



Waga Energy
Public limited company (*société anonyme*) with a Board of Directors and share capital of €204,833.50
Registered office: 5 avenue Raymond Chanas, 38320 Eybens
Grenoble Trade and Companies Register no. 809 233 471

UNIVERSAL REGISTRATION DOCUMENT



The Universal Registration Document was approved on 16 June 2023 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 Universal Registration Document bears the following approval number: R. 23-029.

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

The Universal 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 16 June 2024 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.

The annual financial report included in this Universal Registration Document is a reproduction of the official version of the annual financial report which was prepared in XHTML format and in French and is available on our website (<https://waga-energy.com/fr/investisseurs/>).

This document is available free of charge at the Company's registered office located at 5 avenue Raymond Chanas, 38320 Eybens, France, as well as on the AMF website (www.amf-france.org) and on the Company's website (www.waga-energy.com).

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General Comments

In this Universal Registration Document, and unless otherwise indicated:

- The term “Universal Registration Document” means this Universal Registration Document;
- The terms the “Company” or “Waga Energy” mean the company Waga Energy, whose registered office is located at 5 avenue Raymond Chanas, 38320 Eybens, 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.

Content of the Universal Registration Document

This Universal Registration Document includes the annual financial report and the management report, including the corporate governance report.

Information on the market and the competitive environment

The Universal 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 Universal Registration Document) and professional organisations or figures published by the Group’s competitors, suppliers and customers. Certain information contained in the Universal 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 that described in the Universal 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, as amended.

Forward-looking information

The Universal 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 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 Universal 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 Universal Registration Document is given only as at the date of the Universal Registration Document.

Risk factors

Investors are asked to read the risk factors described in Chapter 3 “*Risk factors*” of the Universal 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 Universal Registration Document could also have a material adverse effect.

Rounding

Some figures (including financial data) and percentages presented in the Universal Registration Document have been rounded. Where applicable, the totals presented in the Universal 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 Universal Registration Document are not part of the Universal Registration Document.

Glossary

A glossary defining certain terms used in the Universal Registration Document can be found in Chapter 23.

1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1 Person responsible for the Universal 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 Universal Registration Document is, to my knowledge, accurate and contains no omission that might alter its scope.

Signed in Paris,
on 16 June 2023

Mathieu Lefebvre

Chairman and Chief Executive Officer

1.3 Expert reports and declarations of interests

None.

1.4 Information from third parties

The Universal 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 Control of the Universal Registration Document

The Universal 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 Universal 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 Universal Registration Document.

1.6 Person responsible for the financial information

Marie-Amélie Richel
Chief Financial Officer
Address: 5 avenue Raymond Chanas, 38320 Eybens, France
E-mail address: marie-amelie.richel@waga-energy.com

2. STATUTORY AUDITORS

2.1 Principal Statutory Auditors

Ernst & Young et Autres

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 Pierre-Emmanuel Passelègue

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 Universal Registration Document, including the risk factors described below. As at the date of the Universal 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 Universal Registration Document is not exhaustive and that other risks, unknown or whose occurrence is not considered, at the date of the Universal 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 the Universal Registration Document, affect the Group's activity, financial position, reputation, results or prospects. Within each of the risk categories mentioned below, the risk factors that, at the date of the Universal 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 competition in the landfill gas recovery market	Medium	Medium	Medium
3.1.2 Risk related to gas grid connection	Medium	Medium	Medium
3.1.3 Risk related to the competitiveness of biomethane compared to natural gas	Low	Medium	Low
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 Risk related to the construction and supply of the components necessary for the manufacture of WAGABOX® units and their integration	High	Medium	Medium
3.2.2 Industrial risks that may affect employee safety	Low	High	Medium

3.2.3 Risk related to the Group's growth strategy	Medium	Medium	Medium
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 purchase agreements 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 Interest rate risk	High	Medium	Medium
3.3.2 Liquidity risks	Low	High	Medium
3.3.3 Risk related to the level of financial leverage and the Group's financing method	Low	Medium	Medium
3.3.4 Risk related to covenants in financing contracts	Low	Medium	Medium
3.3.5 Risk related to taxation affecting the Group	Medium	Low	Low
3.3.6 Credit or counterparty risk	Low	Medium	Low
3.3.7 Currency risk	Medium	Low	Low
3.4 Legal and regulatory risks			
3.4.1 Risk related to technology and intellectual property rights belonging to the Group	Medium	High	Medium
3.4.2 Risk related to obtaining the necessary permits, licences and authorisations to carry out its activities or establish its facilities	Low	Medium	Medium
3.4.3 Risk related to the reduction or review of regulated prices and tariffs for biomethane	Medium	Low	Low
3.4.4 Risk related to an unfavourable change in regulations or public policies supporting renewable energies	Low	Medium	Low

3.5 Environmental, social and corporate governance risks			
3.5.1 Risk related to the IT infrastructure	Medium	Medium	Medium
3.5.2 Ethics and corruption risk	Low	High	Medium
3.5.3 Risk related to climate, weather and environmental fluctuations	Medium	Low	Low
3.5.4 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 competition in the landfill gas recovery market

Risk description

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. These technology suppliers only offer some of the services integrated into a WAGABOX® unit designed specifically for this complex gas source (CO₂ 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 Universal 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. However, new players, such as SysAdvance (Portugal), BCKK, OPAL Fuels and Archaea Energy (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. Major energy companies are also interested in this market, such as BP, which acquired Archaea Energy in 2022.

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. For example, TotalEnergies announced its intention to develop in biomethane.

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, Archaea energy, OPAL fuels, Cambria Energy, WM, Mas Energy, Energy Development 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 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. 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 Universal 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. Nevertheless, a relatively high market price of electricity compared to the market price of biomethane could make this recovery competitive.

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.

Risk management measures

The Group is the leading player in this market, with 16 units already in operation at the date of the Universal Registration Document (out of a total of around 70 worldwide). 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 purification unit and having proprietary technology. This

integrated model allows the Group to position itself in the segment of small and medium-sized purification plants (from 400 m³/h), while companies specialising 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.

3.1.2 Risk related to gas grid connection

Risk description

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.

Risk management measures

The Group conducts a connection study prior to any commercial negotiations with a landfill 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.

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

Risk description

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.

Risk management measures

The Group has implemented an investment policy in certain countries (France, the United Kingdom, Italy, the United States and Canada) offering support 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. Moreover, 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.

3.1.4 Risk related to waste management methods

Risk description

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.

Risk management measures

The Group accesses landfill gas by connecting to collection grids that allow landfill operators to capture the gas for flaring or recovery. Gas collection is mandatory in all European countries and in North America, such that the Group could theoretically be 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 10/20 years makes it possible to ensure the reliability of the volume of biogas that will be made available;
- the Group secures the volume of 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; and
- 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.

3.1.5 Risk related to the capacity of gas grids

Risk description

WAGABOX® units are generally connected to the gas distribution grid, which carries gas to final consumers (with a pressure of up to eight 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.

Risk management measures

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.

3.2 Risks related to the Group's business and strategy

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

Risk description

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 or aluminium);
- the cost of the equipment constituting the WAGABOX® unit and in particular the instrumentation;
- the availability of certain key components (filtration membranes, electronic boards, 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 supply chain incidents, the Group could be faced with requests to cover additional construction costs that may increase the amount of investment originally planned.

Generally, the Group's co-contractors may face supply difficulties, delivery delays and the risk of logistics chain disruption, which are liable to affect prices and conditions for obtaining the components necessary for the design of WAGABOX® units (such as stainless 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 had an impact on the Group's supply costs. With regard to the armed conflict between Russia and Ukraine, it should be noted that the Group has no direct exposure to these two countries and does not generate any revenue there. From an economic point of view, this conflict could have consequences on supplies of equipment, which would be likely to lengthen lead times and increase costs. As of the date of the Universal Registration Document, these consequences cannot yet be quantified.

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.

Risk management measures

In order to be able to respond to the risk, the Group is diversifying its sources of supply for components in the targeted regions. The Group has also anticipated the orders of critical parts necessary for the construction of WAGABOX® units in order to secure the projects over the next 12 months in terms of cost and deadlines. The Group believes that the unprecedented increase in natural gas prices caused by the conflicts in Ukraine has no impact on the Group's revenues as all WAGABOX® projects are developed under long-term contracts. On the other hand, the Group notes that its ability to produce large volumes of renewable gas locally at a competitive and stable price is attracting increasing interest from energy companies and companies seeking to source renewable energy.

3.2.2 Industrial risks that may affect employee safety

Risk description

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

Some of the main gases treated such as methane or hydrogen sulphide are classified as hazardous gases (flammable gas, toxic gas) and others can cause risks of anoxia in a confined environment (nitrogen, carbon dioxide). 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;
- anoxia, associated with inert gases; or
- the weakening of materials at very low temperatures.

In addition, pressure is an element that is central to the Group's industrial processes and also 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.

Lastly, WAGABOX® units require significant electrical power to operate and are connected directly to the high-voltage grid. Consequently, the electrical risk is one of the main risks for operators.

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.

Risk management measures

In terms of safety, and in particular of people, the Group has an obligation to achieve results and considers risk management to be its first priority. Incidents are analysed internally. Training and accreditation are regularly conducted to ensure the competence of personnel authorised to work on production sites. Since May 2020, the Group has employed a Quality, Health, Safety and Environment manager ("QHSE") to structure the safety approach, who supervises a team of four people. The Group has also 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.

3.2.3 Risk related to the Group's growth strategy

Risk description

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 Universal Registration Document, the Group generates approximately 19% of its revenue internationally.

France is the Group's historical strategic market, given the country's policy of supporting renewable energies (in particular the injection of biomethane from waste storage sites) and innovation, for the start-

up of its activity. During the financial years ended 31 December 2020, 2021 and 2022, the Group generated 99.6%, 85.3% and 81%, respectively, 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 expanding 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 and include the following risks:

- instability of the political environment (risk of losses in the event of expropriation, nationalisation, confiscation of property and assets, political or social unrest or malicious or terrorist acts);
- presence of corruption or increased business ethics risks;
- 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;
- extension of the development and start-up period of projects;
- 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.

Risk management measures

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 recurring revenue¹.

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 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.

Furthermore, the Company implemented a code of conduct in early 2022. This code of conduct aims to present the values on which Waga Energy is based, it provides guiding principles and specifies the rules that everyone must apply on a daily basis. This code also serves as a guide to the Group's ethical principles and business conduct. It is complemented by a whistleblowing system that allows any employee to report a serious breach of the principles of the Code of Conduct.

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

Risk description

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, requires occasional human intervention. 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. 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.

¹The 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. It does not constitute a forecast and is intended to represent, at the date, the potential of the installed base of WAGABOX® units and those under construction. In the case of a biomethane sales contract, the revenue depends on the price obtained from an energy company and the sales volumes anticipated by the Group on the basis of the biogas audit carried out before each project.

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.

In addition, the Group is exposed to the risk of an increase in the price of electricity, mainly in Europe, insofar as the operating cost of the WAGABOX® units is sensitive to this and the biomethane sales tariffs are not directly indexed to the price of electricity. A prolonged increase in the market price of electricity could have direct consequences on the profitability of certain projects, notably those for which there is no mechanism for sharing the cost of electricity with the storage site operator.

Finally, the operation of WAGABOX® units requires a specific coal to filter the sulphur present in the biogas. The Group is exposed to fluctuations in the price of this coal in the absence of a representative coal cost index. An increase in coal prices and the actual cost of supply for the Group could negatively impact the profitability of the projects concerned.

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

Risk management measures

The Group is attentive to safety in the context of its activity and regularly reinforces the procedures for remote control of units and implements preventive or corrective maintenance. The Group is building up an inventory 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. In addition, the IT systems used for the operation of WAGABOX® units are independent from the IT software used by the Group's management. Finally, the Group strives to put in place contractual mechanisms to mitigate these risks (cost-sharing formulas or renegotiation clauses). With regard in particular to the risk of an increase in the cost of electricity, the Group has negotiated, in the majority of projects in France, a sharing of the cost of electricity consumption with the operator of the storage site, thus limiting the impact of an increase in the electricity price on the operating cost of its units. Moreover, when market conditions are favourable, the Group negotiates multi-year electricity supply contracts, and, in the case of France, these contracts are partly capped by the Regulated Access Historical Nuclear Electricity ("ARENH") system established in 2011 by the French government.

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

Risk description

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 (79% of revenue as at 31 December 2022). The average duration of these biogas purchase contracts is 15 years (see also Section 7.1.6 "Main performance indicators" of the Universal 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 or if either party fails to honour its commitments, the project could fail to operate smoothly and could be subject to penalties by either party. 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 ensures that the facilities do not disregard any contractual provision that would result in the suspension or termination of the purchase agreement. It also ensures that each counterparty has all the permits and authorisations enabling it to fulfil its commitments. For each project, the biogas purchase contract and the biomethane sale contract include multiple mechanisms, which vary according to the legal framework and practices of the country where the project is developed, making it possible to manage the consequences of potential events occurring under the other contract and thus reduce the risks of misalignment between the biogas purchase contract and the biomethane sale contract.

In addition, contracts for the purchase of biogas or contracts for the sale of biomethane, notably those concluded with offtakers, require the Group to agree with each counterparty on mechanisms for managing changes in the economic or regulatory environment, risk-sharing mechanisms or robust price adjustment mechanisms, depending on various parameters such as price indices for gas or other products and services (based on past or present changes), elements relating to the productivity of the project undertaken, or the practice in the relevant jurisdiction. It also requires the implementation of complex tools to assess the project's economic performance. Understanding these adjustment mechanisms and their consequences depending on the scenarios studied may lead to longer 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 insufficient guarantees to cover the losses incurred by the Group.

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.

Risk management measures

The Group relies on the performance of its business developers, the increase in their number, the sharing of best contractual practices, their training in project economic evaluation tools and a systematic analysis of the risks of each contract, to ensure the development of projects and their capacity to secure contracts for the purchase of biogas from landfill site operators to meet contractual commitments for the sale of biomethane. The expertise of the business developers, as well as that of the services in support of business developers, to which the Group is particularly attached, remains the true guarantee of quality and robustness of the projects thus developed.

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

Risk description

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 Universal 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.

Risk management measures

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. Better management of the progress of projects, of the operation of its facilities, through accumulated experience, and the improvement of the design of the machines, allows the Group to reduce the risks of defect both as regards its contractual counterparties and the public institutions from which it expects subsidies, subsidies for which it remains essential to duly manage the eventuality when verifying the profitability of a project. In addition, the Group's efforts

to improve the management of the entire value chain enable it to take advantage of the opportunities offered by the dynamics of the markets in which it operates and to offset the risks that these same dynamics would tend to create if it remained motionless.

The environment in which the Group operates is constantly changing, whether in terms of the price of natural gas or electricity, the appetite of public and private players for biomethane, etc. These changes tend to make the biomethane market more dynamic than it was a few years previously. Thus, the risks of termination of the biomethane purchase contract or related to any delays in commissioning are offset by a greater number of potential buyers of biomethane. The Group must therefore adapt to this new dynamic to better manage the risks intrinsically linked to its business.

3.2.7 Risk related to projects in the development phase

Risk description

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 31 December 2022, the Group had 123 projects in the commercial prospecting phase. 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 3.3.3 "*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.

Risk management measures

The Group believes that it has all the technical and commercial skills in-house to successfully complete the projects under development. In addition, the Group has recruited a significant number of business developers as part of its international development.

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

3.3.1 Interest rate risk

Risk description

Interest rate risk corresponds to the Group's exposure to changes in the interest rates of its bank debts and bonds (external debts). The increase in key interest rates or the reduction or even the end of central bank asset purchase programmes induce an increase in the yield curve which could result in a change in the Group's future financing conditions and, with the persistence of the increase in rates over an extended period, a negative impact on the Group's results.

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

Risk management measures

The Group favours fixed interest rates, thus protecting itself against possible interest rate fluctuations.

3.3.2 Liquidity risk

Risk description

Liquidity risk corresponds to the risk to which the Company is exposed if it encounters difficulties in meeting its obligations relating to the financial liabilities to be settled in cash or by means of other financial assets.

As at 31 December 2022, the Group's cash amounted to €92 million. The Group's financial debts amounted to €53 million (of which €3 million related to leases and rental contracts and €8 million of current financial debts).

As at the date of the Universal Registration Document, the Group has conducted a specific review of its liquidity risk. This review was based on the Group's business plan, incorporating the planned investments and additional financing required. On the basis of this analysis, as at the date of the Universal Registration Document, the Group believes that it will be able to cover its cash requirements over the coming period of twelve (12) months.

Risk management measures

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 financing solutions, enabling it to meet its short- and medium-term financial commitments. Finally, the Group benefits from the proceeds of its initial public offering in October 2021.

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

Risk description

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 2020, 31 December 2021 and 31 December 2022, the Group's revenue amounted to €9.5 million, €12.3 million and €19.2 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. 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. 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 mechanically 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, a drastic reduction in the supply of credit or a liquidity crisis. In this respect, although the Group has not experienced any refusal of financing by external funders to date, or a reduction in the financial leveraging level, which remains stable, 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. 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.

Risk management measures

The Group systematically prepares a financing plan prior to any solicitation or commitment, with an advance review of the conditions and risks associated with financing. In addition, downstream, the Group is in constant contact with banks and investors and monitors the state of the financing markets. The significant increase in equity thanks to the IPO has facilitated access to bank loans and the negotiation of financing terms. Finally, the Group believes that the robustness of its business model, demonstrated over the past six years, is likely to facilitate access to the credit market and generate confidence among banks.

3.3.4 Risk related to covenants in financing contracts

Risk description

The Group has entered into several financing agreements through the Company or its subsidiaries.

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. Under the terms of the Sofiwaga Infra and SP WAGA 1 financing agreements, the covenants will apply to these two Group subsidiaries respectively. As part of financing agreements signed in 2022 for Waga Assets and its subsidiaries (covering six projects), debt service coverage ratios with 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, if the Company were to encounter significant financial difficulties, it could lead to 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).

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.

At 31 December 2022, all covenants, notably financial and non-financial covenants, were met by the Group, with the exception of an information commitment concerning SP Waga 1, which has since been regularised. As at the date of this Universal 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.

Risk management measures

The Group monitors in detail compliance with the covenants defined in all its financing agreements. Regular monitoring is carried out internally and regular reports are sent to banks and investors. If the Group 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. At 31 December 2022, all commitments, notably those relating to compliance with financial covenants, were complied with (with the exception of the information commitment concerning SP Waga 1, regularised at the date of the Universal Registration Document). In addition, the Group terminated the loan agreement between Waga Assets and Eiffel Gaz Vert, containing certain limited covenants, with effect from 31 March 2022.

3.3.5 Risk related to taxation affecting the Group

Risk description

As at the date of the Universal 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. 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.

Risk management measures

The Group has a tax policy based on strict compliance with applicable laws and regulations and a high level of transparency towards the tax authorities of the various countries in which it operates.

3.3.6 Credit or counterparty risk

Risk description

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 Universal 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. Revenue from the Group's four main customers amounted respectively to €4 million (33% of revenue), €2.2 million (18% of revenue), €1.8 million (15% of revenue) and €1.6 million (13% of revenue) at 31 December 2021, and respectively to €4.2 million (22% of revenue), €3.2 million (17% of revenue), €2.3 million (12% of revenue) and €2.3 million (12% of revenue) at 31 December 2022.

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 "*International rollout strategy*" of the Universal Registration Document). 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.

Risk management measures

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.

3.3.7 Currency risk

Risk description

At the date of the Universal Registration Document, the Group's exposure to foreign currencies is not significant.

However, in view of its international development strategy, the Group may in the future receive a larger share of its revenues in foreign currencies.

The Group will then be exposed to a currency risk linked to the evolution of the Euro parity with the different currencies concerned which could have an unfavourable impact on the Group's financial position and results. The current crisis resulting from the armed conflict between Russia and Ukraine could cause the euro to fluctuate against other currencies, particularly the US dollar and the Canadian dollar, which could affect the Group's economic performance.

Risk management measures

The Group plans to use an appropriate currency hedging policy in line with its international development.

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

Risk description

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. The license agreement was automatically renewed until June 2024.

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 of the date of the Universal 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.

Risk management measures

The Group has put in place a patent protection strategy that requires it to publish precise technical information on its technology, and constantly monitors the market activity of its competitors in order to apprehend and combat any counterfeiting. In addition, in order to limit the risks of infringement by a third party of its intellectual property rights or of its liability due to an alleged infringement of their rights by third parties, the Group is monitored by legal counsel and places particular importance on these aspects in all the contracts it signs in the course of its business.

