy Independence and Security Act ("EISA") amended the programme to extend it in 2007, with an ambitious target of 36 billion US gallons of renewable fuels produced in 2022. A technical amendment to the RFS was made in 2014 by the EPA; biogas generated by landfills, purification plants and digesters is considered a cellulosic type of renewable fuel (D-code 3), and therefore generates Renewable Identification Numbers ("RINs")— these are used by the parties concerned to demonstrate compliance with the RFS. The parties concerned by the RFS are refiners and importers of diesel or petrol. However, a voluntary market is currently developing with institutional players (such as universities) or private players (large companies such as Google or Amazon) keen to reduce their carbon footprint, and who commit to buying renewable gas on long-term over-the-counter agreements (PPA).

9.2.2 Connection and injection into the grid, purchase price

There is no subsidised sales tariff specifically for biomethane in the United States, and the price of the connection in the United States is not subsidised either.

9.3 Regulatory framework applicable in Canada (Quebec)

9.3.1 General framework

In Quebec, landfill sites, known locally as "Engineered Landfill Sites (ELS) for residual materials", have an obligation enshrined in environmental permits ("Certificate of Authorisation") granted by the Canadian Ministry of the Environment and the Fight against Climate Change ("MELCC") to collect biogas at each site. The stringent biogas collection and flaring obligations nevertheless leave ELS operators the option to seek out recovery solutions. In a market where electricity from hydroelectric sources is sold at very low prices, the purification of biogas into injected biomethane is the most profitable solution.

In March 2019, the Regulation concerning the quantity of renewable natural gas ("RNG") to be delivered by a distributor came into force in Quebec. The purpose of this regulation is to promote increased use of RNG by specifying the minimum quantity of gas that natural gas distributors must deliver annually to their grid, *i.e.*, 1% from 2020, 2% from 2023 and 5% from 2025.

It is in this context that the Ministry of Energy and Natural Resources has set up the Support Programme for the Production of Renewable Natural Gas ("SPPRNG"), which allows for the allocation of financial assistance (investment grants) to promote the implementation of RNG production projects and its injection into the natural gas distribution grid or projects to connect this grid to RNG production sites. These grants may amount to up to 50% of the amount of the investments.

9.3.2 Connection and injection into the grid, purchase price

As part of its obligation to deliver RNG, the operator of the ÉNERGIR grid has put in place a policy of supporting RNG production project holders in order to promote the emergence and development of the market. ÉNERGIR finances 90% of the connection work to its grid and offers any developer who so requests RNG purchase agreements of up to 20 years. The purchase price of RNG varies between 14 US dollars/GJ for production of around 100 GWh/year (in the case of Saint-Étienne-des-Grès) and 25 US dollars/GJ for the smallest sites.

9.4 Regulatory framework applicable in Spain

In Spain, Royal Decree 646/2020 of 7 July 2020 regulating waste disposal by landfill aims to stimulate the transition to a circular economy, prioritising waste prevention and recycling. Thus, the competent authorities, in their respective fields, ensure that, when recovery is not carried out, waste is subject to safe disposal operations by adopting measures to ensure the protection of human health and the environment.

As such, the main objectives of this decree are as follows:

- reduction in the weight of waste produced by 15% in 2030 (compared with that generated in 2010); and

- preparation for the reuse and recycling of 65% of municipal waste generated by 2035.

In addition, the Institute for Diversification and Energy Protection ("IDAE") recently set up an investment assistance line, together with the European Regional Development Fund ("ERDF"), for renewable energy projects in which biomethane is recovered. The first call for projects took place in September 2020.

10. TRENDS

10.1 Recent developments

A detailed description of the Group's results for the financial year ended 31 December 2020 and the half-year ended 30 June 2021 is provided in Chapter 7 "Review of financial position and results" of the Registration Document.

10.2 Future outlook and objectives

The objectives and trends presented below are based on data, assumptions and estimates, in particular with regard to the economic outlook, considered reasonable by the Group at the date of the Registration Document.

This future outlook and these objectives, which result from the Group's strategic orientations, do not constitute forecasts or profit estimates for the Group. The figures, data, assumptions, estimates and objectives presented below are liable to change or be modified in an unforeseeable manner, depending, *inter alia*, on changes in the economic, financial, competitive, legal, regulatory, accounting and tax environment or other factors of which the Group is not aware at the date of the Registration Document.

Moreover, the materialisation of certain risks described in Chapter 3 "Risk Factors" of the Registration Document could have a negative impact on the Group's business, financial position, market situation, results or outlook and therefore call into question its ability to achieve the objectives presented below.

Furthermore, the achievement of these objectives presupposes the success of the Group's strategy and its implementation.

Consequently, the Group does not make any commitment or give any guarantee as to the achievement of the objectives set out in this section.

The Group aims to achieve:

- €200 million in revenue in 2026 (assuming an equivalent of 80 units operating at full capacity throughout the year);
- 100 WAGABOX® units in operation by the end of 2026, *i.e*., an additional 90 WAGABOX® units compared to the number of units in operation at the date of the registration document (nine of which are currently under construction); and
- 120 projects by the end of 2026 (including 100 units in operation and 20 units committed and under construction) representing nearly €400 million in annual contractual and recurring and revenues[20] with an asset fleet whose specific unit capacity is increasing, in particular due to international deployment.

The Group's revenue is expected to grow gradually as WAGABOX® units are rolled out and put into operation, which generate recurring revenue from energy sales over their entire lifespan.

In order to meet the targets for revenue and WAGABOX® units in operation and committed, the Group intends to harness the pipeline of 98 sites for which negotiations are underway following a proposal submitted by the Group, and the 324 sites (opportunities) for which studies and discussions are underway to validate the feasibility of the project, amply covering the target of 100 sites in operation by 2026.

Other projects not yet identified (not included in either the pipeline or opportunities) will be added to the pipeline as the Group sends commercial offers to additional sites that may install a WAGABOX® unit:meeting the selection criteria, *i.e*. proximity to a natural gas network, sufficient flow and ethical

[20] *The annual contractual and recurring revenue correspond to the revenues anticipated by the company over a period of 10 to 20 years in the context of long-term contracts, either for the sale of biomethane or for purification services. In the case of a biomethane sales contract, revenues depend on the sale price to an energy provider (purchase obligation over the term of the contract) and on the sales volumes anticipated by the Company based on biogas audits carried out upstream for each project. In the case of the purification service, revenues depend on the service defined with the storage site operator.*

and technical compliance by the site operator, from the total of an estimated 20,000 sites worldwide, including 1,500 in Europe and 2,700 in North America.

To achieve this objective and the roll-out of an additional 90 WAGABOX® units, the Company plans to invest between €450 and €600 million over this period (depending on the average size of WAGABOX® units in the fleet), including a debt proportion of approximately 50% to 80% and which may vary depending on the type of project, cash flows from operating units and the amount raised during the planned IPO.

In addition, the Group is targeting a Project EBITDA[21] margin of between 30% and 50% for a "typical" WAGABOX® project (1,500 m3/h).

[21] *Project EBITDA ("Earning Before Interests, Taxes, Depreciation & Amortization") is an operating performance indicator, defined as current operating income restated for allocations to intangible assets, property, plant and equipment and provisions calculated by project. Unlike EBITDA, Project EBITDA does not take into account certain fixed costs (rent outside contracts within the scope of IFRS 16, costs related to administrative and financial functions, etc.) and recurring overheads expenses. The Project EBITDA margin is calculated by dividing the revenues of a specific project by the Project EBITDA.*

11. PROFIT FORECASTS OR ESTIMATES

The Company does not intend to make any profit forecasts or estimates.

12. ADMINISTRATIVE AND MANAGEMENT BODIES

At the date of the Registration Document, the Company is a public limited company (*société anonyme*) with a Board of Directors. A description of the main provisions of the Articles of Association that the Company intends to adopt, subject to the condition precedent of the setting of the price of the Company's shares in the context of their admission to trading on Euronext Paris, relating to the Board of Directors, in particular its method of functioning and its powers, as well as a summary description of the main provisions of the internal regulations of the Board of Directors and of the specialised committees of the Board of Directors that the Company envisages setting up, subject to the same condition precedent, are presented in Chapters 14 "Functioning of the administrative and management bodies" and 19 "Additional information" of the Registration Document. Furthermore, the Shareholders' General Meeting will meet prior to the approval by the AMF of the prospectus relating to the listing of the Company's shares on the Euronext Paris regulated market for the purpose of adopting new Articles of Association with effect no later than the date of approval of the prospectus by the AMF.

The information in this chapter has been prepared with reference to the Middlenext Corporate Governance Code, as published on 12 September 2021 and approved as a reference code by the AMF, and to which the Company intends to refer as from the admission of its shares to trading on the Euronext Paris regulated market (the "Middlenext Code"). This code is available on the Middlenext website (https://www.middlenext.com).

12.1 Information concerning the Board of Directors and General Management

12.1.1 Board of Directors

The table below shows the planned composition of the Board of Directors at the date the Company's share price is set for their admission to trading on the Euronext Paris regulated market, as well as the terms of office of the members of the Company's Board of Directors during the last five years.

	Personal information				Experience	Position on the Board				Participation in Board committees
	Age	Gender	Nationality	Number of shares	Number of terms of office in listed companies	Independence	Initial appointment date	Expiry of term of office	Seniority on the Board	
Mathieu Lefebvre Chairman and Chief Executive Officer	40	M	French	17,600	N/A	No	16 January 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	6 years	
Guénaël Prince Director	40	M	French	8,599	N/A	No	16 January 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	4 years	
Dominique Gruson Director	63	M	French	0	N/A	Yes	Board of Directors' meeting of 6 Februar	General Meeting held in 2024 to approve the financial	3 years	Audit Committee Appointments and

							y 2018	year ending 31 December 2023		Compensation Committee
Air Liquide Investissements d'Avenir et de Démonstration (ALIAD) Represented by Priscilla Pages Director	50	F	French	28,107	N/A	No	General Meeting of 11 June 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	6 years	CSR Committee
Les Saules Represented by Marie Bierent Director	27	F	French	18,063	N/A	No	General Meeting of 8 October 2021(1)	General Meeting held in 2024 to approve the financial year ending 31 December 2023	None	
Starquest Anti-Fragile 2015 Represented by Arnaud Delattre Director	61	M	French	13,889	N/A	No	General Meeting of 11 June 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	6 years	Appointments and Compensation Committee
Tertium Management Represented by Stéphane Assuied Director	57	M	French	8,601	N/A	No	General Meeting of 15 October 2019	General Meeting held in 2024 to approve the financial year ending 31 December 2023	2 years	Audit Committee
SWIFT (Swen) represented by Olivier Aubert	49	M	French		N/A	No	General Meeting of 8 October 2021(1)	General Meeting held in 2024 to approve the financial year ending 31 December 2023	None	
Anna Creti	52	F	French		N/A	Yes	General Meeting of 8 October 2021(1)	General Meeting held in 2024 to approve the financial year ending 31 December 2023	None	
Anne Lapierre	52	F	French		N/A	Yes	General Meeting of 8 October 2021(1)	General Meeting held in 2024 to approve the financial year ending 31 December 2023	None	Appointments and Compensation Committee CSR Committee
Christilla de Moustier	52	F	French		N/A	Yes	General Meeting of 8 October 2021(1)	General Meeting held in 2024 to approve the financial year ending 31 December 20	None	Audit Committee CSR Committee

								23		

(1) A general meeting of shareholders, scheduled for 8 October 2021, will be held prior to the approval by the AMF of the prospectus relating to the admission of the Company's shares to trading on the regulated market of Euronext Paris, in order to decide, among other things, on the appointment of new directors (and the subsequent establishment by the board of directors of the committees described in section 14.3 "Information on Board committees" of the Registration Document).

Profile, experience and expertise of the members of the Board of Directors

The profile, experience and expertise of each of the Directors are presented below.

Name: **Mathieu Lefebvre** Chairman and Chief Executive Officer	
Summary of the main areas of expertise and experience:	Expertise in technological and market development in the field of renewable energies, hydrogen and biogas; engineer
Main activities conducted outside the company:	Director of the Inovallée association
Current terms of office:	Chairman of the Board of Directors of Waga Energy Chief Executive Officer of Waga Energy Director of Waga Energy
─ Terms of office and positions in Group companies	Legal representative of Waga Energy, Chief Executive Officer company of SAS SOFIWAGA Legal representative of Waga Energy, Chairman company of Waga Assets SAS Legal representative of Waga Energy, Chairman company of SP Waga 1 SAS Chairman of Holweb SAS Co-CEO of Waga Energy Inc. (US subsidiary of the Company) CEO of Waga Energie Inc. (Canadian subsidiary of the Company) Employee positions within WAGA ENERGY SA as Product Director (employment contract)
─ Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies):	N/A
Terms of office that expired during the last five years	Office in Holweb

Name: **Guénaël Prince**	
Summary of the main areas of expertise and experience:	Specialist in cryogenics and membrane filtration technologies, project management, developer of the WAGABOX® purification process.
Main activities conducted outside the company:	-

Current terms of office:	Director
─ Terms of office and positions in Group companies	Full-time employee CTO of Waga Energy Inc. (US subsidiary) Chief Executive Officer of Holweb SAS Co-CEO of Waga Energy Inc. (US subsidiary).
─ Terms of office and positions in non-Group companies: (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies)	
Terms of office that expired during the last five years	Office in Holweb

Name: **Dominique Gruson**	
Summary of the main areas of expertise and experience:	Management of several companies, Director
Main activities conducted outside the company:	Managing Partner at Société Nouvelle Janvier-Gruson-Prat
Current terms of office:	Director
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies):	Manager of Société Nouvelle Janvier-Gruson-Prat SARL Manager of Société Générale d'Investissement SARL Manager of SCI du Marais Manager of SCI du Marais B Director of the Confédération des Métiers d'Art Chairman of the Selection Loisirs association Director of Chambre Syndicale Bijouterie Vice-Chairman of the Confédération HBJO Director of the Association des Centraliens Manager of SPRL Ornalys based in Brussels
Terms of office that expired during the last five years	—

Name: **Priscilla Rozé-Pagès** (Representative of Air Liquide Investissements d'Avenir et de Démonstration)	
Summary of the main areas of expertise and experience:	Entrepreneurship, project management, communication strategy, specialist in social impact business
Main activities conducted outside the company:	Investment Director ALIAD Venture Capital

Current terms of office:	Representative of Air Liquide Investissements d'Avenir et de Démonstration, (Director)
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies):	Permanent representative of Air Liquide Investissements d'Avenir et de Démonstration on the Board of Directors of Libheros
Terms of office that expired during the last five years	—

Name: **Marie Bierent** (Representative of Les Saules)	
Summary of the main areas of expertise and experience:	Holds an engineering degree from Mines de Douai and an MSc in Environmental Engineering and Business Management from Imperial College London
Main activities conducted outside the company:	Management and administration of Les Saules group companies and its development, notably the management and development of the companies Ovive and Mobipur (treatment of industrial water and leachate).
Current terms of office:	
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies):	Les Saules Eurl - Manager Ovive SASU - Chairwoman Mobipur SAS - Chairwoman Carriel SAS - Chairwoman CSR SARL - Chairwoman Optyma SAS - Chief Executive Officer Medipower Newhaven Ltd - Director (UK)
Terms of office that expired during the last five years	—

Name: **Arnaud Delattre** (Representative of Starquest Anti-Fragile 2015)	
Summary of the main areas of expertise and experience:	Entrepreneurship, assistance and investment in young cybertech and greentech companies and the high-tech industry
Main activities conducted outside the company:	Chairman Starquest Capital
Current terms of office:	Representative of Starquest Anti-Fragile 2015 (Director)
─ Terms of office and	N/A

positions in Group companies	
─ Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies):	Manager of SBBS World SARL Chairman and/or Chief Executive Officer of Objective Gazelles 1, 2 and 3, Energyquest, Greenquest, Greenquest 2, Starquest ISF, Starquest ISF 2, Starquest ISF Solidaire, Starquest Ventures, Starquest ISF 3, Starquest ISF 4, Starquest ISF 2012-1, Starquest ISF 2012-2, Starquest ISF 2012-3, Starquest ISF 2012-4, Starquest ISF 2013-1, Starquest ISF 2013-2, Starquest ISF 2013-3, Starquest ISF 2013-4, Starquest ISF 2014-1, Starquest ISF 2014-2, Starquest ISF 2014-3, Starquest ISF 2014-4, Starquest ISF 2015-1, Starquest ISF 2015-2, Starquest Anti-Fragile 2015, Starquest Anti-Fragile 2017, Palmarès Starquest 2017, Starquest Convictions 2017 Chairman of the Management Board of Starquest SA Chairman of SCR Impact et performance SAS Manager SARL TELAHC Manager SCI du Chêne
Terms of office that expired during the last five years	—

Name: **Stéphane Assuied** (Representative of Tertium Management)	
Summary of the main areas of expertise and experience:	Accounting expertise, responsible for the deployment of external growth operations in the areas of industrial cleaning, safety and temporary work
Main activities conducted outside the company:	CEO and Co-founder of TERTIUM
Current terms of office:	Representative of Tertium Management (Director)
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies):	Chief Executive Officer of Tertium Management Director of Traxens Member of the Strategic Committee of Novrh
Terms of office that expired during the last five years	—

Name: **Olivier Aubert** (Swen Capital Partners)	
Summary of the main areas of expertise and experience:	Investor and civil engineer with more than 25 years of experience in the gas and electricity industries.
Main activities conducted outside the company:	Managing Director Swen Capital Partners Member of the Executive Committee of the European Biogas Association

Current terms of office:	
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies: (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies)	Ter'Green (France) Gaz'Up (France) Biomethane Invest (Italy)
Terms of office that expired during the last five years	GRTgaz Deutschland

Name: **Anna Creti** (Independent Director)	
Summary of the main areas of expertise and experience:	Expertise in competition and regulation of public services in Europe as well as in environmental regulation.
Main activities conducted outside the company:	Professor in Economics, University of Paris Dauphine, Director of the Natural Gas Economics Chair Director of the Climate Economics Chair Associate researcher at UC3E, Berkley and Santa Barbara, California
Current terms of office:	
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies: (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies)	Independent Director on the Board of Directors of GRTgaz
Terms of office that expired during the last five years	-

Name: **Anne Lapierrre** (Independent Director)	
Summary of the main areas of expertise and experience:	Expertise in the development of infrastructure projects and both conventional and renewable energies.
Main activities conducted outside the company:	Partner Lawyer in charge of the Global Energy team at Norton Rose Fulbright (Global Head of Energy).
Current terms of office:	Member of the Executive Committee of Norton Rose Fulbright since 2018 Member of the Strategic Committee of the Bertrand Piccard Solar Impulse Foundation since 2018
─ Terms of office and	Not applicable

positions in Group companies	
─ Terms of office and positions in non-Group companies: (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies)	
Terms of office that expired during the last five years	2019 Independent Director of Alpiq AG (listed at the time of office) 2008 to 2020 Director for 12 years of the association France Energie Eolienne in charge of defending the interests of the sector in France Member of the Supervisory Board of Norton Rose Fulbright 2013 to 2018)

Name: **Christilla de Moustier** (Independent Director)	
Summary of the main areas of expertise and experience:	Expertise in advising and supporting private equity management companies in their investor relations and their financing.
Main activities conducted outside the company:	Partner in charge of ESG, Member of the Investment Committee, Fremman Capital
Current terms of office:	-
─ Terms of office and positions in Group companies	Not applicable
─ Terms of office and positions in non-Group companies: (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies)	-
Terms of office that expired during the last five years	-

Personal information concerning the Directors (excluding the Chairman of the Board of Directors) and the non-voting director

Dominique Gruson, aged 63, is a graduate of the Ecole Centrale Paris, and has worked for Air Liquide for 31 years in various positions, mainly in management. He is now a consultant for a management consulting firm and co-Director of a company specialising in costume jewellery. Dominique will be appointed as an Independent Director of the Company.

Guénaël Prince (see Section 5.6.2).

Priscilla Roze-Pages, aged 50, is a graduate of INSEEC and HEC and holds the position of Investment Director at ALIAD Venture Capital. Previously, Priscilla spent five years as Inclusive Business Director at Air Liquide.

Marie Bierent, aged 27, holds an engineering degree from Mines de Douai and an MSc in Environmental Engineering and Business Management from Imperial College London. She is co-manager of Les Saules, a holding company investing in the environmental sector, and a shareholder of the Company. Marie is involved in the management of the Executive Committee, the strategy and representation of Les Saules and supervises the operations and application of the shareholder policy.

Arnaud Delattre, aged 61, is an agricultural engineer with extensive experience in business creation. Arnaud has held multiple management positions in companies such as Boston Consulting Group, Saresco, and Christofle. Before founding Starquest Capital in 2009, Arnaud Delattre was a Business Angel for five years and invested in 12 companies with an IRR of 13.8%. Starquest Capital is an investment fund specialising in supporting young entrepreneurs.

Olivier Aubert , aged 49, is a Civil Engineer with more than 25 years' experience in the Gas & Electricity industry. After 15 years of management positions in international business development, in 2012 he was appointed Deputy CEO of GRTgaz, the French natural gas transmission operator. He has been leading the development of biomethane injection in France since 2012 and launched the first power to gas project in France (Jupiter 1000). In 2019, he founded SWEN Impact Fund for Transition (SWIFT), the first private equity fund dedicated to the production and distribution of biomethane in Europe which, since September 2021, has held stakes in more than 100 biomethane production and distribution facilities, in production, construction or development, in six European countries.

Stephane Assuied, aged 57, has a degree in Accounting and a Master's degree in Taxation. He began his career in 1989 as an auditor at Price Waterhouse before joining the ONET group, first as part of the overhaul of the group's information systems, then as head of external growth operations in the industrial cleaning, security and temporary work business lines. In 2003, he took over the reins of Interfirm M&A. He then created the investment company Jericho in 2005, before co-founding Tertium in 2012, a capital development fund designed to support the growth of regional companies by strengthening their equity and making them sustainable by organising their transfer.

Anna Creti, aged 52, is a full professor at the University of Paris Dauphine, where she heads the Climate Economics Chair (Un. Dauphine) and the Natural Gas Economics Chair (Un. Dauphine, Toulouse School of Economics, IFPEN, Ecole des Mines). She is also a research fellow at the École Polytechnique, Paris, and affiliated with the Siebel Institute, Berkeley. Anna Creti holds a doctorate from the Toulouse School of Economics and a post-doctorate from the London School of Economics. She also conducted in-depth studies on the competition and regulation of public services in Europe, as well as the link between energy, climate and environmental regulation. Co-editor of the journal Energy Economics, Anna Creti is regularly published in the most important economic journals and also appears in several media.

Anne Lapierre, aged 52, is a lawyer and partner in charge of the Energy Department of Norton Rose Fulbright in Paris. Anne is also co-head of the Casablanca office and the firm's global practice

(1,000 lawyers dedicated to the energy industry across 56 offices worldwide). Anne Lapierre focuses her practice on the development of infrastructure projects and both conventional and renewable energies. Over the course of her career, Anne has supported her clients on numerous innovative and unprecedented projects in France, the Maghreb and French-speaking Africa. She has developed particularly sought-after expertise in the field of solar and wind energy, advising developers and manufacturers as well as banks and investment funds.

Christilla de Moustier, aged 52, is a partner in the investment fund Fremman Capital, member of the Investment Committee, and Head of ESG. Christilla has 30 years of professional experience, including 23 years in the Private Equity industry. Before joining Fremman in 2021, Christilla worked as an independent consultant for 10 years, supporting and advising private equity firms in their investor relations and financing. She previously spent 12 years at PAI Partners where she was responsible for investor relations. Christilla also spent two years as an auditor at Arthur Andersen and four years as a lawyer in business law at Archibald Andersen. Christilla is a graduate of ESCP Europe, holds a Master's degree in Law and a Certificate of Aptitude for the Legal Profession (CAPA) and is an auditor of the IHEDN Defense Policy session.

Christophe Guillaume, aged 55, is an agricultural engineer from LaSalle Beauvais. As Manager of Noria, he is involved on a daily basis in project management and in supporting and monitoring the investments of the Eco-energy division in close collaboration with their manager.

Nationality of the members of the Board of Directors

All members of the Board of Directors are French, except for Anna Creti, independent director, who is Italian.

Independent members of the Board of Directors.

With regard to the independence criteria defined by the Middlenext Code to which the Company intends to refer as from the listing of its shares on the Euronext Paris regulated market, the Board of Directors that should be held on 8 October 2021 plans for four (4) independent members of the Board of Directors, namely Dominique Guson, Anna Creti, Anne Lapierre and Christilla de Moustier.

Situation of Mr Dominique Gruson

The Board of Directors authorised the conclusion of a service agreement between the Company and Ornalys SPRL, whose manager is Dominique Gruson. The agreement, which entered into force on 1 August 2019, was entered into for a period of six (6) months, renewable tacitly and extended by amendment until 31 December 2021. It is therefore intended that these business relationships will end at the start of trading in the Company's shares on the Euronext Paris regulated market.

Under this agreement, Ornalys SPRL provides training services to Company employees relating to contracts and business plans for European projects for the purification of biogas from landfills, for a fixed amount of €1,500 excluding tax per training session. For the financial year 2020, the expense recorded by the Company as payment for these training courses was €17,393.30. These amounts represent only a non-significant portion of the Company's expenses and a small percentage of the assets managed by Ornalys SPRL.

Thus, in view of these elements, the Board of Directors considered that these business relationships were not likely to interfere with the freedom of judgment of Dominique Gruson or call into question his independence.

Situation of Mr Olivier Aubert

In accordance with the terms and conditions of the commitment to subscribe to the OCA 2021 Tranche 2

(as described in Section 8.3.3 "Bond financing") of Swift Gaz Vert, the latter, represented by Olivier Aubert, will be appointed as a director at the General Meeting to be held on 8 October 2021.

To prevent any conflict of interest in this respect, the internal regulations of the Company's Board of Directors provide that, in a situation that gives rise to a conflict of interest or may give rise to a conflict of interest, the director concerned shall inform the Board of Directors as soon as he or she is aware of this, and should (i) abstain from voting on the corresponding resolution, or (ii) not attend the meeting of the Board of Directors during which he or she is in a situation of conflict of interest, or (iii) in an extreme case, resign from office.

The Company's analysis of the independence of each director, with regard to the criteria set out in the Middlenext Code, is presented below.

Criteria (1)	Mathieu Lefebvre	Guénaël Prince	Priscilla Roze-Pages (ALIAD)	Arnaud Delattre (Starquest Fragile 2015)	Marie Bierent (Les Saules)	Stéphane Assuied (Tertium Management)	Olivier Aubert (Swen Capital Partners) °	Dominique Gruson	Anna Creti	Anne Lapierre	Christilla de Moustier
Criterion 1: Not to have been an employee or corporate officer of the company or of a company in its group during the last five years	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 2: Not to have been, during the last two years, and not to be in a significant business relationship with the company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.)	✓	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓
Criterion 3: Not be a reference shareholder of the company or hold a significant percentage of voting rights	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓
Criterion 4: Not to have a close relationship or family ties with a corporate officer or a reference	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓

shareholder											
Criterion 5: Not to have been, during the last six years, the company's auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(1) In this table, ✓represents an independence criterion satisfied and ✗represents an independence criterion not satisfied.

Nationality of the members of the Board of Directors

The members of the Board of Directors are of French nationality with the exception of Ms Anna Creti, an independent director, who is Italian.

Balanced representation of women and men

As from the settlement-delivery of the Company's shares as part of their admission to trading on the Euronext Paris regulated market, the Board of Directors will include 5 women, *i.e.*, 45.5% of the members of the Board of Directors. The composition of the Board of Directors will therefore be in accordance with the provisions of Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code stipulating balanced representation of women and men on the Boards of Directors of companies whose shares are admitted to trading on a regulated market.

Non-voting member

In accordance with the provisions of Article 18 of the Articles of Association, the Board of Directors will appoint, subject to the non-retroactive condition precedent of admission of the Company's shares to trading on the Euronext Paris regulated market, Noria, represented by Christophe Guillaume as a non-voting member.

The non-voting member, who may be a natural person or a legal entity, may be appointed by the shareholders' general meeting or directly by the Board of Directors, subject to ratification of the decision by the next general meeting. He or she is appointed for a term of three years ending at the end of the shareholders' general meeting called to approve the financial statements for the previous financial year and may be re-elected. The non-voting member studies the questions that the Board of Directors or its Chairman submits for his opinion. He/she attends meetings of the Board of Directors and takes part in the deliberations in an advisory capacity only, without their absence affecting the validity of the deliberations.

12.1.2 General Management

In accordance with the terms of Article 16.2 of the Company's Articles of Association, the Board of Directors that should be held on 8 October 2021 plans to decide that the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company will be combined.

As at the date of this Registration Document, Mathieu Lefebvre holds the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company.

He was appointed Chief Executive Officer of the Company on 16 January 2015 and reappointed on 23 June 2020 for a period of six years expiring at the end of the Company's Ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2025.

Mr Mathieu Lefebvre has an employment contract for his duties as Product Director. The Board of Directors intends to maintain the employment contract of Mr Mathieu Lefebvre in view of (i) his role as founder of the Company, his resulting seniority in the Company, (ii) his involvement in the product

development and strategy of the Company, (iii) the stage of development of the Company, (iv) the level of compensation, and (v) the independence of the functions that he exercises under his employment contract and in his capacity as Chairman and Chief Executive Officer. In addition, no exceptional compensation will be due to Mathieu Lefebvre in respect of his corporate office in connection with the IPO. The Company has undertaken a review and analysis of this contract in order, where appropriate, to terminate this employment contract in subsequent years.

Nicolas Paget serves as Deputy Chief Executive Officer.

He was appointed Deputy Chief Executive Officer of the Company by the Board of Directors on 26 January 2021 for the term of office of the Chief Executive Officer, *i.e.*, until the end of the Company's Ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2025.

Mr Nicolas Paget has an employment contract for his duties as Industrial Director. The Board of Directors intends to maintain the employment contract of Mr Nicolas Paget in view of his role as founder of the Company and his length of service with the Company. In addition, Nicolas Paget does not receive any compensation in respect of his corporate office and no exceptional compensation will be due to Nicolas Paget in respect of his corporate office in connection with the IPO. The Company has undertaken a review and analysis of this contract in order, where appropriate, to terminate this employment contract in subsequent years.

Personal information concerning the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer

Mathieu Lefebvre graduated in fluid mechanics and thermal engineering from the École Centrale Marseille. He built up his expertise within Air Liquide, starting in 2004 as head of the fuel cell research program and then, in 2008, as a development engineer. He held the positions of product manager at Air Liquide, in charge of the development, engineering and sale of membrane biogas scrubbers, from 2010 to 2013, and then head of the biogas market from 2013 to 2015. Building on this successful experience in the field of renewable energies, hydrogen and then biogas, in 2015 Mathieu Lefebvre co-created the Company, of which he is currently Chairman.

Nicolas Paget graduated from the Université de Technologie de Compiègne with a specialisation in Materials. He began his career in 2005 at Technip as a pipework installation manager and then as a mechanical engineer from 2008 to 2011. In 2011, he joined Air Liquide and worked as a biogas product engineer until 2014 and then continued his career at Air Liquide as head of the Biogas product efficiency initiative. In 2015, Nicolas Paget was one of the members behind the creation of the Company. He is Chief Technology Officer and holds the office of Deputy Chief Executive Officer within the Company.

Declarations relating to the members of the Board of Directors and Executive Corporate Officers

In addition, to the best of the Company's knowledge, over the last five years: (i) no conviction for fraud has been handed down against a Director or Executive Corporate Officer of the Company, (ii) no Director or Executive Corporate Officer of the Company has been associated with a bankruptcy, receivership, liquidation or placing of a company under court-ordered administration, (iii) no incrimination and/or official public sanction has been announced against a Director or Executive Corporate Officer of the Company by judicial or administrative authorities (including designated professional bodies), and (iv) no Director or Executive Corporate Officer of the Company has been prevented by a court from acting as a member of an administrative or management body of an issuer or from intervening in the management or conduct of the affairs of an issuer.

12.2 Conflicts of interest at the level of the administrative, management and General Management bodies

To the best of the Company's knowledge, subject to the relationships presented in Chapter 17 "Transactions with related parties" of the Registration Document, at the date of the Registration Document there are no potential conflicts of interest between the duties towards the Company of the members of the Board of Directors and Executive Corporate Officers of the Company and their private interests and/or other duties.

To the best of the Company's knowledge, at the date of approval of the Registration Document, there are no arrangements or agreements entered into with the main shareholders or with customers, suppliers or others, under which any of the persons referred to in point 12.1 above has been selected as a member of an administrative, management or supervisory body or as a member of the Company's general management.

To the best of the Company's knowledge, at the date of the Registration Document, there are no restrictions accepted by the members of the Board of Directors regarding the disposal of their stake in the Company's share capital, with the exception of the rules relating to the prevention of insider trading and the provisions of the Company's shareholders' agreement in force, which will be terminated on the day of the admission to trading of the Company's shares on the Euronext Paris regulated market.

13. COMPENSATION AND BENEFITS

13.1 Compensation of Corporate Officers

The information in this chapter has been prepared with reference to the Middlenext Corporate Governance Code as published on 12 September 2021 and approved as a reference code by the AMF. The tables covered by AMF recommendation no. 2009-16 "Guide to the preparation of Registration Documents" included in AMF position-recommendation DOC-2021-02 are presented below.

13.1.1 Compensation of members of the Board of Directors

The table below details the amount of compensation paid to the Company's Directors by the Company or by any Group company during the financial years ended 31 December 2019 and 2020.

Table no. 3: Compensation table for the activity and other compensation received by non-Executive Corporate Officers

In euros Non-Executive Corporate Officers	Amounts paid in financial year 2019	Amounts paid in financial year 2020
Dominique Gruson, Director[1]		
Compensation in respect of the position of director	0	0
Other compensation	€42,880.82 excl. VAT	€17,393.30 excl. VAT
Total	€42,880.82 excl. VAT	€17,393.30 excl. VAT
ALIAD, represented by Priscilla Rozé-Pagès, Director[2]		
Compensation in respect of the position of director	0	0
Other compensation	€26,500 excl. VAT	€10,600 excl. VAT
Total	**€26,500 excl. VAT**	**€10,600 excl. VAT**
Les Saules, represented by Amaury Bierent, Director		
Compensation in respect of the position of director	0	0
Other compensation	€10,000 excl. VAT	€ 10,000
Total	**€10,000 excl. VAT**	**€10,000 excl. VAT**
Starquest Anti-Fragile 2015, represented by Arnaud Delattre, Director		
Compensation in respect of the position of director	—	—
Other compensation	€10,000.08 excl. VAT	€10,000.08 excl. VAT
Total	**€10,000.08 excl. VAT**	**€10,000.08 excl. VAT**

In euros Non-Executive Corporate Officers	Amounts paid in financial year 2019	Amounts paid in financial year 2020
Guénaël Prince, Director		
Compensation in respect of the position	0	0
Other compensation	0	0
Total	**0**	**0**
Noria, represented by Christophe Guillaume, Director		
Compensation in respect of the position director	0	0
Other compensation	0	0
Total	**0**	**0**
Tertium, represented by Stéphane Assuied, Director		
Compensation in respect of the position of director	0	0
Other compensation	0	0
Total	**0**	**0**

(1) (2) *No compensation was paid to Mr. Dominique Gruson and ALIAD in respect of their offices and activities as directors in financial years 2019 and 2020. The respective amounts of other compensation received in 2019 also include an adjustment of the same unpaid compensation for services rendered during financial years 2017 and 2018. The amounts of other compensation received in 2020 are associated with services performed in 2020. Thus, the respective decreases in compensation of Mr Dominique Gruson and ALIAD between financial year 2019 and financial year 2020 result from changes in the scope of their concerned services.*

The shareholders' general meeting of the Company to be held on 8 October 2021, will be asked to set the total annual compensation allocated to the Board of Directors at €81,000 for the current and subsequent financial years. The total annual amount of the compensation allocated to the Company's Board of Directors will be distributed as follows among the members of the Board of Directors:

- Only independent directors within the meaning of the Middlenext Code will receive compensation for their duties as independent directors.

- Compensation will be equal to €1,500 per meeting (of the Board or of a Committee of which the director concerned is a member) in which the director concerned participates.

13.1.2 Compensation of Executive Corporate Officers

The following tables detail the compensation paid to Mathieu Lefebvre, Chairman of the Board of Directors and Chief Executive Officer, and Nicolas Paget, Deputy Chief Executive Officer, by the Company and by any Group company, during the financial years ended 31 December 2019 and 2020:

Table no. 1: Summary table of compensation, options and shares granted to each Executive Corporate Officer

	Financial year 2019	Financial year 2020
Mathieu Lefebvre, *Chairman and Chief Executive Officer*		
Compensation due in respect of the financial year	€88,686.82	€93,651.00
Valuation of multi-year variable compensation allocated during the financial year	€0	€0
Valuation of options allocated during the financial year	€0	€0
Valuation of free shares allocated	€0	€0
Total	**€88,866.82**	**€93,651.00**

The compensation of Mr Mathieu Lefebvre comes from his employment contract with the Company as Product Director and his office as Chairman and Chief Executive Officer. For the current financial year, Mr Mathieu Lefebvre receives gross annual compensation of €79,000 under his employment contract under French law and gross annual compensation of €18,000 in respect of his office. Under his employment contract, Mr. Mathieu Lefebvre benefits from a supplementary pension plan, a provident and managerial health insurance scheme, to which the Company is affiliated, a potential lump-sum bonus in the event of patent applications and additional compensation if the Company were to obtain a commercial advantage from the patent.

	Financial year 2019	Financial year 2020
Nicolas Paget, *Deputy Chief Executive Officer*		
Compensation due in respect of the financial year	€82,830.68	€90,965.62
Valuation of multi-year variable compensation allocated during the financial year	€0	€0
Valuation of options allocated during the financial year	€0	€0
Valuation of free shares allocated	€0	€0
Total	**€82,830.68**	**€90,965.62**

The compensation of Mr Nicolas Paget comes from his employment contract with the Company as Industrial Director. For the current financial year, Mr. Nicolas Paget receives gross annual compensation of €90,000 under his employment contract. Under his employment contract, Mr. Nicolas Paget benefits from a supplementary pension plan, a provident and managerial health insurance scheme, to which the Company is affiliated, a potential lump-sum bonus in the event of patent applications and additional compensation if the Company were to obtain a commercial advantage from the patent..

Table 2: Summary table of the compensation of each Executive Corporate Officer

The following tables present the compensation due to Executive Corporate Officers for the financial years ended 31 December 2019 and 2020 and the compensation received by these same people during the same financial years.

	Financial year 2019		Financial year 2020	
	Amount due[1]	**Amount paid[2]**	**Amount due[1]**	**Amount paid[2]**
Mathieu Lefebvre, *Chairman and Chief Executive Officer*				
Fixed compensation	€80,000.04	€80,000.04	€88,500.06	€88,500.06
Annual variable compensation[3]	€0	€2,369.9	€0	€1,453.36
Multi-year variable compensation	€0	€0	€0	€0
Exceptional compensation[5]	€0	€1,790.00	€0	€2,000.00[4]
Compensation in respect of the position	€0	€0	€0	€0
Benefits in kind	€4,526.90	€4,526.90	€1,697.58	€1,697.58
Total	**€84,526.92**	**€88,686.82**	**€90,197.64**	**€93,651.00**

(1) *Compensation due to the Corporate Officer during the financial year, the amount of which is not liable to change whatever the payment date.*

(2) *Compensation paid to the Corporate Officer during the financial year.*

(3) *The variable annual compensation item consists of vacation bonuses, on-call bonuses received by and paid leave allowances (one-tenth) paid to the Executive Corporate Officers.*

(4) *Bonus for a patent's operational use.*

(5) *Exceptional remuneration consists of vacation bonuses, on-call bonuses and patent operating bonuses received by executive directors.*

	Financial year 2019		Financial year 2020	
	Amount due[1]	**Amount paid[2]**	**Amount due[1]**	**Amount paid[2]**
Nicolas Paget, *Deputy Chief Executive Officer*				
Fixed compensation	€80,000.04	€80.00	€85,000.00	€85.00
Annual variable compensation[3]	€0	€2,830.64	€0	€3,965.60
Multi-year variable compensation	€0	€0	€0	€0
Exceptional compensation[5]	€0	€0	€0	€2,000[4]
Compensation in respect of the position	€0	€0	€0	€0
Benefits in kind	€0	€0	€0	€0
Total	**€80,000.04**	**€82,830.68**	**€85,000.02**	**€90,965.62**

[1] *Compensation due to the Corporate Officer during the financial year, the amount of which is not liable to change whatever the payment date.*

[2] *Compensation paid to the Corporate Officer during the financial year.*

[3] *The variable annual compensation item consists of vacation bonuses, on-call bonuses received by and paid leave allowances (one-tenth) paid to the Executive Corporate Officers.*

[4] *Bonus for a patent's operational use.*

[5] *Exceptional remuneration consists of vacation bonuses, on-call bonuses and patent operating bonuses received by executive directors.*

Table 4: Stock options granted during the financial year to each Executive Corporate Officer by the Company or any company in its Group

[None**]**

Table 5: Stock options exercised during the financial year by each Executive Corporate Officer

[None].

Table 6: Free shares allocated during the financial year to each Executive Corporate Officer

[None].

Table 7: Free shares vested during the financial year for each Executive Corporate Officer

[None].