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

Risk description

In view of its activities on sites subject to environmental and energy regulations, the Group is dependent on the regulatory requirements imposed by local regulations (*e.g.* ICPE in France) on the operation of these sites, whether on its own behalf or on behalf of third parties. The Group may thus be exposed to the controls carried out by the authorities in charge of local energy or environmental regulations.

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. The Group experienced a delay of several months in Quebec in obtaining permits and authorisations for the operation of its first WAGABOX® unit.

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.

In France, since 1 July 2021, pursuant to Articles L. 446-27 *et seq.* of the French Energy Code, facilities producing biogas for injection 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 Universal Registration Document, the Group believes it meets the 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 and will be applicable from 1 July 2023. 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, facilities benefiting from a support system or biogas production certificate system are subject to a control system aimed at ensuring their compliance with the provisions required by the regulations for their construction and operation. Inspections must 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 is 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 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.

Risk management measures

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. In addition, the QHSE department monitors and anticipates the impacts of regulations in the countries where WAGABOX® units are deployed. However, each first project in a new region cannot be carried out with the same level of control as in a more mature region and additional risks in terms of obtaining authorisations and completing work are to be expected.

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

Risk description

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) 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 "*Regulatory environment*" of the Universal Registration Document)

Risk management measures

The Group is developing in several markets to avoid excessive dependence on any one 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 waste storage site operator (NHWSF).

3.4.4 Risk related to an unfavourable change in regulations or public policies supporting renewable energies

Risk description

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 operating permit. 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 had provisioned an amount of €340 thousand at 31 December 2022. Furthermore, it should be noted that legislative and regulatory changes are frequent.

In France, WAGABOX® in injection and under construction benefit from the biomethane sales contracts covered by the regulatory framework of the Decision of September 2011. All measures taken by the DGEC to modify the terms of the purchasing contracts will have an impact (positive or negative) on the income statement.

Under the terms of Decision of 23 November 2020, for purchase contracts signed after this date, the purchase obligation is now only possible for biomethane production facilities with an annual reference production below 25 GWh per year. From 2023 onwards, a decrease in the price of the tariff with the biomethane purchase obligation could make some of the Group's projects that have not secured their tariffs to date, less competitive. The DGEC also validated a regulatory framework for purchase contracts for facilities exceeding 25 GWh per year, which would be awarded through calls for tenders organised by the CRE; this could slow down or make the development of certain Group activities more complex and costly.

In addition, Decree No. 2°22-640 of 25 April 2022 created a production certificate mechanism, codified in Articles L. 446-31 *et seq.* of the French Energy Code, which will be applicable from the 1 July 2023, aimed at promoting the production of biogas injected into natural gas networks. In practice, the guarantees of origin and these production certificates will have the same value as certification of the renewable origin of the gas.

In Canada, the prices of biomethane production are also regulated by the public authorities, and this is done region by region. There is a monopoly on the production, distribution and marketing of natural gas injected into the networks in each region. In the United States, the RIN system, in the UK the RTFO

scheme, and in Europe the ETS or GHG Protocol quotas dictate the rules for using biomethane as a decarbonisation vector.

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 "*Regulatory environment*" and Sections 5.1.3.3 "*Ambitious public policies*" and 5.1.3.4 "*An energy subsidised in several countries*" of the Universal Registration Document)

Risk management measures

At the same time as the development of projects benefiting from regulatory or financial support, the Group is developing a strategy of selling biomethane through direct contracts with natural gas consumers or gas suppliers (fuel or oil). These standard contracts (Biomethane Purchase Agreement or BPA) are based on the regulation underlying the end customer's decarbonisation need (either voluntary or by obligation to incorporate quotas).

The Group is also active in various working groups in conjunction with the DGEC to anticipate regulatory changes and be able to communicate with the public authorities on their impacts.

3.5 Environmental, social and corporate governance risks

3.5.1 Risk related to the IT infrastructure

Risk description

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

Risk management measures

The data collected by the Group is all automated and stored on a dedicated cloud and some local servers for design software to speed up software response time. An external outsourcing company has been selected to monitor IT assets and ensure IT updates and security. Cybersecurity audits and awareness-raising actions are regularly carried out by an external firm and in-house.

3.5.2 Ethics and corruption risk

Risk description

The Company is developing internationally, possibly in countries where the risks of corruption are sometimes high and could lead its employees or third parties acting in its name or on its behalf, directly or indirectly, intentionally or not, to practices contrary to the regulations in force (notably the U.S. Foreign Corrupt Practices Act and French law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life) and the Group's ethical principles.

Unethical or non-compliant practices by its representatives or employees could expose the Group to criminal and civil sanctions and damage its image.

Risk management measures

The Company set up an anti-corruption programme and implemented the recommendations of the French Anticorruption Agency (AFA) and the Department of Justice of the United States: a code of conduct, risk mapping, a third-party verification procedure, an internal whistleblowing system and training programmes provided regularly to employees. Disciplinary sanctions are provided for in the event of non-compliance with the codes and procedures in place. Due diligence work is carried out specifically on these matters by an external firm on any new major partner. These risks and procedures are supervised by the Legal and Compliance Director, who reports directly to the Company's General Management.

3.5.3 Risk related to climate, weather and environmental fluctuations

Risk description

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 heat peak, the unit's cooling circuit is no longer able to maintain the temperature of the compressors within the limits set by the manufacturer, so that the appliance breaks down, causing the unit to stop. 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 may decide to stop them if the outside temperature reaches 40°C. The Group is aware that climate change will have an upward impact on ambient temperatures in all regions. To cope with this certain increase, new facilities are planned to operate up to temperatures of 45°C. The objective of this measure is to limit or even avoid a loss of production of

several hours per day during the entire duration of the heat wave, and therefore to avoid having an impact on the revenue generated through 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, as a result of, among other things, earthquakes, hurricanes, fires, pandemics or any other disasters occurring in a 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 specialising 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 Universal 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.

Risk management measures

The WAGABOX® units currently under construction, especially those to be commissioned in Spain and in countries where temperatures frequently reach high levels, will be equipped with a reinforced cooling system and more heat-resistant components, so that they can continue to operate up to a temperature of 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.

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

Risk description

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 executives 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 executive managers with a high level of expertise and specialists in their field of competence, whether in financing, design, construction or the operation of WAGABOX® units, or in recent technological and market innovation. The limited number of qualified candidates and the strong competition for the recruitment of such executives could prevent the Group from benefiting from skills equivalent to those of these executives. The Group may also fail to attract new talent and retain experienced staff.

Moreover, the Company, which was created in 2015, is a recent but growing business characterised by rapid development. 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 development strategy, if the Group's recruitment campaigns fail to identify, attract, train and retain competent and committed employees, the development of its business and results could be significantly affected.

Risk management measures

The Company is positioned upstream on the training of its personnel for the maintenance activities of its WAGABOX® unit and downstream on recruitment in dynamic employment areas. As part of its CSR policy, the Group is also committed to supporting the development of its employees throughout their careers, including regular training, in order to provide them with the best working experience and environment. The Group's innovative nature and the ambition of its model that is respectful of the planet and the environment are key factors in attracting and retaining highly qualified profiles who share this ambition. Finally, 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 and has key man insurance. A succession plan for executives was drawn up.

3.6 Insurance and risk management policy

3.6.1 Insurance policy

The Group's insurance policy is coordinated by the Group's Finance Department with the support of the operational departments.

The establishment of insurance policies is based on the determination of the level of cover necessary to meet the reasonably estimated occurrence of liability, damage or other risks. This assessment takes into account the assessments made by the insurers as underwriters of the risks. Uninsured risks are those for which there is no offer of cover in the insurance market or for which the offer of cover and/or its cost is not commensurate with the potential benefit of insurance or for which the Group considers that the risk does not require insurance cover.

In particular, the Group has taken out civil liability and operating liability policies, including an environmental insurance policy, in the various countries in which the Group operates, with internationally reputable and solvent insurance companies, as well as all-risk trial assembly insurance to cover the construction of the facilities and machine breakdown and operating loss insurance to cover the invested assets. For risks not covered by these policies, the Group's policies are supplemented on a case-by-case basis by policies taken out locally for a given subsidiary or site.

3.6.2 Risk management policy

Objectives, organisation, system

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, to 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 and Legal Departments.

The Audit Committee set up within the Company's Board of Directors is also responsible for ensuring the relevance, reliability and implementation of the Company's internal control, identification, coverage and risk management procedures relating to its activities and to financial and non-financial accounting information.

Operational risk management

Risk management refers to the measures implemented by the Group to identify, analyse and control the risks to which it is exposed. The risk management system is regularly monitored by the management of the Group's operational entities.

For example, the action plans and internal policies put in place by the entities or departments concerned to manage the major risks identified by the Group are described in the relevant paragraphs of Sections 3.1 to 3.5 of this chapter.

4. INFORMATION ABOUT THE COMPANY

4.1 Company name and trading name

As at the date of the Universal 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: 96950003NXA5XJF97623.

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's registered office is located at 5 avenue Raymond Chanas, 38320 Eybens, France.

As at the date of the Universal Registration Document, the Company is a French public limited company (*société anonyme*).

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 Universal 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 landfill².

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 (CH₄), 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 (CO₂) over a period of 20 years (Source: IPCC).

The WAGABOX® production units are fully automated and 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 projects and finances the construction of WAGABOX® units and operates them with the constant aim of optimising biomethane production. 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 Group offers two distinct business models: either it buys raw gas from waste storage site operators and generates revenue by selling the biomethane to an energy company; or it provides a purification service to the landfill operator who is responsible for selling the biomethane. In all cases, the Group remains the exclusive owner and operator of the WAGABOX® unit (with the exception of the units sold in Lorient-Agglomération and District Régional de la Capitale, of which the Group remains the exclusive operator). 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.

In both cases, 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 company regarding the volumes of biomethane delivered. 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.

²https://www.europeanbiogas.eu/wp-content/uploads/2022/01/GIE_EBA_BIO_2021_A0_FULL_3D_253_online.pdf

The Group finances WAGABOX® projects mainly through Special Purpose Vehicles (SPVs), with each SPV holding a single project in most cases. The SPVs are financed by the Group's own funds, subsidies where applicable, and bank or bond debt. They own the assets and sell the biomethane.

As at 31 December 2022, the Group operates 14 WAGABOX® units in France, at storage sites managed by industrial operators (including Suez and Veolia) or local authorities (such as Lorient-Agglomération). This fleet, representing a maximum installed capacity of 415 GWh/year, can supply close to 70,000 duly isolated households and avoid the atmospheric emission of around 65,000 tonnes of CO₂ eq. per year³ by replacing fossil natural gas.

As at 31 December 2022, 15 other WAGABOX® units were under construction, including one in Spain, four in Canada and one in the United States. The unit to be commissioned in Spain, in the Barcelona region, is financed by the sale of biomethane under a long-term power purchase agreement, similar to the Power Purchase Agreement ("PPA") common in renewable electricity projects. This contract demonstrates the Group's ability to roll out its solution internationally, independently of any government support mechanism.

The Group is rolling 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 CO₂eq./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.* 86 additional WAGABOX® units (of which 15 are already in the construction phase). As of 31 December 2022, the Group has initiated approximately 123 projects in the commercial prospecting phase and has identified hundreds of additional opportunities in countries considered strategic.

As at the date of the Universal Registration Document, the Group estimates annual recurring and contracted⁴ revenues based on signed projects and projects in operation to be in the region of €46 million compared to €40 million a year before.

5.1.1 The urgency of the energy transition

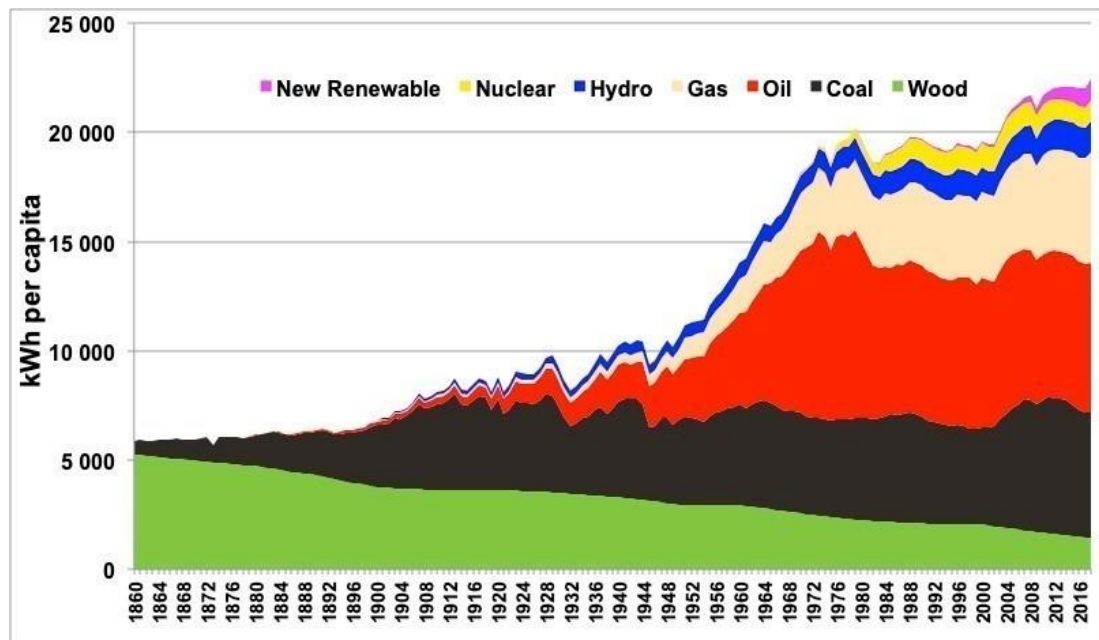
5.1.1.1 *Dependence on fossil fuels*

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 Company estimate based on comparative emission factors for natural gas and biomethane in France determined by the ADEME carbon database, covering all scopes (1, 2 and 3), *i.e.* direct and indirect emissions.

⁴ The annual contractual and recurring revenue corresponds to the revenue anticipated by the Company over a period of 10 to 20 years in the context of long-term biomethane sales contracts or purification services. It does not constitute a forecast and is intended to represent, at the date, the potential of the installed base of WAGABOX® units and those under construction. In the case of a biomethane sales contract, the revenue depends on the price obtained from an energy company and the sales volumes anticipated by the Group on the basis of the biogas audit carried out before each project.

Fig. 1: Change in final energy consumption by source



Change in energy consumption per person, worldwide, since 1860, wood included.

Source: L'énergie, de quoi s'agit-il exactement ? (What exactly is energy?) – Jean-Marc Jancovici

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 (CO₂) has increased by 40% since 1750⁵. 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 behaviours.

⁵ Source: *Data and statistical studies, Ministry for the Ecological and Inclusive Transition, 2015.*

5.1.1.2 The rise of renewable energies

The contribution of renewables to final energy consumption is expected to increase from 10.5%⁶ in 2018 to 17% in 2030 and to reach 25% in 2050, according to the International Renewable Energy Agency (IRENA).



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.

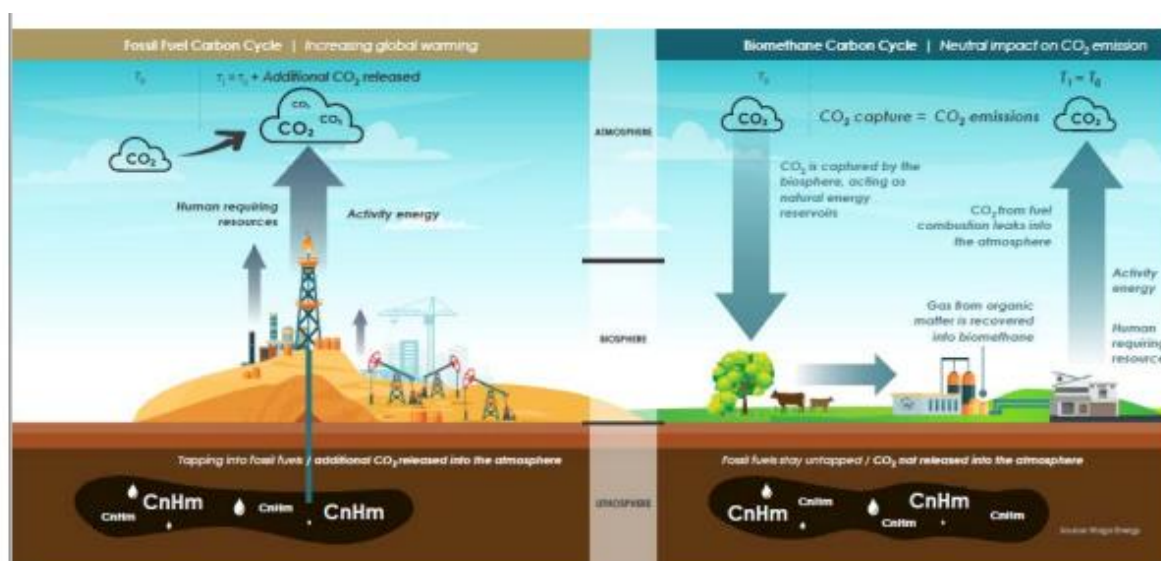
Despite the continued growth of renewable electricity (wind, photovoltaic and hydraulic), biomass should continue to play a central role in the energy mix: it has the advantage of being easily storable and supplying non-intermittent energy (unlike wind and photovoltaic power), and being able to meet 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 (CH₄), a high-performance fuel that emits fewer pollutants (particles, NO_x, SO_x, etc.) during combustion than coal or oil.

In addition, the carbon molecules used in its composition come from the decomposition of organic matter ("short carbon cycle"), 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 ("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 ("long cycle") and contributes to worsening global warming.

⁶ 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).

Indirect reduction of GHG emissions - short carbon cycle



Source: Waga Energy

The average emission factor of biomethane produced in France, injected into the gas grid and consumed in residential and tertiary use, is 23.4 g CO₂ eq./kWh PCI, according to a Quantis-GRDF study⁷. This value is approximately 10 times 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

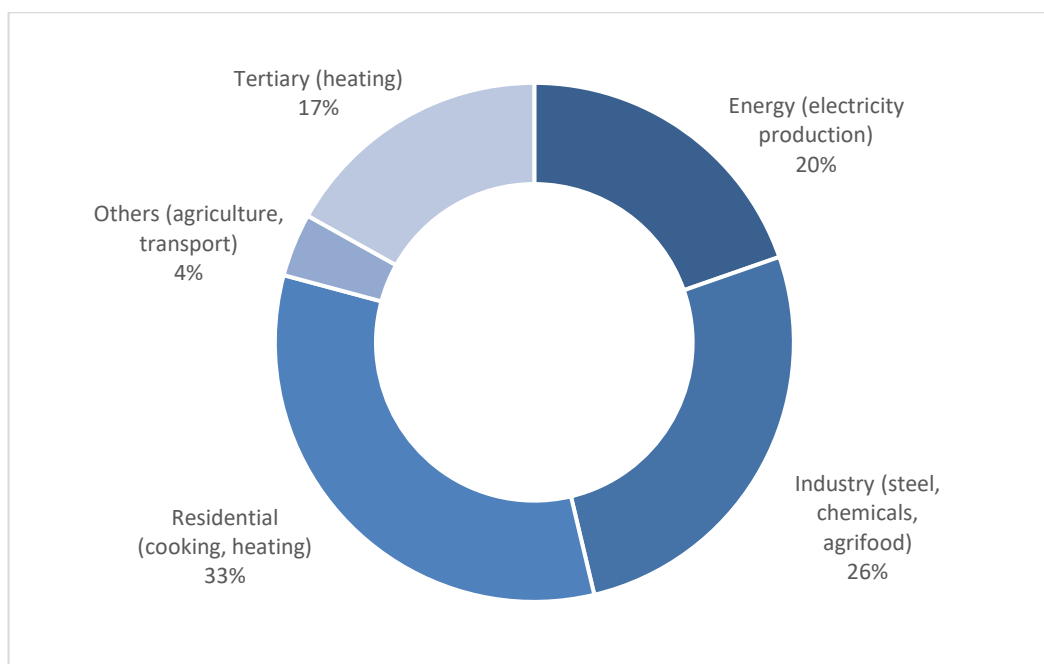
5.1.2.1 A renewable gas with many uses

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 uses that cannot be electrified).

Its development potential is all the more significant 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 is expected to remain stable until 2030 and then decline by 2050, due notably to its substitution by biomethane, which at that date will represent 2% of the share of renewable energy, according to the International Energy Agency (the “IEA”). The share of oil and coal is also expected to decline due to the development of renewable energies.

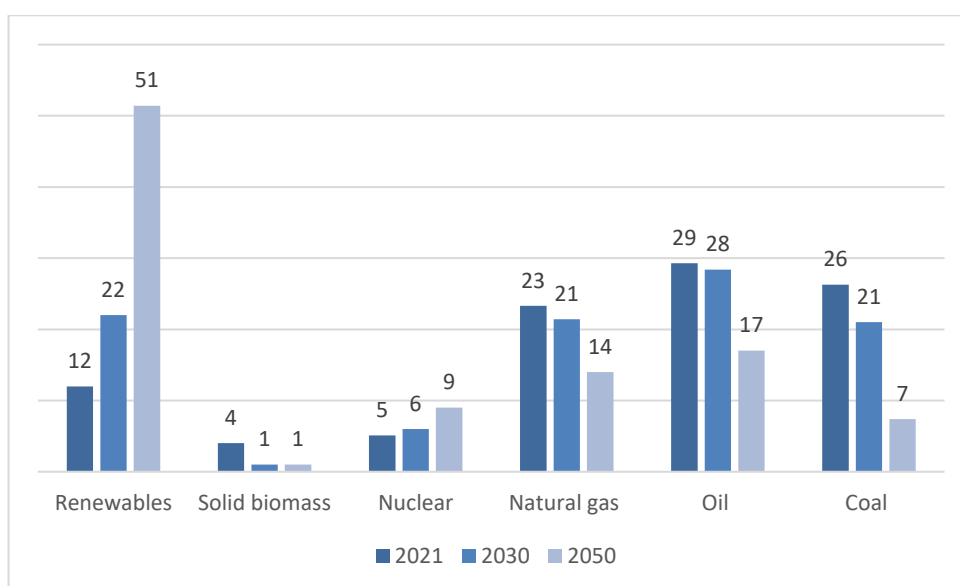
⁷ “Assessment of the GHG impacts of the production and injection of biomethane into the natural gas grid”, Quantis-GRDF, March 2020.

Fig. 2: Main uses of natural gas in France



Sources: SDES, France's energy assessment in 2021

Fig. 3: Global primary energy demand by fuel* (%)



Source: IEA 2021 / *APS scenario

5.1.2.2 Biomethane's potential to decarbonise the transport sector

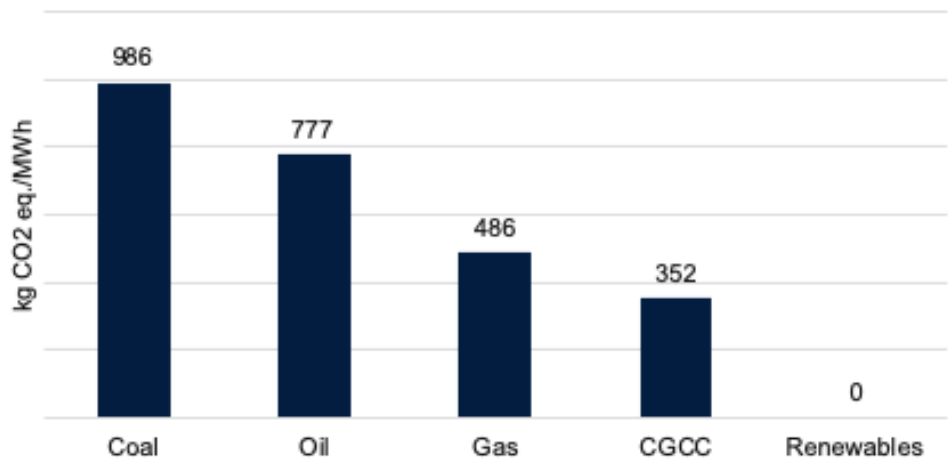
Biomethane offers the opportunity to decarbonise the transport sector on a massive scale, starting today, without making radical changes to existing infrastructures.

The transport sector accounts for 34.6% of our final energy consumption and 24.4% of greenhouse gas (“GHG”) emissions, according to the 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 NGV). According to data from the ADEME carbon database, NGVs emit 6% less CO₂ than Diesel, and BioNGVs emit 80% less CO₂ than Diesel.

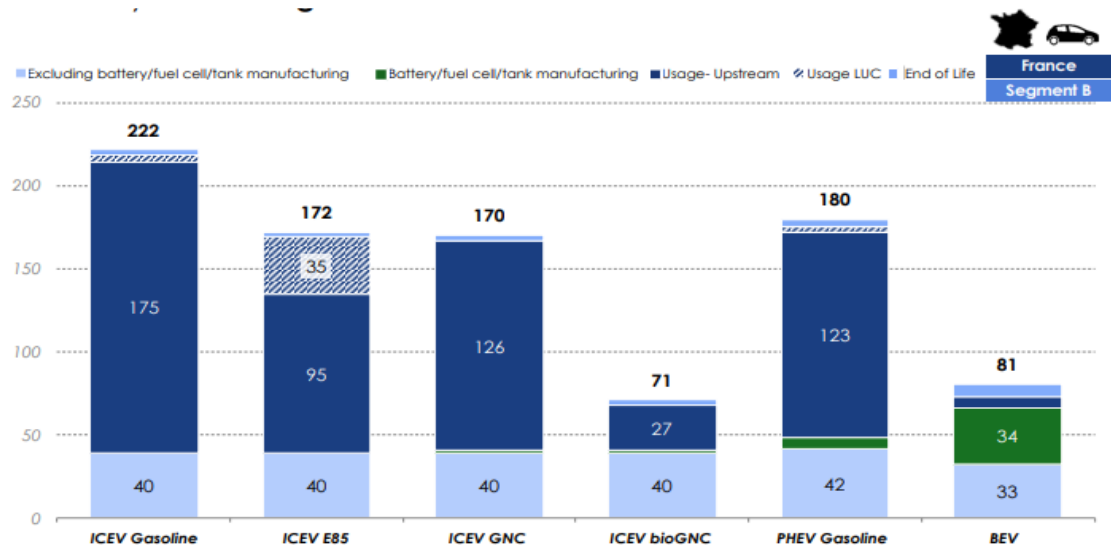
Twenty-six million vehicles run on natural gas worldwide, making it the leading alternative fuel. NGV engines emit less carbon dioxide, nitrogen oxides (NO_x) and particulate matter. Vehicles running on BioNGV are even more virtuous: their lifecycle GHG emissions are lower than those of electric vehicles, according to a study by Carbone 4 on Alternative Engines⁸.

Fig. 4: CO₂ 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 | gCO₂ eq./km)



Source: Carbone 4

⁸ “Which motorisation should be chosen to really decarbonise the road transport sector? ”, Carbone 4 (November 2020).

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 (CO₂) 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/m³. 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 operators’ injection criteria.

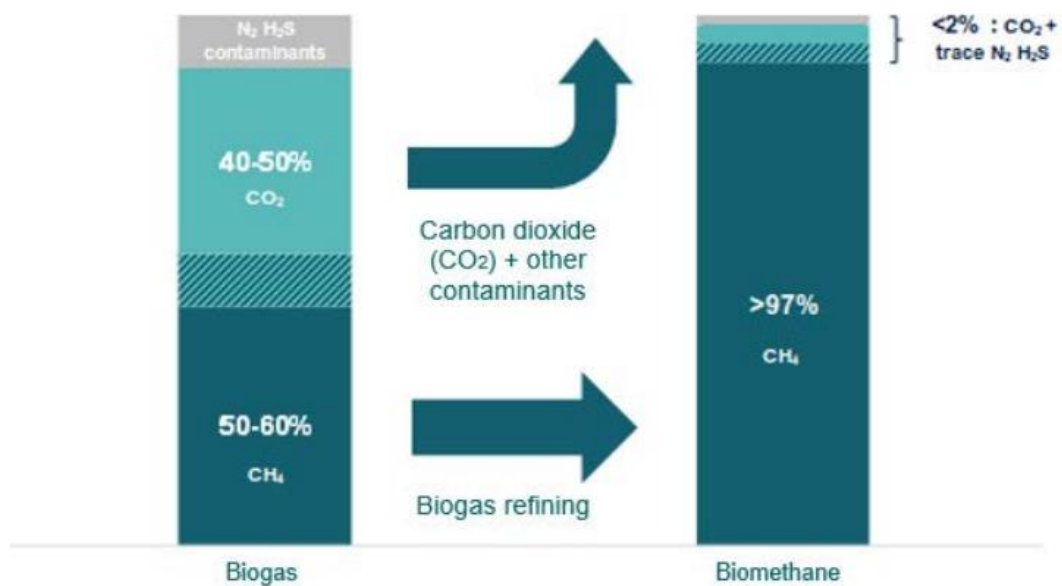
On the other hand, biogas can be purified to produce biomethane. The operation consists of increasing the concentration of methane to increase its energetic power up to 11 kWh/m³. Biomethane containing at least 97% methane has properties identical to those of fossil natural gas. It can thus be injected 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

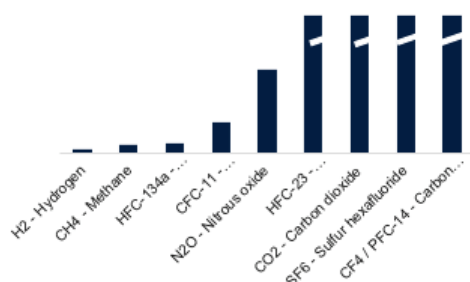
In addition to its interest as a substitute for fossil natural gas, the production of biomethane helps to reduce methane emissions into the atmosphere.

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 (CO₂) over a period of 20 years. Although it disappears after 10 years, its GWP is still 28 times that of CO₂ 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.

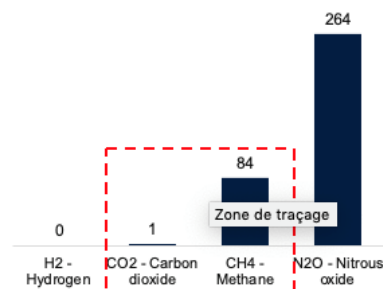
Capturing methane to transform it into biomethane is therefore an effective way to achieve the objective of reducing GHG emissions by 30% by 2030 (compared to the 1990 level) set by the European Council in 2014.

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



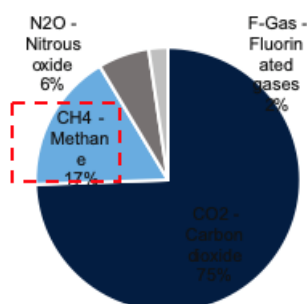
Source: *Climate Change 2013: The Physical Science Basis*

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 (CO2 equivalent)



Source: *Climate Watch*

5.1.3 Biomethane at the heart of political and economic strategies

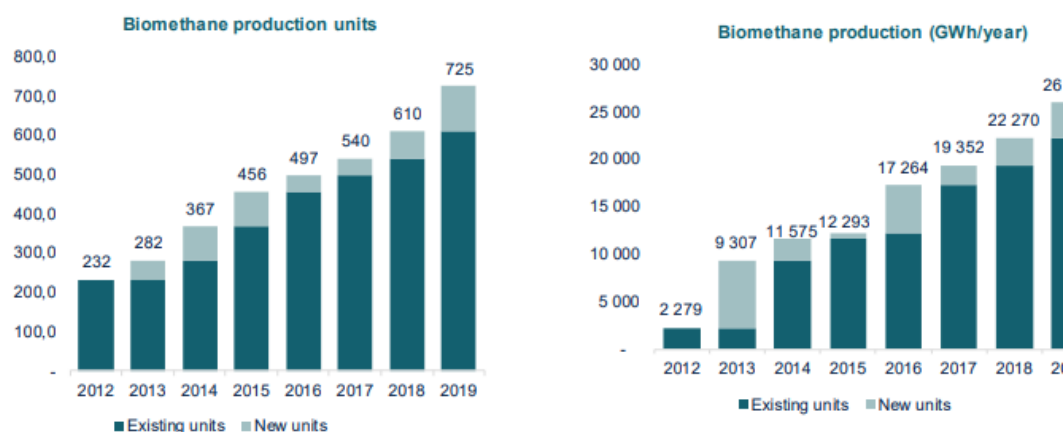
5.1.3.1 Green energy boom in Europe and North America

Biomethane has grown rapidly over the past 10 years, particularly in Europe and North America. Biomethane production in Europe thus increased by 28% in 2021 to reach 32 TWh⁹. Growth is particularly strong in France thanks to the introduction of a feed-in tariff mechanism in 2011: the installed base numbered 365 sites in 2021 for a total production of 4.3 TWh¹⁰.

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

⁹ Biomethane Observatory 2021, GRTGaz.

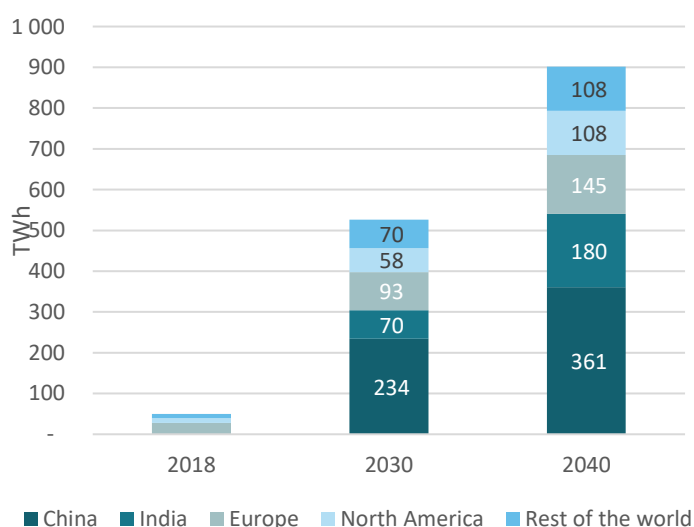
¹⁰ Biomethane Observatory 2021, GRTGaz.



Source: European Biogas Association - Statistical Report 2021

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 IEA (SPS—Stated Policies Scenario 2018–2040). Europe is expected to see its consumption increase six-fold to reach 145 TWh/year by 2040.

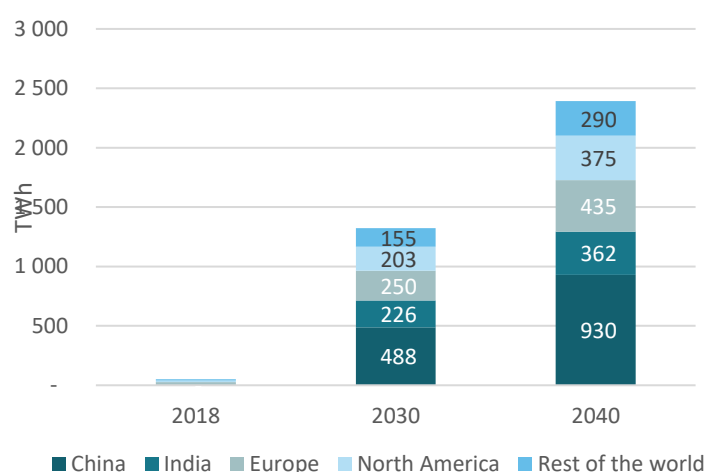
Fig. 12: Global biomethane consumption under the SPS 2018–2040 scenario



Source: IEA

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) CO₂ 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 SPS 2018–2040 scenario



Source: IEA

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



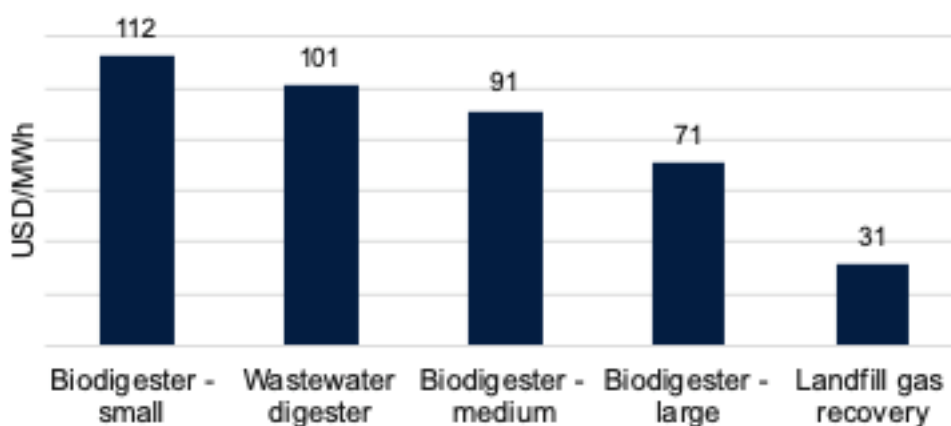
Source: Google Images

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 3.4.4 “*Risk related to an unfavourable change in regulations or public policies supporting renewable energies*”) of this Universal Registration Document.

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. Following the invasion of Ukraine by Russia, the European Commission announced, in May 2022, the REPowerEU plan, which provides for an investment of €37 billion in the biogas sector and an increase in biomethane production to 35 billion cubic meters 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.

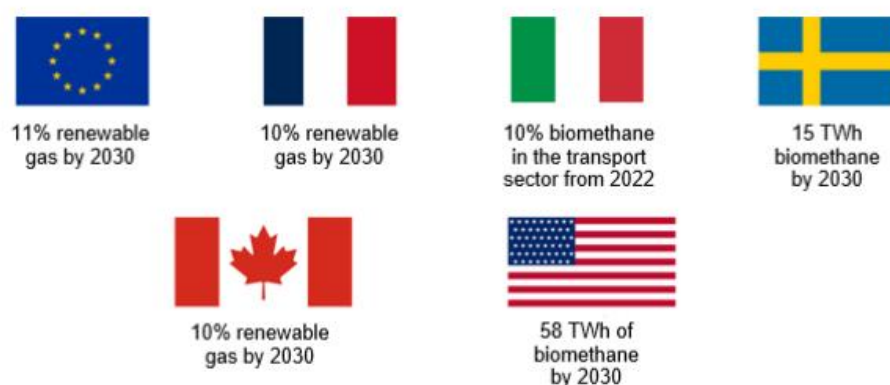
Sweden’s ambition is to produce 15 TWh of biomethane and biogas by 2030, compared with the 50 TWh of global demand in 2018.

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 United States aims to produce 58 TWh of biomethane by 2030, which is higher than global demand in 2018 (50 TWh). The sector should benefit from the measures adopted as part of the law on the reduction of inflation

(“Inflation Reduction Act”) adopted in August 2022, which will devote \$369 billion to renewable energies.

Major oil companies, including TotalEnergies, BP and Shell, now consider biomethane as a strategic energy source. In February 2022, TotalEnergies and Veolia announced an agreement to accelerate the development of biomethane production. Several acquisitions were made in this market over the following months: acquisition of Vanguard Renewables by BlackRock for US\$700 million, acquisition of MAS CanAm (a subsidiary of MAS Energy) by CIM Group, acquisition of Nature Energy by Shell for US\$2 billion, acquisition of Archaea Energy by BP for US\$3.8 billion, and acquisition of the assets of Energy Power Partners Fund (EPP) by NextEra Energy for US\$1.1 billion.