Table 8: History of BSPCE allocations

Information on BSPCEs		
	Plan no. 1	**Plan no. 2**
Date of meeting	Combined General Meeting of 20 December 2018	Combined General Meeting of 17 June 2021
Date of Board of Directors' meeting	18 December 2019 (as delegated by the Combined General Meeting of 20 December 2018)	30 June 2021 (as delegated by the Combined General Meeting of 17 June 2021)
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	10,000	12,500
Corporate officers	3,900	6,000
Mathieu Lefebvre (Chairman and Chief Executive Officer)	1,300	2,000
Nicolas Paget (Deputy Chief Executive Officer)	1,300	2,000
Guénaël Prince (Director)	1,300	2,000
BSPCE exercise starting point	18 December 2021	1 July 2023
Expiry date	18 December 2029	30 June 2031
Subscription price	€318.42 per share	€1,000.00 per share
Terms of exercise (when the plan includes several tranches)	1/4 from 18 December 2021 then 1/24th per month of presence over the next 24 months	1/4 starting 1 July 2023 then 1/24th per month of presence over the next 24 months
Number of shares at the date of the Registration Document (most recent date)	0	0
Number of expired BSPCEs	0	0
BSPCEs outstanding at year-end	10,000	5,350[(1)]

[(1)] *The balance of 5,350 is an overall balance common to the BSPCEs (plan no. 2) and stock options that may be granted.*

History of stock option grants

Information on stock options	
	2021 options
Date of meeting	Combined General Meeting of 17 June 2021
Date of Board of Directors' meeting	30 June 2021 (authorised by the Combined General Meeting of 17 June 2021) 8 September 2021 (authorised by the Combined General Meeting of 17 June 2021)
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	Board of Directors' meeting dated 30 June 2021: 1,300 Board of Directors' meeting dated 8 September 2021: 850
Corporate officers	N/A
Beneficiaries: employees of Waga Energie Canada and Waga Energy Inc.	Board of Directors' meeting dated 30 June 2021: 1,300 Board of Directors' meeting dated 8 September 2021: 850
Starting point for exercising options	1 July 2023
Expiry date	30 June 2031
Subscription price	€1,000.00 per share
Terms of exercise (when the plan includes several tranches)	1/4 starting 1 July 2023 then 1/24th per month of presence over the next 24 months
Number of shares at the date of the Registration Document (most recent date)	0
Cumulative number of stock options cancelled or lapsed	0
Stock options outstanding at year-end	5,350[(1)]

[(1)] *The balance of 5,350 is an overall balance common to the BSPCEs (plan no. 2) and stock options that may be granted.*

Table 9: Stock options granted to the top 10 employee beneficiaries who are not Corporate Officers and options exercised by them

	Total number of options granted/shares subscribed or purchased	Weighted average price	2021 options
Options granted during the financial year by the Company and any company included in the scope of the option allocation plan, to the 10 employees of the Company or any company included in this scope, for whom the number of options thus granted is the highest (aggregate information)	2,150	€1,000/share	Boards of Directors' meeting of 30 June 2021 and 8 September 2021 (as delegated by the Combined General Meeting of 17 June 2021)
Options held on the Company and the aforementioned companies, exercised during the financial year by the 10 employees of the Company and these companies, for whom the number of options thus purchased or subscribed is the highest (aggregate information).	—	—	—

BSPCEs awarded to the top 10 employees who are not Executive Corporate Officers and BSPCEs exercised by the latter

Plan no. 1

	Total number of BSPCEs allocated/shares subscribed	Weighted average price	Plan no. 1
BSPCEs allocated by the Company to the 10 Company employees for whom the number of BSPCEs thus allocated is the highest (aggregate information)	5,350	€318.42/share	Board of Directors' meeting of 18 December 2019 (as delegated by the Combined General Meeting of 20 December 2018)
BSPCEs allocated by the Company, exercised by the 10 Company employees for whom the number of BSPCEs thus exercised is the highest (aggregate information)	—	—	—

Plan no. 2

	Total number of BSPCEs allocated/shares subscribed	Weighted average price	Plan no. 2
BSPCEs allocated by the Company to the 10 Company employees for whom the number of BSPCEs thus allocated is the highest (aggregate information)	4,000	€1,000.00/share	Board of Directors' meeting of 30 June 2021 (as delegated by the Combined General Meeting of 17 June 2021)
BSPCEs allocated by the Company, exercised by the 10 Company employees for whom the number of BSPCEs thus exercised is the highest (aggregate information)	—	—	—

Table 10: History of free share allocations

None.

Table 11

The following table provides details of the compensation conditions and other benefits granted to Executive Corporate Officers:

Executive Corporate Officers	Employment contract		Supplementary pension scheme		Compensation or benefits due or liable to be due as a result of the termination or change of positions		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Mathieu Lefebvre, ***Chairman and Chief Executive Officer***	Permanent employment contract	X	X	X	X	X	➢ Effective after the expiry of the contract ➢ Two-year term ➢ 30% of average compensation over the last 12 months	X
Term of office start date:	16 January 2015							

Executive Corporate Officers	Employment contract		Supplementary pension scheme		Compensation or benefits due or liable to be due as a result of the termination or change of positions		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Term of office end date	At the close of the Annual General Meeting held to approve the financial statements for the financial year ending 31 December 2025							
Nicolas Paget, *Deputy Chief Executive Officer*	Permanent employment contract	X	X	X	X	X	➢ Effective after the expiry of the contract ➢ Two-year term ➢ 30% of average compensation over the last 12 months	X
Term of office start date:	26 January 2021							
Term of office end date:	At the close of the Annual General Meeting held to approve the financial statements for the financial year ending 31 December 2025							

As at the date of the Registration Document, the compensation paid to Mathieu Lefebvre and Nicolas Paget is as follows (on an annual basis):

Mathieu Lefebvre:

- fixed compensation of €97,000.08; and
- no variable compensation.

Nicolas Paget:

- fixed compensation of €90,000.00; and
- no variable compensation.

The employment contracts of Mr Mathieu Lefebvre and Mr Nicolas Paget will be maintained after the planned IPO. In the event of the admission to trading of the Company's shares on the Euronext Paris regulated market, the next Annual General Meeting will decide on the principles and criteria for determining, distributing and allocating the components of compensation benefits of any kind for the two Executive Corporate Officers for financial year 2022.

No exceptional compensation will be due to Executive Corporate Officers at the time of the Group's IPO.

13.2 Amounts provisioned by the Company for the payment of pensions, retirement and other benefits to Corporate Officers

With the exception of provisions for statutory retirement benefits detailed in Note 8.1.11 to the consolidated financial statements appearing in section 18.1 of the Registration Document, the Company has not provisioned any sums for the payment of pensions, retirement and other benefits to members of the management and the Board of Directors.

14. FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

14.1 Expiry date of the current term of office of the members of the administrative or management bodies

Information concerning the expiry date of the terms of office of the members of the Board of Directors and management is provided in Section 12.1 of the Registration Document.

14.2 Service contracts binding members of the administrative or management bodies

To the best of the Company's knowledge, at the date of this Registration Document, there are no service contracts, other than those indicated in section 17.1 of the draft Registration Document, binding the members of the Board of Directors to the Company or any of its subsidiaries and providing for the granting of benefits.

14.3 Information on Board committees

At the date of the Registration Document, the Company is a public limited company (*société anonyme*) with a Board of Directors.

Prior to approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the Euronext Paris regulated market, the Company's Board of Directors will set up three specialised committees: an Audit Committee, an Appointments and Compensation Committee and a CSR Committee.

The internal regulations of these committees, the main provisions of which are presented below, will apply subject to the condition precedent of the setting of the price of the Company's shares in the context of their admission to trading on the Euronext Paris regulated market.

14.3.1 Audit Committee

Composition

The Audit Committee will comprise three (3) members, of whom two (2) will be appointed from among the independent members of the Board of Directors. The composition of the Audit Committee may be modified by the Board of Directors, and in any event, must be modified in the event of a change in the general composition of the Board of Directors.

The members of the Audit Committee are chosen from among the non-executive members of the Board of Directors, and at least two members of the Audit Committee must be independent members according to the criteria defined by the Middlenext Corporate Governance Code, as published in September 2021 and to which the Company refers.

The Board of Directors ensures the independence of the members of the Audit Committee. The members of the Audit Committee must also have specific financial and/or accounting expertise.

The term of office of the members of the Audit Committee coincides with that of their term of office as Director. It may be renewed at the same time as the latter.

The Chairman of the Audit Committee is appointed, after having been subject to a specific review, by the Board of Directors after consulting the Appointments and Compensation Committee, for the duration of his or her term as a member of the Committee, from among the independent members. The Audit Committee may not include any Director holding a management position within the Company.

From the date of the settlement and delivery of the Company's shares in the context of their admission to trading on the Euronext Paris regulated market, the Audit Committee will comprise: Ms. Christilla de Moustier (Chair of the committee and independent director), Mr. Dominique Gruson, and Mr. Stéphane Assuied.

Duties

The mission of the Audit Committee is to monitor issues relating to the preparation and control of accounting and financial information and to ensure the effectiveness of the risk monitoring and operational internal control system, and where necessary, to make recommendations to guarantee the integrity thereof, in order to facilitate the exercise by the Board of Directors of its control and verification duties in this area.

As such, the Audit Committee performs the following main tasks:

- monitoring the process of preparing financial information;
- monitoring the effectiveness of internal control, internal audit and risk management systems relating to financial and non-financial accounting information;
- monitoring the statutory audit of the parent company and consolidated financial statements by the Company's Statutory Auditors;
- recommendation on the Statutory Auditors proposed for appointment or renewal by the General Meeting and the review of the conditions of their compensation;
- monitoring the independence of the Statutory Auditors and overseeing the performance by the Statutory Auditors of their duties; and
- periodic monitoring of the status of major disputes;

The Audit Committee reports regularly to the Board of Directors on the performance of its duties and the results of the audit assignment, on the manner in which this assignment has contributed to the integrity of the financial information and on the role that it has played in this process, and immediately informs it of any difficulties encountered.

The Audit Committee ensures the existence of an anti-fraud and anti-corruption system.

The Audit Committee meets as often as necessary and, in any event, at least twice a year, according to a schedule set by its Chairman, for the preparation of the annual, half-year and, where appropriate, quarterly financial statements (consolidated in each case, where applicable), to deliberate on an agenda set by its Chairman and sent to the members of the Audit Committee at least five (5) calendar days before the date of the meeting. It also meets at the request of its Chairman, two of its members, or the Chairman of the Company's Board of Directors.

14.3.2 Appointments and Compensation Committee

Composition

The Appointments and Compensation Committee will comprise three (3) members, of whom two (2) members will be independent members of the Board of Directors. They are appointed by the latter from among its non-executive members and in particular in consideration of their independence.

The term of office of the members of the Appointments and Compensation Committee coincides with that of their term of office as Director. It may be renewed at the same time as the latter, without limitation. The term of office of Committee members is renewable without limitation. The Appointments and Compensation Committee is chaired by an Independent Director on the Board of Directors.

From the date of the settlement and delivery of the Company's shares in the context of their admission to trading on the Euronext Paris regulated market, the Appointments and Compensation Committee will comprise: Ms. Anne Lapierre (Chair of the committee and independent director), Mr. Arnaud Delattre and Mr. Dominique Gruson.

Duties

The Appointments and Compensation Committee is a specialised committee of the Board of Directors,

the main missions of which are to assist the Board in (i) the composition of the management bodies of the Company and its Group, and (ii) the determination and regular assessment of all compensation and benefits of the Company's Executive Corporate Officers, including any deferred benefits and/or voluntary or forced departure from the Group.

As part of its assignments relating to appointments, the Committee performs the following tasks:

- proposals for the appointment of members of the Board of Directors, General Management and Board committees; and
- annual assessment of the independence of the members of the Board of Directors.

As part of its assignments relating to compensation, it performs the following tasks:

- examination and proposal to the Board of Directors concerning all the components and conditions of the compensation of the Group's main executives;
- examination and proposal to the Board of Directors concerning the method for distributing compensation for the activities of the Board of Directors; and
- consultation for recommendation to the Board of Directors on any compensation relating to exceptional assignments that may be entrusted by the Board of Directors to certain members.

The Appointments and Compensation Committee meets as often as necessary and, in any event, at least twice (2) a year, according to a schedule determined by its Chairman to deliberate on an agenda set by its Chairman and sent to the members of the Committee at least five (5) calendar days before the date of the meeting. It also meets whenever it deems necessary when convened by its Chairman, two of its members or the Chairman of the Board of Directors.

14.3.3 CSR Committee

Composition

The CSR Committee will be composed of two (2) members, appointed from among the independent members of the Board of Directors. The composition of the CSR Committee may be modified by the Board of Directors, and in any event, must be modified in the event of a change in the general composition of the Board of Directors.

The term of office of the members of the CSR Committee coincides with that of their term of office as member of the Board of Directors. It may be renewed at the same time as the latter.

As from the settlement and delivery of the Company's shares offered in the context of their admission to trading on the Euronext Paris regulated market, the Strategy and CSR Committee will comprise: Ms. Christilla de Moustier (Chair of the committee and independent director), Ms. Anne Lapierre and Ms Priscilla Roze-Pages.

Duties

As part of its corporate social responsibility ("CSR") duties, it carries out the following tasks:

- ensuring that CSR issues are taken into account in the Group's strategy and its implementation;
- examining the reports drawn up in accordance with legal and regulatory obligations in the field of CSR; and
- examining the Group's commitments in terms of sustainable development, with regard to the challenges specific to its activity and its objectives.

14.4 Statement of compliance with the corporate governance regime in force

For the sake of transparency and public information, particularly with a view to the admission of its shares to trading on Euronext Paris, the Company has undertaken an overall review of its corporate governance practices.

As from the admission of its securities to trading on Euronext Paris, the Company intends to refer to the Middlenext Code (insofar as the principles it contains are compatible with the organisation, size, resources and shareholding structure of the Company).

The Company aims to comply with all the recommendations of the Middlenext Code.

The table below shows the Company's position with respect to all of the recommendations issued by the Middlenext Code at the date of the Registration Document.

Recommendations of the Middlenext Code	Adopted	Will be adopted
Supervisory powers		
R1: Ethics of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board—Presence of independent members		X(1)
R4: Information for Board members	X	
R5: Training of Board members		X(2)
R6: Organisation of Board and committee meetings	X	
R7: Establishment of committees		X(1)
R8: Establishment of a specialised committee on corporate social/societal and environmental responsibility (CSR)		X(3)
R9: Setting up of internal regulations for the Board		X(4)
R10: Choice of each Director	X	
R11: Term of office of Board members	X	
R12: Directors' compensation		X(5)
R13: Setting up of an assessment of the work of the Board		X(4)
R14: Relations with shareholders	X	

Executive powers		
R15: Diversity and equity policy within the company		X[9]
R 16: Definition and transparency of the compensation of Executive Corporate Officers	X	
R17: Preparation of an executive succession plan		X[6]
R18: Combination of employment contracts and corporate office		X[7]
R19: Severance pay	X	
R20: Supplementary pension schemes	X[8]	
R21: Stock options and free allocation of shares	X	
R22: Review of points of vigilance	X	

[1] *A Shareholders' General Meeting will be held on 8 October 2021 prior to the approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the Euronext Paris regulated market, in order to approve, in particular, the appointment of new directors (and the subsequent establishment by the Board of Directors of the committees described in Section 14.3 "Information on Board committees" of the Registration Document).*

[2] *The Company plans to set up an annual training program for its directors.*

[3] *A CSR Committee will be created prior to the approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the regulated market of Euronext Paris. The rules of procedure of the CSR Committee provide in particular for the appointment of its Chairman among the independent members of the Board of Directors (see section 14.3.3 of the Registration Document).*

[4] *The internal rules of the Board of Directors will be adopted prior to the approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the regulated market of Euronext Paris.*

[5] *The shareholders' general meeting to be held prior to the approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the regulated market of Euronext Paris will be ask to approve the proposal to pay compensation to the directors.*

[6] *The internal rules of the Nomination and Compensation Committee will be adopted prior to the approval by the AMF of the prospectus relating to the admission of the Company's shares to trading on the regulated market of Euronext Paris, it will assign to this committee the task of establishing a succession plan for the Company's executive officers (see section 14.3.2 of the Registration Document).*

[7] *The Board of Directors will meet prior to the approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the regulated market of Euronext Paris, in order to maintain and justify the combination of Mr. Mathieu Lefebvre's employment contract and his position as Chairman and Chief Executive Officer of the Company, as well as the combination of Mr. Nicolas Paget's employment contract and his position as Deputy Chief Executive Officer (see section 12.1.2 of the Registration Document).*

[8] *None of the Group's executive directors benefit from a supplementary pension plan, as the executive directors are affiliated to the mandatory pension plans.*

[9] *The Company will consider studying a policy aimed at achieving gender balance and equity at each hierarchical level. The Board of Directors following the IPO will be composed of 45.5% of women.*

14.5 Internal control

The internal control system implemented within the Group is detailed in section 3.6 "Risk management policy" of the Registration Document.

Insofar as, at the date of the Registration Document, no financial securities of the Company are admitted

to trading on a regulated market, the Company is not required to prepare a report on corporate governance detailing in particular the conditions for preparing and organising the work of the Board.

From the financial year ending 31 December 2021, and provided that the Company's shares are admitted to trading on the Euronext Paris regulated market, the Board of Directors of the Company will be required to prepare such a report in accordance with the provisions of Articles L. 225-37, L. 22-10-9 and L. 22-10-11 of the French Commercial Code.

15. EMPLOYEES

15.1 Number of employees

At 31 December 2020, the Group employed approximately 58 employees in companies within its scope of consolidation.

At this date, approximately 93% of employees were employed in Europe (including approximately 100% of the total in France).

For the financial year ended 31 December 2020, the Group's payroll amounted to €3,615,000 compared with €2,090,000 for the financial year ended 31 December 2019 and €1,128,000 for the financial year ended 31 December 2018. Payroll is the amount of all gross salaries and employer social security contributions, as well as employee profit-sharing and incentives and other personnel costs, paid during each financial year.

The table below shows the change in the Group's workforce over the last three financial years, broken down by country:

	Employees at 31 December		
Country	**2020**	**2019**	**2018**
France	54	39	20
United States	2	1	0
Canada	2	0	0
Total	58	40	20

The table below shows the change in the breakdown of the workforce by socio-professional category ("**CSP**") over the last three financial years:

	Employees at 31 December		
Breakdown of the workforce by CSP	**2020**	**2019**	**2018**
Managers	38	27	17
Employees	20	13	3
Workers	0	0	0
Total	58	40	20

The table below shows the change in the breakdown of the workforce by type of contract over the last three years:

Breakdown of workforce by type of contract	**Financial year 2020**	**Financial year 2019**	**Financial year 2018**
Permanent contracts (CDI)	83%	95%	95%
Fixed-term contracts (CDD)	17%	5%	5%
Temporary contracts	0%	0%	0%
Total	100%	100%	100%

Employment

The table below shows the change in employment within the Group over the last three financial years:

Employment	Financial year 2020	Financial year 2019	Financial year 2018
Total turnover (departures)	6%	13%	5%
Voluntary turnover (resignation)	0%	3%	5%
Hiring rate	23%	120%	47%
Permanent contract hiring rate	46%	100%	40%
Percentage of disabled people/average workforce	2%	2%	0%

Working conditions and human resources policy

The Group attaches particular importance to social issues concerning health and safety at work, employee motivation, the quality of social dialogue, the promotion of diversity and integration into the local social fabric. All these topics are part of the Group's CSR strategy, which is rolled out in each division.

15.2 Shareholdings and stock options of Corporate Officers

As part of the admission of its shares to trading on the Euronext Paris regulated market, the Company intends to implement a long-term incentive policy for its key executives.

For more information on stock options granted to Corporate Officers, see Sections 13.1.2 "Compensation of Executive Corporate Officers" and 15.3.4 "Employee shareholding".

15.3 Agreements providing for employees to share in the Company's profits

15.3.1 Profit-sharing agreements

In France, Group companies do not benefit from profit-sharing agreements at the date of this Registration Document.

15.3.2 Incentive agreements

In France, the employees of most of the Group's companies benefit from incentive schemes based on performance indicators, including commercial results, yield and control of overheads.

15.3.3 Company savings plans and similar

In France, employees can invest their incentive bonuses in an Inter-Company Savings Plan and a Retirement Savings Plan.

15.3.4 Employee shareholding

As at the date of the Registration Document, the Group's executives and senior managers hold—within the Company—the following shares, BSPCEs and stock options:

Shares held (directly and indirectly) by executives in the Company:

- Mathieu Lefebvre: 17,600
- Nicolas Paget: 10,200
- Guénaël Prince: 8,599

At the date of this Registration Document, Mathieu Lefebvre, Nicolas Paget and Guénaël Prince also hold more than 71.2% of the share capital of Holweb SAS, which itself holds 12.83% of the share capital of the Company.

List of members of the Company's Management Committee who were granted BSPCEs following the decision of the Board of Directors' meeting of 18 December 2019 on the proposal of the Extraordinary General Meeting of 20 December 2018:

- Mathieu Lefebvre: 1,300
- Nicolas Paget: 1,300
- Guénaël Prince: 1,300
- Marie-Amélie Richel: 1,500
- Marco Venturini: 1,000
- Laurent Barbotin: 200
- Guillaume Piechaczyk: 600
- Caroline Millet: 300

List of members of the Company's Management Committee granted BSPCEs and provided for by the Board of Directors' meeting of 30 June 2021 as delegated by the Combined General Meeting of 17 June 2021:

- Mathieu Lefebvre: 2,000
- Nicolas Paget: 2,000
- Guénaël Prince: 2,000
- Marie-Amélie Richel: 1,000
- Marco Venturini: 500
- Laurent Barbotin: 100
- Guillaume Piechaczyk: 500
- Caroline Millet: 300

15.4 Labour relations

As at the date of the Registration Document, the Company has no employee representative body in France. Following elections held in 2019, the Company drew up a notice affirming the absence of such a body, valid until 2023, for all instances of the Social and Economic Committee, in accordance with Article L. 2314-9 of the French Labour Code. The Group is in the process of setting up the new Social and Economic Committee ("SEC") in France and organising new elections in accordance with the applicable legislation.

The Group believes that it has satisfactory relations with its employees and regularly signs agreements, including wage agreements.

16. MAIN SHAREHOLDERS

16.1 Shareholders holding more than 5% of the share capital at the date of the Registration Document

At the date of the Registration Document, the Company is a public limited company (*société anonyme*).

A General Meeting of the Company's Partners to be held on 8 October 2021, for the purpose of carrying out the division by 100 of the nominal value of the Company's shares, without affecting the amount of share capital.

The table below shows the breakdown of the Company's share capital and voting rights at the date of the Registration Document:

Shareholder	Number of shares and voting rights	% of capital and voting rights	Share categories
Mathieu Lefebvre	17,600	12.16%	ordinary shares
Nicolas Paget	10,200	7.04%	ordinary shares
Guénaël Prince	8,599	5.94%	ordinary shares
Starquest Anti-Fragile 2015	13,889	9.59%	ordinary shares
Aliad SA	28,107	19.41%	ordinary shares
Les Saules SARL	18,063	12.47%	ordinary shares
Tertium	8,601	5.94%	ordinary shares
Noria	7,851	5.42%	ordinary shares
Holweb*	18,575	12.83%	ordinary shares
Other	13,309	9,20%	ordinary shares
TOTAL	144,794	100%	144,794 ordinary shares

***** *Holweb is a company controlled by Mathieu Lefebvre, Guénaël Prince and Nicolas Paget.*

16.2 Existence of different voting rights

In accordance with Article 12 of the Company's Articles of Association, a double voting right shall be conferred to fully paid-up shares for which evidence of registration is provided from the second anniversary of the settlement-delivery date in connection with the admission to trading of the Company's shares on the Euronext Paris regulated market, in accordance with the provisions of Article L. 22-10-46 of the French Commercial Code. This procedure will be proposed at its Combined General Meeting that should take place on 8 October 2021.

16.3 Control of the Company

As at the date of this Registration Document, the founder executives Mathieu Lefebvre, Nicolas Paget, Guénaël Prince; the founder advisers, Pascal Mauberger, Pierre Briend, Yves Verdurand; the historical founder Benoit Lemaignan; and the investors Air Liquide Investissements d'Avenir and de

Démonstration (Aliad), Les Saules, Starquest Anti-Fragile 2015, E Sale Maris, Starquest Discovery 2017, Tertium Croissance, Noria and Holweb are parties to a shareholders' agreement signed on 15 October 2019. This shareholders' agreement will be automatically terminated on the date of admission to trading of the Company's shares on the Euronext Paris regulated market. An amendment to this shareholders' agreement was signed on 30 June 2021 between the aforementioned parties and the subscribers to the OCA Tranche 1 and the OCA Tranche 2, namely Swen Impact Fund for Transition and Swift Gaz Vert.

Control of the Company will not change as a result of the proposed IPO. Following the admission of the Company's shares to trading on the Euronext Paris regulated market, the Company will ensure, in particular through its governance, that control is not exercised in an abusive manner. The measures to be implemented will include the presence on the Board of Directors of independent directors and the establishment of committees including an Appointments and Compensation Committee and a CSR Committee. The internal regulations of the Board of Directors, which will come into force from the Company's IPO, will also stipulate that each Director is required to inform the Board of Directors of any situation of conflict of interest, to abstain from the debate and from voting on the corresponding resolution, or even to resign, if the situation so requires.

16.4 Agreements that may result in a change of control

As at the date of the Registration Document, there are no agreements whose implementation could result in a change of control of the Company.

17. TRANSACTIONS WITH RELATED PARTIES

17.1 Intra-group agreements and related-party transactions

Parties related to the Group include the shareholders of the Company, its non-consolidated subsidiaries, associated companies and entities over which the Group's various executives exercise at least significant influence.

For more details on related-party transactions entered into by the Company during financial years 2018, 2019 and 2020, see Note 8.4 of the notes to the consolidated financial statements presented in Chapter 18 "Audited historical financial information" of the Registration Document.

- Service provision agreement

The Company has respectively signed:

- with Les Saules, shareholder and Director of the Company, an agreement for the provision of support services in the context of the Company's development (assistance with defining the Company's strategy, identification of key partnerships, identification of commercial targets, assistance with structuring the team, assistance with the investment and financing strategy) dated 11 June 2015; and

- with Aliad, shareholder and Director of the Company, an agreement for the provision of support services in the context of the development of the Company (assistance with defining the strategy, identification of partnerships and management of relations with suppliers of the Company) dated 11 June 2015;

The Company will terminate the above-mentioned agreements with effect from the date of the proposed IPO.

The Company entered into a service provision agreement with Ornalys SPRL, managed by Dominique Gruson, Director of the Company, dated 18 December 2019, concerning the training of the Company's business developers as well as contracts and business plans for European projects for the purification of biogas from landfills. This service agreement was extended in April 2021 and will be terminated on 31 December 2021.

- Intra-group invoicing and accounting and financial management agreement

Les Saules SARL, shareholder and Director of the Company, entered into an intra-group invoicing and accounting and financial management agreement dated 1 December 2017 with Sofiwaga 1 SAS, a subsidiary of the Company.

- Patent licensing and communication of know-how agreement

The Company and Air Liquide (parent company of Aliad, shareholder and Director of the Company) entered into a patent licence and know-how communication agreement on 11 June 2015 in order to identify and formalise the rights granted by Air Liquide to the Company for the use of various patents.

(See Chapter 20 "Major contracts".)

- Employment contracts

The Company has signed an employment contract with Mathieu Lefebvre, Chairman and Chief Executive Officer, as Product Director since 31 March 2015.

The Company has signed an employment contract with Nicolas Paget, Deputy Chief Executive Officer,

as Chief Technology Officer since 31 March 2015.

The Company has signed an employment contract with Guénaël Prince, Director of the Company, as Chief Research and Development Officer since 8 July 2015. This contract was suspended as of 30 September 2019 following the expatriation of Guénaël Prince to the United States from 1 October 2019. Guénaël Prince now has an employment contract under US law with Waga Energy Inc.

- Current account agreements

The Company has respectively signed:

- a current account agreement dated 22 December 2020 with its shareholder Holweb SAS (having Mathieu Lefebvre and Nicolas Paget as common managers), which holds 12.83% of the Company as at the date of the Registration Document; and

- a current account agreement dated 25 November 2020 with Les Saules SARL, Director of the Company.

- Framework investment agreements

The Company signed a framework investment agreement dated 9 June 2015 with its shareholder and Director Starquest Anti-Fragile 2015, which holds 9.59% of the Company's share capital as at the date of the Registration Document, for the provision of assistance and annual monitoring. The Company signed a framework investment agreement dated 9 June 2015 with its shareholder and Director Starquest Anti-Fragile 2015, which holds 9.59% of the Company's share capital as at the date of the Registration Document, for the provision of assistance and annual monitoring. Through this agreement, Starquest Anti-Fragile 2015 undertook to subscribe to a capital increase on 11 June 2015 for the benefit of the Company. The payment of this service by the Company is limited in time to a maximum of ten (10) years from the date of subscription of the capital increase. As of the date of the Registration Document, this framework investment agreement has expired.

The terms of these various agreements are set out in the Statutory Auditors' special reports on related-party agreements for the financial years ended 31 December 2018, 2019 and 2020 as reproduced in Section 17.2 below. All the agreements mentioned below will be maintained after the group's IPO, with the exception of the service agreement between Ornalys SPRL and the Company, which will expire on 31 December 2021.

17.2 Statutory Auditors' special reports on related-party agreements for financial years 2020, 2019 and 2018

17.2.1 Statutory Auditors' special report on related-party agreements for the financial year ended 31 December 2020

[*Ernst & Young header*]

Waga Energy

General Meeting to approve the financial statements for the financial year ended 31 December 2020

Statutory Auditors' special report on related-party agreements

To the Waga Energy General Meeting,

As your Company's Statutory Auditors, we hereby present to you our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information that has been provided to us, of the characteristics, the main terms and the reasons behind the Company's interest therein of the agreements of which we have been informed or that we have discovered in the course of our assignment, without having to comment on their usefulness and their merits or to seek the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of the agreements already approved by the General Meeting.

We have conducted the due diligence that we deemed necessary in accordance with the professional standards of the Compagnie nationale des commissaires aux comptes, as they relate to this assignment. This due diligence consisted of verifying that the information with which we were provided was consistent with that contained in the source documents.

Agreements submitted to the General Meeting for approval

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year, which were subject to the prior authorisation of your Board of Directors.

► With Les Saules, Director and shareholder with a stake of 10% in your company

(1) Current account agreement

Nature, purpose and terms

A current account agreement was signed between your company and Les Saules on 25 November 2020 for a nominal amount of €2,000,000. The annual interest rate is 6%. The agreement was authorised by the Board of Directors on 17 November 2020.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: establishment of a current account agreement between Les Saules and Waga Energy in order to strengthen the latter's liquidity position.

► With Holweb SAS, having Mathieu Lefebvre and Nicolas Paget as common managers

(1) Current account agreement

Nature, purpose and terms

A current account agreement was signed between your company and Holweb SAS on 22 December 2020 for a nominal amount of €500,000. The annual interest rate is 6%. The agreement was authorised by the Board of Directors on 10 September 2020.

Reasons the agreement is in the Company's interest

Your Board justified this agreement as follows: establishment of a current account agreement between Holweb SAS and Waga Energy in order to strengthen the latter's liquidity position.

Agreements already approved by the General Meeting

► Agreements approved in previous years

(a) whose implementation continued during the past financial year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued during the financial year ended.

► With Mathieu Lefebvre, Chairman and Chief Executive Officer of your company

(1) Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract dated 31 March 2015 between your company and Mathieu Lefebvre, Chairman and Chief Executive Officer, as Product Director for annual gross compensation of €42,000 from 15 June 2015.

The annual compensation changed as follows: €53,000 gross from 1 May 2017 (authorised by the Board of Directors' meeting of 3 May 2017), €62,000 gross from 1 October 2018 (authorised by the Board of Directors' meeting of 8 October 2018), €79,000 gross from 1 July 2020 (authorised by the Board of Directors' meeting of 9 July 2020).

Mathieu Lefebvre also received a holiday bonus of €637.50, an on-call premium of €250, a patent operating bonus of €2,000 and a benefit in kind relating to social security insurance for company Directors of €2,263.44 for financial year 2020.

The expense recorded by your company under this employment contract is €75,651 for financial year 2020.

► With Nicolas Paget, Deputy Chief Executive Officer of your company

(1) Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract dated 31 March 2015 between your company and Nicolas Paget, as Chief Technology Officer, for annual gross compensation of €60,000 from 15 June 2015.

The annual compensation changed as follows: €72,000 gross from 1 May 2017 (authorised by the Board of Directors' meeting of 3 May 2017), €80,000 gross from 1 October 2018 (authorised by the Board of Directors' meeting of 8 October 2018), €90,000 gross from 1 July 2020 (authorised by the Board of Directors' meeting of 9 July 2020).

Mathieu Lefebvre also received a holiday bonus of €820.00, an on-call premium of €2,750.00 and a patent operating bonus of €2,000 for financial year 2020.

The expense recorded by your company under this employment contract is €90,965.62 for financial year 2020.

► With Guénaël Prince, Director of your company

(1) Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract dated 8 July 2015 between your company and Guénaël Prince, as Chief R&D Officer, for annual gross compensation of €60,000 from 15 August 2015.

The annual compensation changed as follows: €72,000 gross from 1 May 2017 (authorised by the Board of Directors' meeting of 3 May 2017), €80,000 gross from 1 October 2018 (authorised by the Board of Directors' meeting of 8 October 2018).

This employment contract was suspended as of 30 September 2019 following the expatriation of Guénaël Prince to the United States from 1 October 2019. His annual salary is set at 224,000 US dollars gross from 1 July 2020 (authorisation of the Board of Directors' meeting of 9 July 2020) and is paid in full by Waga Energy Inc. under his employment contract under US law.

► With Starquest Anti-Fragile 2015, Director and shareholder with more than 10% of your company

(1) Framework investment agreement

Nature, purpose and terms

Framework investment agreement signed on 9 June 2015 between Starquest Anti-Fragile 2015 for the provision of assistance and annual monitoring to your company.

The agreement was not subject to prior authorisation by the Board of Directors insofar as the aforementioned agreement was entered into prior to the appointment of Starquest Anti-Fragile 2015 as Director of your company with effect from 24 June 2015, but was duly ratified by the Ordinary General Meeting of 22 June 2016.

Your company was invoiced the sum of €10,000.08 excluding tax for financial year 2020.

► With Les Saules, Director and shareholder with more than 10% of your company

(1) Framework investment agreement

Nature, purpose and terms

Agreement signed on 11 June 2015 between Les Saules and your company, including the provision of support services.

The agreement was not subject to prior authorisation by the Board of Directors insofar as the aforementioned agreement was entered into prior to the appointment of Les Saules as Director of your company with effect from 24 June 2015, but was duly ratified by the Ordinary General Meeting of 22 June 2016.

The provision of support services invoiced to your company during the financial year 2020 amounts to €10,000 excluding tax.

► With Aliad, Director and shareholder with more than 10% of your company

(1) Framework investment agreement

Nature, purpose and terms

Agreement signed on 11 June 2015 between your company and Aliad, for the provision of support services.

The agreement was not subject to prior authorisation by the Board of Directors insofar as the aforementioned agreement was entered into prior to the appointment of Aliad as Director of the company with effect from 24 June 2015, but was duly ratified by the Ordinary General Meeting of 22 June 2016.

The provision of support services invoiced to your company during the financial year 2020 amounts to €10,600 excluding tax.

► With Ornalys SPRL, whose Manager is Dominique Gruson, Director of your company

(1) Agreement for the provision of strategic support services

Nature, purpose and terms

Your Board of Directors authorised the conclusion of an agreement for the provision of services on 18 December 2019, which entered into force on 1 August 2019, between your company and Ornalys.

The agreement is for a period of six months, tacitly renewable for three months, then extended by amendment until 31 December 2021 (authorised by the Board of Directors' meeting of 20 April 2021). The agreement covers the training of your company's business developers as well as the contracts and business plans for European landfill biogas purification projects, for a fixed amount of €1,500 excluding tax per training session.

The expense recorded by your company under this agreement is €17,393.30 for financial year 2020.

(b) not implemented during the past financial year

We have also been informed of the continuation of the following agreements, already approved by the General Meeting in previous financial years, which were not implemented during the past financial year.

► With Air Liquide, parent company of Aliad, the latter being a Director and shareholder with more than 10% of your company

(1) Framework investment agreement

Nature, purpose and terms

A patent license and know-how communication agreement was signed on 11 June 2015 between your company and Air Liquide for the provision of support services in order to identify and formalise the rights granted to your company by Air Liquide concerning the use of various patents.

The agreement was not subject to prior authorisation by the Board of Directors insofar as the agreement was signed prior to the appointment of Aliad as Director of your company with effect from 24 June

2015, but was duly ratified by the Ordinary General Meeting of 22 June 2016, then extended by amendment authorised by the Board of Directors' meeting of 26 September 2019.

The agreement did not generate any expense for the financial year ended 31 December 2020 or any recognition under balance sheet assets.

Paris-La Défense, 2 June 2021

The Statutory Auditors

ERNST & YOUNG et Autres

Cédric Garcia

17.2.2 Statutory Auditors' special report on related-party agreements for the financial year ended 31 December 2019

[*Ernst & Young header*]

Waga Energy

General Meeting to approve the financial statements for the financial year ended 31 December 2019

Statutory Auditors' special report on related-party agreements

To the Waga Energy General Meeting,

As your Company's Statutory Auditors, we hereby present to you our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information that has been provided to us, of the characteristics, the main terms and the reasons behind the Company's interest therein of the agreements of which we have been informed or that we have discovered in the course of our assignment, without having to comment on their usefulness and their merits or to seek the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements with a view to their approval.

Furthermore, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of agreements already approved by the General Meeting.

We have conducted the due diligence that we deemed necessary in accordance with the professional standards of the Compagnie nationale des commissaires aux comptes, as they relate to this assignment. This due diligence consisted of verifying that the information with which we were provided was consistent with that contained in the source documents.

Agreements submitted to the General Meeting for approval

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year and which were subject to the prior authorisation of your Board of Directors.

1. With the company Durance Conseil, whose Manager is Sébastien Gruson, son of Dominique Gruson, Director of your company

Strategic support services

Nature, purpose and terms

On 25 January 2019, your Board of Directors authorised the signing of an agreement for the provision of services, dated 16 March 2019, which entered into force on 14 January 2019, between your company and Durance Conseil, whose Manager is Sébastien Gruson, son of Dominique Gruson, Director of your company, for a fixed period of six months without tacit renewal, relating to the provision of strategic, contractual and development support in Europe in the field of biogas purification, for a fixed amount of

€6,000 excluding VAT/month and corresponding to two days of services per week, *i.e.*, an amount of €750 excluding VAT/day.

The expense recorded by your company in respect of this agreement is €37,134.82 for financial year 2019.

Reasons the agreement is in the Company's interest

Your Board justified this agreement as follows: this contract concerns services to support the negotiation of long-term biogas purification contracts and assistance in the ramp-up of administrative and financial monitoring of your company and its investments.

2. With Ornalys SPRL, whose manager is Sébastien Gruson, son of Dominique Gruson, Director of your company

Strategic support services

Nature, purpose and terms

Your Board of Directors authorised the conclusion of an agreement for the provision of services on 18 December 2019, which entered into force on 1 August 2019, between your company and Ornalys SPRL, whose manager is Dominique Gruson, Director of your company, for a period of six months tacitly renewable for three months, covering the training of your company's business developers as well as contracts and business plans for European landfill biogas purification projects, for a fixed amount of €1,500 excluding tax per training session.

The expense recorded by your company under this agreement is €5,746 for financial year 2019.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: this new contract concerns assistance in the negotiation of long-term biogas purification contracts, the establishment of a business plan and the structuring of the financing plans of the European landfill biogas purification projects.

3. With Air Liquide, parent company of Aliad, the latter being a Director and shareholder with more than 10% of your company

Nature, purpose and terms

On 11 June 2015, your company signed a patent license and know-how communication agreement with Air Liquide in order to identify and formalise the rights granted to your company by Air Liquide concerning the use of various patents.

On 26 September 2019, your Board of Directors authorised the signing of an amendment to the aforementioned patent license and know-how communication agreement concluded on 7 November 2019 between your company and Air Liquide (the parent company of Aliad, itself a Director and shareholder with more than 10% of the share capital), for the purposes of (i) extending said one-year contract beyond its initial term of six years expiring on 11 June 2021, subject to the payment by your company of €50 thousand including all taxes, then (ii) annual tacit renewal, unless terminated by either party after giving six months' notice, and the payment by your company of €50 thousand on the anniversary date.

4. With Holweb, having Mathieu Lefebvre as a common Director

Nature, purpose and terms

On 8 April 2019, your Board of Directors authorised the acquisition by Holweb of a 19% stake in the share capital of the US subsidiary Waga Energy Inc., through the purchase of shares from your company on 12 December 2019.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: the approach consists in consolidating the block of founding Directors in order to succeed in the next major stage of development of the company in the US and internationally.

Agreements already approved by the General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued during the financial year ended.

1. With Mathieu Lefebvre, Chairman and Chief Executive Officer of your company

Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract between your company and Mathieu Lefebvre as Product Director from 31 March 2015.

The Board of Directors' meeting of 8 October 2018 authorised, with retroactive effect from 1 October 2018, an increase in the compensation of Mathieu Lefebvre under this contract to €62,000 gross per year. Moreover, the Board of Directors has already authorised an increase in the compensation of Mathieu Lefebvre under this contract to €72,000, as soon as the company has agreed and signed 12 WAGABOX® units.

Mathieu Lefebvre also received a holiday bonus of €619.90, an on-call bonus of €1,750, an exceptional bonus of €1,790 and benefits in kind amounting to €2,263.38 for financial year 2019.

The expense recorded by your company in respect of this employment contract is €68,423.32 for financial year 2019.

2. With Nicolas Paget, shareholder holding more than 10% of the Company's share capital.

Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract between your company and Nicolas Paget as Chief Technology Officer from 31 March 2015.

The Board of Directors' meeting of 8 October 2018 authorised, with effect from 1 October 2018, an increase in the compensation of Nicolas Paget under this contract to €80,000 gross per year.

In addition, the Board of Directors has already authorised an increase in the compensation of Nicolas Paget under this contract to €90,000, as soon as the company has agreed and signed 12 WAGABOX® units.

Nicolas Paget also received a holiday bonus of €830.64, as well as an on-call bonus of €2,000 for financial year 2019.

The expense recorded by your company in respect of this employment contract is €82,830.68 for financial year 2019.

3. With Guénaël Prince, shareholder holding more than 10% of your company's share capital

Employment contract

Nature, purpose and terms

On 8 July 2015, your Board of Directors authorised the signing of an employment contract between your company and Guénaël Prince as Chief R&D Officer from 8 July 2015.

The Board of Directors' meeting of 8 October 2018 authorised, with effect from 1 October 2018, an increase in the compensation of Guénaël Prince under this contract to €80,000 gross per year. In addition, the Board of Directors has already authorised an increase in the compensation of Nicolas Paget under this contract to €90,000, as soon as the company has agreed and signed 12 WAGABOX® units.

Guénaël Prince also received a holiday bonus of €830.64, an on-call bonus of €1,500, €9.57 to rectify paid leave, and €1,230.58 in compensation for paid leave for financial year 2019.

The expense recorded by your company in respect of this employment contract is €63,570.82 for financial year 2019.

It should be noted that Guénaël Prince, after the prior authorisation of the Board of Directors' meeting of 30 August 2019, was expatriated to the United States as from 1 October 2019, for the launch and development of the US subsidiary Waga Energy Inc., of which he is Co-CEO with Mathieu Lefebvre; his compensation has been borne in full by Waga Energy Inc. from that date with the corresponding suspension of his employment contract as from 30 September 2019.

4. With Starquest Anti-Fragile 2015, Director and shareholder with more than 10% of your company

Framework investment agreement

Nature, purpose and terms

Framework investment agreement signed on 9 June 2015 between Starquest Anti-Fragile 2015 for the provision to your company of assistance and annual monitoring.

This provision amounts to 2% excluding tax of the amount of the investment payable at the anniversary date of the investment. Your company was invoiced the sum of €10,000.08 excluding tax for financial year 2019.

5. With Les Saules, Director and shareholder with more than 10% of your company

Provision of support services

Nature, purpose and terms

Agreement signed on 11 June 2015 between the Les Saules company and your company, including the provision of support services.

The provision of support services invoiced to your company during financial year 2019 amounted to €10,000 excluding tax.

6. With Air Liquide, parent company of ALIAD, the latter being a Director and shareholder with more than 10% of your company

Provision of support services

Nature, purpose and terms

Fees paid by your company in financial year 2019 in the amount of €26,500 to Aliad for the provision of support services provided for in the agreement signed on 11 June 2015 between your company and Aliad.