Fig. 16: Targets for the integration of biomethane worldwide

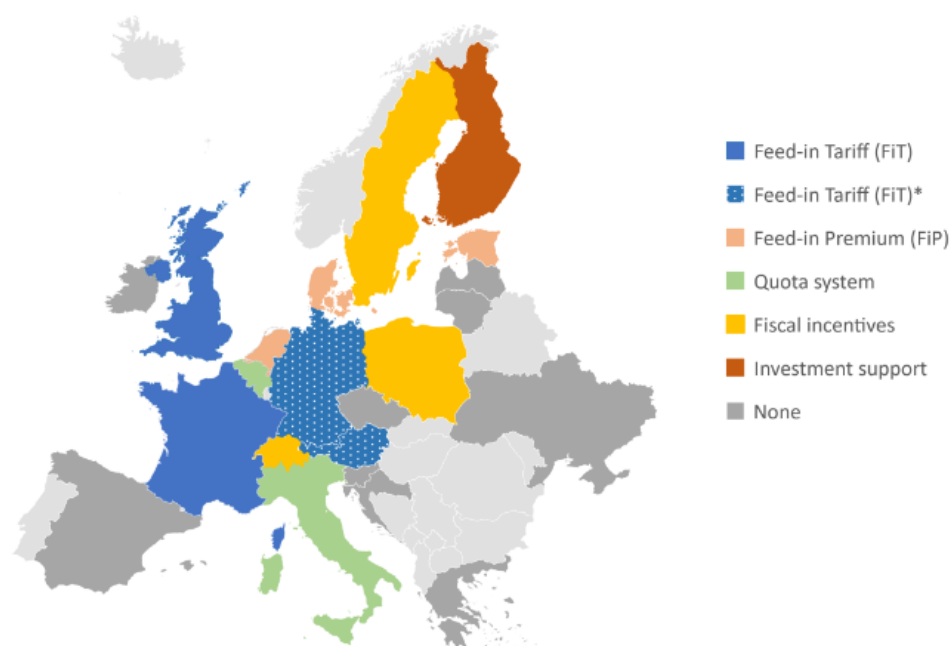


Sources: IEA 2020, Regatrace 2020, GRDF 2019, Énergir

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, most of which benefit the projects developed by the Company, can take different forms from one country to another. They may involve: i/ a price with an obligation to purchase (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



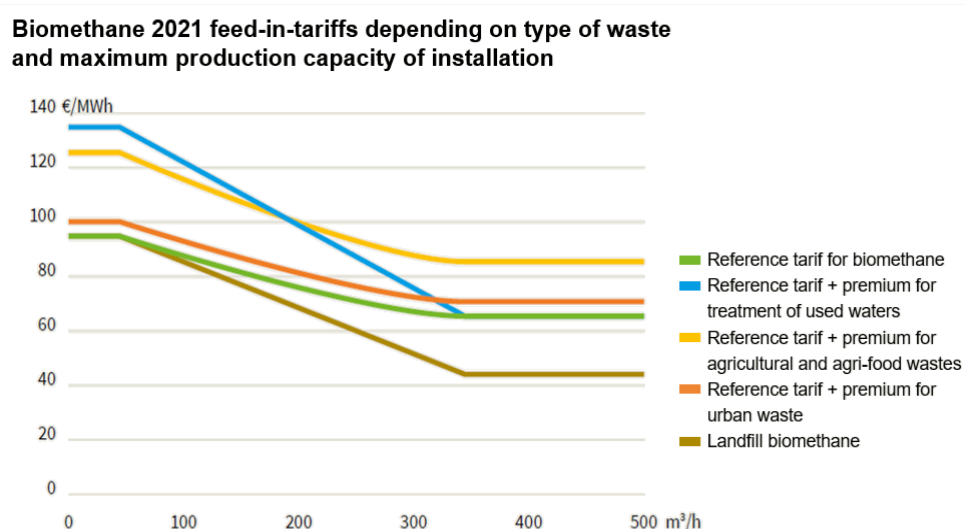
Sources: AIE, Regatrace, GRDF, Energir

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 Nm³/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

Biomethane is promoted through a biofuel quota mechanism imposed on energy companies. This mechanism is administered by the *Gestore dei Servizi Energetici* or “GSE”, the governmental agency for the management of energy services, through the issuance of *Certificati di Immissione in Consumo* or “CIC”.

The GSE awards producers a CIC worth €375 for every 10 GCal of biomethane produced (11.6 MWh) and released for consumption, plus a sum corresponding to the spot price of natural gas (MPGAAS) less

5%. This rate is guaranteed for the first ten years of operation. The biomethane producer can choose to receive the sum directly or to sell the CIC and the biomethane itself.

Energy companies selling non-renewable fuels are required to hold a sufficient number of CICs to cover the volume of energy corresponding to the biofuel release obligation, which is determined each year.

In Spain

There is no longer a support mechanism for biomethane production since the government suspended feed-in tariffs for renewable energy and subsidies for the use of livestock manure in 2012. However, 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 CO₂ 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 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 CO₂ 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.

The price per tonne of carbon on the EU ETS (European Union Emissions Trading Scheme) has risen sharply since 2020 and the announcement by the European Commission of a higher CO₂ emissions reduction target of 55% by 2030 (compared to 1990 levels) with a view to becoming carbon neutral by 2050. Since mid-February 2023, the tonne of CO₂ has been traded at over €100 in the European Union (EU), a first since the creation of the EU Emission Trading Scheme (EU ETS) in 2005. In December 2020, the prices of these “rights to pollute” were negotiated at less than €30 per tonne.

A reform of the carbon market aimed at strengthening the incentive nature of the mechanism is 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 CO₂ 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 network operator GRDF. This system enables individual and corporate consumers to ensure 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

Waga Energy 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.

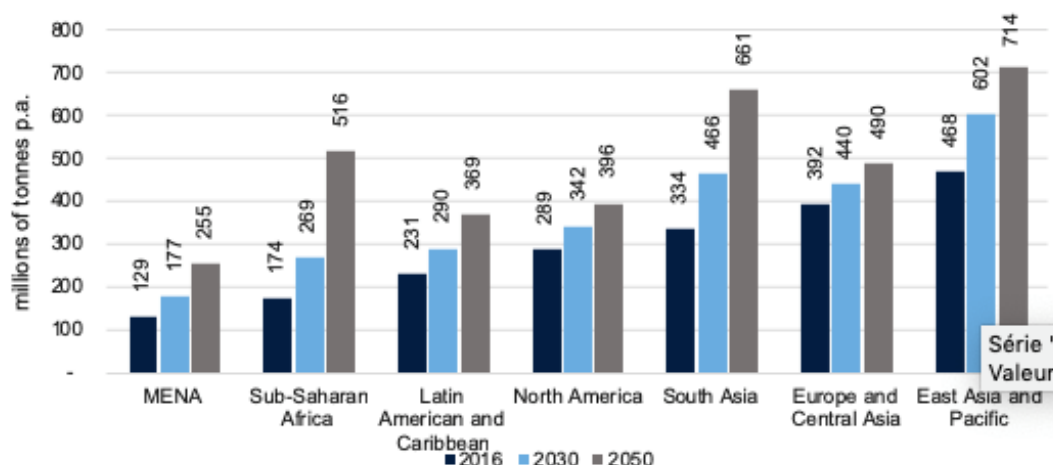
By recovering landfill gas, a by-product of waste treatment, the Group is able to market large volumes of biomethane at a price that it considers competitive, in support of the energy transition.

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 in 2050 (+70%), according to World Bank estimates¹¹.

Fig. 21: Production of household and similar waste worldwide

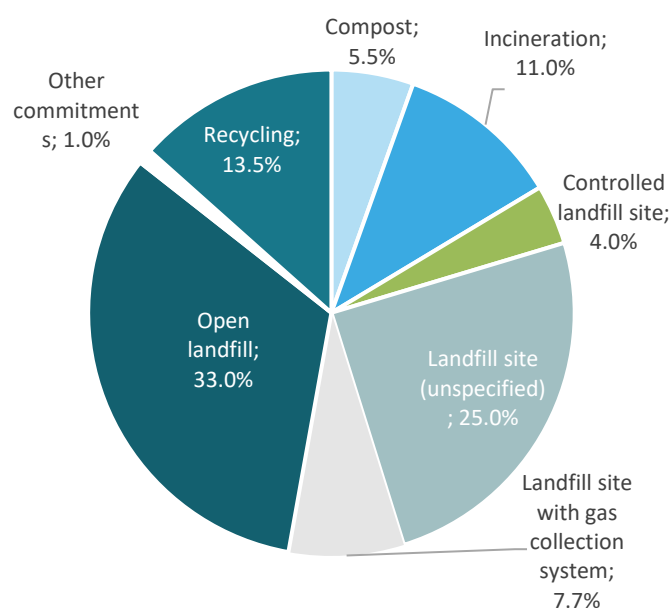


Source: World Bank

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. The term covers a wide range of realities: landfills in developed countries are highly controlled industrial facilities that manage the environmental impact of waste 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.

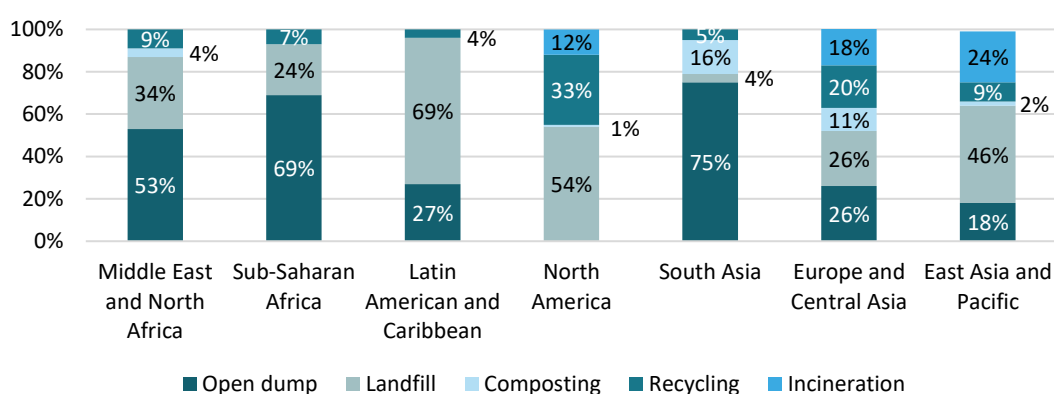
¹¹ *What a Waste: An Updated Look into the Future of Solid Waste Management.*

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.

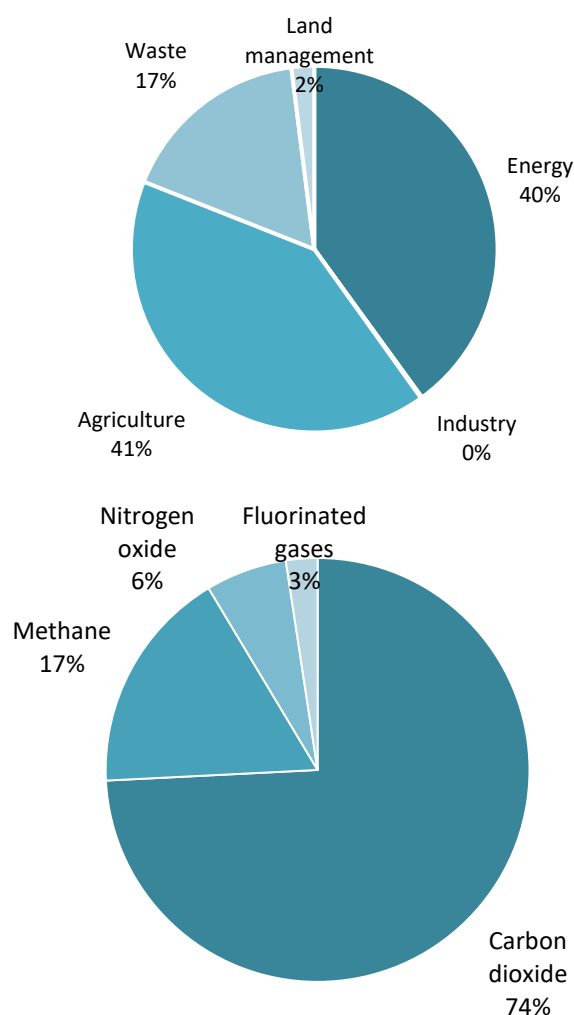
*CET: Technical landfill centre

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 1.9¹² of global greenhouse gas emissions in 2018.

¹²<https://ourworldindata.org/co2-emissions-from-aviation>

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



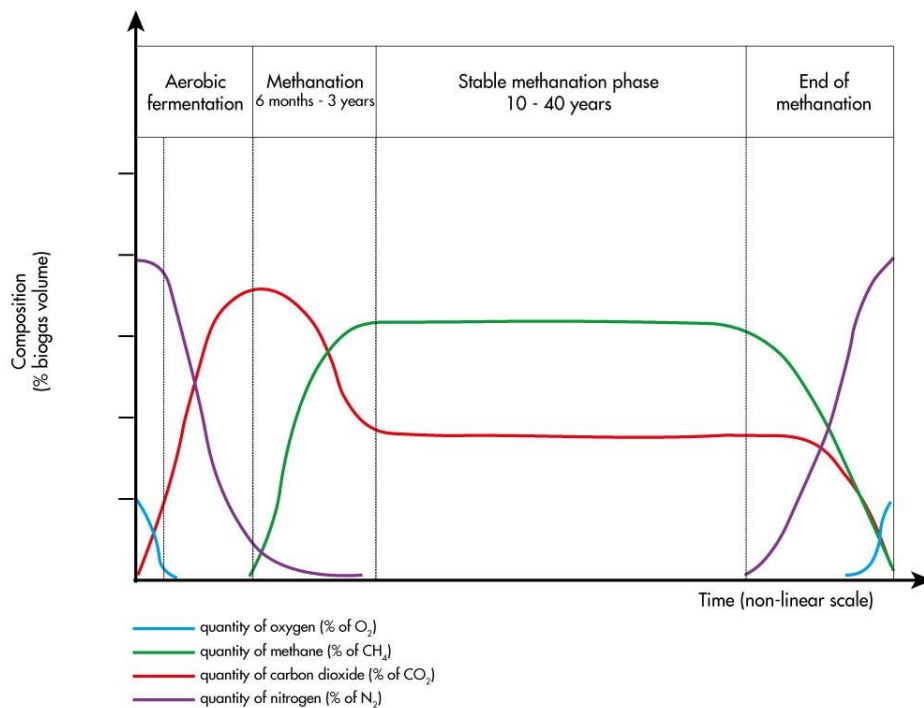
Sources: Climate Watch, World Resources Institute 2019

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 (CH₄) and carbon dioxide (CO₂), 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 pipes and the waste mass are never perfectly airtight, these devices also suck in air (oxygen and nitrogen), as well as various Volatile Organic Compounds (“VOCs”) from the waste (paint, aerosol, etc.).

Fig. 25: Spontaneous methanisation process within the waste mass



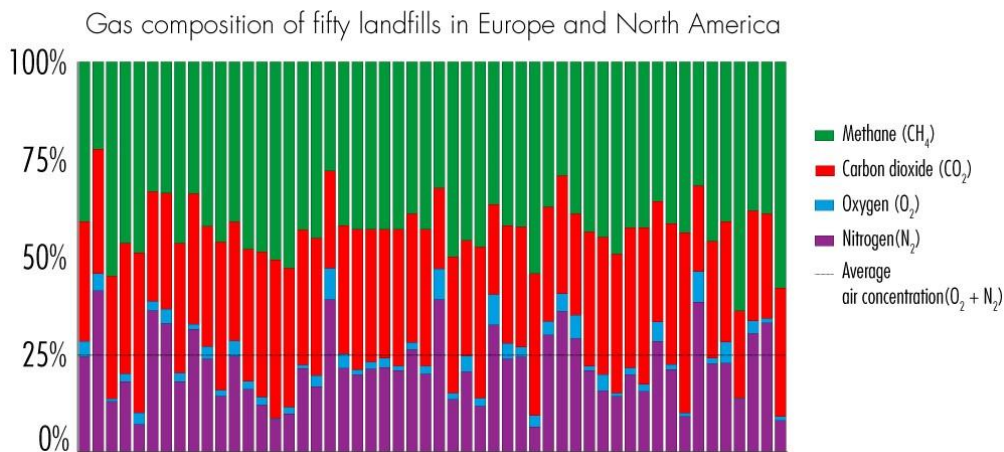
Source: Waga Energy

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 grid, and (iii) 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. The meteorological conditions (temperature, humidity, atmospheric pressure in particular) also influence the formation and composition of this gas resulting from a biological process.

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 landfill sites in Europe and North America



Source: Waga Energy

5.2.1.3 Landfill gas purification: a technical and economic challenge

Recovering the methane contained in landfill gas and injecting it into gas distribution 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; and
- 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 gas can also reduce the effectiveness of these processes.

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

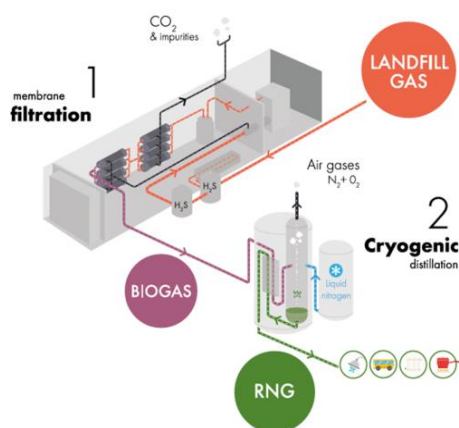
5.2.2.1 *An innovative technology for the recovery of landfill gas*

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 at cryogenic temperature to increase its purity and then re-vaporised for injection into the grid. This cryogenic distillation allows the simultaneous separation of nitrogen and oxygen from methane under optimal safety conditions. This process, which is unique in the world to our knowledge, is the subject of patents registered 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. 27: Illustration of how a WAGABOX® unit works



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

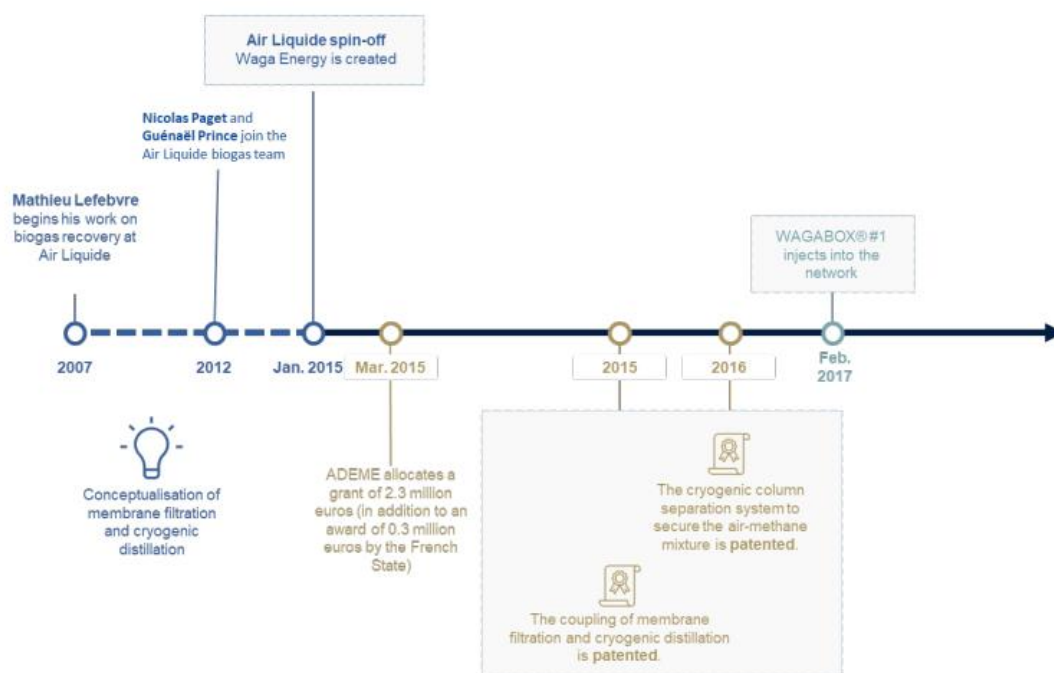
This WAGABOX® technology concept was born in 2007 in the Air Liquide group. It was developed as part of a working group on landfill gas purification created and led by engineers Pierre Briend and Mathieu Lefebvre. They were joined in 2010 by two other engineers, Nicolas Paget and Guénaél Prince.

The combination of membrane filtration and cryogenic distillation processes seemed obvious to them: the gas permeation process was developed by a subsidiary of the Air Liquide group (MEDAL) in the nineties, thanks to progress made in the manufacture of polymers; cryogenic distillation is at the origin of the creation of the Air Liquide group in 1902, for the production of nitrogen and oxygen from the liquefaction of air.

In 2015, Mathieu, Guénaél and Nicolas resigned to create Waga Energy. They were accompanied in this process by Pierre Briend (who had reached retirement age) as technical advisor. The Air Liquide group supported this entrepreneurial approach, notably by acquiring a minority stake during the first financing campaign in June 2015, alongside Starquest Capital and the industrialist Ovide. The Air Liquide group, like the other historical investors, continues to support Waga Energy in the deployment of the WAGABOX® solution.

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

Fig. 28: Genesis of technology development



Source: Waga Energy

The Group currently holds the right to exploit all the intellectual property developed by Air Liquide on the subject of landfill gas 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 patent on coupling; Europe for the patent concerning the distillation of a mixture of methane and air, under examination in the United States) for the Group, and are being extended worldwide, particularly in countries where the Group wishes to develop¹³.

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 is protected by a U.S. patent held by Air Liquide, which expires in November 2023.

Fig. 29: Presentation of patents

Patent	Patent number	Inventors	France	Worldwide
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¹³ 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).