The provision of support services invoiced to your company during financial year 2019 amounted to €26,500 excluding tax.

Lyon, 8 June 2020

The Statutory Auditors

ERNST & YOUNG et Autres

Pierre-Emmanuel Passelègue

17.2.3 Statutory Auditors' special report on related-party agreements for the financial year ended 31 December 2018

[*Ernst & Young header*]

Waga Energy

General Meeting to approve the financial statements for the financial year ended 31 December 2018

Statutory Auditors' special report on related-party agreements

To the Waga Energy General Meeting,

As your Company's Statutory Auditors, we hereby present to you our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information that has been provided to us, of the characteristics, the main terms and the reasons behind the Company's interest therein of the agreements of which we have been informed or that we have discovered in the course of our assignment, without having to comment on their usefulness and their merits or to seek the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements with a view to their approval.

Furthermore, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of agreements already approved by the General Meeting.

We have conducted the due diligence that we deemed necessary in accordance with the professional standards of the Compagnie nationale des commissaires aux comptes, as they relate to this assignment. This due diligence consisted of verifying that the information with which we were provided was consistent with that contained in the source documents.

Agreements submitted to the General Meeting for approval

Agreements authorised and signed during the past financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year and which were subject to the prior authorisation of your Board of Directors.

1. With Mathieu Lefebvre, Chairman and Chief Executive Officer of your company

Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract between your company and Mathieu Lefebvre as Product Director from 31 March 2015.

The Board of Directors' meeting of 8 October 2018 authorised, with retroactive effect from 1 October 2018, an increase in the compensation of Mathieu Lefebvre under this contract to €62,000 gross per year.

In addition, the Board of Directors has already authorised an increase in the compensation of Mathieu Lefebvre under this contract to €72,000, as soon as the company has agreed and signed 12 WAGABOX® units.

Mathieu Lefebvre also received a holiday bonus of €548, an on-call bonus of €875 and a patent bonus of €200 for financial year 2018.

The expense recorded by your company in respect of this employment contract is €55,683 for financial year 2018.

Reasons the agreement is in the Company's interest

Your Board has justified this agreement as follows: the increase in compensation for Messrs. Lefebvre, Prince and Paget is related to the Company's performance over 2017–2018 and to the resulting development of the business plan.

2. With Nicolas Paget, shareholder holding more than 10% of the Company's share capital

Employment contract

Nature, purpose and terms

On 26 March 2015, your Board of Directors authorised the signing of an employment contract between your company and Nicolas Paget as Chief Technology Officer from 31 March 2015.

The Board of Directors' meeting of 8 October 2018 authorised, with effect from 1 October 2018, an increase in the compensation of Nicolas Paget under this contract to €80,000 gross per year.

In addition, the Board of Directors has already authorised an increase in the compensation of Nicolas Paget under this contract to €90,000, as soon as the company has agreed and signed 12 WAGABOX® units.

Nicolas Paget also received a holiday bonus of €719, a lump sum payment of €200 and an on-call bonus of €1,312.5 for financial year 2018.

The expense recorded by your company in respect of this employment contract is €75,164 for financial year 2018.

Reasons the agreement is in the Company's interest

Your Board has justified this agreement as follows: the increase in compensation for Messrs. Lefebvre, Prince and Paget is related to the Company's performance over 2017–2018 and to the resulting development of the business plan.

3. With Guénaël Prince, shareholder holding more than 10% of your company's share capital

Employment contract

Nature, purpose and terms

On 8 July 2015, your Board of Directors authorised the signing of an employment contract between your company and Guénaël Prince as Chief R&D Officer from 8 July 2015.

The Board of Directors' meeting of 8 October 2018 authorised, with effect from 1 October 2018, an increase in the compensation of Guénaël Prince under this contract to €80,000 gross per year.

In addition, the Board of Directors has already authorised an increase in the compensation of Nicolas Paget under this contract to €90,000, as soon as the company has agreed and signed 12 WAGABOX® units.

Guénaël Prince also received a holiday bonus of €741, a lump sum payment of €200, a patent bonus of €600 and an on-call bonus of €1,500.

The expense recorded by your company under this employment contract is €76,791 for financial year 2018.

Reasons the agreement is in the Company's interest

Your Board has justified this agreement as follows: the increase in compensation for Messrs. Lefebvre, Prince and Paget is related to the Company's performance over 2017–2018 and to the resulting development of the business plan.

4. With Dominique Gruson, Director of your company

Service provision agreement

Nature, purpose and terms

On 4 May 2018, your Board of Directors authorised the extension of an agreement for the provision of services, initially entered into on 17 August 2015, between your company and Durance Conseil, of which the Manager is Sébastien Gruson, son of Dominique Gruson.

The expense recorded by your company for these services is €18,900 for financial year 2018.

Reasons the agreement is in the Company's interest

Your Board justified this agreement as follows: this contract concerns services to support the negotiation of long-term biogas purification contracts and assistance in the ramp-up of administrative and financial monitoring of your company and its investments.

Agreements already approved by the General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued during the financial year ended.

1. With Starquest Anti-Fragile 2015, Director and shareholder with more than 10% of your company

Framework investment agreement

Nature, purpose and terms

Framework investment agreement signed on 9 June 2015 between Starquest Anti-Fragile 2015 for the provision of assistance and annual monitoring to your company.

This provision amounts to 2% excluding VAT of the amount of the investment payable at the anniversary date of the investment. Your company was invoiced the sum of €10,000.08 excluding tax for financial year 2018.

5. With Les Saules, Director and shareholder with more than 10% of your company

Provision of support services

Nature, purpose and terms

Agreement signed on 11 June 2015 between the Les Saules company and your company, including the provision of support services.

The provision of support services invoiced to your company during financial year 2018 amounted to €10,000 excluding tax.

3. With Air Liquide, parent company of ALIAD, the latter being a Director and shareholder with more than 10% of your company

Patent licensing and communication of know-how agreement

Nature, purpose and terms

On 11 June 2015, your company signed a patent license and know-how communication agreement with Air Liquide in order to identify and formalise the rights granted to your company by Air Liquide concerning the use of various patents.

The amount recognised under assets in respect of this contract is €41,667 for financial year 2018.

Lyon, 3 June 2019

The Statutory Auditors

ERNST & YOUNG et Autres

Pierre-Emmanuel Passelègue

18. FINANCIAL INFORMATION

18.1 Historical financial information

CONSOLIDATED FINANCIAL STATEMENTS

1. Group consolidated financial statements at 31 December 2020

1.1. Consolidated statement of financial position

ASSETS (in thousands of euros)	Notes	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Intangible assets	8.1.1	396	225	189	113
Property, plant and equipment	8.1.2	20 848	18 127	14 941	6 469
Non-current financial assets	8.1.3	232	103	68	67
Deferred tax assets	8.1.4	0	0	0	0
Total non-current assets		**21 475**	**18 455**	**15 198**	**6 649**
Inventories	8.1.5	841	378	347	83
Trade receivables and related accounts	8.1.6	2 051	1 623	1 603	622
Tax receivables	8.1.7	486	226	335	114
Other current assets	8.1.8	2 028	2 654	1 879	931
Cash and cash equivalents	8.1.9	16 001	7 563	6 465	4 239
Total current assets		**21 407**	**12 444**	**10 629**	**5 990**
Total assets		**42 882**	**30 900**	**25 826**	**12 639**

LIABILITIES (in thousands of euros)	Notes	31 December 2020	31 December 2019	31 December 2018	1 janvier 2018
Share capital		145	140	110	110
Premiums		10 824	9 431	541	941
Reserves		-2 093	-506	-279	-682
Translation differences		52	0	0	0
Net income attributable to owners of the parent for the period		-2 179	-1 960	-939	0
Share capital attributable to owners of the parent		6 749	7 106	-567	369
Non-controlling interests		1 357	1 082	961	499
Equity	8.1.10 and 1.4	**8 106**	**8 188**	**394**	**869**
Non-current provisions	8.1.11	561	325	248	131
Borrowings and non-current financial liabilities	8.1.12	23 062	15 210	12 174	8 300
Other non-current liabilities	8.1.15	1 039	1 237	1 367	918
Total non-current liabilities		**24 662**	**16 772**	**13 789**	**9 348**
Current provisions	8.1.11	0	0	15	0
Borrowings and current financial liabilities	8.1.12	5 506	1 886	7 320	977
Trade payables and related accounts	8.1.13	2 281	2 830	2 503	844
Tax liabilities	8.1.14	148	19	0	0
Other current liabilities	8.1.15	2 180	1 205	1 805	601
Total current liabilities		**10 115**	**5 940**	**11 643**	**2 422**
Total liabilities		**42 882**	**30 900**	**25 826**	**12 639**

1.2. Consolidated income statement

INCOME STATEMENT (in thousands of euros)	Notes	31 December 2020	31 December 2019	31 December 2018
Income from ordinary activities	8.2.1	9 460	7 904	2 792
Other income	8.2.2	366	358	504
Income from current activities		**9 826**	**8 262**	**3 297**
Purchases of goods and changes in inventories	8.2.3	-3 580	-3 801	-999
External expenses	8.2.4	-1 586	-1 507	-908
Taxes, duties and similar payments		-116	-82	-47
Personnel expenses	8.2.5	-3 304	-1 852	-937
Other current operating income and expenses	8.2.6	22	-104	32
Depreciation, amortisation and provisions	8.1.1 et 8.1.2.	-1 935	-1 299	-940
Current operating income		**-673**	**-384**	**-503**
Other non-current operating income and expenses		-6	4	31
Operating income		**-679**	**-379**	**-472**
Cost of net financial debt		-1 016	-1 424	-469
Other financial income and expenses		-60	6	-16
Net finance income (expense)	8.2.7	**-1 076**	**-1 418**	**-485**
Income before tax		**-1 755**	**-1 797**	**-957**
Income tax	8.2.8	-157	-47	0
Consolidated net income		**-1 912**	**-1 845**	**-957**
Net profit (loss) - Group Share		-2 179	-1 960	-939
Net profit (loss) - Minority interests		267	115	-17
Basic earnings per share (in euros)	8.2.9	-15,05	-13,96	-8,55
Diluted earnings per share (in euros)	8.2.9	-15,05	-13,96	-8,55

1.3. Consolidated statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (in thousands of euros)	Notes	31 December 2020	31 December 2019	31 December 2018
Consolidated net income		**-1 912**	**-1 845**	**-957**
Translation adjustments		44	0	
Actuarial differences		-27	-5	3
Deferred tax effects				0
Items recyclable through profit or loss		**17**	**-5**	**3**
Consolidated comprehensive income		**-1 895**	**-1 850**	**-954**
Of which global net profit (loss) - Group share		-2 162	-1 965	-937
Of which global net profit (loss) - Minority interests		267	115	-17

1.4. Consolidated statement of changes in equity

CHANGES IN EQUITY (in thousands of euros)	Number of shares	Share capital	Premiums	Reserves and net profit (loss)	Other comprehensive income	Equity Group Share	Minority interests	Total equity
Equity at 1 January 2018	**110**	**110**	**941**	**-682**	**0**	**369**	**499**	**869**
Comprehensive income for the period				-939	3	-937	-17	**-954**
Change in scope of consolidation						0	479	**479**
Other changes			-400	400	0	0		**0**
Equity at 31 December 2018	**110**	**110**	**541**	**-1 221**	**3**	**-567**	**961**	**394**
Comprehensive income for the period				-1 960	-5	-1 965	115	**-1 849**
Capital increase - Section 3.2.1	30	30	8 890	706		9 626		**9 626**
Change in scope of consolidation						0	2	**2**
Other changes						0	3	**3**
Share-based payments - Section 8.2.5				14		14		**14**
Equity at 31 December 2019	**140**	**140**	**9 431**	**-2 461**	**-2**	**7 106**	**1 082**	**8 188**
Comprehensive income for the period				-2 179	**17**	**-2 162**	267	**-1 895**
Capital increase - Section 3.3.1	4	4	1 393			1 397		**1 397**
Other changes				20		20	8	**28**
Share-based payments - Section 8.2.5				386		386		**386**
Equity at 31 December 2020	**145**	**145**	**10 824**	**-4 234**	**15**	**6 749**	**1 358**	**8 106**

The main changes concern the capital increases carried out in 2019 and 2020 (see Notes 3.2 and 3.3), as well as share-based payments (see Note 8.2.5).

The other changes correspond to the allocation of income from the Waga Energy SA parent company financial statements for 2017, the impact of IAS 19 “Employee benefits” restatements (see Note 8.1.11) and the decommissioning provision recognised in accordance with IAS 16 “Property, plant and equipment” (see Note 8.1.2).

1.5. Consolidated cash flow statement

CASH FLOW STATEMENT (in thousands of euros)	Notes	31 December 2020	31 December 2019	31 December 2018
Net income		-1 912	-1 845	-957
Depreciation, amortisation and provisions	8.1.1, 8.1.2, 8.1.11	2 195	1 338	994
Share-based payments	8.2.5	386	14	0
Other calculated income and expenses		46	-2	0
Cost of net financial debt	8.2.7	1 076	1 418	485
Change in tax receivables and payables (including deferred taxes)	8.2.8	-131	128	-221
Cash flow from operations		**1 661**	**1 052**	**301**
Impact of changes in inventories	8.1.5	-463	-31	-264
Impact of changes in trade and other receivables	8.1.6, 8.1.7, 8.1.8	142	-796	-1 928
Impact of changes in trade and other payables	8.1.13, 8.1.14, 8.1.15	228	-404	3 313
Cash flows from operating activities		**1 567**	**-179**	**1 421**
Acquisition of property, plant and equipment and intangible assets	8.1.1, 8.1.2	-4 794	-4 499	-9 409
Acquisition of financial assets	8.1.3	-128	-35	-1
Cash flows from investing activities		**-4 922**	**-4 534**	**-9 409**
Impact of changes in scope (contributions from non-controlling interests)	1.4	0	2	479
Capital increase (net of capital increase costs)	1.4	1 397	4 836	0
Issuance of loans & repayable advances	8.1.12	13 768	4 614	11 229
Repayments of loans & repayable advances (incl. Cost of debt)	8.1.12	-3 373	-3 638	-1 497
Dividends paid		0	0	0
Cash flows from financing activities		**11 792**	**5 813**	**10 211**
Change in cash and cash equivalents		**8 438**	**1 097**	**2 225**
Opening cash		7 563	6 465	4 239
Closing cash		16 001	7 563	6 465

2. General information

2.1. Information about the Group

Waga Energy is a public limited company (*société anonyme*) with a Board of Directors, registered and domiciled in France (and is referred to as "the Company").

Its registered office is located at 2 chemin du Vieux Chêne, 38240 Meylan, France. The consolidated financial statements of Waga Energy include the Company and the subsidiaries it controls (referred to together as "the Group"). The scope of consolidation is detailed in Note 5.6.

Created in 2015 and located in Grenoble, the Waga Energy Group is the European leader in the production of biomethane from landfill gas. The Group has developed a breakthrough technology that purifies biogas from landfills to transform it into biomethane, injected into gas grids, as a replacement for natural gas of fossil origin.

Waga Energy is a group that is strongly committed to the energy transition.

Its mission is to provide an immediate solution to reduce greenhouse gas emissions by providing abundant green, renewable, readily available energy.

WAGABOX® units are small refineries or gas plants installed on landfills, sites classified as ICPE (facilities classified for the protection of the environment).

The unique technology based on membrane filtration and cryogenic distillation has been the subject of several patent filings.

2.2. Background to the preparation of the financial statements

These consolidated financial statements for the financial years ended 31 December 2018, 2019 and 2020 were prepared as part of the proposed public offering and listing of the shares on Euronext.

They were drawn up specifically for the purposes of the Base Document (*Document de base*) submitted for registration with the AMF.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union at 31 December 2020.

These consolidated financial statements covering the financial years ended 31 December 2018, 2019 and 2020 were approved by the Company's Board of Directors on 23 September 2021.

3. Highlights of financial years 2018, 2019 and 2020

3.1. Highlights of financial year 2018

3.1.1. Development of the fleet of WAGABOX® units

Four WAGABOX® units were commissioned during the financial year, at Pavie's sites with the local authority TRIGONE, Saint Palais (VEOLIA), Gueltas (SUEZ) and Chevilly (SUEZ). These newly commissioned sites brought the number of WAGABOX® units in operation to six. The units in operation contribute directly to the Group's revenue generation.

Three new projects were launched during the period (Lorient Agglomération, Les Ventes-de-Bourse/SUEZ and Saint Gaudens/SIVOM). The Waga Energy Group won the Lorient Agglomération public tender for a biogas recovery unit at the Kermat Non-Hazardous Waste Storage Facility (NHWSF) in the municipality of Inzinzac-Lochrist. In this context, the Group offers a turnkey solution from construction to operation. The other two projects are led by the SOFIWAGA INFRA project company, created in 2018 for this purpose, 49% owned by the parent company Waga Energy SA and 51% by Meridiam, an infrastructure fund that is providing the additional project financing.

3.1.2. OCA 2018

At the Extraordinary General Meeting of 20 December 2018, the shareholders adopted a resolution concerning the issue of a fixed-rate bond in the amount of €2.8 million over a period of three (3) years. These bonds were subscribed by ALIAD, Les Saules and E Sale Maris. This transaction strengthened the Group's cash position and financed the Pavie project.

3.2. Highlights of financial year 2019

3.2.1. Capital increase

A capital increase was carried out by the Company on 15 October 2019, bringing the share capital to €140,397, through the issuance of 30,479 shares with an issue premium of €8,890 thousand (net of capital increase expenses of €79 thousand).

The financing, totalling €9 million, came on the one hand from the conversion of bonds in the amount of €4 million (of which €1.2 million in respect of the OCA 2017 and €2.8 million in respect of the OCA 2018), and on the other, from €4.9 million in new money linked to the entry of new shareholders.

3.2.2. Development of the fleet of WAGABOX® units

In 2019, the WAGABOX® unit located on the Kermat NHWSF (Lorient Agglomération) was commissioned. This brings the number of units in operation to seven. The WAGABOX® units located on the SUEZ/Les Ventes-de-Bourse and SIVOM/St Gaudens sites NHWSF were still under construction in 2019. Their commissioning is scheduled for early 2020.

Two new projects were launched over the period, with the project on the VEOLIA/Le Ham site where the commissioning of the unit is scheduled for 2022, and the project on the BAUDELET/Blaringhem NHWSF site, with commissioning scheduled for September 2020.

3.2.3. Business development in North America

In line with the Group's strategy to expand in North America, two subsidiaries were created:

- Waga Energy Inc. in the United States, 81% owned by the Company, was created in March 2019.

- Waga Energie Canada Inc., in Canada, wholly owned by the Company, was created in October 2019.

3.2.4. Investments for the Future Programme repayable advance

Waga Energy received assistance from ADEME's Investments for the Future Programme, including a repayable advance of €1,594 thousand, which was received between 2015 and 2018. With the threshold for triggering financial repayments having been reached, a first annuity of €209 thousand was repaid to ADEME in December 2019.

3.2.5. Blockage of the cold box on the WAGABOX® unit on the Saint Palais site

A technical incident at the WAGABOX® Saint Palais cold box, which occurred during unit commissioning, severely impacted the performance and availability of the biogas treatment unit over several months. A non-availability penalty of €115,000 was provisioned in the Group's financial statements in favour of VEOLIA.

3.3. Highlights of financial year 2020

3.3.1. Capital increase

The Company's share capital increased from €140,397 to €144,794 on 31 December 2020. A capital increase was carried out in financial year 2020, bringing the share capital to €144,794, through the issuance of 4,397 shares with an issue premium of €1.393 million (net of capital increase expenses of €75.1 thousand).

3.3.2. Development of the fleet of units

The Company put three new WAGABOX® units into operation during 2020. The WB8 units (Suez, Les Ventes-de-Bourse) and WB9 (Sivom de Saint-Gaudens, Liéoux) were commissioned on the exact date announced to customers at the signing of the contracts. Unit WB11 (Baudelet Environnement, Blaringhem) started up two months late due to restrictions on access to the storage site caused by the Covid-19 epidemic, which delayed the work on the site for reception of the WAGABOX® (civil engineeering, earthwork, etc).

3.3.3. Development and signature of the first international projects

The Group signed two new contracts in France (with SEG and Veolia) and its first two international contracts: the first with the Ferrovial Servicios group for the construction of a WAGABOX® unit at the Can Mata site (Spain) and the second—*via* its subsidiary US WAGA ENERGY Inc., with an industrial company for the manufacture of a cryogenic distillation module for a landfill gas purification site in the USA).

3.3.4. Financing

Creation of the Waga Assets subsidiary

The Group has set up a wholly owned subsidiary called Waga Assets to facilitate the financing of its projects.

The investments dedicated to the construction of WAGABOX® units are now carried by this subsidiary and isolated within dedicated Special Purpose Vehicles (SPV).

The Company ensures the construction of the units *via* an Engineering and Procurement Contract (EPC) and their operation *via* a long-term Operation & Maintenance (O&M) Contract with the Special Purpose Vehicle.

The latter houses the biomethane sales or purification services contract, as well as the financing for WAGABOX® units.

Three dedicated SPVs, called WAVE (Waga Assets Vehicle), wholly owned by Waga Assets, were created in 2020 to host one project each:

- WAVE1 for WAGABOX®10 (Veolia, Le Ham);

- WAVE2 for WAGABOX®12 (SEG, Gournay);

- WAVE3 for WAGABOX®13 (Veolia, Claye-Souilly).

These three projects will be equity-funded by the Company for 20% (€2.9 million) and debt-funded (*via* a convertible bond) by a Gaz Vert infrastructure fund for 80% (€11.5 million).

Optimizing project financing is an important lever for the successful deployment of the WAGABOX® solution in France and internationally.

Agreement with a Gaz Vert infrastructure fund

The acceleration of Waga Energy's development leads to high financing needs.

To this end, on 10 December 2020, the Group issued a convertible bond into shares of its subsidiary Waga Assets for a maximum amount of €80 million. This bond may be issued in several tranches, in order to finance the SPVs holding the WAGABOX® purification units, and with a six-year maturity. The outstandings may not exceed €20 million. As at 31 December 2020, two tranches have been drawn down of €2.1 million and €3.3 million, respectively, to finance the WAGABOX® No. 12 and WAGABOX® No. 13.

3.3.5. Covid-19

The current health crisis related to Covid-19 and the associated health emergencies are major events for the financial year ended 31 December 2020. In this respect, the assets and liabilities, expenses and income in the balance sheet and income statement, respectively, at 31 December 2020 are recognised

and valued taking into account these events and their known or probable consequences at the reporting date.

The Covid-19 health crisis affects the entire global economy and has an impact on the Group's activity that is still difficult to measure.

In this context, the Group has continued to ensure the proper functioning of its operating units by controlling them remotely and mobilising its teams remotely or on-site, and operating continuity has not been called into question.

The new projects developed by the Group are long-term infrastructure projects. The current health crisis and the containment measures generate significant economic and organisational uncertainty and are thus liable to delay investment decisions by NHWSF (Non-Hazardous Waste Storage Facility) operators, as well as decisions by banking partners on the granting of financing.

The Group is mobilising to strengthen its cash position and activate the government economic mechanisms for which the Company is eligible.

The current crisis reinforces the need to act to combat global warming and accelerate the energy transition.

The renewable energy sector (market conditions and associated financing) could offer opportunities and prospects for the development of industries in the sector.

SGLs were taken out with various banks for a total of €2.6 million.

3.4. Subsequent events

3.4.1. Planned Initial Public Offering on Euronext Paris

Waga Energy is seeking new sources of financing and is preparing, if market conditions allow, a capital increase and the listing of its shares on the Euronext Paris regulated market during the second half of 2021.

3.4.2. OC 2021

By decision of the Combined General Meeting of 17 June 2021, which delegated authority to the Board of Directors, on 30 June 2021, the Group issued convertible bonds into shares of the parent company Waga Energy SA. This financing strengthens the Group's cash position. Two tranches of bonds convertible into new shares of the Company for a total amount of €16 million, of which €6 million are intended to finance WAGABOX® units, especially in Special Purpose Vehicles. The convertible bonds were fully subscribed on 13 July 2021, of which €0.5 million by current account compensation.

<u>OCA 2021 Tranche 1</u>

On 30 June 2021, the Company entered into a convertible bond issuance agreement (OCA 2021 Tranche 1) with the companies Aliad, Les Saules, Tertium Croissance, Noria Invest SRL, Vol-V Impulsion and Swift, corresponding to a financing of €9,999,980.10 through bonds convertible into new Company shares, fully subscribed on 13 July 2021.

At the end of this agreement, the Company issued 31,405 convertible bonds with a par value of €318.42 (*i.e.*, a total amount of €9,999,980.10) each maturing on 30 June 2023 and bearing interest at an annual rate of 6%, and with a non-conversion premium of 3%.

OCA 2021 Tranche 2

On 30 June 2021, the Company issued 18,844 convertible bonds with a nominal value of €318.42 (*i.e.*, a total amount of €6,000,306.48), fully subscribed by Swift Gaz Vert on 13 July 2021 and bearing interest at the maximum annual interest rate of 9.2%.

The deadline for the redemption or conversion of the bonds into new shares of the Company was set at 30 July 2029.

The OCA 2021 Tranche 2 bonds are intended to be redeemed by the Company—in full or in part within a period of 18 to 24 months—in order to be subscribed again in the same proportions by Swift Gaz Vert within a new subsidiary to be created, "Waga Assets 2" (wholly owned by Waga Energy SA and carrying WAGABOX® projects in Europe), with a deadline for the redemption or conversion of the bonds into new shares of said subsidiary set at 30 July 2029.

3.4.3. BSPCE

The Combined General Meeting of 17 June 2021 delegated to the Board of Directors the authority to issue and allocate BSPCE 2021 free of charge to employees and/or executives, up to a maximum amount of 20,000 BSPCEs or stock options; these were partially granted by the Board of Directors on 30 June 2021. As a result, 12,500 BSPCEs and 1,300 stock options were directly granted. A balance of 6,200 BSPCEs/stock options may still be issued by the Board of Directors until 17 December 2022.

3.4.4. Financing from the "Gaz Vert" infrastructure fund

A new tranche of the bond from the "Gaz Vert" infrastructure fund was drawn down in January 2021 for an amount of €1.2 million.

3.4.5. Development of activities in Spain

In line with the group's strategy to expand in Europe, a subsidiary was created in April 2021, SofiWaga Espana 1, wholly owned by Waga Energy SA.

4. Date of first application of IFRS

The financial statements presented were prepared in accordance with the revised IFRS 1 "First-time adoption of International Financial Reporting Standards". These financial statements constitute an additional set of financial statements compared to Waga Energy's historical parent company financial statements, which are prepared in accordance with French GAAP.

The date of first-time application of the IFRS adopted by the Group is 1 January 2018. The Group has chosen to prepare its financial statements in accordance with IFRS for the first time for the financial year ended 31 December 2020.

In application of IFRS 1, these consolidated financial statements have been prepared in accordance with IFRS as at 31 December 2020, which apply to all periods presented from the transition date of 1 January 2018.

IFRS 1 provides for exceptions to the retrospective application of IFRS at the transition date; those used by the Company are as follows:

- With regard to IAS 19 "Employee Benefits", it was decided to recognise all cumulative actuarial gains and losses at the IFRS transition date.

- With regard to IFRS 16 "Leases", the Company has recognised its lease liabilities and right-of-use assets by applying the following approach to all leases:

- Measurement of the lease liability at the IFRS transition date at the present value of the remaining lease payments, determined using its incremental borrowing rate at the IFRS transition date;

- Measurement of the asset recognised in respect of the right-of-use asset at the IFRS transition date according to the amount of the lease liability, adjusted for the amount of rent paid in advance or payable that was recognised in the statement of financial position relating to these leases immediately prior to the IFRS transition date;

- With regard to IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognised at amortised cost, without being remeasured.

5. Basis of preparation of the consolidated financial statements

The Group's financial statements have been prepared in euros, which is also the Company's functional currency. All amounts stated in these Notes to the financial statements are denominated in euros, unless otherwise indicated.

5.1. Going concern

The going concern assumption was adopted by the Board of Directors considering the following factors:

- available cash at 31 December 2020 of €16 million;

- the drawdown of an additional tranche of the WAGA ASSETS bond for an amount of €1.2 million on 29 January 2021. The convertible bond has a drawdown balance of €13.4 million;

- the issue on 30 June 2021 of bonds convertible into new shares of the Company ("OCA 021") for a total amount of €16 million. These OCA 2021 were fully subscribed including €0.5 million by way of current account compensation, and were cashed on 13 July 2021.

These elements are expected to enable the Group to cover its needs over the next 12 months.

The Board of Directors has decided to adopt the following measures to ensure the Group's financing beyond its liquidity horizon:

(i) Proposed IPO of the Company's shares on the Euronext Paris market during the second half of 2021;

(ii) In the event that market conditions do not allow for the planned IPO, the Group could finance its future cash requirements through a combination of public or private capital increases, bank or bond financing, collaboration agreements, licences and development or other forms of non-dilutive financing.

5.2. IFRS

The financial statements have been prepared in accordance with IFRS as adopted by the European Union in force at 31 December 2020 and for all periods presented.

These standards, available on the European Commission's website, incorporate the International Accounting Standards (IAS and IFRS), and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

These financial statements also comply with the standards and interpretations adopted by the IASB at the same date.

These IFRS consolidated financial statements cover the financial years ended 31 December 2018, 2019 and 2020.

The standards, amendments and interpretations published by the IASB, but not yet approved at European level, are not expected to have a material impact on the financial statements for future years.

In the absence of standards or interpretations applicable to a specific transaction, the Group's management uses its judgment to define and apply the accounting methods that will provide relevant and reliable information, such that the financial statements:

- present a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the economic reality of transactions;
- are neutral;
- are cautious; and
- are complete in all material respects.

5.3. Standards, amendments and interpretations adopted by the European Union and of mandatory or optional application from 1 January 2020

The following IFRS standards, amendments and interpretations, of mandatory application at 1 January 2020, did not have a significant impact on the financial statements:

Amendments to IAS 1 and IAS 8—Definition of "material"
Amendment to references to the conceptual framework in the standards
Amendments to IFRS 9, IAS 39 and IFRS 7—Interest rate benchmark reform—Phase 1
Amendments to IFRS 3—Definition of a business
Temporary amendment to IFRS 16—Covid-19-related rent concessions

In addition, the Company has not chosen to apply early the standards, amendments and interpretations that will be mandatory from 1 January 2021 or later, it being specified that the Company is currently analysing the potential impacts of their entry into force:

Amendments to IAS 39, IFRS 4—Insurance contracts, IFRS 7, IFRS 9 and IFRS 16—Interest rate benchmark reform—Phase 2

The Company believes that the application of these amendments should not have an impact on the Group's consolidated financial statements.

5.4. Estimates and judgments

The preparation of the financial statements requires, on the part of Management, the use of estimates and assumptions deemed reasonable, liable to have an impact on the amounts of assets, liabilities, equity, income and expenses included in the financial statements, as well as on the information in the Notes on contingent assets and liabilities. These estimates were based on a going concern assumption and were prepared on the basis of the information available at the time of their preparation. The main estimates relate to:

- determination of the costs that may be included in the valuation of property, plant and equipment with regard to IAS 16 “Property, plant and equipment” (Note 6.2);

- measurement of control over the various subsidiaries (Note 5.6), as well as WAGABOX® units, sold to the subsidiaries;

- assessment of the position as agent or principal with regard to IFRS 15 and concerning the various revenue streams (see Note 6.12);

- the recoverable amount of WAGABOX® units and their estimated useful life (Note 6.2);

- measurement of the fair value of BSPCEs (Note 6.8): determination of the fair value of share-based payments is based on the Black & Scholes option pricing model, which takes into account assumptions about complex and subjective variables. These variables include the value of the shares, the expected volatility of the share value over the life of the instrument and the current and future behaviour of the holders of these instruments;

- with regard to the convertible bonds (OCA), estimates are made relating to:

    - determination of the fair value of the conversion options (see Note 6.10),

    - determination of the effective interest rate (EIR) of the debt component of the conversion options, which takes into account the most probable time horizon in terms of conversion or redemption (Note 6.11);

- valuation of provisions, in particular retirement provisions (Note 6.9) and the decommissioning provision (Note 6.9);

- determination of the discount rate and the lease terms as part of the assessment of lease liabilities under IFRS 16 “Leases” (see note 6.2.2);

- measurement of the lease liability in accordance with IFRS 16 “Leases” (note 6.2.2);

- measurement of provisions for impairment of trade receivables in accordance with IFRS 9 (see Note 6.5);

- assessment of the possible activation of deferred tax assets (see Note 6.17).

Details are provided in the Note on significant accounting principles. Depending on changes in these assumptions or different economic conditions, the final amounts may differ from these estimates.

These estimates may be revised if the circumstances on which they were based change or as a result of new information.

5.5. Consolidation methods

Controlled subsidiaries within the meaning of IFRS 10 “Consolidated financial statements”, regardless of the Group’s equity interest, are fully consolidated. Full consolidation is applied to all subsidiaries in which the Group generally holds a majority interest and has control. This rule applies regardless of the percentage shareholding. The notion of control represents “the power to govern the financial and operating policies of an affiliate in order to obtain benefits from its activities”.

A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed or entitled to variable returns from its ties with the entity and has the ability to influence these returns due to the power it holds over it. The financial statements of subsidiaries are included in the

consolidated financial statements from the date on which control is obtained until the date on which control ceases.

The interests of minority shareholders are presented in the balance sheet and in the income statement as a separate category from the Group share.

All transactions and positions internal to fully consolidated subsidiaries are eliminated on consolidation. A list of the main subsidiaries, joint ventures and associates is presented in Note 5.6.

5.6. Scope of consolidation

5.6.1. 31 December 2018

SUBSIDIARIES	Percentage control		Percentage interest		Consolidation method
	31 December 2018	01 January 2018	31 December 2018	01 January 2018	
WAGA ENERGY	100,00%	100,00%	100,00%	100,00%	Parent company
SOFIWAGA 1	49,00%	49,00%	49,00%	49,00%	Full consolidation
SOFIWAGA INFRA	49,00%	0,00%	49,00%	0,00%	Full consolidation

SOFIWAGA 1 and SOFIWAGA INFRA are structured entities for financing WAGABOX® assets. The Company manages all activities and transactions related to the operation of the WAGABOX® units of these structured entities. Although they are only 49% owned, the two companies SOFIWAGA INFRA SAS & SOFIWAGA 1 SAS are fully consolidated, since in accordance with IFRS 10, WAGA ENERGY SA holds control. WAGA ENERGY SA:

- holds the ability to direct the relevant activities of the two companies and therefore holds power over these two entities;
- is exposed to variable returns due to its ties to these two entities, as there are contractual penalties in the event of non-performance;
- has the ability, as the sole player, to exercise its power in such a way as to influence the amount of returns obtained.

5.6.2. 31 December 2019

SUBSIDIARIES	Percentage control		Percentage interest		Consolidation method
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	
WAGA ENERGY	100,00%	100,00%	100,00%	100,00%	Parent company
SOFIWAGA 1	49,00%	49,00%	49,00%	49,00%	Full consolidation
SOFIWAGA INFRA	49,00%	49,00%	49,00%	49,00%	Full consolidation
WAGA ENERGIE CANADA	100,00%	0,00%	100,00%	0,00%	Full consolidation
WAGA ENERGY INC (USA)	81,00%	0,00%	81,00%	0,00%	Full consolidation

5.6.3. 31 December 2020

SUBSIDIARIES	Percentage control		Percentage interest		Consolidation method
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
WAGA ENERGY	100,00%	100,00%	100,00%	100,00%	Parent company
SOFIWAGA 1	49,00%	49,00%	49,00%	49,00%	Full consolidation
SOFIWAGA INFRA	49,00%	49,00%	49,00%	49,00%	Full consolidation
WAGA ENERGIE CANADA	100,00%	100,00%	100,00%	100,00%	Full consolidation
WAGA ENERGY INC (USA)	81,00%	81,00%	81,00%	81,00%	Full consolidation
WAGA ASSETS	100,00%	0,00%	100,00%	0,00%	Full consolidation
SP WAGA 1	100,00%	0,00%	100,00%	0,00%	Full consolidation
WAGA ASSETS VEHICULE 1	100,00%	0,00%	100,00%	0,00%	Full consolidation
WAGA ASSETS VEHICULE 2	100,00%	0,00%	100,00%	0,00%	Full consolidation
WAGA ASSETS VEHICULE 3	100,00%	0,00%	100,00%	0,00%	Full consolidation

6. Accounting methods and principles

6.1. Conversion of currency items

6.1.1. Functional currency and presentation currency

The accounts are kept in the functional currency of each of the Group companies, *i.e.*, the currency of the main economic environment in which it operates and which generally corresponds to the local currency.

The consolidated financial statements are presented in euros, which is the functional and presentation currency of the consolidating company, Waga Energy.

6.1.2. Foreign currency transactions

The activity of the foreign subsidiaries included in the scope of consolidation is considered as an extension of that of the parent company. For this purpose, the accounts of subsidiaries are translated using the historical exchange rate method. Application of this method has an effect comparable to that which would have been recorded on the financial position and income if the consolidating company had carried out the activity abroad itself. At the closing date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign currency exchange rate at the closing date. Non-monetary items are translated at historical rates.

6.2. Property, plant and equipment and intangible assets

Impairment of assets

In accordance with IAS 36 “Impairment of assets”, at the end of each reporting period the Group examines whether there is an indication of impairment of property, plant and equipment and intangible assets with finite useful lives. If there are such indications, the Group performs an impairment test to assess whether the carrying amount of the asset is higher than its recoverable amount, defined as the higher of fair value less exit costs and value in use.

For fixed assets in progress, a review of projects in progress is carried out to ensure that the capitalisation criteria under IAS 16 are still met. In addition, an impairment test is performed annually, whether or not there is an indication of impairment.

Insofar as, without production incidents, the resources generated by the project are predictable, the risk of not generating the expected level of cash flow is low. As such, fixed assets in progress mainly correspond to WAGABOX® units under construction initiated during the financial year. Supported by forward-looking business plans, no impairment losses were recorded on these assets.

For WAGABOX® units in operation, the Group has chosen each project for a biogas recovery unit (WAGABOX® unit) as the CGU. For the determination of an indication of impairment, the Group establishes the following methodology: the data (revenue and margins) used in the tests are reviewed by the method of comparison between prospective and actual. These data are taken from the project's business plans covering the duration of the gas sales agreements, and a period of sales on the markets from the end of the sales agreements until the date of the end of the useful life of the underlying assets. The underlying assumptions are systematically updated at the date of the test. In addition, an analysis of external factors is also taken into account, such as climatic or operational incidents, or any event that would call into question the profitability of WAGABOX® units.

The Group did not identify any indication of impairment on the WAGABOX® units operated at the closing in 2018, 2019 or 2020.

6.2.1. Intangible assets

Intangible assets are recorded at their acquisition cost.

Intangible assets are amortised on a straight-line basis over their estimated useful life.

Concerning research and development costs, research costs are systematically recognised as expenses.

Under IAS 38, development costs are recognised as intangible assets only if all of the following criteria are met:

(a) technical feasibility necessary for the completion of the development project;

(b) intention of the Company to complete the project;

(c) its ability to use this intangible asset;

(d) demonstration of the probability of future economic benefits associated with the asset;

(e) availability of technical, financial and other resources to complete the project; and

(f) reliable measurement of development expenditure.

In this case, capitalised development costs relate to standardisation costs for WAGABOX®. These costs were recognised in 2020 and are still fixed assets in progress at the end of 2020.

The main categories of intangible assets and their amortisation periods used by the Group are as follows:

• software: one to five years;

• development costs: five years;

• concessions, patents and licences: six years.

6.2.2. Property, plant and equipment

Property, plant and equipment are recorded at their acquisition cost in accordance with IAS 16 "Property, plant and equipment", which includes:

- the purchase price, including customs duties and non-refundable taxes, after deduction of commercial discounts and rebates;

- any cost directly attributable to the transfer of the asset to its place of operation and its preparation for operation in the manner intended by management;

- initial estimates of dismantling and removal costs of WAGABOX® units and restoration of the site where they are located.

A significant portion of property, plant and equipment corresponds to WAGABOX® units designed, produced, installed and operated by the Group. These units generate future economic benefits for the Group through long-term agreements for the sale of biomethane or purification services (see Note 6.12). For reasons of safety and specific know-how acquired by the Company, the latter is the sole operator of WAGABOX®. The Group controls these assets, which are recognised in accordance with IAS 16.

For the WAGABOX® units manufactured by the Group, the costs directly attributable to the WAGABOX® consist of direct labour costs, material costs and external costs (advice, experts, subcontractors, etc.) directly related to the preparation of the site, engineering, design, technical studies, calibration, manufacture, delivery, assembly and installation of the WAGABOX® that will be operated.

Costs directly attributable to the fixed assets are capitalised only when the following two criteria are both fulfilled:

- formalisation of a mark of interest on behalf of the prospect confirming their desire to enter into contractual relations (for example, signature of a letter of intent, Memorandum of Understanding (MoU);

- pre-validation to check the technical feasibility of the project (analysis of the biogas deposit and feasibility of the connection).

Prior to the commissioning of a WAGABOX®, these costs are recognised under “Property, plant and equipment in progress” and are analysed at each year-end to ensure that the conditions for activation are still met.

When significant components of property, plant and equipment have different useful lives, they are recognised as separate property, plant and equipment (major component).

The cost of an item of property, plant and equipment includes, where applicable, the estimated costs related to decommissioning (Note 8.1.11) and the restoration of the site on which it is located, in line with the Group’s contractual obligation.

Depreciation, calculated from the date the asset is commissioned, is recognised as an expense over the estimated useful life, on a straight-line basis and on the following basis:

• WAGABOX® excluding components: 15 to 25 years;

• WAGABOX® components: five to 20 years;

• technical facilities, equipment & tools: four to 15 years;

• office equipment and furniture, IT: three years.

Depreciation methods, useful lives and residual values are reviewed at each closing date and adjusted if necessary.

Fixed assets in progress correspond mainly to WAGABOX® under construction.

An asset is defined in this way as soon as expenses are incurred for the construction of a WAGABOX® unit and until commissioning.

Accounting policies applied to leases

At the start of a contract, the Group assesses whether a contract is, or contains, a lease.

The contract is or contains a lease if the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract gives the right to control an identified asset throughout the useful life of the asset, the Group assesses whether:

- the contract involves the use of an identified asset—this can be specified explicitly or implicitly, and must be physically distinct or substantially represent the capacity of a physically distinct asset. If the supplier has a substantial substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;

- the Group has the right to decide on the use of the asset. The Group has this right when it has the most relevant decision-making rights to determine how and for what purpose the asset is used. In rare cases, when the decision on how and the purpose for which the asset is used is predetermined, the Group has the right to direct the use of the asset if:

  - the Group has the right to operate the asset, or

  - the Group has designed the asset in a way that predetermines how and for what purposes it will be used.

These criteria apply to contracts entered into or amended from 1 January 2018.

At the time of inception or revaluation of a contract that contains a lease component, the Group has elected not to separate the non-lease items and to recognise the lease as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the beginning of the lease:

- The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for lease payments made on or before the commissioning date, plus all direct incremental costs incurred, net of rental incentives received.

- The right-of-use asset is then depreciated on a straight-line basis from the date of entry into force of the lease until the end of the lease. In addition, the value of the right-of-use asset is adjusted to consider certain revaluations of the lease liability and, where applicable, reduced in the event of impairment, in accordance with IAS 36.

- The lease liability is initially measured at the present value of the lease payments that have not yet been made, discounted using the lessee's incremental borrowing rate (the interest rate that the lessee would have to pay to borrow, for a period of time and with a similar guarantee, the funds necessary to obtain property of similar value to the asset under the right of use in a similar economic environment). This rate represents the debt rate that would be obtained to finance the asset in question. Thus, these rates were determined on the basis of the addition of a risk-free rate (French State Loan) to which Waga Energy's own risk premiums were added and finally, as mentioned in the question, the terms of these contracts.

The lease payments included in the measurement of the lease liability include the following items:

- fixed payments, including substantially fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the effective date;
- rents in an optional renewal period if the Group is reasonably certain to exercise an extension option. As such, the analysis of renewal clauses under IFRS 16 is carried out individually for each considered contract and the estimated use of the asset. The inclusion of renewal clauses is analyzed in the light of their estimated useful life, particularly if the estimated useful life (in particular with regard to the Group's strategic plan) is longer than the initial term of the contract.

The lease liability is revalued in the event of a change in future rents resulting from a change of index or rate or if the Group modifies its assessment as to whether to exercise a purchase, extension or termination option.

When the lease liability is revalued, an adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the amount of the right-of-use asset has been reduced to zero.

The leases identified mainly correspond to:

- equipment leased from the Saint Palais, Gueltas and Chevilly sites;
- premises rented by the Group (offices, warehouses);
- leased transport equipment.

As such, the Group has defined the depreciation periods for the various assets falling within the scope of IFRS 16 in relation to similar assets. The periods are defined individually for each contract and may vary between three and 15 years, depending on the type of asset:

- 15 years for the membrane scrubbers purchased from a manufacturer, then transferred under a "sale & lease-back" contract to a lessor who rents it to Waga Energy, at the same time as commissioning, and for an amount corresponding to the net book value of the membrane scrubber. This equipment is part of the construction of Wagabox® units.
- About nine years for commercial leases.
- 15 years for nitrogen and coal tanks.
- Between three and four years for vehicles.

Short-term leases and leases of low-value assets

Assets financed by leases within the meaning of IFRS 16 relating to leases and which do not meet the criteria for exemptions (leases with a "low value" of less than €5 thousand and short-term leases of less than 12 months) are recognised as assets on the balance sheet. The corresponding debt is recognised as a liability under "Financial liabilities". The lease terms used by the Group reflect the non-cancellable terms of each contract, plus any extension or termination options that the Group is reasonably certain to exercise or not to exercise for all periods covered by extension options.

For each contract, the lease liability was measured at the present value of the amount of rent paid but not yet paid. The present value of the rents was calculated using the implicit interest rate of the lease (if available) or *via* the incremental borrowing rate depending on the lease term. These rates are between 3.7% and 9% depending on the asset in question.

The Group has chosen not to recognise right-of-use assets and lease liabilities for short-term contracts with a lease term of less than or equal to 12 months and leases of low value assets. The Group recognises the rents related to these leases as expenses.

6.3. Non-current financial assets

Non-current financial assets consist of security deposits related to financing contracts and guarantees.

Financial assets are recognised at amortised cost; where applicable, provisions for impairment are made on a case-by-case basis when the net realisable value is lower than the carrying amount of the financial assets.

In this last case, the impairment loss is recognised in the income statement as a provision for impairment.

6.4. Inventories and work in progress

Inventories are valued according to the First In First Out ("FIFO") method, which values the outflow of goods at the actual cost of their entry, giving priority to the oldest assets.

Where applicable, provisions for impairment are made on a case-by-case basis when the net realisable value is lower than the inventory carrying amount.

In this case, the impairment loss is recognised in profit or loss on the depreciation and amortisation line.

6.5. Trade receivables and related accounts

Trade receivables are recognised upon transfer of ownership and at their nominal value.

In accordance with IFRS 9, a provision for impairment is recognised when the inventory value of these receivables presents a risk as to its recoverability.

IFRS 9 requires credit risk relating to financial assets to be considered on the basis of the "expected loss" principle, which implies the recognition of impairment on trade receivables not yet due.

At 31 December 2020, the Group carried out an additional review of its trade receivables portfolio based on the quality and solvency of its customers. In view of the nature of its activities and its customers, where the amount of receivables overdue by more than 120 days is not significant, a provision of €56 thousand was recorded.

6.6. Cash and cash equivalents

Cash includes cash and cash equivalents as well as short-term investments that are considered liquid, convertible into a known amount of cash and that are subject to an insignificant risk of change in value with regard to the criteria set out in IAS 7 "Statement of cash flows".

Overdrafts are excluded from the notion of cash and cash equivalents and are recognised as current financial liabilities.

6.7. Capital

Ordinary shares are classified as equity. The costs of capital transactions directly attributable to the issue of new shares or options are recognised in equity as a deduction from the share premium, net of tax.

Capital management policy

The Group's policy is to maintain a sufficient financial base to preserve the confidence of investors and creditors and to support the future growth of the company. In this context, the Company continually arranges financing through the raising of additional funds, the issuance of bonds or financial liabilities.

6.8. Share-based payments

In accordance with IFRS 2, the cost of transactions settled in equity instruments is recognised as an expense in the period in which the rights to benefit from the equity instruments are acquired, with an increase in equity as counterparty.

The Group has applied IFRS 2 to all equity instruments granted to employees.

The fair value of Founders' warrants (BSPCEs) is determined by applying the Black & Scholes option pricing model.

The valuation methods used to estimate the fair value of the options are described below:

- The share price used is equal to the investors' subscription price for plans prior to the Company's listing, based on the last capital increase;
- The risk-free rate is determined according to the expected term of the instruments;
- Volatility was determined on the basis of a sample of listed companies in the Group's business sector, at the date of allocation of the instruments and over a period equivalent to the life of the option;
- The expected term for the instruments has been estimated at 4.9 years;
- The prospect of payment of dividends over this term was considered nil;
- Staff turnover was not considered, as it was considered low for the population of beneficiaries of instruments.

The value of the options is recorded in the income statement as personnel expenses between the grant date and the maturity date (*i.e.*, over the vesting period), with an offset to equity. The expense was thus spread over the vesting period according to the terms and conditions giving entitlement to their vesting.

At each reporting date, the Group assesses the probability of loss, by the beneficiaries, of the rights to the options or free shares granted before the end of the vesting period. Where applicable, the impact of a revision of these estimates is recognised in the income statement with a corresponding change in consolidated reserves.

6.9. Provisions

Provisions are recognised when, at the closing date, the Group has a legal or constructive obligation resulting from a past event and which is likely to result in an outflow of resources representing economic benefits, with no counterparty, and for which the amount can be reliably estimated.

The amount recognised in provisions is measured in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets" from the most probable estimate of the expenditure required to settle the current obligation at the closing date. When the time value effect is significant, the amount of the provision recognised corresponds to the present value of the expected expenses deemed necessary to settle the corresponding obligation. The increase in provisions recorded to reflect the passage of time and relating to discounting is recognised in financial expenses.

Litigation and contingent liabilities

The Group exercises its judgment on a case-by-case basis in assessing the risks incurred and sets aside a provision when it expects a probable outflow of resources. In the situation where no reliable estimate can be made because it is deemed to be unfounded or insufficiently substantiated, there is a potential or actual obligation that cannot be recognised (contingent liability).

Provision for decommissioning

When a legal or contractual obligation to dismantle a WAGABOX® exists, a provision for dismantling is recognised, offset by a dismantling asset, the cost of which is regularly estimated. In the event of a significant change in the estimate leading to an increase in the provision, the net value of the dismantling asset is also increased. If the change leads to a decrease in the provision, an impairment of the asset is recorded.

Employee benefits

IAS 19 distinguishes between two types of post-employment benefit scheme.

Defined-contribution plans (statutory and supplementary pension plans) are recognised as expenses in the year in which the services are rendered by employees. The Company's obligation is limited to the payment of contributions, so no liability is recognised in the balance sheet.

Defined-benefit plans are plans for which the actuarial risks fall on the Company. They are linked to end-of-career commitments defined by the French Labour Code. The pension obligation is calculated according to the projected unit credit method, which takes into account the methods for calculating the rights stipulated by collective agreements that employees will have acquired at the time of their retirement, as well as their final salary and actuarial parameters (discount rate, salary increase rate, turnover rate, mortality rate, etc.).

The Group does not outsource the financing of its pension commitments.

The commitment is recognised in the balance sheet as a non-current liability for the total amount of the commitment.

In accordance with IAS 19, the cost of services rendered is presented in profit (loss) from operations. The financial cost is recognised as financial income. Revaluations of liabilities (actuarial gains and losses) are recognised directly in other comprehensive income (OCI).

The impact of plan changes is recognised immediately in profit or loss. No changes occurred in the financial years presented.

6.10. Borrowings and financial liabilities

Borrowings and financial liabilities consist of bonds, bank loans, conditional advances and certain liabilities.

Borrowings are initially measured at the fair value of the consideration received, less any transaction costs directly attributable to the transaction. They are then recognised at amortised cost calculated using the effective interest rate.

Conditional advances received are only repayable in the event of the success of the projects financed, according to criteria defined in advance with the financing organisation.

It was considered that these advances would all be repaid due to the expected success of each project financed; consequently, the advances were recognised in accordance with IFRS 9 based on the

discounted flows of expected repayments. The discount rate corresponding to the market financing rate was determined by comparison with financing taken out with banks for comparable durations.

On initial recognition of conditional advances, the difference between their fair value (value of future cash flows discounted at market rates) and the amount of cash received is recognised as a government subsidy recorded under "Other income" as the expenses financed by these advances are recognised, in accordance with IAS 20 (see Note 6.21).

The effective interest rate includes any premium provided for in the contract that may be due in the event of repayment and takes into account the estimated future revenue when the repayable advance contracts provide for an indexation on the revenue generated by the projects.

In the event of a change in the schedule of expected repayment flows of repayable advances, in particular in the event of a change in the estimated revenue, the Company recalculates the net carrying amount of the liability resulting from the discounting of the new expected future cash flows. If significant, the resulting adjustment is recognised in the income statement for the period in which the change is identified, under net financial income.

In the event of a pronounced failure, the debt waiver granted is recorded in other operating income.

6.11. Fair value of financial assets and liabilities

Some of the Group's accounting methods, as well as certain disclosures, involve measuring the fair value of financial and non-financial assets and liabilities.

Whenever possible, when measuring the fair value of an asset or liability, the Group uses observable market data. Fair value measurements are classified into three levels in terms of hierarchy, depending on the inputs used in the valuation technique.

- Level 1: fair value measured on the basis of (unadjusted) prices observed in active markets for identical assets or liabilities;

- Level 2: fair value measured using inputs other than the listed prices included in level 1, that are observable for the asset or liability, either directly (in the form of prices) or indirectly (determined from prices);

- Level 3: fair value for the asset or liability measured using inputs that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability can be classified at different levels in the fair value hierarchy, then the fair value obtained is generally classified at the same level as the lowest level input that is significant for the fair value as a whole.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the balance sheet, as the effect of discounting future cash flows is not material.

For the 2017 and 2018 convertible bonds, it was considered highly probable that funds would be raised during the life of the bonds and the fair value of the conversion option was determined on the basis of the discount granted to bondholders in the event of conversion on this occasion.

In accordance with IFRS 9, the debt component was measured using the amortised cost method.

The conversion option of convertible bonds was separated, recognised as a derivative liability due to a variable conversion ratio and measured at fair value with changes in this fair value recorded in profit or loss in accordance with IFRS 9.

6.12. Income from ordinary activities

The Group recognises its revenue in accordance with IFRS 15.

The Group's ordinary revenue comes from the sale of biomethane production to an energy company or the purification service when the operator of the NHWSF holds the biomethane sales contract. As an exception to this business model, the Group reserves the right to sell equipment.

The Waga Energy Group operates in gas engineering. The Group designs, builds and operates WAGABOX® units installed on landfill sites (in France, Non-Hazardous Waste Storage Facilities or NHWSF, commonly known as landfills). The biogas produced by the landfill waste is captured by the landfill operator. WAGABOX® units purify this biogas into biomethane using a patented technology combining membrane purification and cryogenic distillation. The biomethane is injected directly into the natural gas grid.

The biomethane molecules are bought by energy companies who market this biomethane to end users.

The Group's ordinary activity is based on the integrated business model of developer-investor-operator on long-term contracts, in which the Group commits to the performance of WAGABOX® units. The key contracts involve the following players:

- o the operator of the landfill site (in France a NHWSF: Non-Hazardous Waste Storage Facility), supplier of biogas;
- o the energy operator, purchaser of biomethane;
- o the Group, manufacturer, operator of the WAGABOX® units and owner of the purification process to convert biogas into biomethane.

Within this activity, two distinct economic models have been developed:

- on the one hand, the purification service;
- on the other hand, the sale of biomethane.

In the case of the purification service, the Group contracts with the operator of the NHWSF, provides a biogas purification service and guarantees a fixed remuneration in return for the service. In this case, the NHWSF operator, which is a biomethane producer in the regulatory sense, holds the biomethane sales contract with the energy company. In accordance with IFRS 15, the revenue from the purification service is recognised in the Group's ordinary income.

In the case of the sale of biomethane, the Group will enter in (i) a biogas purchase contract with the operator of the NHWSF, and (ii) a biomethane sales contract with an energy company. In France, the tariff is set by the French State; in other countries, the rate is negotiated over-the-counter based on a market value. Thus, the Group derives its revenue from the sale of biomethane at the price obtained as well as from an additional premium. The biomethane sales model gives the Company the ability to choose the energy company and negotiate freely an additional premium, which is a substantial revenue component. As the energy provider can derive additional value from the sale of the energy, the biomethane producers are also able to negotiate an additional premium (defined as such in the contracts *i.e.*, "additional premium"), which is freely negotiated, and is therefore recognised as the biomethane is injected into the network. In accordance with IFRS 15, revenues from the sale of biomethane is recognised as ordinary income, and biogas purchases are recorded under purchase of goods.

For each contract, an analysis is carried out with regard to the IFRS 15 standard to determine whether Waga Energy acts as principal. As such:

In the context of the direct sale of biomethane, Waga Energy intervenes as principal in the transaction. Indeed:

- Waga chooses the energy provider, notably according to the amount of additional income possible with the additional premiums

- Waga has the contractual relationship with the energy provider and negotiates the selling price with him (even if the negotiation margin is limited in France)

- The additional premiums (described above) represent a significant part of the contract's incremental.

Thus, Waga Energy acts as the principal under its performance obligation to supply biomethane to the energy provider. Waga Energy itself delivers the biomethane. In summary, Waga Energy acts as principal with regard to its ability to decide to whom it sells it and at what price.

As part of the purification service, Waga Energy only provides a purification service. It is the NHWSF that chooses the energy provider, the contractual relationship with him and negotiates with him the selling prices. Thus, Waga Energy's client is the landfill operator and the performance obligation is the purification service sold to this operator.

However, for the Group, the commitment to purify the biogas or sell the biomethane is not quantifiable because compliance with the obligations can only be assessed once the service has been provided or sold. In particular, the Group is not committed to predefined and fixed volumes to be purified or sold.

As a result, the Group has not presented any additional information.

As an exception to the business model, the Group's other sources of ordinary income are from (i) the sale of equipment (Engineering Procurement & Construction contracts, "EPC"), in particular the sale of a WAGABOX® unit to the Lorient Agglomération local authority, as well as (ii) revenues from long-term Operating & Maintenance ("O&M") contracts for units sold, in consideration for provision of an operation and maintenance service for the assets provided by the Group.

Income from ordinary activities (or revenue) corresponds to the fair value of the consideration received or to be received for goods and services sold in the normal course of the Group's activities.

Income from ordinary activities is shown net of discounts and rebates, as well as net of intra-group sales.

No income is recognised when there is significant uncertainty as to the recoverability of the consideration due.

6.13. Other operating income

Other operating income includes income related to subsidies as well as the Research Tax Credit (CIR) and the Innovation Tax Credit (CII).

In accordance with IAS 20, government subsidies received are initially recognised in the balance sheet as deferred income. Government subsidies are recognised in income in the income statement for the financial year:

- symmetrically with the depreciation and amortisation of assets for government subsidies related to investments. Subsidies that finance capitalised development costs are treated as similar to equipment subsidies. These subsidies are reversed in profit or loss at the same rate as the depreciation and amortisation of the financed assets, directly credited to the endowment account;

in proportion to the expenses incurred for government subsidies covering operating expenses. In particular, subsidies intended to cover expenditure recognised as expenses for the financial year are recognised according to the progress of said R&D project (*pro rata* to incurred costs/budgeted costs).

6.14. Personnel expenses

Personnel expenses allocated to project development are recognised as assets when the projects meet the capitalisation criteria required by IAS 16 "Property, plant and equipment" (Note 6.2).

Other personnel expenses, including the cost of services related to retirement provisions (Note 6.9) and the cost of equity-settled transactions (Note 6.8) are recorded as expenses in the income statement.

6.15. Other non-recurring operating income and expenses

Other non-recurring operating income and expenses include non-recurring transactions of significant amounts which, by their nature or unusual character, may adversely affect the clarity of the performance of the Group's current operating activities.

These may be:

• capital gains or losses on disposals;

• significant and unusual impairments of non-current assets, whether property, plant and equipment or intangible assets;

• certain significant expenses related to restructuring operations or unusual transactions;

• other operating income and expenses such as a provision or penalty relating to a significant dispute.

6.16. Net financial income (expense)

Net financial income includes, on the one hand, the cost of net debt, mainly comprising finance lease expenses and interest paid on the Group's financing.

Other financial income and expenses include foreign exchange gains and losses and accretion expenses on non-current liabilities.

6.17. Income tax

The "income tax" line in the income statement includes current and deferred taxes of consolidated companies, when the bases are recognised in profit or loss. Where applicable, tax effects on items recognised directly in equity are also recognised in equity.

Current taxes

Current taxes correspond to the tax due to the tax authorities by each of the consolidated companies in the countries in which they operate.

Deferred taxes

Deferred taxes are recorded in the consolidated balance sheet and income statement and result from:

- the time lag between the recognition of income or expense and its inclusion in the taxable income of a subsequent financial year;

- time lags exist between the tax values and carrying amounts of assets and liabilities on the balance sheet;

- restatements and eliminations required by consolidation and not recognised in the separate financial statements;

- capitalisation of tax losses.

The outlook for the recovery of deferred tax assets is reviewed periodically by each tax entity and may, where applicable, result in previously recognised deferred tax assets no longer being recognised. These recovery prospects are analysed on the basis of a tax plan indicating the projected level of taxable income.

The assumptions included in the tax plan are consistent with those included in the budgets and medium-term plan prepared by the Group's entities and approved by the Board of Directors.

Deferred taxes are calculated at the tax rate expected to apply in the financial year in which the asset will be realised or the liability settled, on the basis of the tax rates (and tax regulations) that have been adopted or substantially adopted at the closing date (see Note 8.1.4).

Other taxes and duties

In France, the 2010 Finance Act introduced a regional economic contribution to replace the business tax (CET). The CET includes two new contributions: the corporate land tax (CFE) and the corporate value-added tax (CVAE). For the financial years presented, the Group recognised this tax in current operating income under "Taxes, duties and similar payments".

6.18. Earnings per share

Basic earnings per share and diluted earnings per share are calculated in accordance with IAS 33 "Earnings per share".

Basic earnings per share: net income attributable to owners of the parent for the period is divided by the weighted average number of shares outstanding after deduction of treasury shares held.

Diluted earnings per share: net income attributable to owners of the parent for the period as well as the weighted average number of shares outstanding after deduction of treasury shares, taken into account for the calculation of basic earnings per share, are adjusted for the effects of all potentially dilutive instruments. Call options and free shares have a dilutive effect when their exercise price is lower than the market price.

6.19. Cash flow statement

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

Operating activities correspond to the main revenue-generating activities of the entity and all other activities that do not meet investment or financing criteria. Cash flows from operating activities are calculated by adjusting net income for changes in working capital requirements, non-cash items (amortisation, depreciation, etc.), gains on disposals and other calculated income and expenses.

Cash flows from investing activities correspond to cash flows from acquisitions of fixed assets, net of trade payables on fixed assets, disposals of fixed assets and other investments.

Financing activities are transactions that result from changes in the size and composition of the capital contributed and borrowings of the entity. Capital increases, obtaining or repaying loans are classified in this category.

Increases in non-cash assets and liabilities are eliminated. As such, assets financed through a finance lease are not included in the investments for the period. The decrease in net financial debt related to finance leases is then included in loan repayments for the period.

6.20. Off-balance sheet commitments

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

- personal sureties (endorsements, securities and guarantees);
- collateral (mortgages, pledges, guarantees);
- operating leases, purchase and investment obligations;
- other commitments. See Note 8.3 of the Notes to the financial statements.

7. Segment information

In accordance with IFRS 8 "Operating Segments", an operating segment is a separate component:

- which engages in activities from which it is liable to acquire income from ordinary activities and incur expenses;

- whose operating results are regularly reviewed by the Chief Operating Officer in order to make decisions about resources to be allocated to the segment and to assess its performance, and

- for which isolated financial information is available.

The Group's Chief Operating Officer has been identified as the Chairman and Chief Executive Officer, who makes strategic decisions.

On this basis, the Company has identified a single operating segment corresponding to the **production of biomethane by purification of biogas from waste**.

The Group expanded its international activity during the year with the creation of subsidiaries in the United States and Canada respectively in March and October 2019.

Revenues from our four main customers at 31 December 2020 amounted to €3.8 million (or 40% of total revenues), €1.6 million (or 17%), €1.3 million (or 14%) and €1.3 million (or 14%) respectively.

As the 2019 transactions are not significant, geographic information is presented only for the year 2020.

7.1. Income statement by geographic segment

INCOME STATEMENT (in thousands of euros)	31 December 2020	North America	France
Income from ordinary activities	9 460	38	9 423
Other income	366	0	366
Income from current activities	**9 826**	**38**	**9 788**
Purchases of goods and changes in inventories	-3 580	-4	-3 576
External expenses	-1 586	-211	-1 375
Taxes, duties and similar payments	-116	-2	-114
Personnel expenses	-3 304	-399	-2 905
Other current operating income and expenses	22	3	19
Depreciation, amortisation and provisions	-1 935	-9	-1 926
Current operating income	**-673**	**-586**	**-87**
Other non-current operating income and expenses	-6	0	-5
Operating income	**-679**	**-586**	**-93**
Cost of net financial debt	-1 016	0	-1 016
Other financial income and expenses	-60	-67	7
Net finance income (expense)	**-1 076**	**-67**	**-1 010**
Income before tax	**-1 755**	**-653**	**-1 102**
Income tax	-157	0	-157
Subtotal	**-1 912**	**-653**	**-1 259**
Liaison account	0	136	-136
Consolidated net income	**-1 912**	**-517**	**-1 395**

7.2. Balance sheet by geographic area

ASSETS (in thousands of euros)	31 December 2020	North America	France
Intangible assets	396	0	396
Property, plant and equipment	20 848	256	20 591
Non-current financial assets	232	9	223
Deferred tax assets	0	0	0
Total non-current assets	**21 475**	**265**	**21 210**
Inventories	841	0	841
Trade receivables and related accounts	2 051	0	2 051
Tax receivables	486	0	486
Other current assets	2 028	28	2 000
Cash and cash equivalents	16 001	235	15 767
Total current assets	**21 407**	**263**	**21 144**
Total assets	**42 882**	**528**	**42 354**

LIABILITIES (in thousands of euros)	31 December 2020	North America	France
Share capital	145	0	145
Premiums	10 824	0	10 824
Reserves	-2 093	-171	-1 922
Translation differences	52	52	0
Net income attributable to ow ners of the parent for the period	-2 179	-520	-1 659
Share capital attributable to ow ners of the parent	6 749	-639	7 388
Non-controlling interests	1 357	0	1 357
Equity	**8 106**	**-639**	**8 745**
Non-current provisions	561	0	561
Borrow ings and non-current financial liabilities	23 062	98	22 964
Other non-current liabilities	1 039	0	1 039
Total non-current liabilities	**24 662**	**98**	**24 563**
Current provisions	0	0	0
Borrow ings and current financial liabilities	5 506	1	5 505
Trade payables and related accounts	2 281	76	2 205
Tax liabilities	148	0	148
Other current liabilities	2 180	3	2 177
Total current liabilities	**10 115**	**80**	**10 035**
Intercompany Liaison (Balance sheet)	0	989	-989
Total liabilities	**42 882**	**528**	**42 354**

8. Notes to the consolidated financial statements

8.1. Notes to the consolidated statement of financial position

8.1.1. Intangible assets

GROSS VALUES (in thousands of euros)	Research and development costs	Concessions, patents and licences	Softwares	Other intangible assets	Total
Position at 1 January 2018	**0**	**167**	**25**		**191**
Increase in the financial year	74	42	1		116
Position at 31 December 2018	**74**	**208**	**25**	**0**	**308**
Increase in the financial year	69		41		110
Position at 31 December 2019	**143**	**208**	**66**	**0**	**417**
Increase in the financial year	228	7	25		260
Position at 31 December 2020	**371**	**216**	**91**	**0**	**678**

DEPRECIATION AND AMORTIZATION (in thousands of euros)	Research and development costs	Concessions, patents and licences	Software	Other intangible assets	Total
Position at 1 January 2018	**0**	**-71**	**-7**	**0**	**-78**
Increases in the financial year	-6	-28	-6		-40
Position at 31 December 2018	**-6**	**-99**	**-13**	**0**	**-118**
Increases in the financial year	-25	-40	-9		-74
Position at 31 December 2019	**-31**	**-139**	**-23**	**0**	**-192**
Increases in the financial year	-28	-40	-22		-90
Position at 31 December 2020	**-59**	**-179**	**-45**	**0**	**-282**

NET VALUES (in thousands of euros)	Research and development costs	Concessions, patents and licences	Software	Other intangible assets	Total
Position at 1 January 2018	**0**	**96**	**17**	**0**	**113**
Position at 31 December 2018	**68**	**110**	**12**	**0**	**189**
Position at 31 December 2019	**112**	**70**	**44**	**0**	**225**
Position at 31 December 2020	**312**	**37**	**47**	**0**	**396**

Development costs correspond to the standardization of the WAGABOX® design in application of IAS 38 (see Note 6.2.1).

8.1.2. Property, plant and equipment

GROSS VALUES (in thousands of euros)	Constructions excluding IFRS 16	Constructions IFRS 16	Technical facilities, equipment & tools excluding IFRS 16 (*)	Technical facilities, equipment & tools IFRS 16	Other Property, plant and equipment excluding IFRS 16	Other Property, plant and equipment IFRS 16	Fixed assets in progress	Total	(*) including dismantling assets
Position at 1 January 2018	**129**	**482**	**5 151**	**86**	**43**	**49**	**850**	**6 789**	**62**
Increase in the financial year			2 858	3 119	20	13	3 283	9 292	62
Reduction in the financial year			-200		-4		0	-204	
Reclassification and other			3 546				-3 546	0	
Position at 31 December 2018	**129**	**482**	**11 355**	**3 204**	**59**	**62**	**587**	**15 878**	**123**
Increase in the financial year	1	134	130	154	125	29	3 816	4 389	15
Reduction in the financial year					-2	-30	0	-32	
Reclassification and other			505				-505	0	
Position at 31 December 2019	**130**	**616**	**11 990**	**3 358**	**182**	**61**	**3 898**	**20 235**	**138**
Increase in the financial year	88	279	1 877	54	116	36	2 083	4 534	54
Reduction in the financial year	-43	-341			-2		138	-247	
Reclassification and other			5 057				-5 057	0	
Position at 31 December 2020	**175**	**555**	**18 924**	**3 412**	**296**	**97**	**1 062**	**24 521**	**192**

DEPRECIATION, AMORTISATION AND IMPAIRMENT in thousands of euros	Constructions excluding IFRS 16	Constructions IFRS 16	Technical facilities, equipment & tools excluding IFRS 16 (*)	Technical facilities, equipment & tools IFRS 16	Other Property, plant and equipment excluding IFRS 16	Other Property, plant and equipment IFRS 16	Fixed assets in progress	Total	(*) including dismantling assets
Position at 1 January 2018	**-2**	**-18**	**-268**	**-5**	**-11**	**-16**		**-320**	**-3**
Increases in the financial year	-14	-54	-660	-60	-17	-16		-821	-4
Reversals in the financial year			200		4			204	
Position at 31 December 2018	**-16**	**-71**	**-729**	**-65**	**-24**	**-32**	**0**	**-937**	**-7**
Increases in the financial year	-32	-68	-838	-216	-24	-24		-1 203	-8
Reversals in the financial year					2	30		32	
Position at 31 December 2019	**-48**	**-140**	**-1 566**	**-281**	**-47**	**-26**	**0**	**-2 108**	**-15**
Increases in the financial year	-25	-160	-1 224	-226	-63	-27		-1 725	-12
Reversals in the financial year	42	117	0					160	
Position at 31 December 2020	**-30**	**-182**	**-2 791**	**-508**	**-110**	**-53**	**0**	**-3 674**	**-28**

NET VALUES (in thousands of euros)	Constructions excluding IFRS 16	Constructions IFRS 16	Technical facilities, equipment & tools excluding IFRS 16 (*)	Technical facilities, equipment & tools IFRS 16	Other Property, plant and equipment excluding IFRS 16	Other Property, plant and equipment IFRS 16	Fixed assets in progress	Total	(*) including dismantling assets
Position at 1 January 2018	**127**	**464**	**4 883**	**80**	**32**	**33**	**850**	**6 469**	**59**
Position at 31 December 2018	**113**	**411**	**10 627**	**3 139**	**35**	**30**	**587**	**14 941**	**116**
Position at 31 December 2019	**83**	**477**	**10 423**	**3 077**	**135**	**35**	**3 898**	**18 127**	**123**
Position at 31 December 2020	**145**	**373**	**16 133**	**2 905**	**187**	**44**	**1 062**	**20 848**	**164**

Technical installations, equipment and tools mainly include WAGABOX® units. The change in this item is explained by the change in WAGABOX® commissioning, see Note 2.1.

The reduction in buildings included in the IFRS 16 scope for financial year 2020 corresponds to the relocation of the registered office of Waga Energy SA.

Property, plant and equipment in progress mainly corresponds to WAGABOX® units under construction (see Note 2.1). As explained in the accounting principles and methods, an analysis of impairment is carried out at each closing date for each CGU (*i.e.*, each WAGABOX®), by comparing the result achieved versus the expected result with regard to the initial business plan. No indication of impairment was recorded at the closing date in 2018, 2019 and 2020.

8.1.3. Non-current financial assets

NON-CURRENT FINANCIAL ASSETS (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Loans, guarantees and other receivables - non-current	232	103	68	67
Gross values	**232**	**103**	**68**	**67**
Impairment	0	0	0	0
Net values	**232**	**103**	**68**	**67**

These are mainly sureties and guarantees given.

8.1.4. Deferred tax assets

Current and previous tax assets and liabilities are measured at the amount that the Company expects to recover or pay to the tax authorities.

The tax rates and tax regulations used to determine these amounts are those enacted or substantially enacted at the closing date.

Deferred taxes are recognised, using the liability method, for all temporary differences existing at the closing date between the tax base for assets and liabilities and their carrying amount in the financial statements, as well as for tax loss carryforwards. Deferred tax assets are recognised for tax loss carry-forwards when it is probable that the Company will have future taxable profits against which these unused tax losses can be offset.

The determination of the amount of deferred tax assets that may be recognised requires management to make estimates both about the consumption period of the tax loss carryforwards, and on the level of future taxable profits, with regard to tax management strategies.

In accordance with the principles described above and the mechanism for capping tax losses carried forward, no deferred tax assets have been recognised in the Group's consolidated financial statements at 31 December 2018, 31 December 2019 and 31 December 2020.

Deferred tax assets are recognised for tax loss carry-forwards when it is more likely than unlikely that the Company will have future taxable profits against which these unused tax losses can be offset.

8.1.5. Inventories

INVENTORIES (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Inventories of spare parts	760	347	96	
Work in progress	0			34
Inventories of goods				
Nitrogen and carbon stocks	81	31	251	49
Gross values	**841**	**378**	**347**	**83**
Impairment				
Net values	**841**	**378**	**347**	**83**

The Group carries out a review of the value of inventories at the closing date of each financial year. The Group did not recognise any impairment losses on inventories as at 1 January 2018, 31 December 2018, 31 December 2019 and 31 December 2020.

The inventory of spare safety parts pooled for all WAGABOX® is recorded in inventory (for spare parts that the Group intends to use over a period of less than 12 months), with the exception of spare parts for the first units installed, which are specific.

8.1.6. Trade receivables and related accounts

TRADE AND OTHER RECEIVABLES (in thousands of euros)	Gross value	Past due	Not past due	Impairment	Net value
Position at 31 December 2020	2 108	130	1 978	-57	2 051
Position at 31 December 2019	1 623	242	1 381		1 623
Position at 31 December 2018	1 603	536	1 067		1 603
Position at 1 January 2018	622	187	435		622

Given the non-material nature of receivables past due at over 120 days, this information has not been presented in the Group's consolidated financial statements.

8.1.7. Tax credit

TAX CREDIT (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Research tax credit	440	200	325	108
Innovation tax credit	46	26	0	0
Competitiveness and Employment Tax Credit	0	0	11	6
Tax receivables	**486**	**226**	**335**	**114**

8.1.8. Other current assets

OTHER CURRENT ASSETS (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Trade payables, advances and down payments, credit notes receivable	585	1 223	441	0
State, VAT	1 194	1 130	895	235
Investment grants	30	30	0	0
Receivables	13	4	382	665
Prepaid expenses	205	267	160	31
Other current assets	2	0	0	0
Total net other current assets	**2 028**	**2 654**	**1 879**	**931**

Prepaid expenses mainly relate to annual insurance costs, rental expenses and annualized services. The rental expenses are low-value assets that have not been restated in accordance with IFRS 16.

The changes are due to the following factors:

Between 31 December 2018 and 31 December 2019, the increase in prepaid expenses is explained by the growth in insurance expenses (insurance generally covers long periods) directly related to the increase in the number of WAGABOX ®. This increase is also explained by the increase in the number

of employees and therefore in the rental of licenses for IT and business tools, for which invoicing is annualised.

Between 31 December 2019 and 31 December 2020, the decrease in prepaid expenses is mainly explained by the decrease in insurance premiums recorded at the closing date. In fact, the majority of 2020 insurance invoices were received in December 2019, unlike those for 2021, a smaller portion of which was received at the end of 2020.

8.1.9. Cash and cash equivalents

CASH AND CASH EQUIVALENTS (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Cash equivalents				
Cash	16 001	7 563	6 465	4 239
Total cash and cash equivalents	**16 001**	**7 563**	**6 465**	**4 239**

There are no cash restrictions for any of the years.

8.1.10. Share capital

Waga Energy's share capital is composed of fully paid-up ordinary shares with a par value of one euro each.

Number of shares	Ordinary shares
Position at 1 January 2018	**109 918**
Position at 31 December 2018	**109 918**
Capital increase - financial year BSPCE/ABSA	30 479
Position at 31 December 2019	**140 397**
Capital increase - financial year BSPCE/ABSA	4 397
Position at 31 December 2020	**144 794**

The change in the number of shares is explained in Notes 1.4 and 3.

A specific paragraph in Note 8.2.5 applies to BSPCEs issued.

8.1.11. Provisions

PROVISIONS (in thousands of euros)	Dismantling	Pensions and retirement	Guarantee	Other	Total
Position at 1 January 2018	**66**	**31**	**34**	**0**	**131**
Increase in the financial year	68	23	63	15	169
Reversal of provisions used		0			0
Reversal of unused provisions		0	-34		-34
Actuarial (gains)/losses		-3			-3
Position at 31 December 2018	**133**	**52**	**63**	**15**	**264**
At less than 1 year at 31 December 2018	0	0	0	15	15
At more than 1 year at 31 December 2018	133	52	63	0	248

PROVISIONS (in thousands of euros)	Dismantling	Pensions and retirement	Guarantee	Other	Total
Position at 31 December 2018	**133**	**52**	**63**	**15**	**264**
Increase in the financial year	20	26		37	83
Reversal of provisions used	0	0		-30	-30
Reversal of unused provisions	0	0			0
Actuarial (gains)/losses	-11	20			9
Position at 31 December 2019	**143**	**97**	**63**	**22**	**325**
At less than 1 year at 31 December 2019	0	0	0	0	0
At more than 1 year at 31 December 2019	143	97	63	22	325

PROVISIONS (in thousands of euros)	Dismantling	Pensions and retirement	Guarantee	Other	Total
Position at 31 December 2019	**143**	**97**	**63**	**22**	**325**
Increase in the financial year	72	60	31	35	198
Reversal of provisions used					0
Reversal of unused provisions					0
Actuarial (gains)/losses		37			37
Position at 31 December 2020	**215**	**194**	**95**	**57**	**561**
At less than 1 year at 31 December 2020	0	0	31	0	31
At more than 1 year at 31 December 2020	215	194	63	57	530

Pensions and retirement

After retirement, Group employees receive pensions under pension systems that comply with the laws and practices of the countries in which the companies operate.

The Group's commitments are recognised in the form of provisions or contributions paid in this context to independent pension funds and legal bodies responsible for servicing them.

Retirement benefits apply only to employees of the parent company Waga Energy. No commitment within the meaning of IAS 19 has been identified and provisioned for the Canadian subsidiary or the US subsidiary.

The comparative table of the main actuarial data used is presented below:

	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Age at departure	non-Managers 63 years , Managers 65 years	non-Managers 63 years , Managers 65 years	non-Managers 63 years , Managers 65 years	non-Managers 63 years , Managers 65 years
Discount rate (a)	0,30%	0,70%	1,55%	1,35%
Wage growth rate	3%	3%	3%	3%
Social security charge rate (b)	44%	44%	44%	44%
Life table	Insee 2012-2014 without distinction Men/Women	Insee 2012-2014 without distinction Men/Women	Insee 2012-2014 without distinction Men/Women	Insee 2012-2014 without distinction Men/Women
Probability of presence at retirement age (before mortality)	less than 30 years: 91.7% 30 to 40 years: 94.7% 40 to 60 years: 99% over 60 years: 99%	less than 30 years: 91.7% 30 to 40 years: 94.7% 40 to 60 years: 99% over 60 years: 99%	less than 30 years: 91.7% 30 to 40 years: 94.7% 40 to 60 years: 99% over 60 years: 99%	less than 30 years: 91.7% 30 to 40 years: 94.7% 40 to 60 years: 99% over 60 years: 99%

(a) The discount rate during the period was determined by reference to the yields of the AA-rated corporate bonds at the closing date. Bonds with maturities comparable to those of the commitments were used.

(b) Excluding the impact of temporary reduction schemes.

The table of changes in the pension obligation between 1 January 2018 and 31 December 2020 is set out below:

		impact on consolidated income				impact on other comprehensive income	
in thousands of euros	1 January 2018	service given cost	financial cost	payments made	subtotal	actuarial differences	31 December 2018
Total commitment	31	23	0	0	**55**	-3	52
Fair value of fund	-	-	-	-	-	-	-
Net commitment	31	23	0	0	55	-3	52

		impact on consolidated income				impact on other comprehensive income	
in thousands of euros	1 January 2019	service given cost	financial cost	payments made	subtotal	actuarial differences	31 December 2019
Total commitment	52	25	0	0	**77**	20	97
Fair value of fund	-	-	-	-	-	-	-
Net commitment	52	25	0	0	77	20	97

		impact on consolidated income				impact on other comprehensive income	
in thousands of euros	1 January 2020	service given cost	financial cost	payments made	subtotal	actuarial differences	31 December 2020
Total commitment	97	60	0	0	**157**	37	194
Fair value of fund	-	-	-	-	-	-	-
Net commitment	97	60	0	0	157	37	194

As the Group has no plan assets, the entire commitment de scribed above is recorded as a liability.

8.1.12. Borrowings and financial liabilities

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	1 January 2018	Issuances	Repayments	Bond conversion	Reclassification/Other	31 December 2018
Bank loans	3 000	2 194			-1 996	3 199
Associated liabilities	0	1 495				1 495
Repayable advances	1 116	471				1 588
Bonds	2 600					2 600
Convertible bonds	1 029	86			-1 114	0
IFRS 16 financial liabilities	553	2 805			-66	3 292
Non-current financial liabilities	**8 300**	**7 051**	**0**	**0**	**-3 176**	**12 174**
Bank loans	658	868	-903		1 996	2 619
Associated liabilities		17				17
Repayable advances		121				121
Bonds						0
Convertible bonds	58	2 351			1 114	3 523
Derivative liabilities	217	504				721
IFRS 16 financial liabilities	44	318	-109		66	318
Current financial liabilities	**977**	**4 178**	**-1 011**	**0**	**3 176**	**7 320**
Total	**9 276**	**11 229**	**-1 011**	**0**	**0**	**19 493**

Maturity	31 December 2018
Less than 1 year	7 320
1-5 years	6 834
More than 5 years	5 340
Total	**19 493**

Schedule with contractual and undiscounted cash flows:

	At 31 December 2018				
In thousands of euros	Less than 1 year	1-5 years	More than 5 years	Total contractual flows	Total as at closing date
Financial liabilities (excluding leases)	6 930	5 563	3 394	15 887	15 882
Lease-related liabilities	457	1 768	2 167	4 392	3 611
Total	**7 386**	**7 331**	**5 561**	**20 279**	**19 493**

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	31 December 2018	Issuances	Repayments	Bond conversion	Reclassification/Other	31 December 2019
Bank loans	3 199	172			-410	2 961
Associated liabilities	1 495	3 361				4 856
Repayable advances	1 588	165	-199			1 553
Bonds	2 600					2 600
Convertible bonds	0				0	0
IFRS 16 financial liabilities	3 292	220			-273	3 239
Non-current financial liabilities	**12 174**	**3 919**	**-199**		**-683**	**15 210**
Bank loans	2 619		-1 715		410	1 313
Associated liabilities	17		-17			0
Repayable advances	121	94				216
Convertible bonds	3 523	561		-4 084		0
Derivative liabilities	721	-15		-706		0
IFRS 16 financial liabilities	318	54	-289		273	357
Current financial liabilities	**7 320**	**695**	**-2 021**	**-4 791**	**683**	**1 886**
Total	**19 493**	**4 614**	**-2 220**	**-4 791**	**0**	**17 096**

Maturity	31 December 2019
Less than 1 year	1 886
1-5 years	10 294
More than 5 years	4 916
Total	**17 096**

Schedule with contractual and undiscounted cash flows:

	At 31 December 2019				
In thousands of euros	Less than 1 year	1-5 years	More than 5 years	Total contractual flows	Total as at closing date
Financial liabilities (excluding leases)	1 522	9 092	3 126	13 741	13 500
Lease-related liabilities	493	1 911	1 966	4 370	3 596
Total	**2 015**	**11 003**	**5 092**	**18 110**	**17 096**

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	31 December 2019	Issuances	Repayments	Bond conversion	Reclassification/Other	31 December 2020
Bank loans	2 961	5 144			-3 840	4 265
Associated liabilities	4 856	2 784	-490			7 150
Repayable advances	1 553	181	-199		-554	981
Bonds	2 600					2 600
Convertible bonds	0	5 220				5 220
IFRS 16 financial liabilities	3 239	138			-531	2 846
Non-current financial liabilities	**15 210**	**13 467**	**-689**		**-4 926**	**23 062**
Bank loans	1 313		-941		3 840	4 212
Associated liabilities	0	10				10
Repayable advances	216	59	-31		554	798
Convertible bonds	0	16				16
IFRS 16 financial liabilities	357	184	-636		531	437
Other financial liabilities		33				33
Current financial liabilities	**1 886**	**301**	**-1 607**	**0**	**4 926**	**5 506**
Total	**17 096**	**13 768**	**-2 296**	**0**	**0**	**28 568**

Maturity	31 December 2020
Less than 1 year	5 506
1-5 years	18 069
More than 5 years	4 993
Total	**28 568**

Schedule with contractual and undiscounted cash flows:

	At 31 December 2020				
In thousands of euros	Less than 1 year	1-5 years	More than 5 years	Total contractual flows	Total as at closing date
Financial liabilities (excluding leases)	4 826	17 016	4 091	25 933	25 286
Lease-related liabilities	565	1 893	1 590	4 048	3 282
Total	**5 391**	**18 909**	**5 681**	**29 981**	**28 568**

- **Associate debt**

Associate debt is made up of the current accounts of associates with the parent company Waga Energy SA as well as subsidiaries in which the Group holds 49%, classified as non-current liabilities for:

- €1,495 thousand at 31 December 2018;

- €4,856 thousand at 31 December 2019;

- €7,160 thousand at 31 December 2020.