			Guénaël Prince		International filing
Process for the production of biomethane from landfill gas	1563357		Mathieu Lefebvre	Acquired	PCT/FR2016/052937
				05/01/2018	Ongoing (granted in Europe and the United States)
			Pierre Briend		
			Nicolas Paget		
			Guénaël Prince		International filing
Process of separating a gas flow containing methane and air	1654798		Nicolas Paget	Acquired	PCT/FR2017/050651
				25/05/2018	Ongoing (granted in Europe and the United States)
			Jean-Yves Lehman		
Methane liquefaction method	1852962		Guénaël Prince	Acquired	Obtained in Europe
				29/05/2020	
Cryogenic process for the separation of a feed gas containing methane and air gases	3116445		Guénaël Prince		International filing
				Ongoing	PCT/FR2021/051967
			Antonio Trueba		Ongoing
Facility for producing gaseous biomethane by purifying biogas from landfill combining membranes, cryodistillation and deoxo	US2021060486				International filing
			Guénaël Prince	Ongoing	PCT/FR2021/081343
					Ongoing

Source: Waga Energy

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

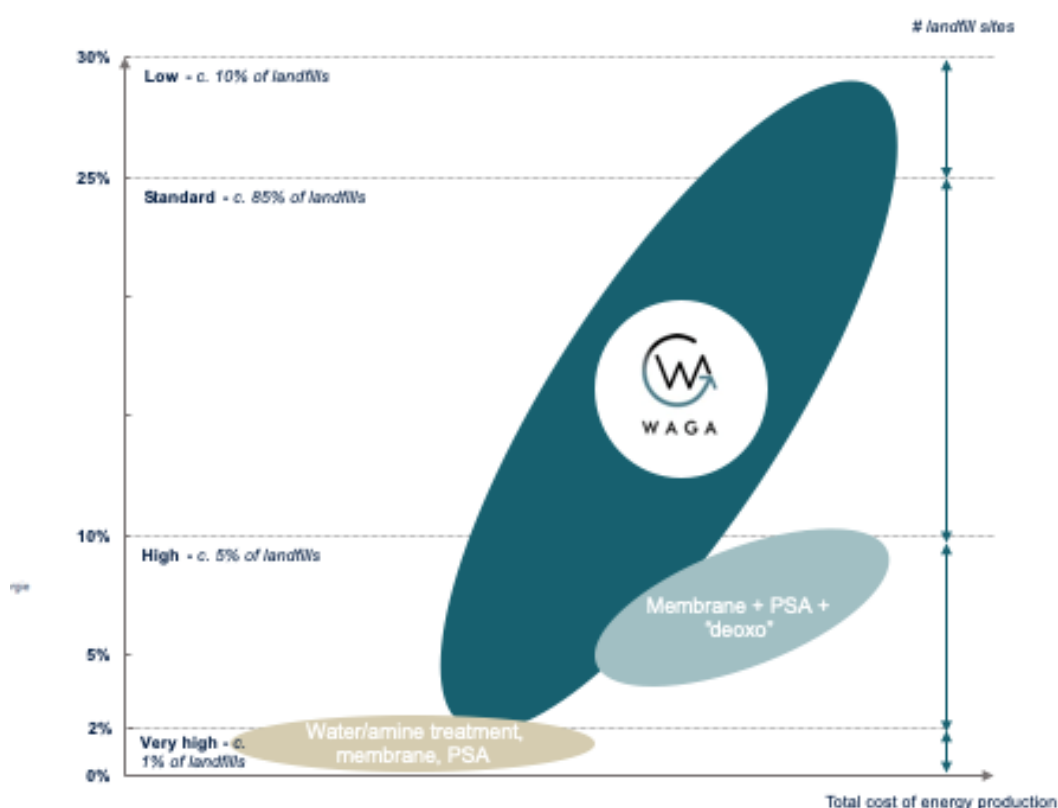
WAGABOX® technology meets all the challenges posed by landfill gas purification. It guarantees the production of biomethane containing at least 97% methane from raw gas containing up to 30% air (oxygen and nitrogen). This level of purity meets the criteria imposed by gas grid operators to authorise injection.



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 (thus avoiding 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 little gas (from 200 m³/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. 30: 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%). To achieve a competitive biomethane production cost, competing solutions are limited to sites producing large volumes of gas (over around 4,000 m³/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, seven days a week. The Group contractually commits to ensuring 95% uptime.

Fig. 31: Characteristics of a WAGABOX[®] unit - example of a 1,500 m³/h unit



[50-55] GWh/year

€[5-6] million CAPEX

€ [2-3] million revenue/year

12-18 months of construction

1.5 employee for maintenance operations

10,000 households supplied in natural gas

12,500 tonnes of CO₂ eq. per year avoided

Source: Waga Energy

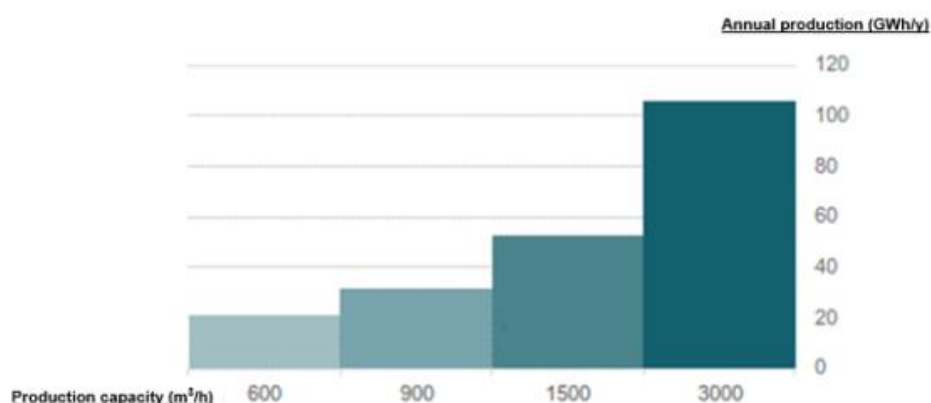
5.2.2.5 Development of a modular offer

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 m³/h (*i.e.* production of around 20 GWh/year) and the largest up to 3,000 m³/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, H₂S removal module, etc.), which simplifies the procurement and management of spare parts.

In 2022, Waga Energy standardised the manufacture of a membrane filtration module that can treat 1,600 m³/h (*i.e.* 1,000 scfm depending on the unit of measurement used in English-speaking countries¹⁴), designed to be installed in parallel on very large capacity units that will be deployed internationally.

Fig. 32: Size and production of a WAGABOX® unit



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.

¹⁴ The acronym SCFM is a unit of measurement of gas flow rate frequently used in English-speaking countries which stands for "Standard Cubic Feet per Minute".

Fig. 33: 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.

- Certified French Tech Green 20 by the Ministry of the Economy and the Ministry of Energy Transition.
- Overall ESG rating of 65/100 awarded by the firm Ethifinance in November 2022, for an average rating of the benchmark companies of 50 out of 100. The benchmark is based on companies employing fewer than 1,000 people in the “Industry - Conventional and renewable energy” sector.

5.2.2.7 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).

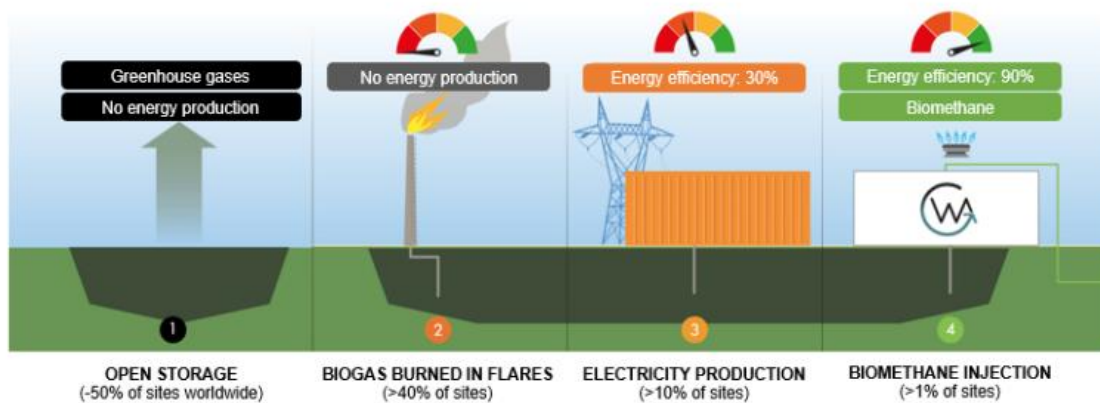
This solution is complex and very expensive. It can only be used on sites producing large volumes of gas, with a relatively low air concentration (below 10%). These constraints limit its implementation: around 70 storage sites currently recover their gas in the form of biomethane in the United States, 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 due to the remoteness of the heating networks (storage sites are rarely located near urban areas), and falls to 30% when this is not the case. Cogeneration projects are only 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. 34: Landfill gas treatment overview



Source: Waga Energy

The Group estimates that 50% of waste storage sites worldwide release gas into the atmosphere. About 40% of them capture the gas and burn it in a flare (the combustion then turns it into carbon dioxide, a gas with a much lower warming potential than methane). Thus, nearly 90% of landfill sites do not recover landfill gas, despite the significant energy potential it represents.

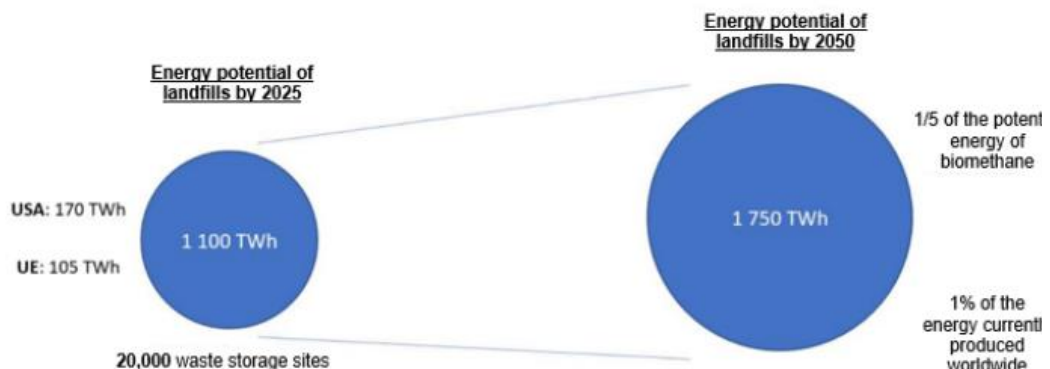
A minority of landfill sites (less than 10%) have implemented energy recovery systems. The common solution is to burn the gas in a cogeneration engine to produce electricity (and heat if necessary). However, the energy efficiency is low (between 30% and 65% depending on whether the heat is recovered or not).

Only a few dozen landfill sites (less than 1%) have set up a system for producing biomethane from landfill gas.

5.2.2.8 A renewable gas source to be exploited

Given the volume of waste produced worldwide, storage sites could theoretically supply 1,100 TWh of biomethane in 2025, and 1,750 TWh in 2050. By way of comparison, the French nuclear fleet produces 379 TWh of electricity per year (2019 figure).

Fig. 35: Energy potential of storage sites worldwide

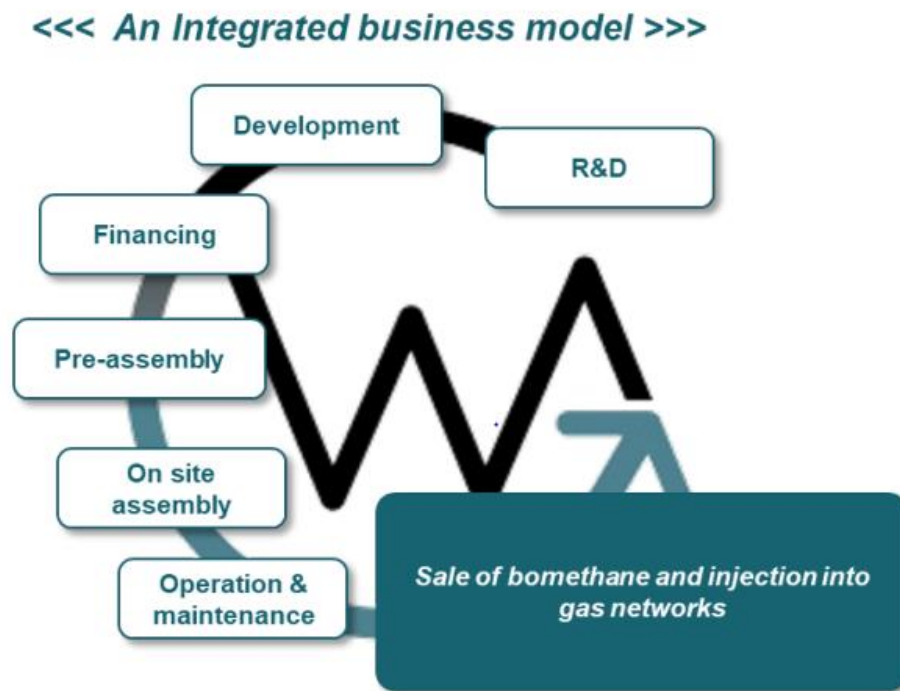


Source: Waga Energy

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 wishes to appear as 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.



The business model was also designed to overcome the reluctance of storage site operators - whose core business is far removed from gas engineering and cryogenics - to acquire a complex methane and oxygen purification unit.

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 their gas, 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. The unit is connected upstream to the existing gas capture grid, 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 and maintenance is entirely carried out 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.

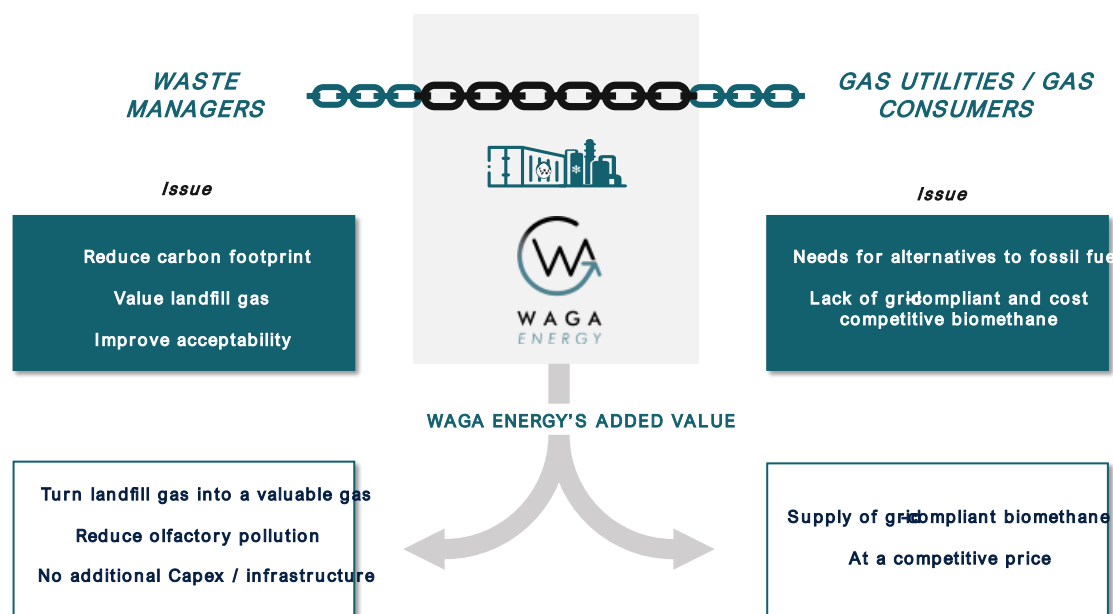
Fig. 36: Circular economy projects on a regional scale



Source: Waga Energy

Finally, WAGABOX® projects improve the environmental performance of waste storage sites, which are relevant tools to support a waste reduction policy at source. The only alternative available for the treatment of final waste is incineration, but this involves much higher investments, which may penalise the implementation of a policy of waste reduction at source. 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 spontaneous decomposition process of organic materials in storage containers 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 developer-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 commercial development phase lasts between six months and four years (depending on the interest of the customer, the existence or not of a recovery solution on the site, the duration of negotiations, etc.), and ends with the signing of a raw gas purchase contract with the storage site operator. The construction phase of the unit, which involves multiple partners, lasts 12 to 18 months and ends with commissioning. The operation phase then begins, under contracts (sale of biomethane or purification services) lasting 10 to 20 years.

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

The 18% increase in biomethane production from WAGABOX[®] units between 2020 and 2021, on a like-for-like basis, bears witness to the reliability of the units, the improvements made to the technology and the systematic implementation of these improvements throughout the installed base. The 14 units in operation end-2022 achieved an average availability of over 95% in 2022 (excluding shutdowns due to external causes).

Joint work with storage operators to optimise the collection of raw gas, as well as a better understanding of the specificities of landfill gas, also contribute to increased production.

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 the purification service provided to the landfill operator, under long-term contracts (10 to 20 years).
- The Group pools the financing and operating costs of its fleet of WAGABOX® units.
- The Group may renew gas purchase and biomethane sales contracts once they expire. In this case, the cost of producing biomethane will be reduced because the investment will already have 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.
- The Group collects multiple data on landfill gas, through the 150 or so sensors fitted to each WAGABOX® unit; this database could enable the development of further improvements and new services.
- In the event that the storage site no longer produces gas, or the operator does not wish to renew the contract, the Group is able to dismantle the unit and reassign it to another site or reuse 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, Ovide 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.

As at the date of the Universal Registration Document, this first unit has injected more than 6.6 million m³ of biomethane into the GRDF grid, thus avoiding the emission of approximately 12,000 tonnes of CO₂eq. into the atmosphere¹⁵ (equivalent to the annual emissions of around 5,500 cars).

5.2.4.2 *Fifteen units in operation in France*

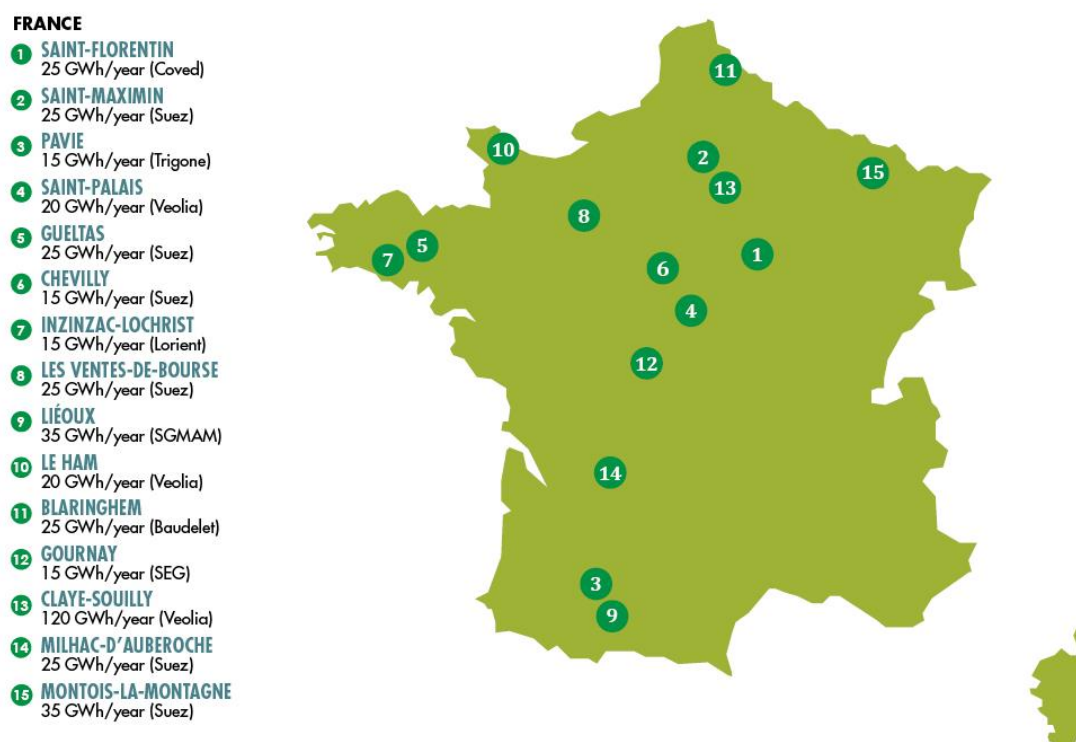
As at the date of the Universal Registration Document, the Group operates 15 WAGABOX® units in France, on waste storage sites managed by major industrial players (including Suez, Veolia and Paprec) or local authorities, such as Lorient Agglomération (Morbihan), Trigone (Gers) or the Sivom SGMAM in Liéoux (Haute-Garonne).

The biomethane produced by these units is sold by the Group, or by the landfill operator, to various energy companies under the feed-in tariff in force in France since 2011.

These units represent a maximum installed production capacity of 440 GWh/year. As of the date of the Universal Registration Document, they have injected more than 62 million cubic metres of biomethane into the GRDF grid, and have thus avoided the emission of 110,000 tonnes of CO₂ eq. into the atmosphere¹⁰ (*i.e.* the annual emissions of around 50,000 cars).

¹⁵ Company estimate based on comparative emission factors for natural gas and biomethane in France determined by the ADEME carbon database, covering all scopes (1, 2 and 3), *i.e.* direct and indirect emissions.