These current accounts earn interest recorded under current liabilities.

- **Repayable advances**

The Group receives advances that are repayable, with or without a premium, beyond a certain break-even point.

These repayable advances amount to a total of:

- €1,116 thousand at 1 January 2018;

- €1,709 thousand at 31 December 2018;

- €1,769 thousand at 31 December 2019;

- €1,779 thousand at 31 December 2020.

The main terms of the repayable advances are presented below:

ADEME ADVANCE

This aid, which is part of the WAGABOX® 1 Investments for the Future Programme, is broken down into two parts: a subsidy in the amount of €683 thousand and a repayable advance for a total of €1,595 thousand.

This repayable advance will be returned to ADEME under the following conditions:

- 50% of the advance paid, discounted at a rate of 1.28%, if the investment phase has been completed and the production of units of work has been started. This repayment will be made in four equal annual instalments.

- 50% of the advance paid, discounted at the rate of 6.28%, if the investment phase has been completed and more than 6,200,000 units of work have been recorded. This repayment will be made in a single instalment within six months of the financial year following the recognition of the threshold being exceeded.

If the Group has not launched production of units of work within four years of the end of the investment phase, it will be released from any repayment obligation, without any other formalities.

The total shown under financial liabilities amounts to:

- €1,116 thousand at 1 January 2018;

- €1,716 thousand at 31 December 2018, of which €121 thousand of short-term accrued interest;

- €1,611 thousand at 31 December 2019, of which €216 thousand of short-term accrued interest— €199 thousand was repaid during the financial year in respect of this advance;

- €1,381 thousand at 31 December 2020, of which €185 thousand of short-term accrued interest. The Group repaid €199 thousand in respect of this advance in 2020.

WHIPE ADVANCE

The company received a repayable advance from Ademe WHIPE of €104 thousand, of which €67 thousand were collected in 2020, with the remaining balance to come.

The repayment of this advance, at the rate of 0.85%, will be made in two equal annual instalments, the first of which will occur nine months after the end of the investment phase.

BPI INSURANCE

BPI FRANCE export insurance provisional indemnities were recognised under non-current financial liabilities in the amount of:

- €165 thousand at 31 December 2019;

- €338 thousand at 31 December 2020.

Finally, in connection with the development of international projects in the United States and Canada, Waga Energy SA obtained repayable "Prospecting" advances from BPI in the respective amounts of €455 thousand. At 31 December 2020, 50% of these advances had been collected, *i.e.*, an amount of €227.5 thousand for each advance. The repayment of these two advances is expected to be spread out between 2025 and 2028.

Due to the effective interest rates of contracts of close to 0%, and in accordance with IFRS 9 and IAS 20, the difference in valuation of the debt discounted at the market rate and the debt received is recognised in deferred income. Like a subsidy, this income is recognised in the income statement as and when the expenses covered by this repayable advance are recorded. Amounts recognised as deferred income totalled €37.7 thousand and €65.3 thousand respectively at the balance sheet dates of 31 December 2019 and 31 December 2020.

- **Convertible bonds**

The Group has subscribed to several bconvertible bonds, recognised as financial liabilities in the amounts of:

- OCA 2017 in June 2017, for €988 thousand bearing interest at the rate of 6%. The bonds were converted into shares in October 2019 for an issue premium of €1,199 thousand and share capital of €4.4 thousand.

- OCA 2018 in December 2018, for an amount of €2,306 thousand, paid at the rate of 6%, converted in October 2019 for an issue premium of €2,789 thousand and share capital of €10.3 thousand.

- OCA 2020 in December 2020, for an amount of €5,476 thousand as part of a financing agreement for the benefit of a third party funder. The Group has an additional drawdown right of €14.5 million in several tranches.

The OCA 2017 and 2018 were classed as hybrid instruments insofar as the conversion option, due to the variable parity, does not meet the definition of an equity instrument. The conversion option was measured at fair value and recognised separately as a derivative liability. Subsequent changes in the fair value of the derivative are recognised in financial income. In this respect, a derivative liability was initially recognised for respective amounts of €212 thousand and €494 thousand for the OCA 2017 and OCA 2018 contracts. The debt component of the OCA 2017 and OCA 2018 was measured using the amortised cost method over the estimated life of the instrument.

The OCAs issued by Waga Assets to a Gaz Vert 2020 fund were recognised at amortised cost, for which the EIR was determined in line with the most probable time horizon used by the Group in terms of redemption. The Group has an early redemption option that can be exercised at any time. The time horizon used by the Group for the first tranches drawn down is presented in Note 3.4.2. The fair value of the conversion option, subject to the occurrence of triggering events, was considered to be nil. Holders of OCAs can request conversion only in the event of default and a change of control (of Waga Assets) and if a bond that has become due is not redeemed.

This contract also requires compliance with certain commitments, in particular financial covenants (see Note 9.1). At the end of the year, all of these commitments, particularly with respect to financial covenants, were met.

In addition, the Group issued two bonds for a total amount of €2,600,000 in November 2017 as part of the financing of the WAGABOX® units at the Saint Palais, Gueltas and Chevilly sites.

These ordinary bonds were issued for a period of 12 years, expiring in November 2029.

8.1.13. Trade payables and related accounts

TRADE PAYABLES AND RELATED ACCOUNTS (in €K)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Trade payables and related accounts	2 281	2 830	2 503	844
Total net trade payables	**2 281**	**2 830**	**2 503**	**844**

8.1.14. Tax liabilities

TAX LIABILITIES (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Corporate income tax	148	19	0	0
Tax liabilities	**148**	**19**	**0**	**0**

Tax liabilities correspond to taxes payable at the closing date for all Group entities.

8.1.15. Other liabilities

8.1.15.1 Other non-current liabilities

Other non-current liabilities correspond to deferred income, *i.e.*, additional premiums and subsidies, maturing in more than one year. This deferred income at 31 December 2020 corresponds to investment subsidies for €771 thousand and additional premiums for €268 thousand. Deferred income relating to additional premiums due in more than one year amounts to €293 thousand and €318 thousand for the years ended 31 December 2019 and 31 December 2018 respectively.

8.1.15.2 Other current liabilities

OTHER CURRENT LIABILITIES (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018	1 january 2018
Social security liabilities	658	296	142	113
Tax liabilities	1 178	733	345	78
Advances and dow n payments received, credit note	31	0	651	
Deferred income	312	174	643	400
Other liabilities	2	2	25	10
TOTAL	**2 180**	**1 205**	**1 805**	**601**

Prepaid income at 31 December 2020, with a maturity of less than one year, mainly consists of investment grants for an amount of €184 thousand, deferred income relating to additional premiums for €25 thousand and deferred income of €65 thousand relating to the subsidy portion of BPI repayable advances (see Note 8.1.12—repayable advances).

8.1.16. Fair value of financial instruments

In accordance with the amendment to IFRS 7, the following table presents the items recognised at fair value by class of financial instruments according to the following hierarchy:

- Level 1: instruments directly listed on an active market;

- Level 2: instruments listed on an active market for a similar instrument, or whose valuation techniques are based on observable parameters;

- Level 3: instruments whose significant valuation parameters are not observable.

In thousands of euros	Carrying amount 01.01.2018	Level	Fair value	Assets/Liabilities at fair value through profit or loss	Assets/Liabilities at fair value through OCI	Assets/Liabilities at amortised cost
Non-current financial assets	67	3	67			67
Trade receivables and related accounts	622	2	622			622
Other current assets	696	2	696			696
Cash and cash equivalents	4 239	2	4 239			4 239
Total financial assets	**5 625**		**5 625**	**0**	**0**	**5 625**
Borrowings and non-current financial liabilities	8 300	2	8 300			8 300
Other non-current liabilities	918	2	918			918
Borrowings and current financial liabilities	977	2	977	217		760
Trade payables and related accounts	844	2	844			844
Other current liabilities	410	2	410			410
Total financial liabilities	**11 448**		**11 448**	**217**	**0**	**11 232**

In thousands of euros	Carrying amount 31.12.2018	Level	Fair value	Assets/Liabilities at fair value through profit or loss	Assets/Liabilities at fair value through OCI	Assets/Liabilities at amortised cost
Non-current financial assets	68	3	68			68
Trade receivables and related accounts	1 603	2	1 603			1 603
Other current assets	984	2	984			984
Cash and cash equivalents	6 465	2	6 465			6 465
Total financial assets	**9 119**		**9 119**	**0**	**0**	**9 119**
Borrowings and non-current financial liabilities	12 174	2	12 174			12 174
Other non-current liabilities	1 367	2	1 367			1 367
Borrowings and current financial liabilities	7 320	2	7 320	721		6 599
Trade payables and related accounts	2 503	2	2 503			2 503
Other current liabilities	1 319	2	1 319			1 319
Total financial liabilities	**24 682**		**24 682**	**721**	**0**	**23 962**

In thousands of euros	Carrying amount 31.12.2019	Level	Fair value	Assets/Liabilities at fair value through profit or loss	Assets/Liabilities at fair value through OCI	Assets/Liabilities at amortised cost
Non-current financial assets	103	3	103			103
Trade receivables and related accounts	1 623	2	1 623			1 623
Other current assets	1 524	2	1 524			1 524
Cash and cash equivalents	7 563	2	7 563			7 563
Total financial assets	**10 813**		**10 813**	**0**	**0**	**10 813**
Borrowings and non-current financial liabilities	15 210	2	15 210			15 210
Other non-current liabilities	1 237	2	1 237			1 237
Borrowings and current financial liabilities	1 886	2	1 886			1 886
Trade payables and related accounts	2 830	2	2 830			2 830
Other current liabilities	176	2	176			176
Total financial liabilities	**21 339**		**21 339**	**0**	**0**	**21 339**

In thousands of euros	Carrying amount 31.12.2020	Level	Fair value	Assets/Liabilities at fair value through profit or loss	Assets/Liabilities at fair value through OCI	Assets/Liabilities at amortised cost
Non-current financial assets	232	3	232			232
Trade receivables and related accounts	2 051	2	2 051			2 051
Other current assets	834	2	834			834
Cash and cash equivalents	16 001	2	16 001			16 001
Total des actifs financiers	**19 117**		**19 117**	**0**	**0**	**19 117**
Borrowings and non-current financial liabilities	23 062	2	23 062			23 062
Other non-current liabilities	1 039	2	1 039			1 039
Borrowings and current financial liabilities	5 506	2	5 506			5 506
Trade payables and related accounts	2 281	2	2 281			2 281
Other current liabilities	344	2	344			344
Total financial liabilities	**32 232**		**32 232**	**0**	**0**	**32 232**

8.2. Notes to the consolidated income statement

8.2.1. Income from ordinary activities

INCOME FROM ORDINARY ACTIVITIES (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
Biomethane sales	5 421	57%	2 639	33%	1 661	59%
Purification services	3 246	34%	2 736	35%	1 056	38%
WAGABOX® sale	346	4%	2 490	32%	25	1%
O&M	355	4%	27	0%	0	
Other	92	1%	11	0%	51	2%
Total income from ordinary activities	**9 460**	**100%**	**7 904**	**100%**	**2 792**	**100%**

The Sale of WAGABOX® corresponds to the WAGABOX® unit sold to Lorient Agglomération.
O&M (Operating & Maintenance) is provided for the WAGABOX® based in Lorient Agglomération.

Other income from ordinary activities mainly corresponds to:

- invoicing of activated carbon sales for €67 thousand;
- invoicing of studies carried out by the Group for €25 thousand.

8.2.2. Other income

OTHER INCOME (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
Research tax credit	240	66%	200	56%	306	61%
Innovation tax credit	20	5%	26	7%	19	4%
Subsidies	106	29%	132	37%	180	36%
Total Other Income	**366**	**100%**	**358**	**100%**	**504**	**100%**

8.2.3. Purchases of goods and changes in inventories

PURCHASE OF GOODS (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
Spare parts	511	14%	73	2%	0	0%
Raw materials	1 912	53%	1 333	35%	585	59%
Subcontracting	682	19%	857	23%	191	19%
Materials & Equipment	401	11%	1 497	39%	194	19%
Other purchases	74	2%	40	1%	29	3%
Total purchases of goods	**3 580**	**100%**	**3 801**	**100%**	**999**	**100%**

As of 31 December 2019, the exceptional increase in Material & Equipment purchases amounting to €1.5 million is related to the construction of the WAGABOX® unit sold to Lorient Agglomération.

8.2.4. External expenses

EXTERNAL EXPENSES (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
General subcontracting	12	1%	20	1%	32	4%
Leases and lease expenses	200	13%	200	13%	78	9%
Maintenance and repairs	148	9%	34	2%	47	5%
Insurance premiums	251	16%	176	12%	92	10%
Studies and research	0	0%	63	4%	81	9%
Seconded staff	27	2%	22	1%	20	2%
Remun. intermediaries & fees	598	38%	601	40%	351	39%
Advertising	23	1%	16	1%	23	3%
Transportation	68	4%	62	4%	13	1%
Travel, assignments	124	8%	226	15%	118	13%
Postal & Telecom costs	71	4%	34	2%	15	2%
Banking services	31	2%	20	1%	17	2%
Other external expenses	34	2%	32	2%	21	2%
Total external expenses	**1 586**	**100%**	**1 507**	**100%**	**908**	**100%**

Leases and rental expenses correspond to the rental expenses retained in the income statement for the exemptions provided for by IFRS 16, and property taxes.

Study and research expenses correspond to the detailed studies carried out by the gas grid operator to estimate the cost of the connection. There were no such fees in 2020. The fees are mainly paid to law firms for patent filing and to strategy consulting firms.

The drop in assignment and travel expenses in 2020 is the result of the Covid-19 epidemic.

8.2.5. Personnel expenses

Personnel expenses break down as follows:

PERSONNEL EXPENSES (in thousands of euros)	31 December 2020		31 December 2019		31 December 2018	
Employee compensation	1 856	56%	1 191	64%	628	67%
IFRS 2 expenses	386	12%	14	1%	0	0%
Social security charges	869	26%	543	29%	243	26%
Other personnel expenses	133	4%	79	4%	43	5%
Net provision for retirement benefit obligations	60	2%	25	1%	23	2%
Total personnel expenses	**3 304**	**100%**	**1 852**	**100%**	**937**	**100%**

AVERAGE WORKFORCE	31 December 2020		31 December 2019		31 December 2018	
Executive	31	66%	20	75%	14	91%
Non executive	16	34%	7	25%	1	9%
Average workforce	**47**	**100%**	**27**	**100%**	**16**	**100%**

Share-based payments (IFRS 2)

Company Founders' warrants ("BSPCEs") were awarded to executives and certain key employees.

- Warrants issued by the Board of Directors upon delegation of authority by the General Meeting of 20 December 2018

Type of financial investment	BSPCE2019
Date of the BoD that awarded the warrants	18/12/2019
Vesting date	18/12/2023
Exercise price per new share subscribed	€318.42
Vesting	- 25% of the BSPCEs held by the Holder at the end of a period of twenty-four (24) months from the grant date - the remaining balance, at the rate of one twenty-fourth (1/24) at the end of each month elapsed following the initial period of twenty-four (24) months, for a period of twenty-four (24) months
Period of validity	17/12/2029
Number of warrants allocated at 31 December 2018	0
Number of warrants allocated at 31 December 2019	10 000
Number of warrants allocated at 31 December 2020	**10 000**
Maximum number of new shares that may be subscribed at 31 December 2018	10 000
Maximum number of new shares that may be subscribed at 31 December 2019	0
Maximum number of new shares that may be subscribed at 31 December 2020	**0**

Key data and assumptions	BSPCE 2019
Maturity	10 years
Iboxx EUR Non-financial AAA	0.36%
Volatility	40.72%
Underlying price	€318.42
Exercise price	€318.42
Fair value of the option	**€112.30**

The consequence of all these data is the recognition of expenses of €14 thousand and €386 thousand in respect of 2019 and 2020 respectively.

8.2.6. Other current operating income and expenses

OTHER CURRENT OPERATING INCOME AND EXPENSES (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018
Other current operating income	23	20	34
Other current operating expenses	1	123	2
Total other current operating income and (expenses)	**22**	**-104**	**32**

As of 31 December 2019, current operating expenses corresponded to late payment penalties.

8.2.7. Net financial income (expense)

FINANCIAL INCOME (in thousands of euros)	31 December 2020	31 December 2019	31 December 2018
Foreign exchange gains	0	4	0
Other financial income	38	1	0
Financial income	**38**	**5**	**0**
Interest on loans and conditional advances	1 016	1 409	479
Undiscounting	18	13	6
Foreign exchange losses	67	0	0
Other financial expenses	13	0	1
Financial expenses	**1 114**	**1 423**	**485**
Net financial income (expense)	**-1 076**	**-1 418**	**-485**

Net financial income (expense) includes all expenses related to the Company's financing (interest paid, accrued interest, accretion of repayable advances, financial impact of the fair value related to the OCA 2017 and OCA 2018 derivatives), as well as foreign exchange gains and losses.

8.2.8. Income tax

The table below shows the reconciliation between the theoretical tax and the effective tax:

In €K	At 31 December 2020	At 31 December 2019	At 31 December 2018
Current taxes	-167	-19	0
Deferred taxes	10	-28	0
Total income tax	**-157**	**-47**	**0**

In €K	At 31 December 2020	At 31 December 2019	At 31 December 2018
Net income	**-1 912**	**-1 845**	**-957**
Consolidated tax	-157	-47	0
Research tax credit	260	226	330
Theoretical income before tax	**-2 015**	**-2 023**	**-1 287**
Income tax rate applicable to the parent company	28%	28%	28%
Theoretical tax expense at the current rate	564	566	360
Increase/Decrease in tax expense resulting from			
Deferred tax assets on tax loss carryforwards	-360	-132	0
Other unrecognised deferred tax assets	-264	-454	-357
IFRS 2	-108	-4	0
Permanent differences	-2	-42	-3
Other (taxes without base, etc.)	13	19	0
ACTUAL TAX EXPENSE	**-157**	**-47**	**0**
Effective tax rate	-8%	-2%	0%

8.2.9. Earnings per share

The calculation of basic earnings per share is based on the weighted average number of ordinary shares outstanding during the period, while the calculation of diluted earnings per share also includes all potentially dilutive ordinary shares if they meet certain criteria laid down in IAS 33.

Basic earnings per share are obtained by dividing net income attributable to owners of the parent by the weighted average number of ordinary shares outstanding.

Diluted earnings per share are obtained by dividing net income attributable to owners of the parent by the weighted average number of shares adjusted for the maximum impact of the conversion of dilutive instruments into ordinary shares using the share buyback method.

Using this method, the funds raised by potentially dilutive financial instruments are allocated to share buybacks at their market value. The dilutive effect of shares potentially arising from stock option plans (BSPCE) or convertible instruments is not reflected in the calculation of diluted earnings per share, due to the losses incurred.

The dilution is obtained by the difference between the theoretical amount of shares that would be bought back and the number of potentially dilutive options.

EARNINGS PER SHARE	31 December 2020	31 December 2019	31 December 2018
Net income attributable to holders of ordinary shares	-2 178 730	-1 959 825	-939 488
Number of ordinary shares	144 794	140 397	109 918
Weighted average number of ordinary shares outstanding	141 843	116 171	109 918
Weighted average number of ordinary and potential shares	151 843	137 822	114 966
Earnings per share in euros	**-15,05**	**-13,96**	**-8,55**
Diluted earnings per share in euros	**-15,05**	**-13,96**	**-8,55**

8.3. Off-balance sheet commitments

For 2018, 2019 and 2020, the financial commitments received correspond to guarantees granted by the French State or BPI France to lenders in respect of bank loan agreements.

Pledges given correspond mainly to guarantees granted in connection with the 2020 bond issue, as part of the financing of WAGABOX® units. Pledges also include equipment pledges for the benefit of lenders.

FINANCIAL COMMITMENT (in €K)	31 December 2020	31 December 2019	31 December 2018	1 January 2019
Commitments given				
Endorsements, sureties and guarantees given	-1 410	-1 410	-1 410	0
Pledges	-11 725	-3 536	-3 536	-2 636
Other	-1 030	-1 030	-381	-127
Commitments given	**-14 165**	**-5 976**	**-5 327**	**-2 763**
Commitments received				
Endorsements, sureties and guarantees receivec	5 523	1 723	1 723	1 723
Pledges	0	0	0	0
Other	0	0	0	0
Commitments received	**5 523**	**1 723**	**1 723**	**1 723**
Net commitments	**-8 642**	**-4 253**	**-3 604**	**-1 040**

8.4. Transactions with related parties

Related parties with which transactions are carried out include companies and individuals directly or indirectly associated with the Group, and entities that directly or indirectly hold an interest in the Group.

These transactions are carried out under arm's-length conditions.

All these transactions were recorded in accordance with IAS 24 and their impact on the Group's consolidated financial statements is as follows, by type and related party:

8.4.1. 31 December 2018

in €K

Related Party	Nature of related party	Description of the transaction	Balance sheet	Income statement
Starquest	*Shareholder with more than 10% of the shares*	Assistance agreement	0	10
Les Saules	*Shareholder with more than 10% of the shares*	Assistance agreement	0	10
Ovive	*Company owned by a shareholder with more than 10% of the shares*	Service agreement	28	58
Ovive	*Company owned by a shareholder with more than 10% of the shares*	Rebilling of Pollutec trade fair	10	9
Société Européenne de Gestion de l'Energie (SEGE)	*Company in the same group as a shareholder with more than 10% of the shares*	Biomethane purchase agreement	130	1 261
Air Liquide Advanced Technologies (ALAT)	*Company in the same group as a shareholder with more than 10% of the shares*	Purchase of purification membranes	115	1 049
Air Liquide Advanced Business (ALAB)	*Company in the same group as a shareholder with more than 10% of the shares*	Guarantee of Origin sales agreement	96	140
Air Liquide Advanced Business (ALAB)	*Company in the same group as a shareholder with more than 10% of the shares*	Compressor sale	0	19
Air Liquide France Industrie (ALFI)	*Company in the same group as a shareholder with more than 10% of the shares*	Framew ork nitrogen lease and nitrogen purchase	3	20
Durance conseil	*SCompany employing a Director*	Service agreement	2	19
Aliad (Air liquide)	*Company in the same group as a shareholder with more than 10% of the shares*	Patent licence agreement	50	42

EXECUTIVE COMPENSATION (in thousands of euros)	Total at 31 December 2018	Short-term compensation (1)	Share-based compensation (2)
Nicolas PAGET	75	75	0
Mathieu LEFEBVRE	75	75	0
Executive compensation	**150**	**150**	**0**

(1) Includes gross salaries, compensation, bonuses, incentives, directors' attendance fees and benefits in kind.

(2) This amount corresponds to the annual expense related to the allocation of BSPCEs as well as stock option grants.

8.4.2. 31 December 2019

Related Party	Nature of related party	Description of the transaction	Balance sheet	Income statement
Air Liquide Venture Capital (ALIAD)	*Shareholder*	Assistance agreement	32	27
Starquest	*Shareholder*	Assistance agreement	0	10
Les Saules	*Shareholder*	Assistance agreement	0	10
Ovive	*Company owned by a shareholder with more than 10% of the shares*	Service agreement	0	82
Société Européenne de Gestion de l'Energie (SEGE)	*Company in the same group as a shareholder with more than 10% of the shares*	Biomethane purchase agreement	107	1 219
Air Liquide Advanced Technologies (ALAT)	*Company in the same group as a shareholder with more than 10% of the shares*	Purchase of purification membranes	0	0
Air Liquide France Industrie (ALFI)	*Company in the same group as a shareholder with more than 10% of the shares*	Framework nitrogen lease and nitrogen purchase	8	62
Durance conseil	*Company employing a Director*	Contract for the provision of strategic support services	0	37
Ornalys SPRL	*Company employing a Director*	Contract for the provision of strategic support services	0	6
Aliad (Air liquide)	*Company in the same group as a shareholder with more than 10% of the shares*	Patent licence agreement	0	0

EXECUTIVE COMPENSATION (in thousands of euros)	Total at 31 December 2019	Short-term compensation (1)	Share-based compensation (2)
Nicolas PAGET	83	83	0
Mathieu LEFEBVRE	89	89	0
Executive compensation	**172**	**172**	**0**

(1) Includes gross salaries, compensation, bonuses, incentives, directors' attendance fees and benefits in kind.

(2) This amount corresponds to the annual expense related to the allocation of BSPCEs as well as stock option grants.

8.4.3. 31 December 2020

Related Party	Nature of related party	Description of the transaction	Balance sheet	Income statement
Air Liquide Venture Capital (ALIAD)	*Shareholder*	Assistance agreement	13	11
Starquest	*Shareholder*	Assistance agreement	0	8
Les Saules	*Shareholder*	Assistance agreement	0	6
Société Europénne de Gestion de l'Energie (SEGE)	*Company in the same group as a shareholder with more than 10% of the shares*	Biomethane purchase agreement	130	1 261
Air Liquide Advanced Technologies (ALAT)	*Company in the same group as a shareholder with more than 10% of the shares*	Purchase of purification membranes	0	17
Air Liquide Advanced Technologies (ALAT)	*Company in the same group as a shareholder with more than 10% of the shares*	Pipeline re-invoicing	0	78
ALATUS (Médal)	*Company in the same group as a shareholder with more than 10% of the shares*	Purchase membranes	50	50
Air Liquide France Industrie (ALFI)	*Company in the same group as a shareholder with more than 10% of the shares*	Framew ork nitrogen lease and nitrogen purchase	11	113
Ornalys SPRL	*Company employing a Director*	Contract for the provision of strategic support services	1	17
Les Saules	*Shareholder*	Shareholder's current account	2 008	8
Holw eb	*Shareholder*	Shareholder's current account	501	1

EXECUTIVE COMPENSATION (in thousands of euros)	Total at 31 December 2020	Short-term compensation (1)	Share-based compensation (2)
Nicolas PAGET	91	91	0
Mathieu LEFEBVRE	94	94	0
Executive compensation	**185**	**185**	**0**

(1) Includes gross salaries, compensation, bonuses, incentives, directors' attendance fees and benefits in kind.

(2) This amount corresponds to the annual expense related to the allocation of BSPCEs as w ell as stock option grants.

8.5. Statutory Auditors' fees

8.5.1. 31 December 2018

(in thousand euros excl tax)	EY		KPMG		31 December 2018	
WAGA ENERGY S.A.						
Statutory Auditors, certification, review of separate parent company and IFRS financial statements	17	78%			17	71%
Services other than certification of financial statements					0	0%
Subsidiaries						
Statutory Auditors, certification, review of separate parent company and IFRS financial statements	5	22%	2	100%	7	29%
Services other than certification of financial statements					0	0%
Total	**21**	**100%**	**2**	**100%**	**23**	**100%**

8.5.2. 31 December 2019

(in thousand euros excl tax)	EY		KPMG		31 December 2019	
WAGA ENERGY S.A.						
Statutory Auditors, certification, review of separate parent company and IFRS financial statements	22	80%			22	65%
Services other than certification of financial statements					0	0%
Subsidiaries						
Statutory Auditors, certification, review of separate parent company and IFRS financial statements	5	20%	6	100%	11	35%
Services other than certification of financial statements					0	0%
Total	**27**	**100%**	**6**	**100%**	**33**	**100%**

8.5.3. 31 December 2020

(in thousand euros excl tax)	EY		KPMG		31 December 2020	
WAGA ENERGY S.A.						
Statutory Auditors, certification, review of separate parent company and IFRS financial statements	18	37%			18	34%
Services other than certification of financial statements					0	0%
Subsidiaries						
Statutory Auditors, certification, review of separate parent company and IFRS financial statements	31	63%	4	100%	35	66%
Services other than certification of financial statements					0	0%
Total	**49**	**100%**	**4**	**100%**	**53**	**100%**

9. Risk management

The Group's policy is not to subscribe to financial instruments for speculative purposes.

The main risks to which the Group is exposed are liquidity risk, interest rate risk and credit risk.

The Group believes that it is not significantly exposed to foreign exchange risk.

9.1. Liquidity risks

Since its creation, the Group has financed its growth through successive capital increases, bond issues, repayable advances, State-guaranteed loans and the repayment of Research Tax Credit receivables.

Cash and cash equivalents amounted to €16 million as at 31 December 2020 and financial liabilities amounted to €28.8 million (of which €3.3 million related to leases and finance leases). Current financial liabilities amount to €5.5 million.

Some contracts have restrictions on the use of capital:

Convertible bond agreement with a "green" infrastructure fund

As part of the convertible bond issue for a maximum total amount of €80 million, carried out by the Group with a "green" infrastructure fund, the contract contains certain undertakings, and notably:

- an undertaking by the issuer to distribute dividends under certain specific conditions listed in the contract;
- an undertaking to comply with financial covenants;
- an undertaking not to sell assets;
- an undertaking not to provide certain sureties; and
- an undertaking not to carry out certain changes of control.

Each case is subject to the usual exceptions for this type of financing. At the end of the year, all commitments, particularly with respect to financial covenants, were met.

Bpifrance Financement loan

The debt contracted by the Group with Bpifrance Financement on 3 October 2019 is subject to mandatory early repayment in full in the event of the occurrence of certain events, such as a change in control of the Company; voluntary early repayment may be made at the Company's discretion subject to the payment of compensation equal to 5% of the capital repaid early.

OCA 2021 Tranche 2

The OCA 2021 Tranche 2 bond includes a specific restriction making the payment of dividends by the Company subject to the payment of all sums due to financial parties in respect of these convertible bonds.

It is expected that the Company will be required to redeem in advance all or part of the OCA 2021 Tranche 2 and that, in return, the Holders will have to reuse the amounts thus redeemed in the corresponding subscription to a convertible bond issue by a subsidiary of the Company (the "Issue Programme").

Under the Issue Programme, the subscriber would be able to request early repayment of the amounts due under the bond in the event of a change of control of the issuer, a subsidiary of the Company. Concerning this bond, subscribers would benefit from collateral such as the pledging of the subsidiary's securities and the Company's current account balance in the subsidiary.

In connection with bank loans or bonds subscribed, the Group has undertaken to comply with financial covenants, notably relating to *pari passu* clauses, cross-default clauses, compliance with financial ratios (ratio of debt service coverage by available liquidity or level of gearing) or specific debt levels.

Please refer to Note 5.1 "Going concern" for more information on the Group's liquidity horizon as part of the closing of the financial statements at 31 December 2020.

9.2. Interest rate risks

Interest rate risk represents the Group's exposure to changes in market interest rates.

Changes in interest rates could affect returns on cash and term deposits. Nevertheless, this risk is not considered significant given the absence of term deposits held by the Group.

All of the Group's debts were taken out at fixed rates.

9.3. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as exposures related to customer credit, including unpaid receivables and committed transactions.

The credit risk related to cash, cash equivalents and deposits with banks and financial institutions is not considered significant, as the Group has liquidity and investments only with leading banks.

As the outstanding receivables mainly include VAT receivables and research tax credits ("CIR") granted by the French State, the Group does not bear any significant credit risk.

The credit risk related to trade receivables is considered to be controlled by the Group because when risks are identified they are provisioned (see Note 8.1.6).

9.4. Currency risk

The main risks related to foreign exchange impacts are not considered significant due to the low level of activity of its subsidiaries abroad.

At its stage of development, the Group has not made any hedging arrangements to protect its business against exchange rate fluctuations.

On the other hand, the Group cannot rule out the possibility that a significant increase in its activity would result in greater exposure to foreign exchange risk.

The Group will then consider adopting an appropriate policy to hedge these risks. If it were to fail to make effective foreign exchange hedging arrangements in the future, its results could be affected.

18.2 Interim and other financial information

CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2021

1. Group condensed financial statements at 30 June 2021

1.1. Condensed statement of financial position

ASSETS (in thousands of euros)	Notes	30 June 2021	31 December 2020
Intangible assets	4.1.1	456	396
Property, plant and equipment	4.1.2	24 664	20 848
Non-current financial assets	4.1.3	901	232
Deferred tax assets	4.1.4	0	0
Other non-current assets		0	-
Total non-current assets		**26 021**	**21 475**
Inventories	4.1.5	1 206	841
Trade receivables and related accounts	4.1.6	2 496	2 051
Tax receivables	4.1.7	390	486
Other current assets	4.1.8	6 610	2 028
Cash and cash equivalents	4.1.9	9 881	16 001
Total current assets		**20 582**	**21 407**
Total assets		**46 602**	**42 882**

LIABILITIES (in thousands of euros)	Notes	30 June 2021	31 December 2020
Share capital		145	145
Premiums		10 824	10 824
Reserves		-4 081	-2 093
Translation differences		16	52
Net income for the period attributable to the owners of the parent		-2 396	-2 179
Share capital attributable to owners of the parent		4 507	6 749
Non-controlling interests		1 485	1 357
Equity	4.1.10 and 1.4	**5 992**	**8 106**
Non-current provisions	4.1.11	635	561
Borrowings and non-current financial liabilities	4.1.12	25 894	23 062
Other non-current liabilities	4.1.15	978	1 039
Total non-current liabilities		**27 507**	**23 623**
Current provisions	4.1.11	0	0
Borrowings and current financial liabilities	4.1.12	6 009	5 506
Trade payables and related accounts	4.1.14	4 296	2 281
Tax liabilities		187	148
Other current liabilities	4.1.15	2 608	2 180
Total current liabilities		**13 100**	**11 154**
Total liabilities		**46 602**	**42 882**

1.2. Condensed income statement

INCOME STATEMENT (in thousands of euros)	Notes	30 June 2021	30 June 2020
Income from ordinary activities	4.2.1	5 193	4 455
Other income		222	172
Income from current activities		**5 415**	**4 627**
Purchases of goods and changes in inventories	4.2.2	-2 346	-1 641
External expenses	4.2.3	-1 233	-808
Taxes, duties and similar payments		-58	-40
Personnel expenses	4.2.4	-2 001	-1 526
Other current operating income and expenses		4	-11
Depreciation, amortisation and provisions		-984	-875
Current operating income		**-1 203**	**-273**
Other non-current operating income and expenses	4.2.5	-292	0
Impairment of non-current assets		0	0
Operating income		**-1 495**	**-273**
Cost of net financial debt		-597	-526
Other financial income and expenses		-39	-10
Net finance income (expense)	4.2.6	**-636**	**-536**
Income before tax		**-2 131**	**-809**
Income tax	4.2.7	-128	-83
Deferred taxes P&L		0	0
Consolidated net income		**-2 259**	**-892**
Net profit (loss) - Group Share		-2 396	-1 069
Net profit (loss) - Minority interests		137	177
Basic earnings per share (in euros)	4.2.8	-16,55	-7,61
Diluted earnings per share (in euros)	4.2.8	-16,55	-7,61

1.3. Condensed statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (in thousands of euros)	30 June 2021	30 June 2020
Consolidated net income	**-2 259**	**-892**
Translation adjustments	16	19
Actuarial differences	14	6
Others	0	0
Items recyclable through profit or loss	**30**	**26**
Consolidated comprehensive income	**-2 229**	**-866**
Of which global net profit (loss) - Group sha	-2 366	-1 043
Of which global net profit (loss) - Minority in	137	177

1.4. Condensed statement of changes in equity

CHANGES IN EQUITY (in thousands of euros)	Number of shares	Share capital	Premiums	Reserves and net profit (loss)	Other comprehensive income	Equity Group Share	Minority interests	Total equity
Equity at 1 January 2021	144 794	145	10 824	-4 234	15	6 749	1 357	8 106
Comprehensive income for the period				-2 396	**30**	**-2 366**	137	**-2 229**
Other changes				-66		-66	-10	**-76**
Share-based payments - Section 4.2.4				191		191		**191**
Equity at 30 June 2021	144 794	145	10 824	-6 506	45	4 507	1 485	5 993

The main changes relate only to share-based payments relating to the BSPCE 2019 plan (see Note 4.2.4).

The other changes correspond to the impact of the restatements concerning the costs relating to the share capital transaction resulting from the ongoing IPO process, *i.e.*, €118 thousand at 30 June 2021 (see Section 4.2.5), IAS 19 "Employee Benefits" (see Note 4.1.11) and the decommissioning provision recognised in accordance with IAS 16 "Property, plant and equipment" (see Note 4.1.2).

1.5. Condensed cash flow statement

CASH FLOW STATEMENT (in thousands of euros)	30 June 2021	30 June 2020
Net income	-2 259	-892
Depreciation, amortisation and provisions	984	875
Share-based payments	191	191
Other calculated income and expenses	-8	-34
Cost of net financial debt	597	526
Change in tax receivables and payables (including deferred taxes)	135	-60
Cash flow from operations	**-361**	**607**
Impact of changes in inventories	-364	-183
Impact of changes in trade and other receivables	-2 626	994
Impact of changes in trade and other payables	2 164	193
Cash flows from operating activities	**-1 186**	**1 610**
Acquisition of property, plant and equipment and intangible assets	-4 841	-3 392
Acquisition of financial assets	-669	-125
Cash flows from investing activities	**-5 510**	**-3 517**
Impact of changes in scope (contributions from non-controlling interests)	0	0
Capital increase (net of capital increase costs)	0	0
Issuance of loans & repayable advances	1 843	5 152
Repayments of loans & repayable advances (incl. Cost of debt)	-1 268	-974
Dividends paid	0	0
Cash flows from financing activities	**576**	**4 178**
Change in cash and cash equivalents	**-6 121**	**2 271**
Opening cash	16 001	7 563
Closing cash	9 881	9 833

It should be noted that the impact of the issue of the convertible bonds issued and subscribed for an amount of €2.5 million was netted in the cash flow statement with the receivable of the same amount, the latter having been received in July 2021.

2. General information and accounting principles

2.1. Information about the Group

Waga Energy is a public limited company (*société anonyme*) with a Board of Directors, registered and domiciled in France (and is referred to as "the Company").

Its registered office is located at 2 Chemin du Vieux Chêne, 38240 Meylan, France. The consolidated financial statements of Waga Energy include the Company and the subsidiaries it controls (referred to together as "the Group"). The scope of consolidation is detailed in Note 3.7.

Created in 2015 and located in Grenoble, the Waga Energy Group is the European leader in the production of biomethane from landfill gas. The Group has developed a breakthrough technology that purifies biogas from landfills to transform it into biomethane, injected into gas grids, as a replacement for natural gas of fossil origin.

Waga Energy is a group that is strongly committed to the energy transition.

Its mission is to provide an immediate solution to reduce greenhouse gas emissions by providing abundant green, renewable, readily available energy.

WAGABOX® units are small refineries or gas plants installed on landfills, sites classified as ICPE (facilities classified for the environment).

The unique technology based on membrane filtration and cryogenic distillation has been the subject of several patent filings.

2.2. Background to the preparation of the financial statements

The condensed interim consolidated financial statements of the Waga Energy Group as at 30 June 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting. As these are condensed financial statements, they do not include all the information required by IFRS and should be read in conjunction with the group's annual consolidated financial statements for the financial year ended 31 December 2020.

The accounting principles used for the preparation of the condensed interim consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union at 30 June 2021.

These accounting principles are identical to those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2020, presented in Note 5 to the 2020 consolidated financial statements, with the exception of the points presented in Section 2.3 "New IFRS standards and interpretations" below.

The group's consolidated financial statements for the year ended 31 December 2020 are available on request at the Company's registered office.

The condensed interim consolidated financial statements are presented in thousands of euros, the group's functional and presentation currency. The tables include individually rounded data. The arithmetical calculations made on the basis of rounded items may differ from the aggregates or sub-totals displayed.

The condensed interim consolidated financial statements were prepared on a going concern basis. The group's management considers that this principle is respected with regard to the provisional cash flow plan by the end of June 2022 and the financial assets available at 30 June 2021 (see Note 3.5 Going concern).

The activity of the foreign subsidiaries included in the scope of consolidation is considered to be an extension of that of the parent company. As such, the financial statements of subsidiaries are translated using the historical exchange rate method. Application of this method has an effect comparable to that which would have been recorded on the financial position and income if the consolidating company had carried out the activity abroad itself. At the closing date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign currency exchange rate at the closing date. Non-monetary items are translated at historical rates.

2.3. New IFRS standards and interpretations

Standards and interpretations applicable from 1 January 2021

The new standards and interpretations published at 31 December 2020 and applicable from 1 January 2021:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2,

- Temporary amendment to IFRS 16 – Covid-19-Related Rent Concessions

did not have a material impact on the group's condensed interim consolidated financial statements at 30 June 2021.

Early application of standards

The group has not early applied any standards or interpretations whose application is not mandatory at 1 January 2021.

2.4. Estimates and judgments

The preparation of the financial statements requires, on the part of Management, the use of estimates and assumptions deemed reasonable, liable to have an impact on the amounts of assets, liabilities, equity, income and expenses included in the financial statements, as well as on the information in the Notes on contingent assets and liabilities. These estimates were based on a going concern assumption and were prepared on the basis of the information available at the time of their preparation. The main estimates relate to:

- determination of the costs that may be included in the valuation of property, plant and equipment with regard to IAS 16 "Property, plant and equipment" (see Note 4.1.2),

- The assessment of control over the various subsidiaries (see Note 3.7), as well as the WAGABOX®, sold to the subsidiaries,

- assessment of the position as agent or principal with regard to IFRS 15 and concerning the various revenue streams (see Note 4.2.1),

- the recoverable amount of WAGABOX® units and their estimated useful life (Note 4.1.2),

- measurement of the fair value of BSPCEs (see Notes 4.1.10 and 4.2.4): determination of the fair value of share-based payments is based on the Black & Scholes option pricing model, which considers assumptions about complex and subjective variables. These variables include the value of the shares, the expected volatility of the share value over the life of the instrument and the current and future behaviour of the holders of these instruments,

- Regarding the convertible bonds (OCA), estimates are made relating to:

- o determination of the fair value of the conversion options (see Note 4.1.13)

- o determination of the effective interest rate (EIR) of the debt component of the conversion options, which takes into account the most probable time horizon in terms of conversion or redemption (Note 4.1.13),

- valuation of provisions, in particular retirement provisions and the decommissioning provision (see Note 4.1.11),

- The determination of the discount rate and the duration of the leases as part of the measurement of the lease liability under IFRS 16 "Leases" (see Note 4.1.12),

- measurement of provisions for impairment of trade receivables in accordance with IFRS 9,

- assessment of the possible activation of deferred tax assets (see Note 4.1.4).

Depending on changes in these assumptions or different economic conditions, the final amounts may differ from these estimates.

These estimates may be revised if the circumstances on which they were based change as a result of new information.

3. Highlights

3.1. Main events of the first half of 2021

3.1.1. Financing from the "Gaz Vert" infrastructure fund

A new tranche of the bond from the "Gaz Vert" infrastructure fund was drawn down in January 2021 for an amount of €1.2 million.

3.1.2. Development of activities in Spain

In line with the group's strategy to expand in Europe, a subsidiary was created in April 2021, SofiWaga Espana 1, wholly owned by Waga Energy SA.

3.1.3. OC 2021

The Combined General Meeting of 17 June 2021 delegated to the Board of Directors the authority to issue WAGA ENERGY SA convertible bonds (OCA 2021) for a total amount of €16 million (in two tranches). As of 30 June 2021, all of the OCA 2021 had been issued by the Board of Directors, but only a portion of these OCA 2021 had been subscribed at that date. The OCA 2021 issued and subscribed at 30 June 2021 represented a total amount of €2.5 million. The remaining OCA 2021 were subscribed in the first half of July 2021. As at 13 July 2021, all OCA 2021 had been subscribed (including €0.5 million through current account netting) and cashed. An amount of €6 million is mainly intended to finance WAGABOX(R) in Special Purpose Vehicles.

<u>OCA 2021 Tranche 1</u>

On 30 June 2021, the Company entered into a convertible bond issue agreement (OCA 2021 Tranche 1) with the companies Aliad, Les Saules, Tertium Croissance, Noria Invest SRL, Vol-V Impulsion and Swift, corresponding to additional financing of €9,999,980.10 through bonds convertible into new Company shares, fully subscribed on 13 July 2021.

At the end of this agreement, the Company issued 31,405 convertible bonds with a par value of €318.42 (*i.e.*, a total amount of €9,999,980.10) each maturing on 30 June 2023 and bearing interest at an annual

rate of 6%, and with a non-conversion premium of 3%. These bonds include an option for conversion into shares at the holders' request, either at maturity or, in the event of funds being raised before the maturity date, leading to a variable number of shares being obtained. In addition, in the event of an IPO between the Subscription date and the Maturity date, each OCA 2021 Tranche 1 will automatically become redeemable in cash by the Company with an IPO premium of 17.65% of the principal amount of the bond receivable, due from the date of approval of the prospectus by the AMF. The holder undertakes to subscribe by way of set-off for shares that will be offered to the public under the IPO.

As of 30 June 2021, €2.5 million had been subscribed for in Tranche 1.

OCA 2021 Tranche 2

On 30 June 2021, the Company issued 18,844 convertible bonds with a nominal value of €318.42 (*i.e.*, a total amount of €6,000,306.48), fully subscribed by Swift Gaz Vert on 13 July 2021 and bearing interest at the maximum annual interest rate of 9.2%.

The deadline for the redemption or conversion of the bonds into new shares of the Company was set at 30 July 2029.

The OCA 2021 Tranche 2 bonds are intended to be redeemed by the Company - in full or in part within a period of 18 to 24 months - in order to be subscribed again in the same proportions by Swift Gaz Vert within a new subsidiary to be created, "Waga Assets 2" (wholly-owned by Waga Energy SA and carrying WagaBox projects in Europe), with a deadline for the redemption or conversion of the bonds into new shares of said subsidiary set at 30 July 2029.

No obligations relating to Tranche 2 had been subscribed at 30 June 2021. As such, no debt has been recognised in the financial statements.

3.1.4. BSPCE

The Combined General Meeting of 17 June 2021 delegated to the Board of Directors the authority to issue and allocate BSPCE 2021 free of charge to employees and/or executives, up to a maximum amount of 20,000 BSPCEs or stock options; these were partially granted by the Board of Directors on 30 June 2021. Thus, 12,500 BSPCEs and 1,300 stock options were granted directly. A balance of 6,200 BSPCEs/stock options may still be issued by the Board of Directors until 17 December 2022.

3.2. Main events of the first half of 2020

3.2.1. Development of the fleet of WAGABOX® units

The Company put three new WAGABOX® units into operation during the first half of 2020. The WB8 units (Suez, Les Ventes-de-Bourse) and WB9 (Sivom de Saint-Gaudens, Liéoux) were commissioned on the exact date announced to customers at the signing of the contracts. The startup of Unit WB11 (Baudelet Environnement, Blaringhem) was delayed by two months due to restrictions on access to the storage site due to the Covid-19 crisis, which delayed work on the site in order to accommodate the WAGABOX® (civil engineering, earthworks, etc.)

3.3. Situation regarding the Covid-19 health crisis

The current Covid-19 health crisis and the promulgation of several health states of emergency constituted major events in the first halves of 2020 and 2021. In this respect, the assets and liabilities, expenses and income in the balance sheet and income statement respectively at 30 June 2021 are recognised and valued taking into account these events and their known or probable consequences at the reporting date.

The Covid-19 health crisis affects the entire global economy and has an impact on the group's activity that is still difficult to measure.

In this context, the group has continued to ensure the proper functioning of its operating units by controlling them remotely and mobilising its teams remotely or on-site, and operating continuity has not been called into question.

The new projects developed by the group are long-term infrastructure projects. The current health crisis and the containment measures generate significant economic and organisational uncertainty, and are thus liable to delay investment decisions by NHWSF (Non-Hazardous Waste Storage Facility) operators, as well as decisions by banking partners on the granting of financing.

The group is mobilising to strengthen its cash position and activate the government economic mechanisms for which the Company is eligible.

The current crisis reinforces the need to act to combat global warming and accelerate the energy transition.

The renewable energy sector (market conditions and associated financing) could offer opportunities and development prospects for industries in the sector.

SGLs were taken out with various banks in 2020 for a total of €2.6 million.

3.4. Seasonality

The group's activities are not subject to significant seasonality.

3.5. Going concern

The going concern assumption was adopted by the Board of Directors taking into account the following factors:

- Available cash at 30 June 2021 of €9.9 million,
- The issue on 30 June 2021 of bonds convertible into new shares of the Company ("OCA 2021") for a total amount of €16 million. These OCAs were fully subscribed, including €0.5 million through current account netting and cashed at 13 July 2021.

Management and the Board of Directors believe that these elements will enable the group to cover its needs over the next 12 months, *i.e.*, end-June 2022.

The Board of Directors has decided to adopt the following measures to ensure the group's financing beyond its liquidity horizon:

(i) Planned IPO of the Company's shares on the Euronext Paris market during the second half of 2021;

(ii) In the event that market conditions do not allow for the planned IPO, the Group could finance its future cash requirements through a combination of public or private capital increases, bank or bond financing, collaboration agreements, licences and development or other forms of non-dilutive financing.

3.6. Subsequent events

3.6.1. Planned Initial public offering on Euronext Paris

Waga Energy is seeking new sources of financing and is preparing, if market conditions allow, a capital increase and the admission to trading of its shares on the Euronext Paris regulated market during the second half of 2021.

3.7. Scope of consolidation

Controlled subsidiaries within the meaning of IFRS 10 "Consolidated financial statements", regardless of the group's equity interest, are fully consolidated. The notion of control represents "the power to affect the financial and operating policies of an affiliate in order to obtain benefits from its activities".

A subsidiary is an entity controlled by the group. The group controls a subsidiary when it is exposed or entitled to variable returns from its ties with the entity and has the ability to influence these returns due to the power it holds over it. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained and until the date on which control ceases.

The interests of minority shareholders are presented in the balance sheet and in the income statement as a separate category from the Group share.

3.7.1. 30 June 2021

SUBSIDIARIES	Percentage control		Percentage interest		Consolidation method
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	
WAGA ENERGY	100.00%	100.00%	100.00%	100.00%	Parent company
SOFIWAGA 1	49.00%	49.00%	49.00%	49.00%	Full consolidation
SOFIWAGA INFRA	49.00%	49.00%	49.00%	49.00%	Full consolidation
WAGA ENERGIE CANADA	100.00%	100.00%	100.00%	100.00%	Full consolidation
WAGA ENERGY INC (USA)	81.00%	81.00%	81.00%	81.00%	Full consolidation
WAGA ASSETS	100.00%	100.00%	100.00%	100.00%	Full consolidation
SP WAGA 1	100.00%	100.00%	100.00%	100.00%	Full consolidation
WAGA ASSETS VEHICULE 1	100.00%	100.00%	100.00%	100.00%	Full consolidation
WAGA ASSETS VEHICULE 2	100.00%	100.00%	100.00%	100.00%	Full consolidation
WAGA ASSETS VEHICULE 3	100.00%	100.00%	100.00%	100.00%	Full consolidation
WAGA ESPANA	100.00%		100.00%		Full consolidation

3.7.2. 30 June 2020

SUBSIDIARIES	Percentage control		Percentage interest		Consolidation method
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	
WAGA ENERGY	100.00%	100.00%	100.00%	100.00%	Parent company
SOFIWAGA 1	49.00%	49.00%	49.00%	49.00%	Full consolidation
SOFIWAGA INFRA	49.00%	49.00%	49.00%	49.00%	Full consolidation
WAGA ENERGIE CANADA	100.00%	100.00%	100.00%	100.00%	Full consolidation
WAGA ENERGY INC (USA)	81.00%	81.00%	81.00%	81.00%	Full consolidation
WAGA ASSETS	100.00%		100.00%		Full consolidation

3.8. Segment reporting

In accordance with IFRS 8 "Operating segments", an operating segment is a separate component:

- which engages in activities from which it is likely to acquire income from ordinary activities and incur expenses;

- whose operating results are regularly reviewed by the Chief Operating Officer in order to make decisions about resources to be allocated to the segment and to assess its performance, and

- for which isolated financial information is available.

The Group's Chief Operating Officer has been identified as the Chairman and Chief Executive Officer, who makes strategic decisions.

On this basis, the Company has identified a single operating segment corresponding to the **production of biomethane by purification of biogas from waste**.

The amount of revenue achieved with our four main customers at 30 June 2021 is respectively €2 million (*i.e.*, 39% of total revenue), €1 million (*i.e.*, 19%), €0.7 million (*i.e.*, 14%) and €0.7 million (*i.e.*, 14%).

Since financial year 2019, the group has been developing its international business with the creation of subsidiaries in the United States and Canada respectively in March and October 2019. In addition, a subsidiary was created in Spain in April 2021, whose activity remained insignificant at 30 June 2021. The geographic information required by IFRS 8.33 is presented below.

3.8.1. Income statement by geographic area 30 June 2021

INCOME STATEMENT (in thousands of euros)	30 June 2021	North America	France
Income from ordinary activities	5 193	33	5 161
Other income	222	0	222
Income from current activities	**5 415**	**33**	**5 382**
Purchases of goods and changes in inventories	-2 346	-3	-2 342
External expenses	-1 233	-229	-1 004
Taxes, duties and similar payments	-58	0	-57
Personnel expenses	-2 001	-142	-1 860
Other current operating income and expenses	4	0	4
Depreciation, amortisation and provisions	-984	-2	-982
Current operating income	**-1 203**	**-344**	**-859**
Other non-current operating income and expenses	-292	45	-337
Impairment of non-current assets	0	0	0
Operating income	**-1 495**	**-299**	**-1 196**
Cost of net financial debt	-597	-7	-590
Other financial income and expenses	-39	2	-41
Net finance income (expense)	**-636**	**-5**	**-631**
Income before tax	**-2 131**	**-304**	**-1 827**
Income tax	-128	0	-128
Subtotal	**-2 259**	**-304**	**-1 955**
Liaison account	0	0	0
Consolidated net income	**-2 259**	**-304**	**-1 955**

3.8.1. Income statement by geographic area 30 June 2020

INCOME STATEMENT (in thousands of euros)	30 June 2020	North America	France
Income from ordinary activities	4 455	18	4 437
Other income	172	0	172
Income from current activities	**4 627**	**18**	**4 609**
Purchases of goods and changes in inventories	-1 641	-2	-1 638
External expenses	-808	-111	-697
Taxes, duties and similar payments	-40	0	-40
Personnel expenses	-1 526	-188	-1 338
Other current operating income and expenses	-11	0	-11
Depreciation, amortisation and provisions	-875	0	-875
Current operating income	**-273**	**-283**	**10**
Other non-current operating income and expenses	0	0	0
Impairment of non-current assets	0	0	0
Operating income	**-273**	**-283**	**10**
Cost of net financial debt	-526	0	-526
Other financial income and expenses	-10	0	-10
Net finance income (expense)	**-536**	**0**	**-536**
Income before tax	**-809**	**-283**	**-526**
Income tax	-83	0	-83
Subtotal	**-892**	**-283**	**-609**
Liaison account	0	0	0
Consolidated net income	**-892**	**-283**	**-609**

3.8.2. Balance sheet by geographic area 30 June 2021

ASSETS (in thousands of euros)	30 June 2021	North America	France
Intangible assets	456	0	456
Property, plant and equipment	24 664	1 312	23 352
Non-current financial assets	901	9	892
Deferred tax assets	0	0	0
Total non-current assets	**26 021**	**1 321**	**24 699**
Inventories	1 206	160	1 046
Trade receivables and related accounts	2 496	33	2 462
Tax receivables	390	0	390
Other current assets	6 610	95	6 515
Cash and cash equivalents	9 881	743	9 137
Total current assets	**20 582**	**1 031**	**19 551**
Total assets	**46 602**	**2 352**	**44 250**

LIABILITIES (in thousands of euros)	30 June 2021	North America	France
Share capital	145	0	145
Premiums	10 824	0	10 824
Reserves	-4 081	-704	-3 377
Translation differences	16	16	0
Net income for the period attributable to the o	-2 396	-304	-2 092
Equity	4 507	-993	5 500
Non-controlling interests	1 485	-125	1 610
Equity	**5 992**	**-1 117**	**7 110**
Non-current provisions	635	0	635
Borrow ings and non-current financial liabilitie	25 894	56	25 838
Other non-current liabilities	978	0	978
Total non-current liabilities	**27 507**	**56**	**27 451**
Current provisions	0	0	0
Borrow ings and current financial liabilities	6 009	3	6 006
Trade payables and related accounts	4 296	873	3 422
Tax liabilities	187	0	187
Other current liabilities	2 608	933	1 675
Total current liabilities	**13 100**	**1 809**	**11 291**
Intercompany Liaison (Balance sheet)	0	1 602	-1 602
Total liabilities	**46 602**	**2 352**	**44 250**

3.8.3. Balance sheet by geographic area 31 December 2020

ASSETS (in thousands of euros)	31 December 2020	North America	France
Intangible assets	396	0	396
Property, plant and equipment	20 848	256	20 591
Non-current financial assets	232	9	223
Deferred tax assets	0	0	0
Total non-current assets	**21 475**	**265**	**21 210**
Inventories	841	0	841
Trade receivables and related accounts	2 051	0	2 051
Tax receivables	486	0	486
Other current assets	2 028	28	2 000
Cash and cash equivalents	16 001	235	15 767
Total current assets	**21 407**	**263**	**21 144**
Total assets	**42 882**	**528**	**42 354**

LIABILITIES (in thousands of euros)	31 December 2020	North America	France
Share capital	145	0	145
Premiums	10 824	0	10 824
Reserves	-2 093	-171	-1 922
Translation differences	52	52	0
Net income attributable to owners of the parent for the period	-2 179	-520	-1 659
Share capital attributable to owners of the parent	6 749	-639	7 388
Non-controlling interests	1 357	0	1 357
Equity	**8 106**	**-639**	**8 745**
Non-current provisions	561	0	561
Borrowings and non-current financial liabilities	23 062	98	22 964
Other non-current liabilities	1 039	0	1 039
Total non-current liabilities	**24 662**	**98**	**24 563**
Current provisions	0	0	0
Borrowings and current financial liabilities	5 506	1	5 505
Trade payables and related accounts	2 281	76	2 205
Tax liabilities	148	0	148
Other current liabilities	2 180	3	2 177
Total current liabilities	**10 115**	**80**	**10 035**
Intercompany Liaison (Balance sheet)	0	989	-989
Total liabilities	**42 882**	**528**	**42 354**

4. Notes to the consolidated financial statements

4.1. Notes to the consolidated statement of financial position

4.1.1. Intangible assets

Gross values (in thousands of euros)	Research and development costs	Concessions, patents and licences	Softwares	Other intangible assets	Total
Position at 1 January 2021	**371**	**216**	**91**	**0**	**678**
Increases in the period	95	0	11	0	106
Position at 30 June 2021	**466**	**216**	**102**	**0**	**784**

DEPRECIATION AND AMORTIZATION (in thousands of euros)	Research and development costs	Concessions, patents and licences	Softwares	Other intangible assets	Total
Position at 1 January 2021	**-59**	**-179**	**-45**	**0**	**-282**
Increases in the period	-15	-18	-12	0	-46
Position at 30 June 2021	**-74**	**-197**	**-57**	**0**	**-328**

NET VALUES (in thousands of euros)	Research and development costs	Concessions, patents and licences	Softwares	Other intangible assets	Total
Position at 1 January 2021	**312**	**37**	**47**	**0**	**396**
Position at 30 June 2021	**391**	**19**	**46**	**0**	**456**

Development costs correspond to the standardisation of the WAGABOX® design in application of IAS 38.

4.1.2. Property, plant and equipment

GROSS VALUES (in thousands of euros)	Constructions excluding IFRS 16	Constructions IFRS 16	Technical facilities, equipment & tools excluding IFRS 16 (*)	Technical facilities, equipment & tools IFRS 16	Other Property, plant and equipment excluding IFRS 16	Other Property, plant and equipment IFRS 16	Fixed assets in progress	Total	(*) including dismantling assets
Position at 1 January 2021	**175**	**555**	**18 924**	**3 412**	**296**	**97**	**1 062**	**24 521**	**192**
Increases in the period	6	0	1 232	139	45		3 313	4 735	
Decreases in the period			-40			-19		-58	
Reclassification and other			40				-40	0	
Position at 30 June 2021	**181**	**555**	**20 156**	**3 551**	**341**	**78**	**4 335**	**29 198**	**192**

DEPRECIATION, AMORTISATION AND IMPAIRMENT in thousands of euros	Constructions excluding IFRS 16	Constructions IFRS 16	Technical facilities, equipment & tools excluding IFRS 16 (*)	Technical facilities, equipment & tools IFRS 16	Other Property, plant and equipment excluding IFRS 16	Other Property, plant and equipment IFRS 16	Fixed assets in progress	Total	(*) including dismantling assets
Position at 1 January 2021	**-30**	**-182**	**-2 791**	**-508**	**-110**	**-53**	**0**	**-3 674**	**-28**
Increases in the period	-21	-52	-634	-120	-38	-12		-878	-12
Reversals for the period						19		19	
Position at 30 June 2021	**-51**	**-235**	**-3 425**	**-628**	**-148**	**-46**	**0**	**-4 533**	**-40**

NET VALUES (in thousands of euros)	Constructions excluding IFRS 16	Constructions IFRS 16	Technical facilities, equipment & tools excluding IFRS 16 (*)	Technical facilities, equipment & tools IFRS 16	Other Property, plant and equipment excluding IFRS 16	Other Property, plant and equipment IFRS 16	Fixed assets in progress	Total	(*) including dismantling assets
Position at 1 January 2021	**145**	**373**	**16 133**	**2 905**	**187**	**44**	**1 062**	**20 848**	**164**
Position at 30 June 2021	**130**	**320**	**16 731**	**2 923**	**193**	**32**	**4 335**	**24 664**	**152**

Technical facilities, equipment and tools mainly include WAGABOX® units.

The reduction in buildings included in the IFRS 16 scope for the first half of financial year 2020 corresponds to the relocation of the registered office of Waga Energy SA.

The sharp increases in technical facilities in the first halves of 2020 and 2021 correspond to WAGABOX® under construction.

Property, plant and equipment in progress mainly correspond to WAGABOX® units under construction. An analysis of impairment is carried out at each closing date for each CGU (*i.e.*, each WAGABOX®), by comparing the result achieved versus the expected result with regard to the initial business plan. No indication of impairment was noted.

In accordance with IAS 36 "Impairment of assets", at the end of each reporting period the group examines whether there is an indication of impairment of property, plant and equipment and intangible assets with finite useful lives. If there are such indications, the group performs an impairment test to assess whether the carrying amount of the asset is higher than its recoverable amount, defined as the higher of fair value less exit costs and value in use.

As of 30 June 2021, the group had not identified any indications of impairment, particularly in the context of the Covid-19 pandemic.

4.1.3. Non-current financial assets

NON-CURRENT FINANCIAL ASSETS (in thousands of euros)	30 June 2021	31 December 2020
Loans, guarantees and other receivables - non-current	901	232
Gross values	**901**	**232**
Impairment	0	0
Net values	**901**	**232**

The sharp increase in non-current financial assets in the first half of 2021 corresponds to a deposit relating to the financing of an international project.

4.1.4. Deferred tax assets

Current and previous tax assets and liabilities are measured at the amount that the Company expects to recover or pay to the tax authorities.

No deferred tax assets were recognised in addition to deferred tax liabilities in the group's consolidated financial statements at 30 June 2020 and 30 June 2021.

4.1.5. Inventories

INVENTORIES (in thousands of euros)	30 June 2021	31 December 2020
Inventories of spare parts	742	760
Work in progress	333	0
Inventories of goods	0	0
Nitrogen and carbon stocks	131	81
Gross values	**1 206**	**841**
Impairment		
Net values	**1 206**	**841**

The inventory of work in progress at 30 June 2021 corresponds to the construction of a cold box intended to be sold in 2022.

4.1.6. Trade receivables and related accounts

TRADE AND OTHER RECEIVABLES (in thousands of euros)	Gross value	Past due	Not past due	Impairment	Net value
Position at 30 June 2021	2 553	210	2 342	-57	2 496
Position at 31 December 2020	2 108	130	1 978	-57	2 051

Due to the non-material nature of receivables past due at over 120 days, this information has not been presented in the Group's consolidated financial statements.

4.1.7. Tax receivables

TAX CREDIT (in thousands of euros)	30 June 2021	31 December 2020
Research tax credit	365	440
Innovation tax credit	25	46
Tax receivables	**390**	**486**

4.1.8. Other current assets

OTHER CURRENT ASSETS (in thousands of euros)	30 June 2021	31 December 2020
Trade payables, advances and down payments, credit notes receivable	1 702	585
State, VAT	1 101	1 194
Investment grants	30	30
Receivables	56	13
Expenses to be spread over several periods	0	0
Prepaid expenses	1 190	205
Subscribed convertible bonds to be received	2 500	0
Other current assets	32	2
Total net other current assets	**6 610**	**2 028**

The steep rise in other current assets is mainly due to the increase in advances and down payments received, particularly in connection with the production of WAGABOX® in progress, as well as the increase in prepaid expenses following a membrane invoice received in May 2021 and for which delivery was made in July 2021.

Regarding the 2021 convertible bonds mentioned in Note 3.1.3, only the portion subscribed at 30 June 2021 has been recognised in the interim financial statements, *i.e.*, €2.5 million, and concerns the first tranche of the OC 2021.

4.1.9. Cash and cash equivalents

CASH AND CASH EQUIVALENTS (in thousands of euros)	30 June 2021	31 December 2020
Short-term investments	-	-
Cash	9 881	16 001
Total cash and cash equivalents	**9 881**	**16 001**

There are no cash restrictions on any of the periods presented.

4.1.10. Equity and details of dilutive instruments

In accordance with IFRS 2, the cost of transactions settled in equity instruments is recognised as an expense in the period in which the rights to benefit from the equity instruments are acquired, with an increase in equity as counterparty.

The group has applied IFRS 2 to all equity instruments granted to employees and Corporate Officers.

The fair value of Founders' warrants (BSPCEs) is determined by applying the Black & Scholes option pricing model (see Note 4.2.4).

The valuation methods used to estimate the fair value of options are described below:

- The share price used is equal, for the first BSPCE plan, to the subscription price of investors for the plans prior to the Company's listing, based on the last capital increase; For the second BSPCE and options plan, the share price used is the price of the last transaction between shareholders.

- The risk-free rate is determined according to the expected term of the instruments;

- Volatility was determined on the basis of a sample of listed companies in the group's business sector, at the date of allocation of the instruments and over a period equivalent to the life of the option;

- The expected term for the instruments has been estimated at 4.9 years;

- The prospect of payment of dividends over this term was considered nil;

- Staff turnover was not taken into account, as it was considered low for the population of beneficiaries of instruments.

The value of the options was recorded in the income statement as personnel expenses between the grant date and the maturity date (*i.e.*, over the vesting period), with an offset to equity. The expense was thus spread over the vesting period according to the terms and conditions giving entitlement to their vesting.

Waga Energy's share capital is composed of fully paid-up ordinary shares with a par value of one euro each.

Number of shares	Ordinary shares
Position at 1 January 2021	**144 794**
Capital increase - exercise of BSPCE/ABSA	-
Position at 30 June 2021	**144 794**

4.1.11. Provisions

PROVISIONS (in thousands of euros)	Dismantling	Pensions and retirement	Guarantee	Other	Total
Position at 1 January 2021	**215**	**194**	**95**	**57**	**561**
Increase in the financial year	12	41		46	99
Reversal of provisions used					0
Reversal of unused provisions				-11	-11
Actuarial (gains)/losses		-14			-14
Position at 30 June 2021	**226**	**221**	**95**	**93**	**635**
Less than one year at 30 June 2021	0	0	0	0	0
More than one year at 30 June 2021	226	221	95	93	635

4.1.12. Borrowings and financial liabilities

BORROWINGS AND FINANCIAL LIABILITIES (in thousands of euros)	31 December 2020	Issues	Repayments	Bond conversion	Reclassification/Other	30 june 2021
Bank loans	4 265				1 354	5 619
Associated liabilities	7 150		-112			7 038
Repayable advances	981					981
Bonds	2 600	130				2 730
Convertible bonds	5 220	1 546				6 766
IFRS 16 financial liabilities	2 846	139			-226	2 758
Non-current financial liabilities	**23 062**	**1 815**	**-112**		**1 128**	**25 894**
Bank loans	4 212		-338		-1 354	2 520
Associated liabilities	10					10
Repayable advances	798	28	-340		0	486
Bonds	0					0
Convertible bonds	16	2 500				2 516
IFRS 16 financial liabilities	437		-218		226	444
Other financial liabilities	33					33
Current financial liabilities	**5 506**	**2 528**	**-558**		**-1 128**	**6 009**
Total	**28 568**	**4 343**	**-670**	**0**	**0**	**31 903**

Maturity	30 june 2021
Less than 1 year	6 009
1-5 years	21 940
More than 5 years	3 954
Total	**31 903**

It should be noted that convertible bonds recognised as non-current financial liabilities correspond to convertible bonds issued to the "Gaz Vert" infrastructure fund. The change in bonds convertible into current financial liabilities corresponds to the OCA Tranche 1 bonds subscribed at 30 June 2021 (see Section 3.1.3).

Schedule with contractual and undiscounted cash flows:

	At 30 June 2021				
In thousands of euros	Less than 1 year	1-5 years	More than 5 years	Total contractual flows	Total as at closing date
Financial liabilities (excluding leases)	5 600	18 986	4 375	28 960	28 700
Lease-related liabilities	562	1 833	1 398	3 793	3 203
Total	**6 162**	**20 818**	**5 773**	**32 753**	**31 903**

4.1.13. Fair value of financial instruments

In accordance with the amendment to IFRS 7, the following table presents the items recognised at fair value by class of financial instruments according to the following hierarchy:

- Level 1: instruments directly listed on an active market,
- Level 2: instruments listed on an active market for a similar instrument, or whose valuation techniques are based on observable parameters,
- Level 3: instruments whose significant valuation parameters are not observable.

In thousands of euros	Carrying amount 30.06.2021	Level	Fair value	Assets/Liabilities at fair value through profit or loss	Assets/Liabilities at fair value through OCI	Assets/Liabilities at amortised cost
Non-current financial assets	901	3	901			901
Trade receivables and related accounts	2 496	2	2 496			2 496
Other current assets	5 509	2	5 509			5 509
Cash and cash equivalents	9 881	2	9 881			9 881
Total financial assets	**18 786**		**18 786**	**0**	**0**	**18 786**
Borrowings and non-current financial liabilities	25 894	2	25 894			25 894
Other non-current liabilities	978	2	978			978
Borrowings and current financial liabilities	6 009	2	6 009			6 009
Trade payables and related accounts	4 296	2	4 296			4 296
Other current liabilities	1 357	2	1 357			1 357
Total financial liabilities	**38 534**		**38 534**	**0**	**0**	**38 534**

As part of the analysis of the Convertible Bonds (OCA) 2021 Tranche 1, the successful completion of the current IPO project was considered highly probable. Consequently, the duration and the effective interest rate of the OCA take into account the IPO premium of 17.65%, insofar as the payability of the bond debt followed by its conversion into a variable number of shares is mandatory in the event of an IPO. The duration of the debt component was therefore estimated on the basis of the most probable introduction date envisaged (October 2021).

For the OCA 2021 Tranche 2, the fair value of the derivative representing the conversion option was considered to be nil, given the terms of its exercise. The entire nominal amount of the OCA was allocated to the debt component recognised at the effective interest rate.

4.1.14. Suppliers

TRADE PAYABLES AND RELATED ACCOUNTS (in € thousand)	30 June 2021	31 December 2020
Trade payables and related accounts	4 296	2 281
Total net trade payables	**4 296**	**2 281**

The sharp increase in trade payables of €2 million reflects the activity and WAGABOX® for which production is in progress.

4.1.15. Other current liabilities

Other current liabilities at 30 June 2021 and 31 December 2020 consist of the following items :

OTHER CURRENT LIABILITIES (in thousands of euros)	30 June 2021	31 December 2020
Social security liabilities	575	658
Tax liabilities	676	1 178
Advances and down payments received, credit notes to be prepared	958	31
Deferred income	373	312
Other liabilities	26	2
TOTAL	**2 608**	**2 180**

Deferred income corresponds to the current part of grants and additional premiums.

Other non-current liabilities, which amount to €978 thousand as at 30 June 2021, consist of the long-term portion of grants and additional premiums recognised.

4.2. Notes to the consolidated income statement

4.2.1. Income from ordinary activities

INCOME FROM ORDINARY ACTIVITIES (in thousands of euros)	30 June 2021		30 June 2020	
Gas sales	4 947	95%	4 033	91%
WagaBox sale	29	1%	206	5%
O&M	173	3%	193	4%
Other	45	1%	23	1%
Total income from ordinary activities	**5 193**	**100%**	**4 455**	**100%**

The sale of Wagabox® recorded in 2020 corresponds to the Wagabox® unit sold to Lorient Agglomération. O&M (Operating & Maintenance) is provided for the Wagabox® based in Lorient Agglomération.

The increase in revenue from gas sales at 30 June 2021 is due to the introduction of new Wagabox®, as well as by the improvement of the biogas treatment by Wagabox® already installed.

4.2.2. Purchases of goods and changes in inventories

PURCHASE OF GOODS (in thousands of euros)	30 June 2021		30 June 2020	
Spare parts	489	21%	115	7%
Raw materials	1 159	49%	914	56%
Subcontracting	369	16%	324	20%
Materials & Equipment	287	12%	245	15%
Other purchases	41	2%	43	3%
Total purchases of goods	**2 346**	**100%**	**1 641**	**100%**

4.2.3. External expenses

EXTERNAL EXPENSES (in thousands of euros)	30 June 2021		30 June 2020	
General subcontracting	0	0%	20	3%
Leases and lease expenses	125	10%	85	11%
Maintenance and repairs	61	5%	63	8%
Insurance premiums	163	13%	135	17%
Studies and research	0	0%	0	0%
Seconded staff	21	2%	10	1%
Remun. intermediaries & fees	645	52%	296	37%
Advertising	21	2%	17	2%
Transportation	30	2%	29	4%
Travel, assignments	72	6%	81	10%
Postal & Telecom costs	40	3%	30	4%
Banking services	14	1%	20	3%
Other external expenses	42	3%	23	3%
Total external expenses	**1 233**	**100%**	**808**	**100%**

Leases and rental expenses correspond to rental expenses retained in the income statement for the exemptions provided for by IFRS 16, and to property taxes.

4.2.4. Personnel expenses

Personnel expenses break down as follows:

PERSONNEL EXPENSES (in thousands of euros)	30 June 2021		30 June 2020	
Employee compensation	1 275	64%	854	60%
IFRS 2 expense	191	10%	191	11%
Social security charges	409	20%	392	23%
Other personnel expenses	86	4%	58	3%
Net provision for retirement benefit obliga	40	2%	31	2%
Total personnel expenses	**2 001**	**100%**	**1 526**	**100%**

AVERAGE HEADCOUNT	30 June 2021		30 June 2020	
Managers	31	62%	25	68%
Technicians and supervisors	17	34%	12	32%
Employees, w orkers & fixed-term contra	2	4%	-	0%
Average headcount	**50**	**100%**	**36**	**100%**

Share-based payments (IFRS 2)

Company Founders' Warrants ("BSPCEs") were awarded to executives and certain key employees (see Section 4.1.10), in several plans detailed below:

Types of securities	BSPCE 2019	BSPCE 2021	OPTIONS 2021
Date of the Board of Directors' meeting that awarded the warrants	18/12/2019	30/06/2021	30/06/2021
End of vesting	18/12/2023	30/06/2025	30/06/2025
Exercise price per new subscribed share	318,42	1000,00	1000,00
Vesting	-in the amount of 25% of the BSPCE held by the Holder at the end of a period of twenty-four (24) months from their grant date -the remaining balance, up to a twenty-fourth (1/24) at the end of each month elapsed at the end of the initial period of twenty-four (24) months, for a period of twenty-four (24) months	-in the amount of 25% of the BSPCE held by the Holder at the end of a period of twenty-four (24) months from their grant date -the remaining balance, up to a twenty-fourth (1/24) at the end of each month elapsed at the end of the initial period of twenty-four (24) months, for a period of twenty-four (24) months	-in the amount of 25% of the options held by the Holder at the end of a period of twenty-four (24) months from their grant date -the remaining balance, up to a twenty-fourth (1/24) at the end of each month elapsed at the end of the initial period of twenty-four (24) months, for a period of twenty-four (24) months
Validity period	17/12/2029	30/06/2031	30/06/2031
Number of warrants awarded at 31 December 2019	10 000	0	0
Number of warrants awarded at 31 December 2020	10 000	0	0
Number of warrants awarded at 30 June 2021	10 000	12 500	1 300
Maximum number of new shares that may be subscribed at 30 June 2021	**0**	**0**	**0**
Key data and assumptions	**BSPCE 2019**	**BSPCE 2021**	**OPTIONS 2021**
Maturity	10 years	10 years	10 years
Risk free rate	0,36%	-0,57%	-0,57%
Volatility	41%	48,6%	48,6%
Underlying price	318,42	1000,00	1000,00
Strike price	318,42	1000,00	1000,00
Fair value of the instrument	**€112,30**	**€366,81**	**€366,81**

These allocations resulted in an expense of €191 thousand in the first half of 2020 and an identical expense in the first half of 2021 for the BSPCE 2019 Plan. Given the allocation date of the 2021 BSPCE and 2021 Option plans, they do not impact the interim financial statements presented for the six months from1 January to 30 June 2021.

4.2.5. Other non-recurring operating income and expenses

The item "Other non-recurring operating income and expenses" shows a net expense of €292 thousand, which relates to experts' fees corresponding mainly to expenses incurred in connection with the IPO process currently in progress. In accordance with IAS 32, a portion of the costs relating to intermediaries and experts' fees incurred as part of the current IPO process was recognised as a deduction from shareholders' equity in the amount of €118 thousand, the remainder having been recognised as expenses in the income statement.

4.2.6. Net finance income (expense)

FINANCIAL INCOME (in thousands of euros)	30 June 2021	30 June 2020
Foreign exchange gains	0	0
Other financial income	3	0
Financial income	**3**	**0**
Interest on loans and conditional advances	597	526
Accretion	11	9
Foreign exchange losses	-2	0
Other financial expenses	34	1
Financial expenses	**640**	**536**
Net finance income (expense)	**-636**	**-536**

Net finance income (expense) includes all expenses related to the Company's financing (interest paid, accrued interest, accretion of repayable advances).

4.2.7. Income taxes

In the context of the interim financial statements, the tax expense is calculated for each taxable entity by applying, to the taxable income for the period, the effective annual tax rate estimated on the basis of forecasts made for the main group entities.

In €K	At 30 June 2021	At 30 June 2020
Current taxes	-128	-83
Deferred taxes	0	0
Total income tax	**-128**	**-83**

4.2.8. Earnings per share

The calculation of basic earnings per share is based on the weighted average number of ordinary shares outstanding during the period, while the calculation of diluted earnings per share also includes all potentially dilutive ordinary shares if they meet certain criteria laid down in IAS 33.

Basic earnings per share are obtained by dividing net income attributable to owners of the parent by the weighted average number of ordinary shares outstanding.

Diluted earnings per share are obtained by dividing net income attributable to owners of the parent by the weighted average number of shares adjusted for the maximum impact of the conversion of dilutive instruments into ordinary shares using the share buyback method.

Using this method, the funds raised by potentially dilutive financial instruments are allocated to share buybacks at their market value. The dilutive effect of shares potentially arising from stock option plans (BSPCE) or convertible instruments is not reflected in the calculation of diluted earnings per share, due to the losses incurred.

The dilution is obtained by the difference between the theoretical amount of shares that would be bought back and the number of potentially dilutive options.

EARNINGS PER SHARE	30 June 2021	30 June 2020
Net income attributable to holders of ordinary shares	-2 395 934	-1 068 546
Number of ordinary shares	144 794	140 397
Weighted average number of ordinary shares outstanding	144 794	140 397
Weighted average number of ordinary and potential shares	154 794	150 397
Earnings per share in euros	**-16,55**	**-7,61**
Diluted earnings per share in euros	**-16,55**	**-7,61**

4.3. Off-balance sheet commitments

Financial commitments received correspond to guarantees granted by the French State or BPI France to lenders in respect of bank loan agreements.

Pledges given correspond mainly to guarantees granted in connection with the 2020 bond issue, as part of the financing of WAGABOX® units. Pledges also include equipment pledges for the benefit of lenders.

FINANCIAL COMMITMENT (en k€)	30 June 2021	31 December 2020	30 June 2020
Commitments given			
Endorsements, sureties and guarantees given	-2 089	-1 410	-1 410
Pledges	-13 534	-11 725	-3 536
Other	-1 000	-1 030	-1 030
Commitments given	**-16 624**	**-14 165**	**-5 976**
Commitments received			
Endorsements, sureties and guarantees received	5 523	5 523	5 523
Pledges		0	0
Other		0	0
Commitments received	**5 523**	**5 523**	**5 523**
Net commitments	**-11 101**	**-8 642**	**-453**

4.4. Transactions with related parties

Related parties with which transactions are carried out include companies and individuals directly or indirectly associated with the group, and entities that directly or indirectly hold an interest in the Group.

These transactions are carried out under arm's length conditions.

All these transactions were recorded in accordance with IAS 24 and their impact on the group's consolidated financial statements is as follows, by type and related party:

4.4.1. 30 June 2021

In EUR thousand

Related Party	Nature of related party	Description of the transaction	Balance sheet	Income statement
Air Liquide Venture Capital (ALIAD)	*Shareholder*	Assistance agreement	0	5
Starquest	*Shareholder*	Assistance agreement	0	1
Les Saules	*Shareholder*	Assistance agreement	0	1
Société Européenne de Gestion de l'Energie (SEGE)	*Company in the same group as a shareholder with more than 10% of the shares*	Biomethane purchase agreement	175	987
Air Liquide France Industrie (ALFI)	*Company in the same group as a shareholder with more than 10% of the shares*	Framework nitrogen lease and nitrogen purchase	21	82
Ornalys SPRL	*Company employing a Director*	Contract for the provision of strategic support services	2	10
Les Saules	*Shareholder*	Shareholder's current account	2 025	25
Holweb	*Shareholder*	Shareholder's current account	101	1

EXECUTIVE COMPENSATION (in thousands of euros)	Total at 30 June 2021	Short-term compensation (1)	Share-based compensation (2)
Nicolas PAGET	50,78	50,78	0
Mathieu LEFEBVRE	51,66	51,66	0
Executive compensation	**102,45**	**102,45**	**0**

(1) Includes gross salaries, compensation, bonuses, incentives, directors' attendance fees and benefits in kind.

(2) This amount corresponds to the annual expense related to the allocation of BSPCEs as well as stock option grants.

4.4.2. 30 June 2020

In EUR thousand

Related Party	Nature of related party	Description of the transaction	Balance sheet	Income statement
Air Liquide Venture Capital (ALIAD)	*Shareholder*	Assistance agreement	6	5
Starquest	*Shareholder*	Assistance agreement	12	1
Les Saules	*Shareholder*	Assistance agreement	12	1
Société Européenne de Gestion de l'Energie (SEGE)	*Company in the same group as a shareholder with more than 10% of the shares*	Biomethane purchase agreement	217	636
Air Liquide France Industrie (ALFI)	*Company in the same group as a shareholder with more than 10% of the shares*	Framework nitrogen lease and nitrogen purchase	6	49
Ornalys SPRL	*Company employing a Director*	Contract for the provision of strategic support services	2	10
Les Saules	*Shareholder*	Shareholder's current account	0	0
Holweb	*Shareholder*	Shareholder's current account	0	0

EXECUTIVE COMPENSATION (in thousands of euros)	Total at 30 June 2020	Short-term compensation (1)	Share-based compensation (2)
Nicolas PAGET	50,78	50,78	0
Mathieu LEFEBVRE	51,66	51,66	0
Executive compensation	**102,45**	**102,45**	**0**

(1) Includes gross salaries, compensation, bonuses, incentives, directors' attendance fees and benefits in kind.

(2) This amount corresponds to the annual expense related to the allocation of BSPCEs as well as stock option grants.

5. Risk management

The Group's policy is not to subscribe to financial instruments for speculative purposes.