Fig. 39: Mapping of the 15 WAGABOX® units in operation in France at the date of the Universal Registration Document



Saint-Florentin (Yonne)

Commissioned: 14 February 2017
Storage site operator: Coved
Installed capacity: 25 GWh/year

Saint-Maximin (Oise)

Commissioned: 26 February 2017
Storage site operator: Suez
Installed capacity: 25 GWh/year

Pavie (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

Gueltras (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: Baudalet Environnement Installed capacity: 25 GWh/year
Gournay (Indre)	Commissioned: 26 January 2022 Storage site operator: SEG Installed capacity: 15 GWh/year
Claye-Souilly (Seine-et-Marne)	Commissioned: 9 March 2022 Storage site operator: Veolia Installed capacity: 120 GWh/year
Le Ham (Manche)	Commissioned: 7 April 2022 Storage site operator: Veolia Installed capacity: 20 GWh/year
Not communicated	Commissioned: 15 November 2022 Storage site operator: N.C. Installed capacity: 25 GWh/year
Montois-la-Montagne (Moselle)	Commissioned: 26 January 2023 Storage site operator: Suez Installed capacity: 25 GWh/year

As at the date of the Universal Registration Document, 13 new units are under construction, including 8 in France. The latter are located in Chatuzange-le-Goubet (Veolia), Cusset (Vichy Communauté), Sainte-Marie-Kerque (Séché Environnement), Clermont-Ferrand (Valtom), Granges (Veolia), Éteignières (Arcavi) and two other sites whose names have not yet been communicated at the customer's request. The commissioning 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 grid).

5.2.4.3 *International contracts*

As of the date of the Universal Registration Document, the first WAGABOX® unit internationally was commissioned at the Saint-Etienne-des-Grés site (Quebec, Canada). Five WAGABOX® units are also under construction internationally: one in Spain, three in Canada and one in the United States. The units intended for the European market are built in France and those intended for the North American market are built in Quebec (Canada), by a local subcontractor, with the exception of the cryogenic distillation modules which are built in France.

Spain

The Group signed its first international contract in December 2020 with Cespa, a subsidiary of 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). As Cespa was sold in December 2021, PreZero, a subsidiary of the Schwarz group, is now the Company's contact for this project.

Can Mata's WAGABOX® unit will be built in France by the Group's usual subcontractors. It will treat 2,200 m³/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 CO₂ 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.

Following the signing of this contract, the Group created a subsidiary in Spain in 2021 with its registered office in Barcelona (Catalonia, Spain).

Canada

In 2019, the Group created a subsidiary in Canada with its registered office in Shawinigan (Quebec, Canada).

As of date of the Universal Registration Document, the Group has signed four contracts in Canada: the first to equip the Saint-Étienne-des-Grès site (Quebec), operated by the Enercycle "régie"; the second, in 2021, also to equip the Cowansville site (Quebec), operated by Régie Intermunicipale de Gestion des Matières Résiduelles in Brome-Missisquoi; the third, in 2022, to equip a site in Quebec whose name was not disclosed at the customer's request; and a fourth, in 2022, to equip the Hartland site (British Columbia), operated by the Capital Regional District (CRD).

The WAGABOX® unit installed in Saint-Étienne-des-Grès was commissioned on 24 May 2023. It is the largest ever built by the Group to date: it will be able to process up to 3,400 m³/h of raw gas, will produce up to 130 GWh of biomethane per year and avoid 21,500 tonnes of CO₂ eq. emissions per year into the atmosphere¹⁶.

In the case of the Hartland contract, the Group agreed, on an exceptional basis, to sell the WAGABOX® unit to the CRD (as was done for the unit commissioned on the Lorient Agglomération site in 2019). This transaction amounted to C\$30.2 million, including the completion of civil engineering work, subcontracted to the local company Maple Reinder. This sale is accompanied by an exclusive operation and maintenance contract for a period of 25 years.

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.

United States

In 2019, the Group created a subsidiary in the United States with its registered office in Philadelphia (Pennsylvania, United States).

At the end of 2021, the Group won the tender launched by Steuben County (New York State, United States) to recover gas from its waste storage site, located in the town of Bath. The Group is building a WAGABOX® unit on this site which will produce 60 GWh of biomethane per year.

The Group also signed two contracts with Air Liquide to supply three cryogenic distillation modules (Nitrogen and Oxygen Removal Unit "NORU"), together with remote monitoring contracts, for two biomethane production units at waste storage sites in the United States. A first module was commissioned in 2022 at the Mallard Ridge site in Delavan (Wisconsin) and two other modules are

¹⁶ Company estimate based on comparative emission factors for natural gas and biomethane in France determined by the ADEME carbon database, covering all scopes (1, 2 and 3), i.e. direct and indirect emissions.

being installed in Winnebago (Illinois). These modules, which are used to separate methane from air, are identical to those manufactured in series by Waga Energy for the large capacity WAGABOX® units.

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 project performance 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, the United Kingdom, 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 16 WAGABOX® units has thus been created,

representing a maximum installed capacity of 560 GWh. At 31 December 2022, the average age of these units was 2.8 years and the residual term of the contracts was 11.9 years. As at the date of the Universal Registration Document, thirteen additional units were under construction, representing a total capacity of approximately 520 GWh/year.

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 2019 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); and
- 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, 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?

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.

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 makes it possible to optimise the performance of the units and maintain full control over their management. This also allows the pooling of certain operations (maintenance, purchasing in particular) and the implementation of a policy of continuous improvement of the units (retrofit) through innovation and the integration of feedback from operations, and the Group's objective is to build up a fleet of very high quality assets, meeting high standards, delivering a high 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 (or “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 more than 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 possible to have an electrical recovery and a WAGABOX® unit on the same site; and
- the landfill site must be professionally managed, in a robust way, free from any legal proceedings and any suspicion of corruption.

The Group targets all storage sites, including small and medium-sized sites, for which its technology and business model are particularly competitive. Prospecting and identification costs are financed from 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 participates in calls for tenders launched by public entities or private parties operating a waste storage 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 five WAGABOX® unit models, providing a treatment capacity ranging from 600 to 4,800 m³/h. This standardised approach makes it possible to optimise engineering costs and enables the Group to target small and medium-sized sites, which it is practically the only one able to equip due to its business model and proprietary technology characteristics.

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

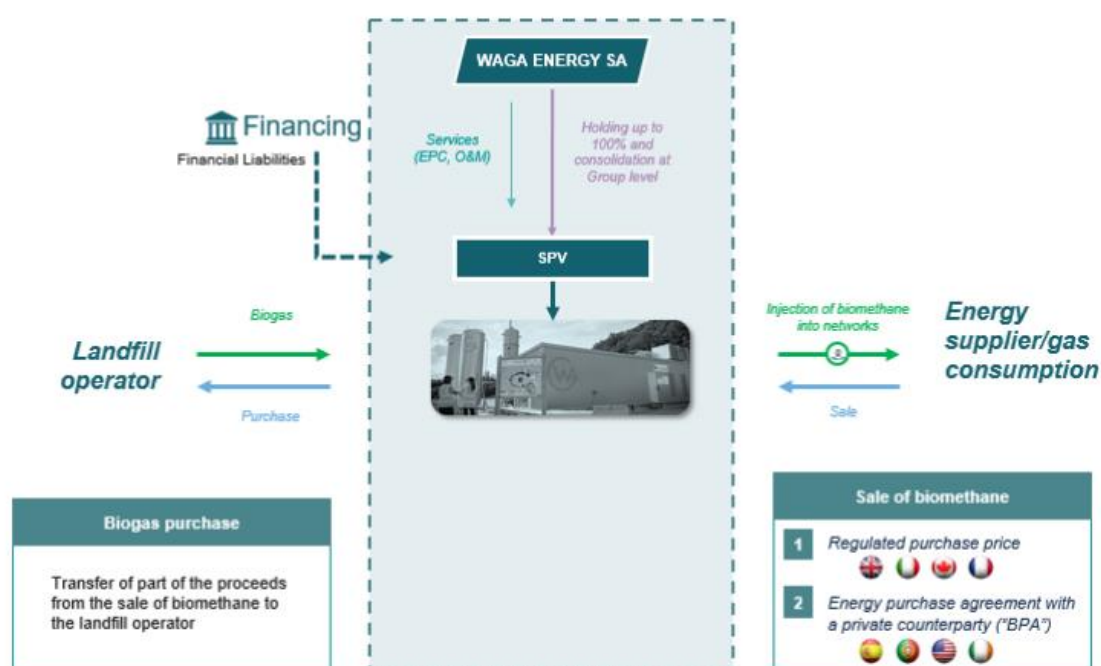
The Group’s business model requires significant investments: financing a WAGABOX® project represents an investment from €3 million up to €15 million.

To support these investments, the Group has implemented a financing strategy based on the creation of dedicated SPVs (Special Purpose Vehicles). Each WAGABOX® project is supported by an SPV financed by bank or bond debt and equity. The Group can also use its SPVs to issue convertible bonds into shares (see Chapter 8 “*Cash and Equity*” of the Universal Registration Document). Bank debt leverage (ratio of debt to total investments) can represent between 50% and 80% of the financing, depending on the nature of the project, allowing 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 (one of which is under construction at Sofiwaga Infra), are nonetheless minority-owned (49%), with the balance financed by third-party partners, but the Company retains effective control. (see Note 5.2 to the consolidated financial statements presented in Chapter 19 “*Financial information*” of the Universal Registration Document). This mechanism made it possible, during the Company’s development phase, to limit equity contributions. One of these two SPVs was refinanced by bank debt in 2021.

Project structuring and main contracts



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 "*Bond financing*"), and less costly bank refinancing undertaken after its start-up; and
- the construction of the unit may be financed with equity and bank refinancing undertaken after its commissioning.

As at 31 December 2022, the Group's bond financing (dry bonds and convertible bonds) represented approximately 15% of total financing. (See also the description of the various types of financing in Section 8.3.3 "*Bond financing*" of the Universal 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 sometimes 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 bundling allows for more favourable financing due to the increased volume of biomethane produced (and therefore revenue) and the reduction of risks due to cross-guarantees between SPVs and the diversification of resources. When refinancing a portfolio of projects, the Group takes into account certain criteria such as identical geography or equivalent stage of development (similar timing of projects). Furthermore, the financing of the project portfolio is carried out with the objective of limiting the risk of default and the contagion effect (situation where a potentially defaulting project would be paid by the other projects) (see also Sections 3.3.3 "*Risk related to covenants in financing contracts*" and 8.3.3 "*Bond financing*" of the Universal Registration Document).

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. In 2021, the Group refinanced, through non-recourse bank loans, two SPVs carrying four projects in 2021 and a portfolio of six projects in 2022.

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. At 31 December 2022, the Group's project division employed 33 people in France.

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.

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). Since SPVs have no employees, the operation of WAGABOX® units is subcontracted to the Group under an O&M contract. All O&M contracts related to the completion of a project are aligned on the same duration (15 years in France).

WAGABOX® units are fully automated and equipped with dozens of 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 Eybens (Isère, France);
- a stock of consumables and critical parts in Eybens (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; and
- 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 Eybens (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;
- the monitoring and communication of technical data (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 communication of HSE indicators;
- 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; and
- 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 expertise that is 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 reports to monitor asset performance. 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® units and the Group's best practices.
- *Planning and control.* A management plan is put in place to list all the steps (technical, administrative, commercial or other) necessary for the optimal operation of each WAGABOX® unit.
- *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 operations and maintenance team actively monitors the operating costs of the units and ensures that the budget allocated and planned in the business plan is respected.
- *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 “*The guarantee of origin system: a framework ensuring traceability between producers and consumers committed to greener energy*” of the Universal Registration Document). 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 these contracts, 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 specialising 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. 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 (Biomethane Purchase Agreement) in Spain to sell biomethane production from the Can Mata site, which is a first in Europe to the Group’s knowledge.

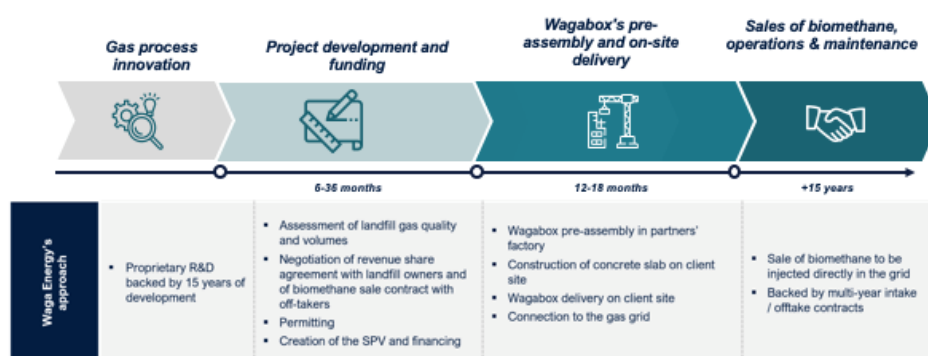
5.3.8 Capturing final value beyond the term of biomethane sales agreements

The quality of construction of the WAGABOX® units and the care taken in their operation mean that they can be operated for longer than the duration of the contracts signed with the operators of waste storage sites. Many sites will continue to produce biogas beyond the initial contracts signed with the Group. The Group plans to negotiate with the operators of certain sites, the extension of agreements for the purchase of raw biogas if the gas source is still sufficient. The renegotiation of purchase contracts or the extension of these contracts would be an additional source of revenue for the Group. However, the estimation of these revenues will depend on the conditions applicable at the time of the 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 Universal 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 “*Main performance indicators*” of the Universal Registration Document).

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 a contract is 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.

An integrated business model



Source: Waga Energy

5.4 Global development potential

The WAGABOX[®] solution, combining a patented technological innovation and a developer-investor-operator model, paves the way for the recovery of landfill gas in the form of 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 deployment in all countries in the world, including those which do not offer a support mechanism for the production of renewable gas. However, storage sites must meet a certain number of selection criteria defined by the Group to guarantee the economic profitability of the project (minimum volume of gas, distance from the natural gas grid, etc.), depending in particular on local market conditions for the price of gas.

The Group can process gas containing up to 30% air (oxygen), which is very rarely exceeded in a covered storage site¹⁷. 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 worldwide¹⁸. The global production of municipal solid waste is currently valued at over 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 96¹⁹%) is collected for landfill. Public authorities are seeking to reduce landfill by promoting upstream waste separation. But the efforts made to date remain insufficient and the prospect of a world without landfill remains remote. Furthermore, landfills continue to produce biogas and emit methane for many years, and sometimes decades, after they are closed.

In developing countries, only 40%²⁰ of waste is collected and the landfill model appears to be the simplest and most accessible solution for improving waste treatment.

¹⁷ Enabling the capture and recycling of biogas.

¹⁸ Waga Energy

¹⁹ What a Waste 2.0 - World Bank.

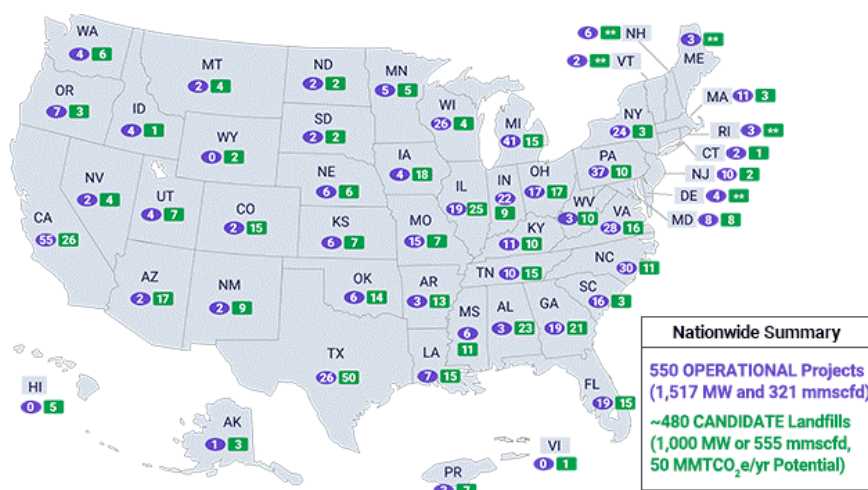
²⁰ What a Waste 2.0 - World Bank.

In 2018, the countries of the European Union stored more than 158 million metric tons of waste, *i.e.* around 22.6% of the total volume, in nearly 1,500 landfill sites in Europe²¹. In France, around 230 landfills are in operation²². These are among the best managed in the world because of the standards to which they are held. 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 produced by landfills is currently burned in flares, due to the lack of an accessible and efficient recovery solution. Less than 1% of landfill gas is recovered in the form of biomethane worldwide. The potential for deploying the WAGABOX[®] solution is therefore immense.

In the United States, 146.1 million tonnes of household waste (municipal solid waste) were landfilled in 2018, *i.e.* 50% of the total (292.4 million tonnes²³). The country has approximately 2,600 landfill sites, most of which are very large²⁴. Around 550 of them have implemented a project to recover the gas emitted from waste (electricity, cogeneration, direct use, purification) and less than 70 (*i.e.* 2.7% of the sites)²⁵ recover it in the form of biomethane. The low number of projects implemented in relation to the number of landfills is due to the fact that the available technologies do not offer economically viable solutions.

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



5.4.2 Competitive biomethane

The waste storage sites produce significant volumes of biogas that are growing steadily due to demographics and urbanisation. WAGABOX® technology contributes to removing two major obstacles to the recovery of this virtually untapped source of renewable energy:

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

The biomethane must meet certain criteria set by the operator to be able to be injected into an existing natural gas grid. These criteria may vary depending on the operator and country. The WAGABOX® technology has proven in operating conditions its ability to produce biomethane that meets the injection criteria of most grid operators, regardless of the quality of the raw biogas and particularly its air concentration. In some countries, however, the unit's setting could marginally affect its performance. Gas grids make it possible to store and transport large volumes of biomethane from the production site to the final consumer, in an efficient manner, without loss and at a lower cost.

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

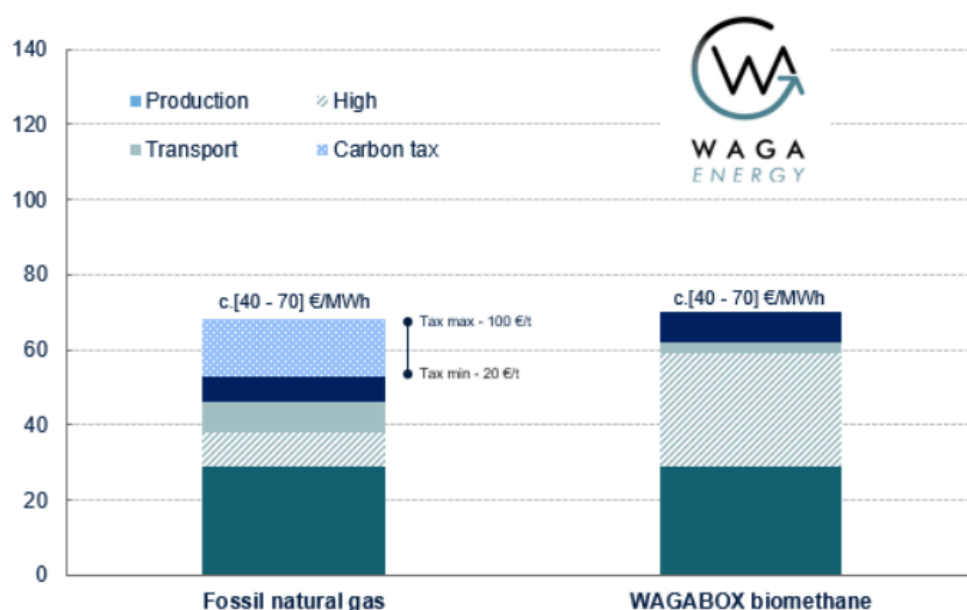
The vast majority of countries in the world do not offer a support mechanism for renewable gas. To implement a WAGABOX® project in one of these countries, it is necessary to be able to market the biomethane production on a commercial basis. This means being able to achieve “grid parity”, *i.e.* a selling price that is lower than or equal to that of natural gas. Thus, 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 capacity of the WAGABOX® unit and therefore the volume of gas available on the storage site (thanks to economies of scale, the cost price decreases as the unit's capacity increases).

The selling price of the biomethane produced by the WAGABOX® units, set contractually, is stable throughout the duration of the contracts signed with the purchasers, regardless of fluctuations in the price of fossil fuels and in particular natural gas. Production volumes are also predictable over several years, and transport and distribution costs are reduced due to the proximity of production and consumption sites.

By guaranteeing stable production costs, independent of fossil fuels, and predictable long-term volumes, the biomethane produced by WAGABOX® units proves to be very competitive for energy companies and consumers, subject to variations in energy prices.