The main risks to which the Group is exposed are liquidity risk, interest rate risk and credit risk.

The Group believes that it is not significantly exposed to foreign exchange risk.

5.1. Liquidity risks

Since its creation, the group has financed its growth through successive capital increases, bond issues, repayable advances, state-guaranteed loans and the repayment of Research Tax Credit receivables.

Cash and cash equivalents amounted to €9.9 million as at 30 June 2021 and financial liabilities amounted to €31.9 million (of which €3.2 million related to leases and finance leases). Current financial liabilities amount to €6 million.

Some contracts have restrictions on the use of capital:

Convertible bond agreement with a "green" infrastructure fund

As part of the convertible bond issue for a maximum total amount of €80 million, with an outstanding amount limited to €20 million, carried out by the group with a "green" infrastructure fund, the contract contains certain undertakings, and notably:

- an undertaking by the issuer to distribute dividends under certain specific conditions listed in the contract;
- an undertaking to comply with financial covenants;
- an undertaking not to sell assets;
- an undertaking not to provide certain sureties; and
- an undertaking not to carry out certain changes of control.

Each case is subject to the usual exceptions for this type of financing. At the end of the year, all commitments, particularly with respect to financial covenants, were met.

Bpifrance Financement loan

The debt contracted by the Group with Bpifrance Financement on 3 October 2019 is subject to mandatory early repayment in full in the event of the occurrence of certain events, such as a change in control of the Company; voluntary early repayment may be made at the Company's discretion subject to the payment of compensation equal to 5% of the capital repaid early.

OCA 2021 Tranche 2

The OCA 2021 Tranche 2 bond includes a specific restriction making the payment of dividends by the Company subject to the payment of all sums due to financial parties in respect of these convertible bonds.

It is expected that the Company will be required to redeem in advance all or part of the OCA 2021 Tranche 2 and that, in return, the Holders will have to reuse the amounts thus redeemed in the corresponding subscription to a convertible bond issue by a subsidiary of the Company (the "Issue Programme").

Under the issue programme, the subscriber would be able to request early repayment of the amounts due under the bond in the event of a change of control of the issuer, a subsidiary of the Company. Concerning this bond, subscribers would benefit from collateral such as the pledging of the subsidiary's securities and the Company's current account balance in the subsidiary.

In connection with bank loans or bonds subscribed, the group has undertaken to comply with financial covenants, notably relating to *pari passu* clauses, cross-default clauses, compliance with financial ratios (ratio of debt service coverage by available liquidity or level of gearing), or specific debt levels.

Please refer to Note 3.5 “Going concern” for more information on the group’s liquidity horizon as part of the closing of the financial statements at 30 June 2021.

5.2. Interest rate risks

Interest rate risk represents the group’s exposure to changes in market interest rates.

Changes in interest rates could affect returns on cash and term deposits. Nevertheless, this risk is not considered significant given the absence of term deposits held by the group.

All of the group’s debts were taken out at fixed rates.

5.3. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as exposures related to customer credit, including unpaid receivables and committed transactions.

The credit risk related to cash, cash equivalents and deposits with banks and financial institutions is not deemed significant, as the group only has liquidity and investments with leading banks.

As the outstanding receivables mainly include VAT receivables and research tax credits (“CIR”) granted by the French State, the Group does not bear any significant credit risk.

The credit risk related to trade receivables is considered to be controlled by the group because whenever risks are identified they are provisioned.

5.4. Currency risk

The main risks related to foreign exchange impacts are not considered significant due to the low level of activity of its subsidiaries abroad.

At its stage of development, the group has not made any hedging arrangements to protect its business against exchange rate fluctuations.

On the other hand, the group cannot rule out the possibility that a significant increase in its activity would result in greater exposure to foreign exchange risk.

The group will then consider adopting an appropriate policy to hedge these risks. If it were to fail to make effective foreign exchange hedging arrangements in the future, its results could be affected.

18.3 Audit of historical annual and half-yearly financial information

18.3.1 Statutory Auditors' report on the consolidated financial statements

BM&A ERNST & YOUNG et Autres

Waga Energy

Year ended December 31, 2018, 2019 and 2020

Waga Energy's statutory auditors' report on the consolidated financial statements

BM&A
11, rue de Laborde
75008 Paris

S.A.S. au capital de € 1 200 000
348 461 443 R.C.S. Paris

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versaille et du Centre

Waga Energy

Year ended December 31, 2018, 2019 and 2020

Waga Energy's statutory auditors' report on the consolidated financial statements

To the Board members,

In our capacity as statutory auditors' of the company MAAT Pharma and in accordance with Commission Regulation (UE) 2017/1129 supplemented by Commission Delegated Regulation (EU) n°2019/980 in the context of the contemplated offer to the public and admission of equity securities of the Company to trading on the regulated market of Euronext Paris, we have audited the accompanying consolidated financial statements prepared for the purpose of the registration document under International Financial Reporting Standards ("IFRS") as adopted by the European Union for the years ended 2018, 2019 and 2020 (thereafter the "Consolidated Financial Statements").

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

These Consolidated Financial Statements are the responsibility of the Board of Directors. Our role is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selections, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements prepared for the purpose of the registration document, present fairly, in all material respects, the assets and liabilities and the financial position of the Company as at December 31 2018, 2019 and 2020, and the results of its operations for the years then ended in accordance with IFRS as adopted by the European Union.

Paris and Paris-La Défense, September 27, 2021

The statutory auditors

BM&A	ERNST & YOUNG et Autres
Alexis Thura	Cédric Garcia

18.3.2 Statutory Auditors' limited review of the condensed interim consolidated financial statements

BM&A ERNST & YOUNG et Autres

Waga Energy

Period from January 1 to June 30, 2021

Waga Energy's statutory auditors' review report on the 2021 interim financial information

BM&A
11, rue de Laborde
75008 Paris

S.A.S. au capital de € 1 200 000
348 461 443 R.C.S. Paris

Commissaire aux Comptes
Membre de la compagnie
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438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versaille et du Centre

Waga Energy

Period from January 1 to June 30, 2021

Waga Energy's statutory auditors' review report on the 2021 interim financial information

To the Chief Executive Officer,

In our capacity as statutory auditor of Waga Energy and in accordance with your request in connection with the contemplated offer to the public and admission of equity securities of the Company to trading on the regulated market of Euronext Paris, we have performed a review of interim condensed consolidated financial statements , the accompanying "Financial Information" for the period from January 1 to June 30, 2021.

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

The preparation of this Financial Information is the responsibility of the board of directors. Our role is to express a conclusion on this Financial Information based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Paris and Paris-La Défense, September 27, 2021

The statutory auditors

BM&A	ERNST & YOUNG et Autres
Alexis Thura	Cédric Garcia

18.4 *Pro forma* financial information

Not applicable.

18.5 Dividend policy

The restrictions applicable to the distribution of dividends by the Company in respect of the Group's main bonds outstanding are described below. For more details on the terms and conditions of these Group bonds, please refer to Sections 8.3 and 8.4 of this Registration Document.

The documentation relating to the OCA 2021 Tranche 2 issued by the Company authorises the distribution of dividends subject to the payment of all amounts owed to the financial parties and due on the date of the planned distribution in respect of these convertible bonds.

Notwithstanding the above, no dividend payment policy is planned in the short or medium term, given the Company's stage of development, in order to use available resources to finance its development plan.

18.6 Legal and arbitration proceedings

As at the date of the Registration Document, the Company is not aware of any governmental, legal or arbitration proceedings, pending or threatened, that are liable to have or that have had significant effects on the Company's or Group's financial position or profitability in the past 12 months.

18.7 Significant change in financial or business position

With the exception of what is described in the Registration Document, to the best of the Company's knowledge, there has been no significant change in the Group's financial or commercial position since 30 June 2021.

19. ADDITIONAL INFORMATION

19.1 Share capital

19.1.1 Amount of share capital

As at the date of the Registration Document, the Company's share capital amounted to €144,794, divided into 144,794 fully paid-up shares with a par value of one euro each.

The Company's share capital consists of 144,794 ordinary shares.

To the best of its knowledge, the Company has no pledge on a significant portion of its capital.

A General Meeting of the Company's shareholders will be held prior to the approval by the AMF of the prospectus relating to the admission of the Company's shares to trading on the Euronext Paris regulated market, for the purposes of proceeding with a division by 100 of the par value of the Company's shares, without affecting the amount of the share capital.

19.1.2 Securities not representing capital

See Section 19.1.4 "Other securities giving access to the share capital" of the Registration Document.

19.1.3 Shares held by the Company

At the date of approval of the Registration Document, the Company does not hold any of its own shares and no Company shares are held by a third party on its behalf.

The General Meeting that should be held no later than the day of approval by the AMF of the prospectus relating to the admission to trading of the Company's shares on the Euronext Paris regulated market, will authorise, for a period of 18 months from the date of the Meeting, the Board of Directors to implement a Company share buyback program in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code and Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse and in accordance with the AMF General Regulation under the conditions described below:

Maximum number of shares that may be purchased: 10% of the total number of shares comprising its share capital at the date of the share buyback. When the shares are acquired for the purpose of promoting the market for and liquidity of the shares, the number of shares taken into account for the calculation of the aforementioned limit of 10% corresponds to the number of shares purchased, after deduction of the number of shares resold during the term of the authorisation.

Purpose of share buybacks:

- to promote the market for and liquidity of the Company's securities under a liquidity contract to be entered into with an independent investment services provider, in accordance with a code of ethics recognised by the AMF; and/or

- to allow the fulfilment of obligations related to stock option programs, free share allocations, employee savings plans or other share allocations to employees of the Company or an associate company, including (i) the implementation of any stock option plan of the Company in accordance with the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, (ii) the allocation of existing shares to employees under profit-sharing schemes and the implementation of any company savings plan in accordance with the conditions provided for by law, in particular Articles L. 3332-1 to L. 3332-8 *et seq.* of the French Labour Code, or (iii) the free allocation of existing shares in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; and/or

- to deliver shares upon the exercise of rights attached to marketable securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or in any other manner, in compliance with the regulations in force; and/or

- the cancellation of all or part of the shares thus bought back, subject to a specific resolution; and/or

- more generally, to carry out any transaction in accordance with the regulations in force.

Maximum purchase price: 300% (excluding acquisition costs) of the price per new share determined as part of the admission of the Company's shares to trading on the Euronext Paris regulated market, subject to adjustments to take into account the impact of new transactions on the Company's share capital, in particular changes in the par value of the share, capital increases by incorporation of reserves, allocation of free shares, division or consolidation of securities, distribution of reserves or any other assets, amortisation of capital, or any other transaction affecting shareholders' equity.

Maximum amount of funds that may be allocated to share buybacks: €20,000,000.

The shares thus purchased may be cancelled.

It is specified that the setting up of the share buyback programme and its implementation will be the subject of communications in accordance with the legal and regulatory provisions.

19.1.4 Other securities giving access to the share capital

The securities giving access to the Company's share capital, as at the date of the Registration Document, are presented in the tables below:

Shares with equity warrants ("**ABSA**")

	ABSA		ABSA for the benefit of Holweb SAS
Date of the General Meeting's decision	15 October 2019	15 October 2019	23 June 2020
Date of the Board of Directors' decision	28 October 2019-	28 October 2019-	9 July 2020
Maximum number	-	-	4,710
Total number of ABSA issued	14,777 new ABSAs as part of the conversion of all the 33,334 OCA 2017 and 77,780 OCA 2018.	15,702 new ABSA	4,397
Par value	€1	€1	€1
Subscription price	€270.66 (issue premium included)	€318.42 (issue premium included)	€318.42 (issue premium included)
Maximum number of ratchet warrants attached to ABSAs	-	-	4,710
Number of ratchet warrants issued	14,777	15,702	4,397
Total	34,876		

Bonds convertible into shares of the Company ("**OCA**")

- OCA with Eiffel Gaz Vert
- OCA 2021 Tranche 1 and OCA 2021 Tranche 2

(See the description in Section 8.3.3 "Bonds".)

Stock options

The Combined General Meeting of the Company of 17 June 2021 voted, in its 28th resolution, to delegate authority to the Board of Directors to issue a maximum number of 20,000 stock options ("**Stock Options 2021**"), for the benefit of named employees of the Company or of a company in which the Company holds, directly or indirectly, at least 10% of the share capital or voting rights and meeting the conditions of Articles L. 225-180 and L. 225-185 paragraph 4 of the French Commercial Code. On 30 June 2021, the Company's Board of Directors issued 1,300 Stock Options 2021 for the benefit of certain employees of the Company's subsidiaries Waga Energie Canada and Waga Energy Inc., respectively. On 8 September 2021, the Board of Directors of the Company issued 850 Stock Options 2021 to certain employees of the Company's subsidiaries, respectively Waga Energie Canada and Sofiwaga Espana 1 SL.

(See also Tables 8 and 9 in Section 13.1.2 "Compensation of Executive Corporate Officers".)

As of the date of this Registration Document, 2,150 stock options have been granted by the Company. In accordance with their characteristics, each stock option gives the right, in the event of exercise, to one ordinary share of the Company, representing a total dilution for all stock options of approximately 1% of the Company's share capital. In the event of the adoption by the general meeting scheduled for 8 October 2021 of the tenth resolution relating to the division by 100 of the nominal value of the Company's shares and the corresponding multiplication by 100 of the number of shares of the Company, each stock option granted as at the date of this Registration Document will henceforth give the right, upon exercise, to 100 ordinary shares, the exercise price of the relevant stock option remaining unchanged. The total balance of 5,350 Stock Options 2021/BSPCE 2021 remaining attributable but not yet allocated on the basis of the delegation adopted by the combined general meeting of 17 June 2021 will automatically lapse as a result of the adoption by the general meeting scheduled for 8 October 2021 of a new delegation for the purpose of issuing and allocating new stock options.

BSPCE

The combined general meeting of the Company held on 17 June 2021 voted, in its 25th resolution, to delegate to the Board of Directors the power to issue, on one or more occasions, a maximum number of 20,000 warrants to subscribe for business creator shares ("**BSPCE 2021**"), free of charge, to the benefit of employees and/or managers (assimilated to employees for tax purposes) and/or directors of the Company (and/or companies in which the Company holds at least 75% of the capital or voting rights), in accordance with the provisions of Article 163 bis G of the French General Tax Code. On 30 June 2021, the Board of Directors of the Company issued 12,500 BSPCE2021 to employees, officers and directors of the Company, in addition to the 10,000 BSPCE2019 issued by the Board of Directors on 18 December 2019.

(See Tables 4, 5, 8 and 9 in Section 13.1.2 "Compensation of executive corporate officers".)

As of the date of this Registration Document, 22,500 BSPCEs have been granted by the Company. In accordance with their characteristics, each BSPCE gives the right, in case of exercise, to one ordinary share of the Company, representing a total dilution for all BSPCEs granted of approximately 10% of the

Company's share capital. In the event of the adoption by the general meeting scheduled for 8 October 2021 of the tenth resolution relating to the division by 100 of the nominal value of the Company's shares and the corresponding multiplication by 100 of the number of shares of the Company, each BSPCE granted on the date of this Registration Document will henceforth give the right, in the event of exercise, to 100 ordinary shares, the exercise price of the BSPCE concerned remaining unchanged. The total balance of 5,350 Options2021/BSPCE2021 remaining attributable but not yet granted on the basis of the delegation adopted by the combined general meeting of 17 June 2021 will automatically lapse as a result of the adoption by the general meeting scheduled for 8 October 2021 of a new delegation to issue and grant new BSPCE.

Summary of dilutive instruments

	ABSA	OCA Tranche 1	OCA Tranche 2	Share subscription options	BSPCE	Total
Total number of shares that may be subscribed upon exercise of ABSAs, OCAs, stock options or free shares	Ratchet warrants attached to the 34,876 ABSAs issued by the Shareholders' General Meeting of 15/10/2019 and the General Meeting of 23/06/2020 automatically lapsed on the day of the IPO.	31.405 OCA2021 Tranche 1 *(based on one OCA = one share)*	18,844 OCA 2021 Tranche 2 *(based on one OCA = one share)*	2,150 options 2021 *(based on one option = one share)*	10,000 BSPCE 2019 12,500 BSPCE 2021 *(based on one BSPCE = one share)*	74,899
Potential dilution	0	31,405	18,844	2,150	22,500	74,899
Potential dilution in percentage On the basis of a fully diluted number of shares of 219,693 shares, *i.e.*, 144,794 shares of share capital + 74,899 new shares	0%	14%	9%	1%	10%	34%

The OCAs with Eiffel Gaz Vert were subscribed by Waga Assets, a subsidiary of the Company, and do not allow for a possible conversion into shares of the Company (see Section 8.1 of this Registration Document).

19.1.5 Acquisition conditions

A General Meeting of the Company's shareholders will be held on 8 October 2021, prior to the approval by the AMF of the prospectus relating to the admission of the Company's shares to trading on the Euronext Paris regulated market, for the purposes of adopting the financial delegations described below.

Nature of the delegation	Ceiling (nominal amount)	Duration	Common ceiling
Authorisation to be given to the Board of Directors for the Company to purchase its own shares (8th resolution)	Maximum number of shares: limit of 10% of the total number of shares comprising the share capital	18 months	N/A
Authorisation to be given to the Board of Directors to reduce the share capital by cancelling shares as part of the authorisation to buy back its own shares (9th resolution)	Limit of 10% of the share capital per period of 24 months	18 months	N/A
Division by 100 of the par value of the Company's ordinary shares and corresponding multiplication by 100 of the number of ordinary shares of the Company, and corresponding amendment to the Articles of Association (10th resolution)	N/A	N/A	N/A
Delegation of authority to be granted to the Board of Directors with a view to increasing the share capital by issuing ordinary shares and/or any marketable securities, with preferential subscription rights for shareholders. (11th resolution)	Capital increase: €108,595.50 Debt securities: €150,000,000	26 months	Common ceiling for the 11th, 12th, 13th, 14th, 16th, 17th and 18th €108,595.50
Delegation of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or any marketable securities with cancellation of shareholders' preferential subscription rights and offering to the public (separately from the offers referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code) (12th resolution)	Capital increase: €72,397 Debt securities: €150,000,000	26 months	Common ceiling for the 11th, 12th, 13th, 14th, 16th, 17th and 18th €108,595.50
Delegation of authority to be granted to the Board of Directors with a view to increasing the share capital by issuing ordinary shares and/or any marketable securities, with cancellation of shareholders' preferential subscription rights in the context of a public offering for qualified investors or a limited circle of investors referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code. (13th resolution)	Within the limit of 20% of the Company's share capital per 12-month period Debt securities: €150,000,000	26 months	Common ceiling for the 11th, 12th, 13th, 14th, 16th, 17th and 18th €108,595.50
Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	15% of the initial issue	26 months	N/A

(14th resolution)			
Authorisation to be granted to the Board of Directors, in the event of the issue of shares or any marketable securities with cancellation of shareholders' preferential subscription rights, to set the issue price within the limit of 10% of the share capital. (15th resolution)	the issue price of the ordinary shares will be at least equal to the volume-weighted average of the last three (3) trading sessions preceding its setting, possibly reduced by a maximum discount of 20%	26 months	N/A
Delegation of authority to be granted to the Board of Directors for the purpose of approving the issue of ordinary shares or securities giving access to ordinary shares to be issued by the Company immediately or in the future, with cancellation of shareholders' preferential subscription rights in favour of certain categories of beneficiaries (16th resolution)	Capital increase: €72,397 Debt securities: €150,000,000	18 months	Common ceiling for the 11th, 12th, 13th, 14th, 16th, 17th and 18th €108,595.50
Delegation of authority to be granted to the Board of Directors to issue ordinary shares and marketable securities giving access to the Company's share capital, in the event of a public offer including an exchange component initiated by the Company. (17th resolution)	Capital increase: €72,397 Debt securities: €150,000,000	26 months	Common ceiling for the 11th, 12th, 13th, 14th, 16th, 17th and 18th €108,595.50
Delegation of authority to be granted to the Board of Directors for the purpose of deciding on the issue of ordinary shares of the Company or marketable securities giving access by any means, immediately and/or in the future, to ordinary shares of the Company, up to a limit of 10% of the share capital, to remunerate contributions in kind of equity securities or marketable securities giving access to the capital of third-party companies outside of a public exchange offer. (18th resolution)	Within the limit of 10% of the share capital Debt securities: €150,000,000	26 months	Common ceiling for the 11th, 12th, 13th, 14th, 16th, 17th and 18th €108,595.50
Delegation of authority to be granted to the Board of Directors to increase the share capital through the incorporation of premiums, reserves, profits or other (20th resolution)	Capital increase: €72,397	26 months	N/A
Delegation of authority to be granted to the Board of Directors for the purpose of issuing and allocating share subscription warrants for the benefit of (i) members and non-voting members of the Company's Board of Directors in office at the date of the allocation of warrants who are not employees or executives of the Company or one of its subsidiaries, or (ii) persons bound by a service or consultancy contract to the Company or one of its subsidiaries, or (iii) members	723,970 shares with a par value of €0.01	18 months	Common ceiling for the 21st, 22nd, 23rd and 24th 723,970 shares with a par value of €0.01

of any committee set up or to be set up by the Board of Directors who are not employees or executives of the Company or one of its subsidiaries, subject to the non-retroactive condition precedent of the IPO. (21st resolution)			
Authorisation to be given to the Board of Directors to grant stock options in the Company (22nd resolution)	723,970 shares with a par value of €0.01	38 months	Common ceiling for the 21st, 22nd, 23rd and 24th 723,970 shares with a par value of €0.01
Authorisation to be given to the Board of Directors to allocate free shares, either existing or to be issued (23rd resolution)	723,970 shares with a par value of 0.01 euro	38 months	Common ceiling for the 21st, 22nd, 23rd and 24th 723,970 shares with a par value of 0.01 euro
Authorisation to be given to the Board of Directors to allocate founders' warrants free of charge to the Company's employees and executives. (24th resolution)	723,970 shares with a par value of €0.01		Common ceiling for the 21st, 22nd, 23rd and 24th 723,970 shares with a par value of €0.01
Delegation to be granted to the Board of Directors to increase the share capital by issuing shares and marketable securities giving access to the Company's share capital for the benefit of employees participating in the company savings plan. (26th resolution)	Capital increase: €7,2397.70 Debt securities: €150,000,000	18 months	€108,595.50

19.1.6 Information on the share capital of any member of the Group that is the subject of an option or an agreement to place it under option and details of such options

Not applicable.

19.1.7 History of share capital

19.1.7.1 *Change in share capital*

The table below summarises changes in the share capital over the last three financial years.

Transaction date(s)	Nature of transaction	Number of shares issued or cancelled	Nominal amount (€)	Issue or contribution premium (€)	Cumulative nominal amount of share capital (€)	Total number of shares outstanding	Par value (€)
Combined General Meeting of 15 October 2019 and Board of Directors' meeting of 28 October 2019	Capital increase through the creation and issue of ordinary shares without preferential subscription rights	15,702	€15,702	-	€125,620	125,620	€1

Transaction date(s)	Nature of transaction	Number of shares issued or cancelled	Nominal amount (€)	Issue or contribution premium (€)	Cumulative nominal amount of share capital (€)	Total number of shares outstanding	Par value (€)
Combined General Meeting of 15 October 2019 and Board of Directors' meeting of 28 October 2019	Capital increase by conversion of OCA[22]	14,777	€14,777	-	€140,397	140,397	€1
Combined General Meeting of 15 October 2019 and Board of Directors' meeting of 28 October 2019	Conversion of priority dividend shares (ADP) into ordinary shares	49,918	€49,918	-	€140,397	140,397	€1
Board of Directors' meeting of 9 July 2020 as delegated by the Combined General Meeting of 23 June 2020	Capital increase through the creation and issue of ordinary shares	4,397	€4,397	-	€144,794	144,794	€1

19.1.7.2 *Changes in the Company's share capital over the past three financial years*

	Position at 31 December 2018		Position at 31 December 2019		Position at 31 December 2020	
	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights
Mathieu Lefebvre	24,600	22.38%	24,600	17.52%	17,600	12.16%
Nicolas Paget	12,599	11.46%	12,599	8.97%	10,200	7.04%
Guénaël Prince	12,599	11.46%	12,599	8.97%	8,599	5.94%
Holweb SAS*					18,075	12,48%
Total Corporate Officers	***49,798***	***45.30%***	***49,798***	***35.46%***	***54,474***	***37,62%***
Minority founders	476	0.43%	476	0.34%	197	0.14%
Benoit Lemaignan	10,199	9.28%	10,199	7.26%	10,199	7.04%

[22] *All of the following convertible bond classes were converted: OCA 2017 and OCA 2018.*

	Position at 31 December 2018		Position at 31 December 2019		Position at 31 December 2020	
	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights
Total other founders	***10,675***	***9.71%***	***10,675***	***7.60%***	***10,396***	***7.18%***
Starquest Anti-Fragile 2015	13,889	12.63%	13,889	9.89%	13,889	9.59%
Aliad SA	21,668	19.71%	27,357	19.48%	27,357	18.89%
Les Saules SARL	13,888	12.63%	18,063	12.86%	18,063	12.47%
E Sale Maris (Starquest management mandate)			3,694	2.63%	3,694	*2.55%*
Starquest Discovery 2017 FCPI			1,219	0.87%	1,219	0.84%
Tertium			7,851	5.60%	7,851	5.43%
Noria			7,851	5.60%	7,851	5.43%
Total financial investors	***49,445***	***44.98%***	***79,924***	***56.93%***	***79,94***	***55,20%***
TOTAL	**109,918**	**100.00%**	**140,397**	**100.00%**	**144,794**	**100.00%**

** Holweb is a company in which Mathieu Lefebvre, Guénaël Prince and Nicolas Paget have a 71.2% stake*

19.2 Deed of incorporation and Articles of Association

19.2.1 Corporate purpose

The purpose of the Company is, directly or indirectly, in France and elsewhere:

- the design, construction, study, integration, deployment, operation, sale and maintenance of units with a view to:
  - produce or recover energy gases, including biogas, by developing and operating processes to produce useful energy, in particular in the form of biomethane, liquefied biomethane, methane, liquefied methane, electricity or heat,
  - recovering the energy produced, whatever its form, by developing and operating processes to distribute and sell this energy,
  - as well as any services related to the activity described above;
- the creation, acquisition, rental, leasing and management of all business assets, leasing, installation and operation of all establishments, businesses, plants and workshops relating to the activity described above;
- the Company's direct or indirect participation in any financial, real estate or movable property transactions and in any commercial or industrial undertakings liable to promote its expansion or development; and generally

- any financial, commercial, industrial, civil, real estate or movable property transactions that may be directly or indirectly related to the activity described above.

19.2.2 Rights, privileges and restrictions attached to each class of shares

Form of the shares (Article 10 of the Articles of Association)

Fully paid-up shares may be in registered or bearer form, at the discretion of each shareholder, subject, however, to application of the legal provisions relating to the form of shares held by certain natural or legal persons. Shares that are not fully paid up must be in registered form.

The shares are registered in an account under the terms and conditions provided for by the legal and regulatory provisions in force.

Ownership of shares delivered in registered form results from their recording in a registered account. Ownership of bearer shares results from their recording in an account with an authorised financial intermediary.

Voting rights and rights to profits and corporate assets (Article 12 of the Articles of Association)

Each share gives the right to vote and be represented at General Meetings in accordance with legal conditions and those of the Articles of Association.

Each share entitles its holder to a share in the ownership of corporate assets, profits and liquidation surplus in proportion to the number and par value of existing shares.

Whenever it is necessary to own several shares or marketable securities in order to exercise any right whatsoever, shareholders or other holders of marketable securities are personally responsible for the grouping of the necessary number of shares or marketable securities.

The voting rights attached to the shares are proportional to the share of capital they represent and each share gives the right to one vote.

Double voting rights

From the second anniversary of the admission to trading of the Company's shares on the Euronext regulated market in Paris, in accordance with the provisions of Article L. 22-10-46 of the French Commercial Code, a double voting right is attached to all fully paid-up shares that have been registered in the name of the same shareholder for at least two years.

In the event of a capital increase through the incorporation of reserves, profits or issue premiums, this double voting right will benefit, from the time of issue, new registered shares allocated free of charge to a shareholder in respect of old shares for which said shareholder already holds this right.

Any shares converted to bearer shares or whose ownership is transferred lose the double voting rights granted pursuant to Article L. 225-123 of the French Commercial Code. Nevertheless, the transfer as a result of inheritance, liquidation of common property between spouses or *inter vivos* donation to a spouse or relative entitled to inherit does not lose the acquired rights and does not interrupt the period of time referred to above. The same applies in the event of a transfer following a merger or spin-off of a shareholder company.

The merger or spin-off of the Company has no effect on double voting rights, which may be exercised by the beneficiary company(ies), if it already benefits from such rights.

Double voting rights in third-party companies enjoyed by a company prior to its merger or spin-off are

maintained, for the benefit of the merging company or the company benefiting from the spin-off or, where appropriate, for the benefit of the new company resulting from the merger or spin-off.

19.2.3 Threshold crossings

As long as the Company's shares are admitted to trading on a regulated market, in addition to the declarations of crossing of thresholds expressly provided for by the legal and regulatory provisions in force, any natural or legal person who comes to own directly or indirectly, alone or in concert, a fraction of the share capital or voting rights (calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the General Regulation of the AMF) equal to or greater than 3% of the share capital or voting rights of the Company, or any multiple of this percentage, including beyond the thresholds provided for by legal and regulatory provisions, must notify the Company of the total number of (i) shares and voting rights held, directly or indirectly, alone or in concert, (ii) securities giving future access to the Company's share capital held, directly or indirectly, alone or in concert and voting rights that may be attached thereto, and (iii) equivalent shares pursuant to Article L. 233-9, I, 1° and 4° to 8° of the French Commercial Code. This notification must be given, by registered letter with acknowledgment of receipt (or by any other equivalent means for persons residing outside France), within four trading days from the crossing of the relevant threshold.

The obligation to inform the Company also applies, within the same time limits and under the same conditions, when the shareholder's capital or voting rights holding fall below one of the aforementioned thresholds.

In the event of non-compliance with the above obligation to declare the crossing of thresholds and at the request, recorded in the minutes of the General Meeting, of one or more shareholders representing at least 5% of the share capital or voting rights, shares exceeding the fraction that should have been declared are deprived of voting rights until the expiry of a period of two years following the date of regularisation of the notification.

The Company reserves the right to inform the public and shareholders of either the information notified to it or the failure to comply with the aforementioned obligation by the person concerned.

19.2.4 Statutory provisions relating to administrative and management bodies

The description below summarises the main provisions of the Articles of Association relating to the Board of Directors, in particular its mode of operation and its powers, as applicable from the date of the settlement-delivery of the Company's shares in the context of the admission to trading on the Euronext Paris regulated market.

Board of Directors

Composition

The Company is administered by a Board of Directors composed of individuals or legal entities, the number of which is set by the Ordinary General Meeting within the limits of the law and whose composition complies with legal requirements. The maximum number of members of the Board of Directors is set at fourteen (14) members.

Directors are appointed or reappointed by the Shareholders' Ordinary General Meeting. Directors are always eligible for re-election; they may be dismissed at any time by decision of the Shareholders' General Meeting.

The term of office of Directors is three (3) years. The term of office of a Director ends at the end of the Shareholders' Ordinary General Meeting called to approve the financial statements for the previous financial year and held in the year in which the term of office of said Director expires.

By way of exception and solely in order to allow the implementation or maintenance of the staggering of terms of office of Directors, the Ordinary General Meeting may appoint one or more Directors for a period of one (1) or two (2) years In the event of a vacancy resulting from the death or resignation of one or more Directors, the Board of Directors may, between two General Meetings, make temporary appointments.

Chairman of the Board of Directors

The Board of Directors elects a Chairman from among its members, who must be a natural person. It determines his or her term of office, which may not exceed that of his or her term of office as Director, and may be revoked at any time. The Board sets any compensation.

The Chairman of the Board of Directors organises and directs the work of the Board, on which he or she reports to the General Meeting. He or she ensures the proper functioning of the Company's bodies and, in particular, that the Directors are able to fulfil their duties.

The Chairman of the Board may not be over the age of 70. If the Chairman reaches this age limit during his or her term as Chairman, he or she will be automatically deemed to have resigned. However, his or her term of office will continue until the next meeting of the Board of Directors at which a successor will be appointed. Subject to this provision, the Chairman of the Board is always eligible for re-election.

Powers

The Board of Directors determines the Company's business direction and oversees its implementation. Subject to the powers expressly granted to Shareholders' Meetings and within the limits of the corporate purpose, it deals with all matters relating to the smooth running of the Company and settles matters concerning it through its decisions.

In its relations with third parties, the Company is committed even by the acts of the Board of Directors that do not relate to the corporate purpose, unless it can prove that the third party knew that the act was outside this purpose or that it could not have been unaware of this, given the circumstances, it being specified that publication of the Articles of Association alone would be insufficient to constitute this proof.

The Board of Directors carries out the controls and verifications it deems appropriate.

In addition, the Board of Directors exercises the special powers conferred on it by law.

Each Director receives all the information necessary for the performance of his or her duties and may request any documents he or she deems useful.

Committees

The Board of Directors may decide to set up committees tasked with studying issues that it or its Chairman submits to them for review. The Board of Directors sets the composition and powers of the committees, which carry out their activities under its responsibility. It sets the remuneration of committee members

General Management.

The general management of the Company is assumed, under his or her responsibility, either by the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer. When the Company's General Management is assumed by the Chairman of the Board of Directors, the provisions applicable to the Chief Executive Officer are applicable to him or her.

The Chief Executive Officer represents the Company vis-à-vis third parties. He or she is vested with the broadest powers to act in all circumstances on behalf of the Company. He or she exercises such powers within the limits of the corporate purpose and subject to the powers expressly granted by law to the Shareholders' General Meetings and the Board of Directors. In its relations with third parties, the Company is committed even by the acts of the Chief Executive Officer that do not relate to the corporate purpose, unless it can prove that the third party knew that the act was outside these limits or that it could not have been unaware of this, given the circumstances, it being specified that publication of the Articles of Association alone would be insufficient to constitute this proof.

The Chief Executive Officer cannot be over the age of 70. If the Chief Executive Officer reaches this age limit, he or she will be automatically deemed to have resigned. However, his or her term of office will continue until the next meeting of the Board of Directors, at which the new Chief Executive Officer will be appointed.

When the Chief Executive Officer is a Director, his or her term of office may not exceed that of his or her term as a Director.

By simple decision taken by a majority vote of the Directors present or represented, the Board of Directors chooses between the two methods of exercising general management referred to in the first paragraph of this section.

Shareholders and third parties are informed of this choice in accordance with legal and regulatory conditions.

The choice of the Board of Directors made in this way shall remain in effect until the Board decides otherwise or, at the discretion of the Board, for the duration of the Chief Executive Officer's term of office.

When the Company's General Management is assumed by the Chairman of the Board of Directors, the provisions applicable to the Chief Executive Officer are applicable to him or her.

In accordance with the provisions of Article 706-43 of the French Code of Criminal Procedure, the Chief Executive Officer may validly delegate the power to represent the Company to any person of his or her choice in the context of any criminal proceedings that may be brought against it.

Deputy Chief Executive Officer

On the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, in the capacity of Deputy Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to Deputy Chief Executive Officers. The Board of Directors sets their compensation. When a Deputy Chief Executive Officer is a Director, his or her term of office may not exceed that of his or her term as a Director.

With regard to third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer; the Deputy Chief Executive Officers have the power to engage in legal proceedings.

The number of Deputy Chief Executive Officers may not exceed five.

The Deputy Chief Executive Officer(s) may be removed from office at any time by the Board of Directors, on the recommendation of the Chief Executive Officer. If such removal is decided without just cause, it may give rise to damages.

A Deputy Chief Executive Officer may not be over the age of 70. If a Deputy CEO in office reaches this age limit, he or she will be deemed to have automatically resigned. However, his or her term of office

will continue until the next meeting of the Board of Directors, at which a new Deputy Chief Executive Officer may be appointed.

When the Chief Executive Officer ceases or is prevented from performing his or her duties, the Deputy Chief Executive Officer(s) shall retain their duties and powers, unless the Board of Directors decides otherwise, until the appointment of the new Chief Executive Officer.

19.2.5 General Meetings

Convening and holding of General Meetings

General Meetings are called and held under the conditions and forms provided for by the law and regulations in force.

When the Company wishes to use an electronic notice instead of sending notice by post, it must first obtain the agreement of the shareholders concerned, who will indicate their email address.

Meetings are held at the registered office or at any other location specified in the notice of meeting.

The right to participate in General Meetings is governed by the legal and regulatory provisions in force (*i.e.*, on the date of the Articles of Association, the right to participate in General Meetings is subject to registration of shares in the name of the shareholder or of the intermediary registered on his or her behalf on the second business day preceding the meeting at midnight, Paris time, either in the registered share accounts held by the Company or in the bearer share accounts kept by the authorised intermediary).

A shareholder who chooses not to attend the meeting in person, may select one of the following three options each time under the conditions provided for by law and regulations:

- give a proxy under the conditions authorised by law and regulations,
- vote by post, or
- send a proxy to the Company without specifying a proxyholder.

The Board of Directors may organise, under the conditions provided for by the law and regulations in force, the participation and vote of shareholders in General Meetings by videoconference or by means of telecommunication allowing their identification. If the Board of Directors decides to exercise this option for a given General Meeting, this decision shall be mentioned in the notice of meeting and/or calling of the meeting. Shareholders participating in meetings by videoconference or by any of the other means of telecommunication referred to above, depending on the choice of the Board of Directors, are deemed present for the calculation of quorum and majority.

Holding of the General Meeting - Officers - Minutes

General Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Chief Executive Officer, by a Deputy Chief Executive Officer if he or she is a Director, or by a Director specially appointed for this purpose by the Board. If convened by a Statutory Auditor or by a legal representative, the General Meeting is chaired by the person who has called the Meeting. Failing that, the General Meeting itself elects its Chairman.

The duties of scrutineers are performed by the two members of the General Meeting present and accepting these duties, who hold the largest number of votes. The committee appoints the secretary, who may be chosen from outside the shareholders.

An attendance sheet is kept at each General Meeting in accordance with the law.

General Meetings are held and have the powers defined by the law and regulations in force.

Copies or extracts of the minutes of the Meeting are validly certified by the Chairman of the Board of Directors, by a Director exercising the duties of Chief Executive Officer or by the secretary of the Meeting.

Ordinary and Extraordinary General Meetings exercise their respective powers in accordance with the conditions provided for by law.

19.2.6 Provision having the effect of delaying, deferring or preventing a change of control

The Company's Articles of Association do not contain any provisions delaying, deferring or preventing a change of control.

20. MAJOR CONTRACTS

Shareholders' agreement concerning Sofiwaga Infra

Meridiam RCF and the Company have joined forces to develop, install, manage and carry out the maintenance of WAGABOX®, purification units for biogas from non-hazardous waste storage facilities (NHWSF), developed by the Company according to the biogas purification or purchase service model (a "**WAGABOX® project**"). They created Sofiwaga Infra, a Special Purpose Vehicle through which WAGABOX® projects are selected and financed, and which will be developed, built, managed and maintained by Sofiwaga Infra.

In this respect, Meridiam RCF and the Company entered into an agreement with the shareholders of Sofiwaga Infra dated 7 June 2018 in order to organise their relations within Sofiwaga Infra, as well as the conditions that they intend to respect at the time of the disposal of their stake in Sofiwaga Infra. The ownership of Sofiwaga Infra's share capital is divided as 51% of the share capital and voting rights for Meridiam RCF and 49% of the capital and voting rights for the Company. Neither party may, without the prior written consent of the other, transfer Sofiwaga Infra securities for a period of five (5) years from the date of signature of the agreement.

The two parties appoint the administrative and management bodies of Sofiwaga Infra (Chairman, Chief Executive Officers, members of the Strategy Committee) and vote in favour of the resolutions.

Under this agreement, Meridiam RCF and the Company have agreed as an initial objective that Sofiwaga Infra will invest at least ten (10) million euros in the WAGABOX® Projects approved by the Strategy Committee over the course of twelve (12) months from the signing of the agreement. At the end of the first investment phase, Meridiam RCF will provides a funding budget of around thirty (30) million euros over the next five (5) years, without this objective constituting any commitment whatsoever by the parties to finance these investments. In return, the Company undertakes to propose eligible WAGABOX® Projects, to develop, design and build WAGABOX® units and to ensure their operation and maintenance. Each eligible WAGABOX® Project is (i) financed by cash contributions from the associates and current account advances from Meridiam RCF and (ii) carried by Sofiwaga Infra. The Company is not required to offer all eligible WAGABOX® Projects to Sofiwaga Infra.

The two parties have agreed that no distribution of dividends (or other equity items) may be decided as long as Sofiwaga Infra is a debtor in respect of the associate current accounts granted to it. They also agreed that no distribution of dividends or other equity items or repayments of current accounts may be made to associates if this event causes Sofiwaga Infra's available cash to fall below a re-assessable threshold.

As at the date of this Registration Document, Sofiwaga Infra is responsible for two projects, Les Ventes-de-Bourse and Saint-Gaudens, for which the injection of biomethane into the grid began in January 2020.

Patent license and know-how communication agreement signed with Air Liquide

The Company and its subsidiaries entered into a license agreement with Air Liquide, effective 11 June 2015 for a period of six years, and extended by a first amendment dated 15 October 2019 for a period of seven years (*i.e.*, for a period expiring 11 June 2022, tacitly renewable for periods of one year unless terminated by one of the parties no later than 6 months before the renewal date). The purpose of this agreement is the communication of Air Liquide's know-how and the granting of a non-exclusive patent license for the benefit of the Company, for the purposes of its use in the field of recovery of biogas produced from waste storage and any other energy gas. The relevant Air Liquide patent, protecting a membrane separation coupled with an absorption modulated in pressure and volatile organic compounds (and registered in the United States only), can be implemented as part of the process and WAGABOX

protected by the Company's patents. The patents concerned are presented in Chapter 5 “Activities” of this Registration Document.

This agreement initially enabled the Company to benefit from all the developments on the technology initiated by Air Liquide before 2015, and was part of a more general agreement between Air Liquide and the Company including the acquisition of a stake by Air Liquide in the Company’s share capital *via* a contribution of funds on the one hand, and an industrial contribution in the form of this license agreement.

In return for the rights granted by Air Liquide, the Company paid €200,000 at the signing of the contract, €50,000 at the time of the grant of all the patents covered by the license agreement and resulting from the first filing applications, then €50,000 annually until the end of the contract.

The Company has filed its own patents (i) to capitalise on the new technological developments that led to the creation of the WAGABOX® unit, and (ii) in order not to be dependent on the intellectual property filed by Air Liquide before 2015. As Air Liquide’s US patent US-2004-0103782-A1 expires in 2023 and could facilitate the Company’s development in the US market, it was decided to extend the license agreement through a first amendment.

Significant contracts entered into by Group companies outside the normal course of business over the past two years are also presented in Chapter 8 “Cash and equity” and Chapter 17 “Transactions with related parties” of the Registration Document.