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



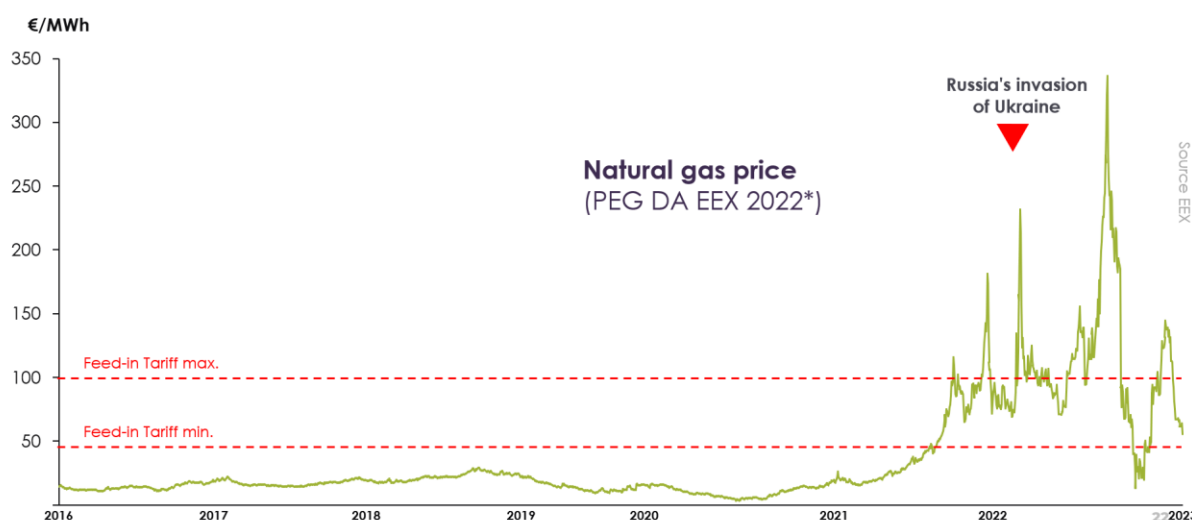
Source: ADEME, ENEA

The graph above illustrates the difference between the purification costs of the biomethane produced by the Group and the marketing prices of natural gas in France and North America before the energy crisis of 2022 (the crossed out portion corresponds to the range of variation in costs). It shows that the Group is able to achieve significant theoretical operating margins, regardless of the size of the WAGABOX[®] unit, validating the economic relevance of its model.

The price of natural gas is 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 3.3.5 “*Risk related to taxation affecting the Group*” of the Universal Registration Document).

Natural gas (spot) prices in Europe experienced very high volatility in 2022, reaching unprecedented levels, due notably to the slowdown in Russian gas imports caused by the war in Ukraine. The price remained above the “price with obligation to purchase” in France for most of the year, and exceeded €430/MWh during the month of August 2022. For the first time, biomethane has become less expensive than natural gas. Although the price of natural gas has fallen since the end of the year, it remains at a relatively high level, which contributes to the attractiveness of biomethane.

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

The Group believes that its unique value proposition combining dedicated and proprietary technology with a developer-investor-operator model gives it 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 possibility of accessing renewable gas at a competitive price, notably thanks to the WAGABOX® solution.

Very few players in the world are able to offer biomethane at competitive natural gas prices in the long term without public support. Thanks to its proprietary technology, the Group is able to achieve this objective at certain sites offering large volumes of gas to be recovered and located near a gas grid.

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 landfill gas power projects.

For the past 20 years or so, some of the waste storage sites have been recovering the gas emitted by the waste in the form of electricity and heat, using engines or turbines coupled to an alternator (cogeneration). The development of these projects has been encouraged by public policies promoting renewable electricity generation. 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.

Although it benefited from a resurgence of interest over 2022 due to an unprecedented increase in electricity prices in Europe, caused by the war in Ukraine and the unavailability of a portion of the French nuclear fleet, this recovery solution seems to be losing ground due to the scarcity of public aid, linked to the drop in the production costs of wind and solar renewable electricity, which makes support for this energy less pertinent.

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

Recovering landfill gas as biomethane

The first projects to produce biomethane by recovering gas from a waste storage site were developed in the United States in the early 2000s. Approximately ~70²⁶ sites are reportedly equipped to date out of 2,600 existing sites. There are very few projects outside the United States.

These projects are developed by a limited number of companies located mostly in the United States: Montauk, Morrow Renewables, Cambria Energy, Mas Energy, Aria Energy, Archaea Energy, etc.

To the Company's knowledge, these companies do not have proprietary technology to purify landfill gas. 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 CO₂, nitrogen separation, oxygen separation, grid compression, etc.). They most often use membrane technology combined with pressure swing adsorption (PSA).

The cost of these highly complex engineering projects, specific to each site, is high and economies of scale are necessary to make the investments profitable. The majority of biomethane production projects using landfill gas purification involve volumes greater than 4,000 m³/h.

Solutions developed by competitors can give satisfactory results when the gas emitted by the waste does not contain more than approximately 10% air, which limits their use to a small number of sites (less than approximately 5%). The operational risks and the risks related to an increase in the air content, which would lead to a significant decrease in performance, are significant.

Technological landscape

Few companies worldwide provide total or partial technological solutions dedicated to biogas from landfill sites (Guild Associates, Air Liquide, Xebec, SysAdvance, ARI, BCKK, etc.). A combination of

²⁶ Waga Energy

several technological building blocks is required to transform raw biogas into biomethane that meets the specifications required by grid operators.

- Carbon dioxide (CO₂) separation by membrane permeation (Air Liquide, DMT, Evonik, etc.) or by adsorption (Xebec, SysAdvance, Carbotech);
- Nitrogen separation (N₂) by adsorption (Guild Associates or ARI) or by distillation (BCKK);
- Oxygen reduction (O₂) by catalytic deoxidiser (PSB); and
- Another stage: final purification to achieve grid quality.

5.4.3.3 *Description of main competitors*

Montauk Energy

Based in Pittsburgh, Pennsylvania, Montauk Energy is a company specialising in the production of renewable energy from gas from waste storage sites. 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 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. Since its founding, the company has processed more than 5.7 million cubic metres of gas and built units capable of processing more than 28,000 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 still privately held.

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 develops landfill gas projects in the United States to power buses and trucks. Founded in 2018, the company is majority owned by Rice Investment Group. During the third quarter of 2021, it merged with Aria Energy (see above). In December 2022, Archaea Energy was acquired by the BP group for \$3.3 billion.

Mas Energy

Based in Atlanta, Georgia, Mas Energy is a company specialising in the investment, development and management of renewable energy production projects. Founded in 2007, the company is privately held. In September 2022, Mas Energy sold its subsidiary MAS CanAm, specialising in the recovery of landfill gas in the form of biomethane, to CIM Group for \$700 million.

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 privately held. It offers a denitrogenation building block by pressure swing adsorption.

BCKK

Based in Midland, Texas, BCKK 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 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

Founded in 1967 and 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.

Xebec was placed under creditor protection in September 2022 and was acquired in March 2023 by the American company Ivys Energy Solutions.

SysAdvance

Based in Pova 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, including France, and is still privately held.

5.4.3.4 The Group's competitive advantage

The Group's positioning, combining a proprietary, dedicated, high-performance and exclusive technology with a developer-investor-operator model, places it in a unique position in the highly fragmented biogas market and landfill gas recovery in particular. The Group believes that this positioning is likely to open up many opportunities on a global scale. Strong growth in its asset base since the commissioning of the first WAGABOX[®] unit in 2017 demonstrates the relevance of this approach.

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 its second financing round. In 2021, it created a subsidiary in Spain, then, in 2022, subsidiaries in the United Kingdom and Italy. The Group estimates that 98% of its potential market is international.

5.5.2.1 *Targeted expansion in strategic countries*

The Group has identified a number of countries considered strategic given the number of landfill sites and local market conditions, in line with the eligibility criteria mentioned above (see Section 5.3.2.2 “*Prospecting and identifying opportunities (phase 1)*” of the Universal Registration Document).

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

- Category 1: France, Spain, Canada, the United States, the United Kingdom, Italy²⁷;
- Category 2: Ireland, Portugal, Australia, Latin America (Brazil, Colombia, Mexico)²⁸;
- Category 3: Baltic States (Latvia, Lithuania), certain Central European countries (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Poland), Greece.

The Group intends to consolidate its leading position in France, where the environment is favourable. There are about 230 waste storage sites in the country that are required to capture their gas. The gas transmission and distribution grid is highly developed (+220,000 km) and biomethane injection projects benefit from a government support scheme in the form of a tariff with a purchase obligation applicable for 15 years.

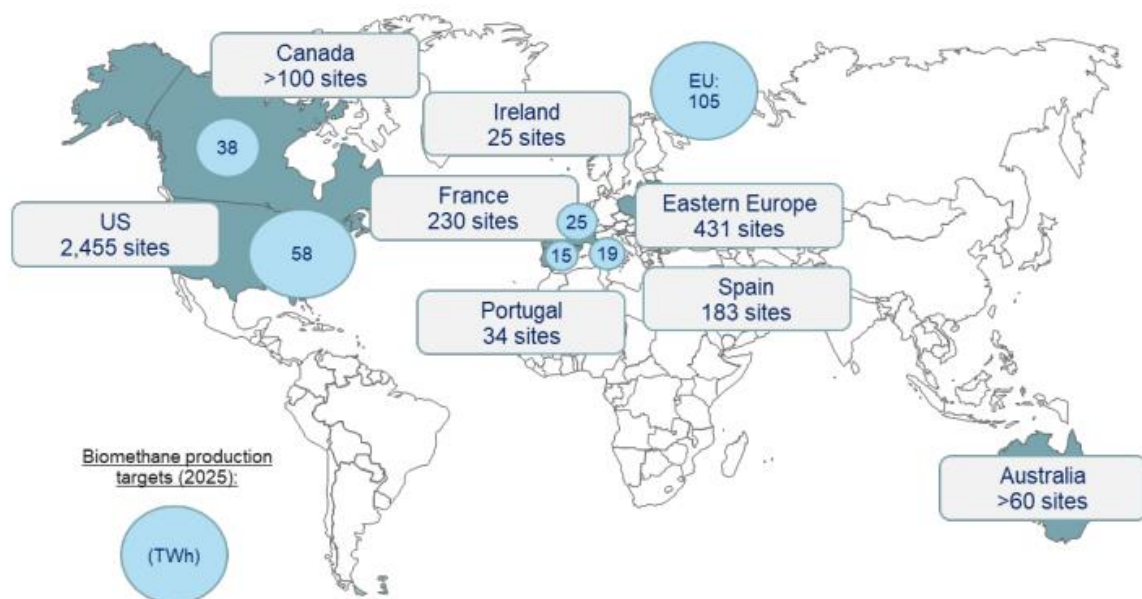
The Group operates in Western European countries from its base in France. A first contract was signed in Spain at the end of 2020 with the Ferrovial Servicios group to equip a waste storage site in the Barcelona region (Catalonia). Insofar as there is no support mechanism in this country, the biomethane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

The Group signed four contracts in Canada: the first in 2021 to equip the Saint-Étienne-des-Grès (Quebec) storage site, the second in 2021 to equip the Cowansville (Quebec) site, the third in 2022 to equip a site whose name has not yet been communicated at the customer’s request, and a fourth in 2022 to equip the Hartland site on Vancouver Island (British Columbia). At the end of 2021, the Group won a tender in the United States to equip the Bath site (New York State).

²⁷ The reclassification in Category 1 of the United Kingdom and Italy (formerly Category 2) is linked to the roll-out of the Company’s business in these countries, where it has created subsidiaries, recruited sales teams and has projects under development.

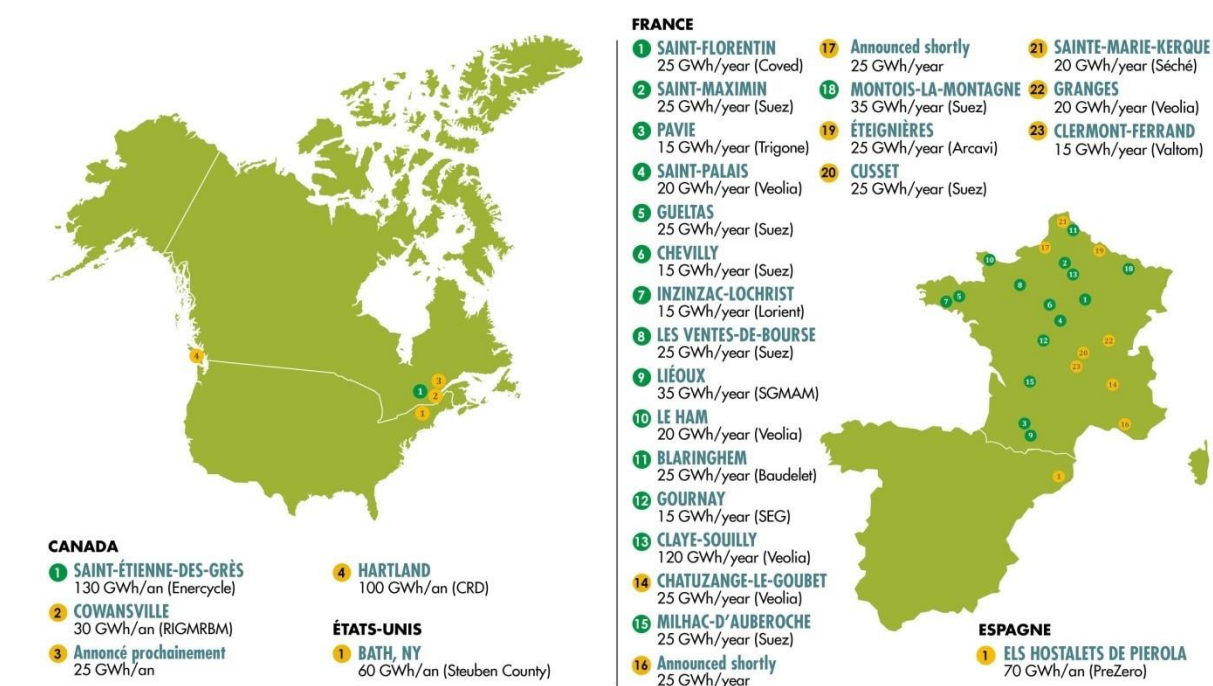
²⁸ The reclassification in Category 2 of Latin America (Brazil, Colombia, Mexico) (formerly Category 3) is linked to the ongoing feasibility study in Colombia, the launch of which was announced by the Company on 24 March 2023, and the forward-looking actions carried out by the Company in Mexico and Brazil.

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



Source: Waga Energy

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



Source: Waga Energy

Note: the construction of the 18th and 19th site has not yet been officially made public.

Fig. 45: Summary table of the 29 WAGABOX® in operation and under construction

#	Municipality	Country	Actual or estimated commissioning	Capacity GWh	Landfill operator	% holding Direct / Indirect
1	S ^t -Florentin (Yonne)	FRA	2017	25	Coved	100%
2	Saint-Maximin (Oise)	FRA	2017	25	Suez	100%
3	Pavie (Gers)	FRA	2018	15	Trigone	100%
4	Saint-Palais (Cher)	FRA	2018	20	Veolia	49%
5	Gueltas (Morbihan)	FRA	2018	25	Suez	49%
6	Chevilly (Loiret)	FRA	2018	15	Suez	49%
7	Inzinzach-Lochrist (Morbihan)	FRA	2019	15	Lorient Agglo	N/A
8	Ventes-de-Bourse (Orne)	FRA	2020	25	Suez	49%
9	Saint-Gaudens (Haute-Garonne)	FRA	2020	35	Sivom SGMAM	49%

10	Le Ham (Manche)	FRA	2022	20	Veolia	100%
11	Blaringhem (Nord)	FRA	2020	25	Baudelet Evt.	100%
12	Gournay (Indre)	FRA	2022	15	SEG	100%
13	Claye-Souilly (Seine-et-Marne)	FRA	2022	120	Veolia	100%
14	Chatuzange-le-Goubet (Drôme)	FRA	2022	25	Veolia	100%
15	[Project to be announced soon]⁽¹⁾	FRA	2024	25	[Project to be announced soon]	100%
16	[Project to be announced soon]⁽¹⁾	FRA	2024	35	[Project to be announced soon]	100%
17	Montois-la-Montagne (Moselle)	FRA	2023	25	Suez	100%
18	Milhac-d'Auberoche (Dordogne)	FRA	2022	25	Suez	49%
19	Eteignières (Ardennes)	FRA	[2023]	25	Arcavi	[100]%
20	Cusset (Allier)	FRA	[2023]	25	Vichy Agglomération	[100]%
21	Ste-Marie-Kerque (Pas-de-Calais)	FRA	[2023]	25	Séché Environnement	[100]%
22	Granges (Saône-et-Loire)	FRA	[2024]	25	Veolia	[100]%
23	Clermont-Ferrand (Puy-de-Dôme)	FRA	[2024]	15	[Project to be announced soon]	[Not announced]

Note 1: Confidential projects

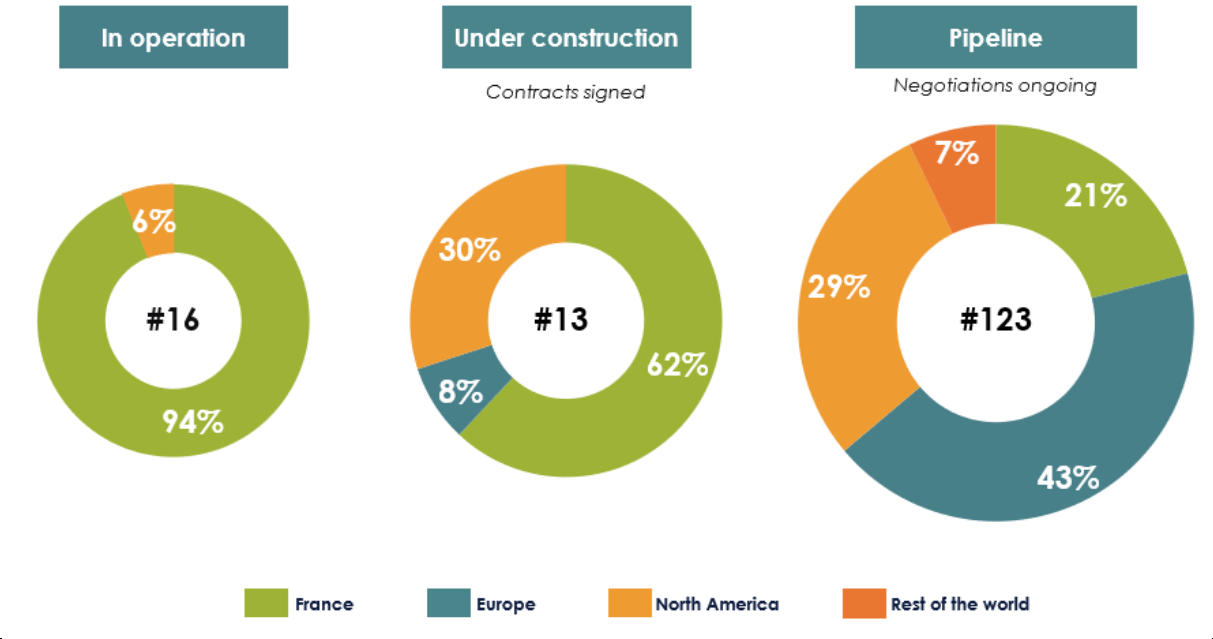
#	Municipality	Country	Actual or estimated commissioning	Capacity GWh	Landfill operator	% holding Direct / Indirect
1	Els hostalets de Pierola (Catalonia)	SPA	2023	70	PreZero	100%
2	Saint-Etienne-des-Grès (Quebec)	CAN	2023	130	Enercycle	100%
3	Cowansville (Quebec)	CAN	2023	30	RIGMRBM ⁽³⁾	100%
4	Bath (State of New York)	USA	2023	60	Steuben County	100%
5	Project to be announced soon⁽¹⁾	CAN	2023	16	-	
6	Hartland (British Columbia)	CAN	2024	100	CRD	-

Note 1: Confidential projects

The Group believes that it can quickly expand its installed base given the number of projects and opportunities identified. At the date of the Universal Registration Document, the Group has 123 projects in the commercial prospecting phase (79% of which are international) and has identified several hundreds of sites that could be equipped throughout the world. There are some 20,000 waste storage sites, of which approximately 1,500 are in Europe and 2,600 in North America. In countries that do not

offer public support mechanisms, WAGABOX® units will have to have a higher capacity than the units built in France in order to produce biomethane at a competitive market price.

Fig. 46: Pipeline and committed projects



Source: Waga Energy

The offers submitted by the Group and the negotiations in progress sometimes concern both the contract for the purchase of raw gas from the storage site operator and the contract for the sale of biomethane to an energy company or a private buyer. This is particularly the case 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 deploy the WAGABOX® solution on a large scale, the Group needs to strengthen its international business development teams.