21. AVAILABLE DOCUMENTS

Copies of the Registration Document are available free of charge at the Company's registered office, 2 chemin du Vieux Chêne, 38240 Meylan, France.

The Registration Document is also available on the Group's website (www.waga-energy.com) and on the AMF website (www.amf-france.org).

The Articles of Association, minutes of General Meetings and other corporate documents of the Company, as well as historical financial information and any assessment or statement prepared by an expert at the Group's request, which must be made available to shareholders, in accordance with applicable legislation, may be consulted, free of charge, at the Company's registered office.

As from the admission of the Company's shares to trading on the Euronext Paris regulated market, regulated information within the meaning of the provisions of the AMF General Regulation will also be available on the Group's website (www.waga-energy.com).

22. GLOSSARY

Pressure Swing Adsorption	Pressure Swing Adsorption (PSA) is a process for the separation of gas mixtures in which the adsorption of a gas by a solid at a given pressure takes place alternately with its desorption at a lower pressure.
Boilermaking/integration	Industrial activity consisting of manufacturing equipment or tanks from metals such as steel (bending, cutting, welding) and then assembling and integrating equipment in a skid or module and connecting it by piping.
Cogeneration (*Combined Heat Power Engines*)	Cogeneration consists in producing both thermal energy and mechanical energy at the same time and in the same installation. The heat is used for heating and hot water production using an exchanger. The mechanical energy is transformed into electrical energy thanks to an alternator. The facilities run on gas, fuel oil, any form of local energy (geothermal, biomass, etc.) or waste recovery (incineration of household waste, etc.).
Volatile Organic Compounds (VOCs)	Volatile Organic Compounds, or VOCs, are organic compounds that can easily be found in gaseous form in the Earth's atmosphere. They constitute a very broad family of products. They are 10% of human origin (from refining, the evaporation of organic solvents, unburnt matter, etc.) and 90% of biogenic origin (BVOCs or biogenic VOCs emitted by plants or certain fermentations).
Biomethane Purchase Agreement (BPA)	Agreement under which a biomethane producer sells all or part of its production to a buyer (or biomethane purchaser) for a set price.
Long-term Power Purchase Agreement (PPA)	Agreement under which an electricity producer sells all or part of its production to a buyer (or electricity purchaser) for a set price.
EPCC contract	Acronym for Engineering, Procurement, Construction and Commissioning, *i.e.*, contract covering engineering, supply or purchase, construction and facility assembly.
O&M contract	O&M: Acronym for Operation and Maintenance. Equipment operating contract covering operation and maintenance activities.
Catalytic deoxidiser	Equipment for carrying out a combustion reaction to destroy a compound (in this case oxygen), favoured through the use of a catalyst to reduce the temperature at which the reaction occurs.
Digester	Reactor in the form of a large gas-tight and thermally insulated tank where the fermentation of waste with a high organic matter content takes place.
Cryogenic distillation	Cryogenic distillation is a process for the separation of liquefied gas at low temperatures. The gas is compressed and then rapidly decompressed, which cools and liquefies it. By gradually heating this gas, which has become liquid, and by using the different boiling temperatures, its various components are separated.
Primary energy	Primary energy is all non-processed energy products, directly exploited or imported. These mainly include crude oil, oil shale, natural

	gas, solid mineral fuels, biomass, solar radiation, hydropower, wind energy, geothermal energy and energy from uranium fission.
CO_2 equivalent (CO_2 eq.)	The emission in CO2 equivalents is the quantity of carbon dioxide (CO2) emitted that would cause the same integrated radiative forcing, over a given time horizon, as a quantity emitted from one or more greenhouse gases (GHG). The emission in CO2 equivalents is obtained by multiplying the emission of a GHG by its global warming potential (GWP) for the time horizon in question.
Membrane filtration	Physical separation process taking place in liquid or gas phase. The aim is to purify, split or concentrate dissolved or gaseous species through a membrane.
Guarantees of Origin ("GO")	Mechanism for verifying the traceability of biomethane injected into the gas network. Each megawatt hour gives rise to the issuance of an official electronic document certifying the date, place and origin of production, the identity of the buyer and that of its end user. In France, the GO register is managed by the network operator GRDF. This system enables individual and corporate consumers to ensure that the energy they consume is renewable.
GCal	Giga calories. Unit of measurement for energy.
Non-Hazardous Waste Storage Facility (NHWSF)	A landfill site (or NHWSF) is a facility that disposes of non-hazardous waste, containing a variable amount of organic waste, by depositing or burying it, on or in the ground.
Kilowatt (kW)	Standard unit measuring energy power, equivalent to 1,000 watts. 1 MW = 1 million watts / GW = 1 billion watts.
Kilowatt hour (kWh)	Standard unit measuring the energy generated or consumed (capacity expressed in kW multiplied by a period expressed in hours). 1 kWh = 1,000 Wh / 1 MWh = 1,000 kWh / 1 GWh = 1,000 MWh / 1 TWh = 1,000 GWh.
Energy mix	Or energy package. Distribution of the different energy sources used for energy needs in a given geographical area.
Normal meters cubed (nm^3)	Unit of measurement of a quantity of gas corresponding to the content of a volume of one cubic meter, for a gas under normal temperature and pressure conditions (0 or 15 or more rarely 20° C depending on the standards and 1 atm).
Nm^3/h	Abbreviation for Normal meters cubed.
Offtaker	Energy supplier of natural gas acquiring the biomethane produced by the Company
Landfill operators	Private company or public institution responsible for the administration and management of landfills.
Oxidiser	Equipment for carrying out an oxidation reaction.
Catalytic oxidation	Chemical oxidation reaction promoted by the use of a catalyst. A process sometimes used to destroy oxygen in landfill gas. The gas is

	heated to around 400°C so that the oxygen reacts with the methane and is transformed into CO2, H2O and other products of the reaction.
Thermal oxidation	Landfill gas may contain high concentrations of VOCs or odours that need to be treated before release into the atmosphere in order to comply with current regulations. Thermal oxidation is the most effective and widely used solution for the treatment of VOCs and odours. The polluting gases are heated to a high temperature in a combustion chamber and are completely oxidised before being released as harmless gases.
Grid parity	Grid parity is the situation in which the price of renewable energy falls below that of the retail market. This term is used when it comes to renewable energy sources, including solar and wind power. The achievement of grid parity by an energy source is considered to be the moment when that source becomes competitive for widespread development without subsidies or government support. In general, achievement of grid parity is dependent on the characteristics of the facilities (size, geographical location, proximity to the grid, consumption profile, market price).
LCV	Lower calorific value.
Membrane permeation	Process for separating gases by difference in permeability of the latter through a membrane.
Grid	All energy infrastructure facilities for the transmission of energy from production units to consumers.
EU ETS	European Union Emissions Trading System.
Skids	A skid or module refers to a mobile frame-type structure to which a set of industrial equipment and materials is attached.
European Union Emission Trading System (EU ETS)	Carbon dioxide emission rights system implemented within the European Union as part of the EU ratification of the Kyoto Protocol (2005). It sets up a limit on the gases to be emitted and a carbon market, allowing each company to buy or sell emission allowances.
Feed-in tariff (or **Tariff with purchase obligation)**	Legal and regulatory mechanism under which the purchase price of the energy produced by a production unit is imposed on a buyer under long-term contracts.
Internal rate of return of a project	Discount rate of the cash flows of a project ensuring a zero net present value.
Natural gas flaring	The action of burning fossil gas emissions at various stages of oil and natural gas production using flares. By extension, we also talk about a flare to describe an installation for the destruction of polluted combustible gases or manufacturing failures in certain plants using this form of thermal decomposition to destroy, for example, certain odorous gases, or for landfill gases.

Cross-reference table

Sections of Annexe I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017		Registration Document Section
SECTION 1	**PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**	**1**
Item 1.1	Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	**1.1**
Item 1.2	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in	**1.2**
Item 1.3	Where a statement or report attributed to a person as an expert, is included in the registration document, provide the following details for that person: a) name; b) business address; c) qualifications; d) material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.	**1.3**
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	**1.4**
Item 1.5	A statement that: (a) the [registration document/prospectus] has been approved by the [name of the competent authority], as competent authority under Regulation (EU) 2017/1129; b) the [name of competent authority] only approves this [registration document/prospectus] as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; c) such approval should not be considered as an endorsement of the issuer that is the subject of this [registration document/prospectus].	**1.5**
SECTION 2	**STATUTORY AUDITORS**	**2**
Item 2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	**2.1 and 2.2**
Item 2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	**N/A**
SECTION 3	**RISK FACTORS**	**3**
Item 3.1	A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Risk Factors'. In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first. The risks shall be corroborated by the content of the registration document.	**3.1 to 3.6**
SECTION 4	**INFORMATION ABOUT THE ISSUER**	**4**
Item 4.1	The legal and commercial name of the issuer.	**4.1**

Item 4.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	**4.2**
Item 4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	**4.3**
Item 4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	**4.4**
SECTION 5	**BUSINESS OVERVIEW**	**5**
Item 5.1	Principal activities	**5.1**
Item 5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information;	**5.2.2 to 5.2.4** **5.3 to 5.5**
Item 5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development.	**5.2.2** **5.3.1 to 5.3.5** **5.3.7 and 5.3.8**
Item 5.2	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.	**5.1** **5.2.1** **5.2.3 and 5.2.4** **5.3.7 and 5.3.8** **5.4 and 5.5**
Item 5.3	The important events in the development of the issuer's business.	**5.1.2 and 5.1.3** **5.2.1 and 5.2.2** **5.2.4** **5.3.8** **5.5.1**
Item 5.4	Strategy and objectives A description of the issuer's business strategy and objectives, both financial and non-financial (if any). This description shall take into account the issuer's future challenges and prospects.	**5.3 and 5.5**
Item 5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	**5.2.2** **5.3.3 and 5.3.7**
Item 5.6	The basis for any statements made by the issuer regarding its competitive position.	**5.4.3**
Item 5.7	Investments	**5.7**
Item 5.7.1	A description (including the amount) of the issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the registration document.	**5.7.1**
Item 5.7.2	A description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	**5.7.2 and 5.7.3**
Item 5.7.3	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	**5.3.1 and 5.3.5**
Item 5.7.4	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	**5.1** **5.2.1** **5.4.1 and 5.4.2**
SECTION 6	**ORGANISATIONAL STRUCTURE**	**6**

Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	**6.1**
Item 6.2	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	**6.2**
SECTION 7	**OPERATING AND FINANCIAL REVIEW**	**7**
Item 7.1	Financial condition	**7.1**
Item 7.1.1	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.	**7.1.1 to 7.1.6**
Item 7.1.2	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: a) the issuer's likely future development; b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council (1).	**7.1.1 to 7.1.6**
Item 7.2	Operating results	**7.2 and 7.3**
Item 7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	**7.2 and 7.3**
Item 7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	**7.2 and 7.3**
SECTION 8	**CAPITAL RESOURCES**	**8**
Item 8.1	Information concerning the issuer's capital resources (both short term and long term).	**8.1**
Item 8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	**8.2**
Item 8.3	Information on the borrowing requirements and funding structure of the issuer.	**8.3**
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	**8.4**
Item 8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	**8.5**
SECTION 9	**REGULATORY ENVIRONMENT**	**9**
Item 9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	**9.1 to 9.4**
SECTION 10	**TREND INFORMATION**	**10**

Item 10.1	A description of: a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document; b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	**10.1**
Item 10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	**10.2**
SECTION 11	**PROFIT FORECASTS OR ESTIMATES**	**11**
Item 11.1	Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid) that forecast or estimate shall be included in the registration document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 11.2 and 11.3.	**N/A**
Item 11.2	Where an issuer chooses to include a new profit forecast or a new profit estimate, or a previously published profit forecast or a previously published profit estimate pursuant to item 11.1, the profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. The forecast or estimate shall comply with the following principles: a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.	**N/A**
Item 11.3	The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: a) comparable with the historical financial information; b) consistent with the issuer's accounting policies.	**N/A**
SECTION 12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	**12**

Item 12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: a) members of the administrative, management or supervisory bodies; b) partners with unlimited liability, in the case of a limited partnership with a share capital; c) founders, if the issuer has been established for fewer than five years; d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business. Details of the nature of any family relationship between any of the persons referred to in points (a) to (d). In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; b) details of any convictions in relation to fraudulent offences for at least the previous five years; c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years; d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. If there is no such information required to be disclosed, a statement to that effect is to be made.	**12.1**
Item 12.2	Administrative, management and supervisory bodies and senior management conflicts of interests Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management. Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.	**12.2**
SECTION 13	**REMUNERATION AND BENEFITS**	**13**
	In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 12.1:	
Item 13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	**13.1**
Item 13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pensions, retirement or similar benefits.	**13.2**
SECTION 14	**BOARD PRACTICES**	**14**

	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 12.1.	
Item 14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	**14.1**
Item 14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	**14.2**
Item 14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	**14.3**
Item 14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	**14.4**
Item 14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition (in so far as this has been already decided by the board and/or shareholders meeting).	**14.5**
SECTION 15	**EMPLOYEES**	**15**
Item 15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	**15.1**
Item 15.2	**Shareholdings and stock options** With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	**15.2**
Item 15.3	Description of any arrangements for involving the employees in the capital of the issuer.	**15.3**
SECTION 16	**MAJOR SHAREHOLDERS**	**16**
Item 16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as at the date of the registration document or, if there are no such persons, an appropriate statement to that effect that no such person exists.	**16.1**
Item 16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	**16.2**
Item 16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	**16.3**
Item 16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	**16.4**
SECTION 17	**RELATED PARTY TRANSACTIONS**	**17**
Item 17.1	Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council (2), that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable. If such standards do not apply to the issuer, the following information must be disclosed: a) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding; b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.	**17.1 and 17.2**
SECTION 18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	**18**

Item 18.1	Historical financial information	**18.1**
Item 18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	**18.1 and 18.3**
Item 18.1.2	Change of accounting reference date If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.	**N/A**
Item 18.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with: a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002 the financial statements shall be restated in compliance with that Regulation.	**18.3**
Item 18.1.4	Change of accounting framework The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the prospectus. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	**N/A**
Item 18.1.5	Where the audited financial information is prepared according to national accounting standards, it must include at least the following: a) the balance sheet; b) the income statement; c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; d) the cash flow statement; e) the accounting policies and explanatory notes.	**18.1**
Item 18.1.6	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	**18.1**

Item 18.1.7	Age of financial information The balance sheet date of the last year of audited financial information may not be older than one of the following: a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document; b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	**18.1**
Item 18.2	Interim and other financial information	**18.2**
Item 18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact. If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.	**18.2**
Item 18.3	Auditing of historical annual financial information	**18.3**
Item 18.3.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU of the European Parliament and Council (3) and Regulation (EU) No 537/2014 of the European Parliament and of the Council (4). Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: a) the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard; b) If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	**18.3.1**
Item 18.3.2	Indication of other information in the registration document that has been audited by the auditors.	**18.3.2**
Item 18.3.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the information and state that the information is not audited.	**N/A**
Item 18.4	Pro forma financial information	**18.4**
Item 18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information is to be presented as set out in Annexe 20 and must include the information indicated therein. Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.	**N/A**
Item 18.5	Dividend policy	**18.5**

Item 18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.	**18.5**
Item 18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	**N/A**
Item 18.6	Legal and arbitration proceedings	**18.6**
Item 18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	**18.6**
Item 18.7	Significant change in the issuer's financial position	**18.7**
Item 18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.	**18.7**
SECTION 19	**ADDITIONAL INFORMATION**	**19**
Item 19.1	Share capital The information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet:	**19.1**
Item 19.1.1	The amount of issued capital, and for each class of share capital: a) the total of the issuer's authorised share capital; b) the number of shares issued and fully paid and issued but not fully paid; c) the par value per share, or that the shares have no par value; and d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	**19.1.1**
Item 19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.	**19.1.2**
Item 19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	**19.1.3**
Item 19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	**19.1.4**
Item 19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	**19.1.5**
Item 19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	**19.1.6**
Item 19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	**19.1.7**
Item 19.2	**Memorandum and Articles of Association**	**19.2**

Item 19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up-to-date memorandum and articles of association.	**19.2.1**
Item 19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.	**19.2.2**
Item 19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	**19.2.6**
SECTION 20	**MATERIAL CONTRACTS**	**20**
Item 20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	**20**
SECTION 21	**DOCUMENTS AVAILABLE**	**21**
Item 21.1	A statement that for the term of the registration document the following documents, where applicable, can be inspected: a) the up-to-date memorandum and articles of association of the issuer; b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document. An indication of the website on which the documents may be inspected.	**21**

Waga Energy
Public limited company (*société anonyme*) with a Board of Directors and share capital of €144,794
Registered office: 2 chemin du Vieux Chêne, 38240 Meylan, France
Grenoble Trade and Companies Register no. 809 233 471

SUPPLEMENT TO THE REGISTRATION DOCUMENT

This supplement to the registration document has been approved by the French *Autorité des marches financiers* ("**AMF**"), in its capacity as competent authority under Regulation (EU) 2017/1129, on 13 October 2021, under number I.21-060.

It completes the registration document approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, under number I.21-056, dated 28 September 2021.

The AMF approves this document after verifying that the information it contains is complete, consistent and understandable.

This approval shall not be considered a favourable opinion on the issuer described in the registration document.

The registration document may be used for the purpose of a public offering of financial securities or the admission of financial securities for trading on a regulated market if it is completed by a securities note and, if applicable, a summary and the supplement(s) thereto. The set of documents thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129. It shall be valid until 28 September 2022, and during this period but no later than at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, it shall be completed by a supplement in the event of new material facts, errors or substantial inaccuracies.

DISCLAIMER

By accepting this document, you acknowledge, and agree to be bound by, the following statements. This document is a translation of Waga Energy's *supplément au document d'enregistrement* dated 13 October 2021 (the "**Supplement to the Registration Document**"). The Supplement to the Registration Document, in its original French version, is publicly available at www.amf-france.org. This translation (the "**Translation**") is provided for your convenience only and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part for any purpose.

This translation has not been prepared for use in connection with any offering of securities. It does not contain all of the information that an offering document would contain.

IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN THE CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED HEREIN, THE FRENCH LANGUAGE SUPPLEMENT TO THE REGISTRATION DOCUMENT SHALL PREVAIL.

None of Waga Energy or any of its officers, directors, employees or affiliates, or any person controlling any of them assume any liability which may be based on this Translation or any errors or omissions therefrom or misstatements therein, and any such liability is hereby expressly disclaimed. This Translation does not constitute or form part of any offer to sell or the solicitation of an offer to purchase securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Persons into whose possession this Translation may come are required by the Group to inform themselves about and to observe any restrictions as to the distribution of this Translation.

Copies of this Supplement to the Registration Document and of the Registration Document are available free of charge at the Company's registered office located at 2 chemin du Vieux Chêne, 38240 Meylan, France, as well as on the Company's website (https://www.waga-energy.com) and on the AMF website (www.amf-france.org).

GENERAL COMMENTS

*The numbering of the chapters and paragraphs in this Supplement to the Registration Document follows the numbering of the chapters and paragraphs of the registration document approved by the AMF under approval number I.21-056 on 28 September 2021 (the "**Registration Document**"), which are updated in this supplement.*

Waga Energy, a French public limited company (société anonyme), with a share capital of €144,794, registered at 2 chemin du Vieux Chêne, 38240 Meylan, France, under the identification number 809 233 471 (Trade and Companies Register of Grenoble), is referred to as the "Company" in this Supplement to the Registration Document. The term the "Group", as used herein, unless otherwise stated, refer to the Company and its subsidiaries.

Investors are invited to carefully consider the risk factors described in Chapter 3 "Risk factors" of the Registration Document. The occurrence of all or some of these risks could have an adverse effect on the Group's business, financial position, or results. In addition, other risks, either not yet identified or considered immaterial by the Group, could have the same negative effect.

Certain calculated figures (including figures expressed in thousands or millions) and percentages presented in this Supplement to the Registration Document have been rounded. If applicable, the totals provided in this Supplement to the Registration Document may present immaterial variances from the totals that would have been obtained by adding the exact amounts (not rounded) for these calculated figures.

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1 RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL FROM THE COMPETENT AUTHORITY

1.1 Person responsible for the Supplement to the Registration Document

Mathieu Lefebvre, Chairman and Chief Executive Officer of the Company.

1.2 Statement by the responsible person

« *I hereby certify that the information contained in this Supplement to the Registration Document is, to my knowledge, accurate and contains no omission that might alter its scope* ».

On 13 October 2021,

Mathieu Lefebvre, Chairman and Chief Executive Officer of Waga Energy.

2 RISK FACTORS

2.1 Market risks and risks related to the Group's financial position

Section 3.3.3 "*Risk related to covenants in financing contracts*" is amended and completed as follows:

The Group has entered into several financing agreements through the Company or its subsidiaries, the terms of which may vary or become restrictive.

For example, financing contracts may provide for non-financial covenants, compliance with financial ratios, or a commitment not to distribute dividends in connection with the project in question. In connection with the bonds subscribed, the Group has undertaken to comply with covenants relating in particular to *pari passu* clauses, cross-default clauses, specific debt levels, or pledges of receivables provided by the Group, limits on dividends and cash flows, and limits on debt levels to a third party. The contract entered into by the Company and SWIFT Gaz Vert relating to the OCA 2021 Tranche 2 (as this term is defined in section 8.3.3 "Bond financing"), the contract between the Group (at the level of its subsidiary Waga Assets) and Eiffel Gaz Vert, as well as the financing contracts between the Group (at the level of its subsidiaries Sofiwaga Infra and SP WAGA 1) and a pool of banking institutions, also provide for compliance with financial ratios, in particular a gearing ratio corresponding to the equity contribution to be made by the Company to the project. Under the terms of the Sofiwaga Infra and SP WAGA 1 financing agreements, the covenants will apply respectively to these two Group subsidiaries. In the context of financing under negotiation, ratios relating to debt service coverage by available liquidity will also be implemented.

5 OVERVIEW OF ACTIVITIES

Section 5.1 "*General overview*" of the Registration Document is amended and completed as follows:

The Group's objective is to have 100 WAGABOX® units in operation by the end of 2026, i.e. an additional 90 WAGABOX® units (of which ten are currently under construction), it being specified that at the date of this Registration Document, the Group has initiated around 97 projects (i.e. projects in the commercial discussion phase) and identified 324 additional opportunities in areas considered strategic. The ten units in operation are located in France (70%), in Europe (excluding France) (10%) and in North America (20%). The 97 sites comprising the current pipeline are spread between France (42%), Europe excluding France (31%), North America (17%) and Australia (10%). The Group estimates, based on its strategy and by way of illustration, that the geographical distribution of the 100 WAGABOX© units in operation by 2026 would be around one third in France, one third in North America and one third in Europe excluding France and the rest of the world (see also Section 10 of the Registration Document).

Paragraph 5.5.2.1 "*Targeted expansion in strategic countries"* of the Registration Document is amended and supplemented as follows:

Fig. 46: Summary table of the 21 WAGABOX® in operation and under construction

#	Municipality	Country	Type of revenue(1)	Commissioning estimated by the Group as at the date of the Registration Document	Capacity GWh	T CO_2 eq. avoided	Landfill operator	% holding Direct / Indirect
1	**St-Florentin**	FRA	Products	14-Feb-2017	25	~4,000	Coved	100%
2	**St-Maximin**	FRA	Services	26-Jun-2017	25	~4,000	Suez	100%
3	**Pavie**	FRA	Products	30-May-2018	15	~2,500	Trigone	100%
4	**St-Palais**	FRA	Products	6-Nov-2018	20	~3,200	Veolia	49%
5	**Gueltas**	FRA	Services	13-Oct-2018	25	~4,000	Suez	49%
6	**Chevilly**	FRA	Services	20-Dec-2018	15	~2,500	Suez	49%
7	**Inzinzac-Lochrist**	FRA	Services	26-Nov-2019	15	~2,500	Lorient Agglo	N/A
8	**Les Ventes-de-Bourse**	FRA	Services	15-Jan-2020	25	~4,000	Suez	49%
9	**Saint Gaudens**	FRA	Products	16-Jan-2020	35	~5,600	Sivom SGMAM	49%
10	**Le Ham**	FRA	Products	2022	20	~3,200	Veolia	100%
11	**Blaringhem**	FRA	Services	2-Sep-2020	25	~4,000	Baudelet Evt.	100%
12	**Gournay**	FRA	Products	2022	15	~2,500	SEG	100%
13	**Claye-Souilly**	FRA	Products	2022	120	~20,000	Véolia	100%
14	**Can-Mata**	SPA	Products	2022	70	~12,000	Ferrovial	100%

15	**Saint-Étienne-des-Grès**	CAN	Products	2022	130	~22,000	Enercycle	100%
16	**Chatuzange**	FRA	Products	2022	25	~4,000	Véolia	100%
17	**Brome**	CAN	Products	2023	30	~5,000	RIGMRBM(2)	100%
18	**[Project to be announced soon]** (3)	FRA	Products	[2023]	25	~4,000	[Project to be announced soon]	[49]%
19	**[Project to be announced soon]** (3)	FRA	Products	[2023]	25	~4,000	[Project to be announced soon]	[100]%
20	**[Project to be announced soon]** (3)	FRA	Products	[2023]	35	~ 5,600	[Project to be announced soon]	[100]%
21	**[Project to be announced soon]** (3)	FRA	Products	[2023]	25	~4,000	[Project to be announced soon]	[100]%

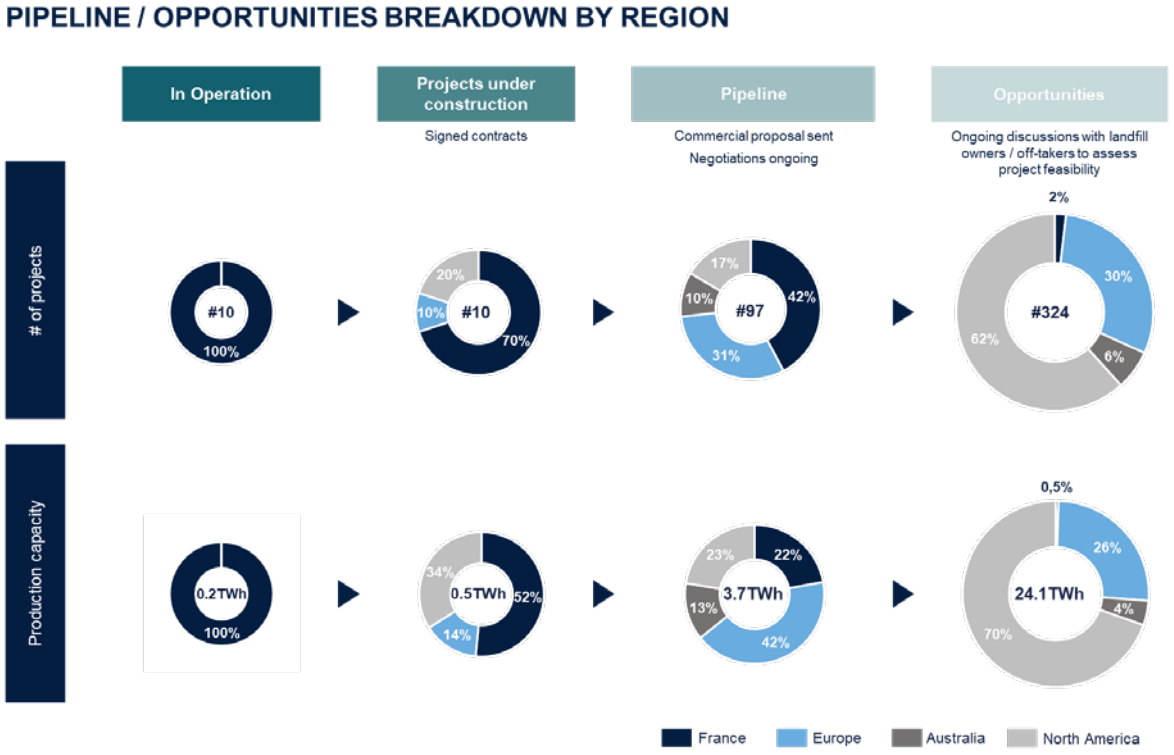
Note 1: Provision of purification services to the landfill operator ("services") or sale of biomethane ("products").

Note 2: Régie Intermunicipale de Gestion des Matières Résiduelles de Brome-Missisquoi.

Note 3 : Confidential projects

The Group believes that it can rapidly expand its international presence given the number of projects and opportunities identified. It has already submitted offers for 97 sites (of which 58% internationally) and has also identified 324 sites liable to be equipped (of which 98% internationally), for which studies and discussions are underway to validate the feasibility of the projects, among an estimated 20,000 sites worldwide (including around 1,500 in Europe and around 2,700 in North America). WAGABOX® units internationally that are expected to produce biomethane that is competitive with local natural gas and that do not benefit from public support measures must be larger in order to achieve economies of scale.

Fig. 47: Summary table of pipeline and identified opportunities



Paragraph 5.5.2.3 "*Development of partnerships*" of the Registration Document is supplemented by the following information:

Viva Energy

On 12 October 2021, the Company and Viva Energy signed a subscription commitment under which Viva Energy has undertaken to participate in the offer for an amount of €4 million, at any price within the indicative range of the offer price. Viva Energy is an energy company based in Australia that owns and operates oil refineries and holds 25% of the Australian market. The investment by Viva Energy is part of the signing of a strategic partnership with the Company on the biomethane market in Australia.

Viva Energy is an energy company based in Australia that produces and distributes fuel for the Australian market. The company also owns and operates oil product refineries. The company is listed on the Australian stock exchange and is 45% owned by Vitol. This subscription commitment by Viva Energy is part of the memorandum of understanding signed with Waga Energy whose aim is to set the main principles that will govern the strategic partnership aiming to make Viva Energy a privileged partner for the development of Waga Energy in the Australian market.

The parties will work together after the completion of the IPO to define the terms and conditions of a framework agreement that will govern the conditions for the purchase of biomethane by Viva Energy. The Company undertakes to:

- submit the projects that it will develop in the Australian market to Viva Energy; and
- a priority right for a period of four (4) years to Viva Energy for the purchase of biomethane on projects with an average duration of approximately ten (10) years located in Australia, according to the conditions set by the framework agreement and the project-specific biomethane purchase agreement. Viva Energy will have the option to refuse projects submitted by the Company. After a specified period, the Company will be free to propose the project(s) to another counterparty.

Vitol

On 12 October 2021, the Company and Vitol signed a subscription commitment under which Vitol has undertaken to participate in the Offer for an amount of €12 million, at any price within the indicative range of the offer price. Vitol is one of the world's leading energy and commodities brokerage companies. Vitol is active in various sectors including trading, terminals and infrastructure, refining, exploration and production, aviation fuel supply and energy with a growing presence in the renewable gas sector.. Vitol's investment is part of the signing of a strategic partnership with the Company on certain biomethane projects located in Europe.
The parties will work together to define the terms and conditions of a framework agreement that will govern the conditions for the purchase of biomethane by Vitol. The Company undertakes to:

- submit European projects to Vitol (with the exception of secured projects in France) with an average duration of ten (10) years that it will develop; and
- grant a priority right for a period of five (5) years to Vitol for the purchase of biomethane for these projects.

CMA CGM Participations

On 12 October 2021, the Company and CMA CGM Participations ("CMA CGM") entered into a subscription agreement pursuant to which CMA CGM committed to participate in the offer for an amount of €2 million, at any price within the indicative price range of the offer. Headed by Rodolphe Saadé, CMA CGM is a world leader in maritime transport and logistics, serving more than 420 ports worldwide on five continents. With a fleet of 542 vessels, CMA CGM carried nearly 21 million TEU (Twenty-Foot Equivalent Units) containers in 2020. CMA CGM's investment is part of a three (3) year partnership agreement with the Company, under the terms of which the Company will provide CMA CGM with all the prospective studies redefining the potential of the deposits and the anonymized pipeline components (country, volume, duration, target price estimate). The Company will undertake to use its best efforts to prioritize CMA CGM in the supply of biomethane on all projects related to the maritime logistics chain and in particular the containerized maritime transport activity, on an exclusive basis (including with respect to existing agreements).

Viva Energy, Vitol, and CMA CGM Participations will not be represented on the Company's Board of Directors.

Section 5.7.2 "Ongoing investment" of the Registration Document is completed by the following information:

"On 7 October 2021, the Group drew down an additional line of financing from Eiffel for an amount of €4.3 million through the issuance of 4,294,000 bonds convertible into shares of the subsidiary Waga Assets. This issuance, which terms are similar to the previous drawdowns with Eiffel presented in section 8.3.3 of this Registration Document, aims at financing the construction of the WAGABOX® in the perimeter.

On 8 October 2021, the Group subscribed, via its subsidiary Sofiwaga Infra (49% owned) and will subscribe via SP WAGA 1, to a bank financing for a maximum amount of €10.6 million from a pool of banks, as presented in section 8.3.4 of the Registration Document, to be released in several drawdowns, allowing the repayment of part of the current account with Meridiam (51% shareholder of Sofiwaga Infra) and covering the financing of three projects in operation and one project under construction. The current account amount to be repaid to Meridiam amounts to €4.9 million of which €520,000 was repaid on 7 October 2021. The Group expects to repay €1.9 million in October and €2,5 million in December".

Paragraph 5.7.3 "*Future investments*" of the Registration Document is amended as follows:

“The Group intends to continue to invest in its projects in France and abroad. As mentioned in Chapter 10 of the Registration Document, these investments will be adapted to the Group’s ambition of achieving, by 2026, 100 WAGABOX® units in operation, i.e. an additional 90 WAGABOX® units (of which ten are currently under construction)”.

8. CASH AND EQUITY

Section 8.3.3 "*Bond financing*" of the Registration Document is completed as follows:

"Convertible bonds with Eiffel Gaz Vert

On 10 December 2020, the Group signed a convertible bonds into Waga Assets shares for a maximum amount of €80 million, representing 80 million bonds with a par value of €1 each, with Eiffel Gaz Vert. This fund has obtained the Greenfin Label, a label created by the French Ministry for the Ecological and Inclusive Transition, which guarantees the green nature of investment funds and is aimed at financial players that operate for the common good through transparent and sustainable practices.

This bond may be issued in several tranches, in order to finance the SPVs holding the WAGABOX® purification units and with a six-year maturity. The outstandings may not exceed €20 million. As such, the Group cannot draw on additional debt exceeding €20 million. At 31 December 2020, two tranches had been received, of €2.1 million and €3.3 million, respectively, to finance the WAGABOX® No. 12 and WAGABOX® No. 13 units respectively. A new tranche of the bond loan with the Eiffel Gaz Vert infrastructure fund was drawn on January 2021 for an amount of €1.2 million. On 7 October 2021, the Group drew down an additional line of financing with Eiffel in the amount of €4.3 million by issuing 4,294,000 bonds convertible into shares of the subsidiary Waga Assets. As of the date of the Registration Document, the amount that can still be issued by the subsidiary Waga Assets under the convertible bond contract with Eiffel amounts to €9.1 million. The Group intends to take advantage of the strengthening of its shareholders' equity following the capital increase that would be carried out in connection with the admission of the Company's shares to trading on the regulated market of Euronext Paris to renegotiate or refinance certain financing contracts and benefit from better borrowing conditions, in particular for this convertible loan.

Moreover, this contract requires compliance with certain commitments, in particular financial covenants at the level of Waga Assets. At 30 June 2021, these commitments, including compliance with respect to financial and non-financial covenants, were met. Thus, the limitations on the transfer of cash and distributions, the use of funds for the financed purpose, the reporting of information, the limitation of financial debt with a third party and gearing were met.

Eiffel Gaz Vert will have the right to request the conversion of its bonds into shares of the subsidiary Waga Assets (i) in the event of the occurrence of one of the events of default listed in the documentation and which has not been remedied or (ii) in the event of a change of control of the subsidiary Waga Assets.

In the event of a conversion triggered by a default event, the conversion ratio is calculated on the basis of an expert valuation with a discount, and, in the event of a conversion triggered by a change in control, based on a multiple of consolidated EBITDA (as defined by contract), i.e. EBITDA as determined based on the ad hoc consolidated financial statements of Waga Assets. EBITDA is contractually designated as operating income within the meaning of the French General Accounting Plan (*plan comptable général*), increased in particular by certain items such as allocations to provisions and depreciation, impairment on operating assets and provisions for risks and charges, and less other items, notably reversals of provisions and impairment on operating assets and provisions for risks and charges. If Eiffel Gaz Vert fails to exercise its conversion right in either of the aformentioned cases, the bond will be redeemed in cash on the maturity date."

Section 8.3.4 "*Bank loan and repayable advance financing*" of the Registration Document is completed as follows:

"On 8 October 2021, via its Sofiwaga Infra subsidiary (owned at 49%), the Group subscribed to bank financing in the amount of €8.3 million, at an annual interest rate of 1.75% and a maturity set for 2033,

with a pool of banking organisations. The Group will carry out another bank financing of the same type via its subsidiary SP WAGA 1. The maximum total amount of this financing may not exceed €10.6 million and will be released in several drawdowns. These will repay part of the partner's current account with Meridiam (a shareholder with a shareholding of 51% of Sofiwaga Infra) and cover the financing of three projects in operation and one project under construction. The current account amount to be repaid to Meridiam amounts to €4.9 million of which €520,000 was repaid on 7 October 2021. The Group expects to repay €1.9 million in October and €2.5 million in December. (Please see chapter 20 of this Registration Document on the shareholders' agreement concerning Sofiwaga Infra)".

Section 8 4 "*Restriction on use of capital*" of the Registration Document is completed as follows:

"In the context of the bank financing provided to its subsidiary Sofiwaga Infra (49% owned) and SP WAGA 1 for a total maximum amount of €10.6 million, the agreements entered into contain certain covenants to be respected by Sofiwaga Infra and SP WAGA 1 respectively, including:

- the payment on the due date of any amount in principal, interest, late interest, penalties, indemnities, commissions, costs or accessories due by each borrower (Sofiwaga Infra or SP WAGA 1);

- prohibition of any cross default;

- a commitment to respect financial covenants such as a gearing ratio of 80/20 or a Debt Service Coverage Ratio (DSCR) of at least 140%; or

- the setting up of securities such as pledges, dispossession pledges or *Dailly* assignments."

10 TRENDS

Section 10.2 "Future outlook and objectives" of the Registration Document is completed as follows:

The objectives and trends presented below are based on data, assumptions and estimates, in particular as regards to the economic outlook, considered reasonable by the Group at the date of the Registration Document.

This future outlook and objectives, which result from the Group's strategic orientations, do not constitute forecasts or profit estimates for the Group. The figures, data, assumptions, estimates and objectives presented below are liable to change or be modified in an unforeseeable manner, depending, inter alia, on changes in the economic, financial, competitive, legal, regulatory, accounting and tax environment or other factors of which the Group is not aware at the date of the Registration Document.

Moreover, the materialisation of certain risks described in Chapter 3 "Risk Factors" of the Registration Document could have a negative impact on the Group's business, financial position, market situation, results or outlook and therefore call into question its ability to achieve the objectives presented below.

Furthermore, the achievement of these objectives assumes the success of the Group's strategy and its implementation.

Consequently, the Group does not make any commitment or give any guarantee as to the achievement of the objectives set out in this section.

The Group aims to achieve:

- Revenue of €200 million in 2026 (assuming an equivalent of 80 units operating at full capacity over the year);
- 100 WAGABOX® units in operation at the end of 2026, i.e. an additional 90 WAGABOX® units compared to the number of units in operation at the date of the Registration Document (of which 10 are currently under construction); and
- 120 projects at the end of 2026 (including 100 units in operation and 20 units committed and under construction) representing nearly €400 million in recurring and contracted revenue[1] with a fleet of assets whose specific unit capacity is increases notably due to international deployment.

The Group's revenue is expected to grow gradually as WAGABOX® units are rolled out and put into operation, which generate recurring revenue from energy sales over their entire lifespan.

In order to meet the targets for revenue and WAGABOX® units in operation and committed, the Group intends to harness the pipeline of 97 sites for which negotiations are underway following a proposal submitted by the Group, and the 324 sites (opportunities) for which studies and discussions are underway to validate the feasibility of the project, covering the target of 100 sites in operation by 2026.

The 97 sites comprising the current pipeline are spread between France (42%), Europe excluding France (31%), North America (17%) and Australia (10%).

The Group estimates, based on its strategy and by way of illustration, that the geographical distribution

[1] *Recurring and contractual annual revenue corresponds to the revenue anticipated by the Company over a period of ten to twenty years under long-term contracts, either for the sale of biomethane or for the purification service. In the case of biomethane sales agreements, the revenue depends on the sales price to the energy company (purchase obligation over the contract duration) and the sales volumes anticipated by the Company based on biogas audits carried out prior to each project. For purification services, the revenue depends on the service defined with the storage site operator.*

of the 100 WAGABOX© units in operation by 2026 would be around one third in France, one third in North America and one third in Europe excluding France and the rest of the world.

Over the coming years, the Group considers that its fleet of WAGABOX© units in operation at the end of the financial year will not see linear growth, but will see a gradual acceleration: around 10 units per year over the next two financial years, then around 20 units per year for the following two years, then around 30 units per year from 2026.

This gradual acceleration will build on:

- a growing reputation: the first WAGABOX© units put into operation in a country can serve as a technological and commercial showcase, greatly increasing the Group's local reputation and facilitating the signing of subsequent contracts, as the Group has observed on the French market and, more recently, the Canadian and Spanish markets; and

- the reinforcement of commercial prospecting and development teams thanks to the deployment of part of the funds raised by the initial public offering that should take a few semesters to produce its full effect.

In addition, these assumptions for the growth in constructed units do not take into account the positive effects on the Group's reputation and commercial penetration in certain regions induced by the commercial agreements signed with Viva Energy, Vitol and CMA CGM, which aim to enable the Group to penetrate more quickly into Australia and certain European countries, as well as to offer new international opportunities by relying on these new partners.

Other projects not yet identified (not included in the pipeline or in the opportunities) will be added to the pipeline as the Group sends commercial offers to additional sites that may receive a WAGABOX® unit: i.e. meeting the selection criteria, namely proximity to the natural gas network, sufficient flow, and the site operator's ethical and technical compliance, out of a total of approximately 20,000 sites estimated at the worldwide level, including 1,500 in Europe and 2,700 in North America.

To achieve this objective and the roll-out of an additional 90 WAGABOX® units, the Company plans to invest €450 to €600 million over this period (depending on the average size of WAGABOX® units in the fleet), including a debt proportion of approximately 50% to 80% and which may vary depending on the type of project, cash flows from the units in operation and the amount raised during the planned initial public offering.

In addition, the Group is targeting a project EBITDA margin[2] of between 30% and 50% for a "typical" WAGABOX® project (1,500m3/h).

[2] *Project EBITDA ("Earnings Before Interest, Taxes, Depreciation & Amortisation") is an indicator that measures operating performance, defined as profit (loss) from continuing operations restated for allocations to property, plant and equipment and intangible assets and provisions calculated by project. Unlike EBITDA, Project EBITDA does not take into account certain fixed expenses (rents excluding contracts in the scope of IFRS 16, costs related to administrative and finance functions, etc.) and current overheads. The Project EBITDA margin is calculated by dividing the revenue of a specific project by the Project EBITDA.*