Attracting talent is one of the Group’s priorities, in particular the business development functions (“business development”). 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 are 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 thus has a dedicated sales team. The majority of hires are therefore international. The financing of new sales teams dedicated to development will be borne by the Group.

The local teams have a high degree of independence in the execution of their mission and are in charge of structuring the entire project: identification of the storage site and the counterparty signing the purchase contract, feasibility study, obtaining administrative authorisations, industrialisation, pre-assembly, delivery of the unit to the site, injection into the gas grids, operation and maintenance, and structuring of the project company if necessary.

5.5.2.3 *Development of partnerships*

Commercial partnerships

The Group is building on its existing business relationships with world leaders in waste management to roll out its solution in new countries. The Group also plans to sign framework agreements for the supply of biomethane with international buyers with a multiplier effect for the deployment of the WAGABOX® solution throughout the world. At the time of its IPO, the Group received the support of three strategic investors: the energy trading companies Vitol and Viva Energy, and the shipping company CMA CGM, which wishes to supply some of its ships with renewable gas.

The Group has forged close commercial ties with major global waste management companies, such as Veolia and Suez in France, and PreZero in Spain, as well as national, private and public players, such as Paprec and Séché Environnement in France and Enercycle in Canada. 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.

Strategic partnerships made during the IPO

Viva Energy

On 12 October 2021, the Company and Viva Energy entered into a subscription commitment on the basis of which Viva Energy participated in the Company's IPO. Viva Energy's investment is part of its strategic partnership with the Company in relation to the biomethane market in Australia.

Viva Energy is an Australian-based energy company producing and distributing fuels for the Australian market. The company also owns and operates refineries for petroleum products. The company is listed on the Australian Stock Exchange and 45% owned by Vitol. This subscription commitment by Viva Energy is part of the conclusion of a memorandum of understanding with the Company, the purpose of which is to determine the main principles that will govern the strategic partnership aimed at making Viva Energy a preferred partner for the Company's development in the Australian market.

The parties will work together to define the terms and conditions of a framework agreement that will govern the conditions of the purchase of biomethane by Viva Energy. The Company will undertake to:

- submit to Viva Energy the projects it will develop in the Australian market; and
- grant a four (4) year priority right to Viva Energy to purchase biomethane from projects with an average duration of approximately ten (10) years located in Australia, in accordance with the terms and conditions set out in the framework agreement and the project-specific biomethane purchase agreement. Viva Energy will be able to refuse projects submitted to it by the Company. At the end of a specified period, the Company will be free to offer the project(s) to another counterparty.

Vitol

On 12 October 2021, the Company and Vitol entered into a subscription commitment on the basis of which Vitol participated in the Company's IPO. Vitol is one of the world's leading energy and commodities brokers. 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 conclusion of a strategic partnership with the Company for 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 of the purchase of biomethane by Vitol. The Company will undertake to:

- submit to Vitol European projects (excluding projects secured in France), with an average duration of ten (10) years, which it will develop; and
- grant Vitol a five (5) year priority right to purchase the biomethane from these projects.

CMA CGM Participations

On 12 October 2021, the Company and CMA CGM Participations ("CMA CGM") entered into a subscription commitment on the basis of which CMA CGM participated in the Company's IPO. 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 with the Company, under the terms of which the Company will provide CMA CGM with all prospective studies redefining the potential of the aggregated and anonymised deposits and pipeline elements (country, volume, duration, target price estimate). The Company will use its best efforts to prioritise CMA CGM in the supply of biomethane on all projects related to the maritime supply chain and in particular the containerised shipping business, on an exclusive basis (including in relation to existing agreements).

Viva Energy, Vitol and CMA CGM Participations are not represented on the Company's Board of Directors.

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. As of 31 December 2022, the Group had 14 WAGABOX[®] units in operation with the following customers: Coved (one unit), Suez (five units), Trigone (one unit), Veolia (three units), Lorient Agglomération (one unit), Sivom SGMAM (one unit), Baudalet Environnement, (one unit), SEG (one unit). As of the date of the Universal Registration Document, the Group had commissioned two additional WAGABOX[®] units, at the Suez site in Montois-la-Montagne (Moselle) and at the Saint-Etienne-des-Grès site (Quebec, Canada).

The Group estimates that it can address around 50 of the 230 or so storage sites operated in France by industrial operators, private players or local authorities. The development of new projects is an integral part of the value creation offered by the Group.

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 very large number of landfill sites around the world and much public information is available about them. It is important for the Group to identify the most suitable sites for the development of a WAGABOX® project. The methods used are comparable from one geographical area to another but may vary marginally depending on the availability 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; and
- 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

There is no database of all available information on landfill sites in Europe. On the other hand, there are databases at national or regional level. In addition, certain administrative documents, such as the prefectural operating permits issued in France, provide a great deal of information on landfill sites, which makes it possible to identify sites suitable for the development of a WAGABOX® project.

In addition to these public databases, the Group takes advantage of its privileged relationships with the major waste treatment players to identify new opportunities in a "Key Accounts" logic.

Selection

Once a site has been identified, the Group assesses the possibility of developing a biomethane injection project on the basis of the following criteria:

- 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; and

- 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 internal 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.); and
- 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 WAGABOX® units and takes care of their commissioning on site. Equipment manufacturing is outsourced. The units are designed in a modular form to facilitate integration in the workshop, transport and to limit on-site work.

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); or
- 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.

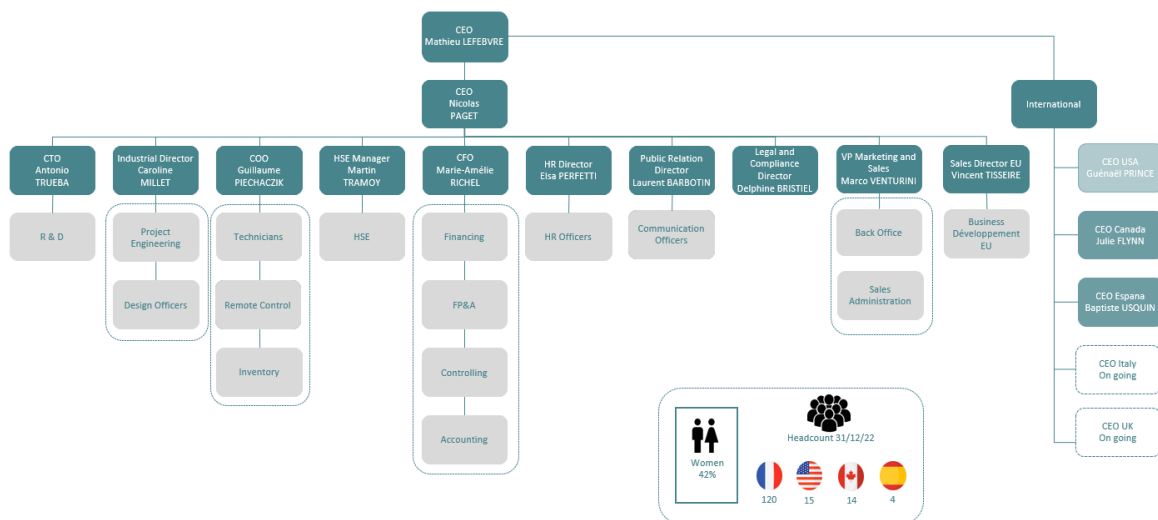
Companies responsible for the pre-assembly of WAGABOX®



Source: Waga Energy






5.6 Organisational Structure







5.6.1 Management organisation chart






5.6.2 Presentation of the management team

5.6.2.1 *Management Committee*

 <p>Mathieu Lefebvre <i>Co-founder & CEO</i></p>	<ul style="list-style-type: none"> ▪ 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.
 <p>Nicolas Paget <i>Co-founder and Deputy Chief Executive Officer</i></p>	<ul style="list-style-type: none"> ▪ 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.
 <p>Marie-Amélie Richel <i>Chief Financial Officer</i></p>	<ul style="list-style-type: none"> ▪ Marie-Amélie graduated from Grenoble École 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.
 <p>Guillaume Piechaczyk <i>Director of Operations</i></p>	<ul style="list-style-type: none"> ▪ 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.
 <p>Marco Venturini <i>Sales Manager</i></p>	<ul style="list-style-type: none"> ▪ 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.

 <p>Vincent Tisseire <i>Europe Sales Manager</i></p>	<ul style="list-style-type: none"> ▪ Vincent is a graduate of ENSGTI and holds a Master's degree from HEC Paris ▪ Specialising in the development of renewable energy projects, he has worked for GRDF, Engie and GEG. ▪ He is in charge of business development in Europe.
 <p>Delphine Bristiel <i>Legal Director</i></p>	<ul style="list-style-type: none"> ▪ A lawyer specialising in business law, Delphine worked in a firm for 10 years before joining the corporate world. ▪ After working in the healthcare sector, she joined Waga Energy to deal with regulatory and legal issues.
 <p>Caroline Millet <i>Project Director</i></p>	<ul style="list-style-type: none"> ▪ Caroline is a qualified engineer from Polytech Clermont-Ferrand. ▪ She is responsible for the project team and supervises the feasibility studies from the design of the WAGABOX® units to their installation. ▪ She was previously in charge of the maintenance team at Air Liquide Medical Belgium.
 <p>Antonio Trueba <i>R&D Director</i></p>	<ul style="list-style-type: none"> ▪ Antonio holds a PhD in Energy from École Centrale de Paris. ▪ He worked in process development for gas separation at Air Liquide.
 <p>Elsa Perfetti <i>Human Resources Director</i></p>	<ul style="list-style-type: none"> ▪ Elsa holds a master's degree in Human Resources. ▪ She is responsible for the Group's human resources management. ▪ She was previously HR manager in an SME in the Grenoble region.
 <p>Laurent Barbotin <i>Communications Director</i></p>	<ul style="list-style-type: none"> ▪ Laurent holds a master's degree in Journalism and a master's degree in History. ▪ He is in charge of Group Communications. ▪ He was previously editorial director of the communication agency Arca, after having spent a large part of his career as an economic journalist.

5.6.2.2 Management of foreign subsidiaries

 <p>Guénaël Prince <i>Co-founder and Chief Executive Officer of Waga Energy USA</i></p>	<ul style="list-style-type: none"> ▪ Guénaël has an engineering degree from Arts et Métiers Paritech and graduated from IFP School. ▪ A specialist in cryogenics and membrane filtration technologies, he developed the WAGABOX® purification process. ▪ He has worked for Air Liquide, Sofregaz and Foster Wheeler.
 <p>Julie Flynn <i>Director of Waga Energy Canada</i></p>	<ul style="list-style-type: none"> ▪ Julie is an engineer specialising in chemistry from Université de Laval and McGill University. ▪ She manages the Canadian subsidiary of Waga Energy. ▪ She contributed to the development of the Hydrogen business within the Air Liquide Group.
 <p>Baptiste Usquin <i>Director Waga Energy Spain</i></p>	<ul style="list-style-type: none"> ▪ Baptiste graduated from NEOMA Business School and Universitat Politècnica de Catalunya. ▪ He manages the Spanish subsidiary of Waga Energy. ▪ He has spent most of his career in the energy and environment sector, notably with the Suez and Engie groups.

5.7 Investments

5.7.1 Investments made in 2022

Since its creation, the Waga Energy Group's capital expenditure has mainly been related to the development and construction of WAGABOX® units 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 in 2021 and 2022.

In EUR thousands	FY22	FY21
Property, plant & equipment investments	40,408	12,952
Intangibles assets investments	530	111

Total	40,938	13,063
-------	--------	--------

Investments made by the Group in 2022 amounted to €40.9 million, an increase of €27.8 million compared to the investments made in 2021 (€13.1 million). This acceleration is mainly due to the Group's international expansion with WAGABOX® projects of a significantly larger dimension than the French units and due to real estate investment:

- **International investments**

Investments made on WAGABOX® units abroad represent more than half of the WAGABOX® investments completed during the financial year and concern five units under construction. The main projects are Saint-Etienne-des-Grès (Canada), commissioned in May 2023, Can Mata (Spain), and Steuben County (United States), which are scheduled to be commissioned in 2023.

To finance the construction of the WAGABOX® unit in Saint-Etienne-des-Grès (Quebec, Canada), the Group drew several times on the Canadian bank Caisse Desjardins, for a total amount of C\$7.1 million (€4.9 million) in 2022. Moreover, Waga Energy Canada received C\$4.1 million over the 2022 financial year in respect of several subsidies granted to finance its units, including a subsidy granted by the State-owned company Transition Energie Québec (TEQ).

In December 2021, the Group obtained a grant of €2.5 million from the European Union as part of the EIC Innovation Fund, for the construction of a WAGABOX unit® at the Can Mata site in Spain. These amounts will be released from 2023 according to several milestones. In March 2023, the Group also signed a loan including export insurance with Bpifrance for an amount of €6.6 million, which will be drawn down after the commissioning date, scheduled for 2023, and will be used to refinance equity contributions.

The projects in the United States were temporarily financed with equity pending bank refinancing.

- **Investments in France**

Waga Energy began the construction of seven new WAGABOX® units in France in 2022, in addition to the six units already under construction at the end of the previous financial year. Four units were commissioned in France during the year.

The financing of these investments was provided by the Innovation – Research & Development loan in the amount of €3 million granted by Bpifrance for the development of the high-capacity WAGABOX® unit in Claye-Souilly, the long-term bank financing taken out in 2021 for a maximum total amount of €8.3 million to finance the projects led by SP Waga 1 and Sofiwaga Infra, long-term bank financing subscribed in 2022 with a banking pool for a maximum amount of €23 million to finance the projects led by the subsidiary Waga Assets and refinance the convertible bonds subscribed in 2021 by Eiffel Gaz Vert (redeemed in early 2022), and the OCA 2021 Tranche 2 issued in 2021 for €6 million subscribed by Swift Gaz Vert.

In addition, the Madaillan unit in Milac-d'Auberoche (Dordogne) was granted a subsidy of a maximum amount of €390 thousand, of which €195 thousand had been received at 31 December 2022.

- **Real estate investment**

On 9 November 2022, the Company completed the acquisition of new premises located in Eybens, near Grenoble (France) for a total amount of €5.3 million, in order to transfer its registered office there. Since January 2023, the building has been used for offices and inventory space instead of the former Meylan premises, and accommodate our growing business and staff. The unused portion of the premises will be leased to third parties.

The acquisition amounted to €5.3 million, plus €0.3 million for fixtures and fittings at the end of 2022, which will continue in 2032. In order to finance this acquisition and the related works, the Group entered into a bank loan in November 2022 with four banks for a maximum amount of €8 million, of which €4.1 million had been drawn down at 31 December 2022.

The financing methods for these investments are detailed in Chapter 8 “*Cash and equity*” of the Universal Registration Document.

5.7.2 Ongoing investment

As of the date of the Universal Registration Document, the Group’s firm commitments related to the construction of 13 WAGABOX® units under construction (including eight in France, four in Canada and one in the United States). The units are mainly financed by the borrowings described in Chapter 8 “*Cash and equity*” of the Registration Document and for the balance by the Group’s own funds.

5.7.3 Future investments

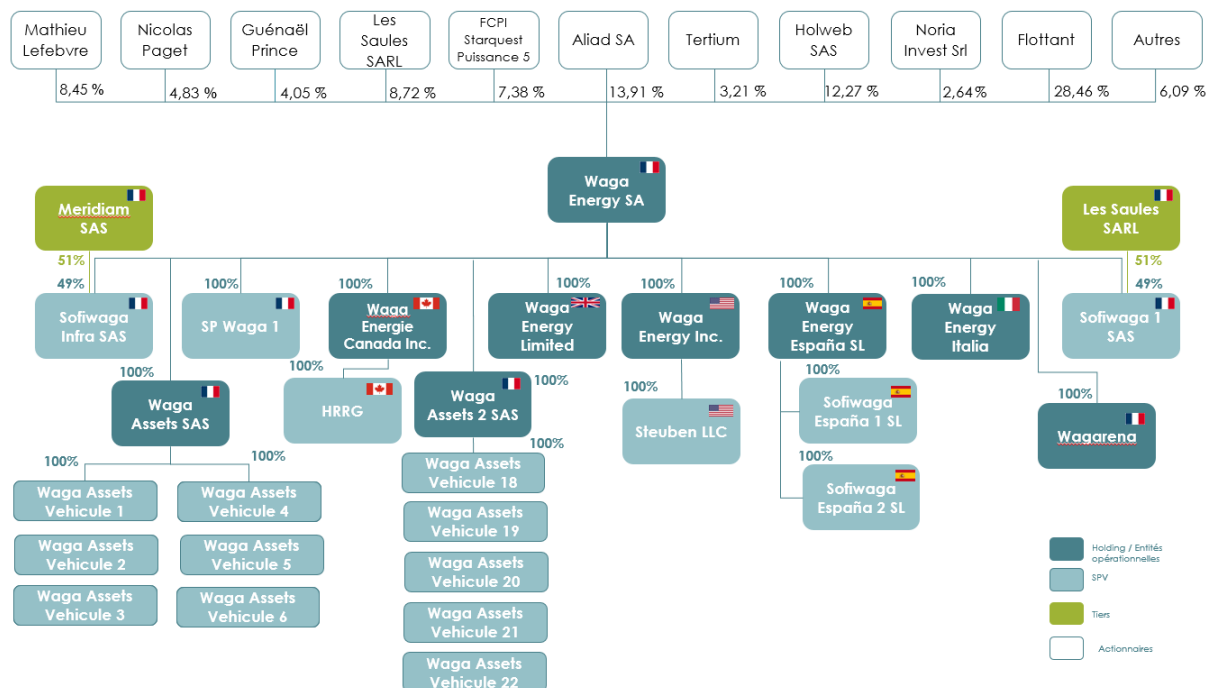
The Group intends to continue to invest in its projects in France and abroad. As mentioned in Chapter 10 “*Trends*” of the Universal Registration Document, these investments will be adapted to the Group’s ambition of achieving, by 2026, 100 WAGABOX® units in operation, *i.e.* an additional 84 WAGABOX® units (of which 13 are currently under construction).

6. ORGANISATION CHART

6.1 Group organisation

6.1.1 Organisation chart

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



Note 1: Mathieu Lefebvre, Guénaël Prince and Nicolas Paget hold 37.18%, 21.26% and 12.76% respectively of Holweb SAS

Note 2: ownership percentages are expressed in share capital and voting rights

6.1.2 100% ownership of the Company's US subsidiary via a contribution transaction

In order to simplify the legal structure of the Group and to improve its operational efficiency, Holweb SAS contributed to the Company all the shares it held in the capital of Waga Energy Inc. (the “Contribution”).

On 17 May 2022, the Company's Board of Directors approved the draft contribution agreement signed on 19 May 2022. The Contribution Transaction was subject to the contribution in kind regime provided for by Article L. 225-147 of the French Commercial Code²⁹.

In the context of the proposed Contribution, the Board of Directors mandated Accuracy to carry out valuation work on the shares of Waga Energy SA and Waga Energy Inc in order to determine an exchange ratio for the shares of the two companies. The Contribution was the subject of an independent opinion delivered by Accuracy on the exchange ratio of the Waga Energy shares. An internal monitoring committee dedicated to the Contribution project and half composed of an independent director was also set up. By order of the President of the Commercial Court of Grenoble dated 26 April 2022, Mazars was appointed as Contribution Auditor, with a view to assessing (i) the value of the Contribution foreseen

²⁹ It is specified that Mathieu Lefebvre and Guénaël Prince did not take part in the discussions and abstained, as necessary, given their status as corporate officers of Holweb SAS.

by Holweb SAS for the benefit of the Company and (ii) the compensation of the Contribution and the fairness of the exchange ratio.

The Contribution was subject to the usual conditions precedent. In consideration for the Contribution, the Company issued 655,995 ordinary shares to Holweb SAS, with a par value of one cent (0.01) euro each, *i.e.* a capital increase of a total nominal amount of €6,559.95 and a contribution premium of €22,972,944.90, corresponding to a total contribution value of €22,979,504.85. The exchange ratio of 3.3%³⁰ was in line with the valuation of the Contribution proposed by Accuracy, implying a dilution of between 3.1% and 3.5% of the Company's capital and voting rights.

The Combined General Meeting of the Company on 30 June 2022 approved this Contribution as well as the concomitant issue of 655,995 new Company shares with a par value of €0.01 each to Holweb SAS, increasing Holweb's shareholding from 9.4% to 12.3% of the Company's capital and voting rights on an undiluted basis.

The new shares of the Company were admitted to trading on the regulated market of Euronext Paris (compartment B) on the same quotation line as the existing shares of the Company (ISIN FR0012532810). They are treated in the same way as the existing shares of the Company and are fully assimilated to such shares, including the right to participate in any distribution of dividends, reserves or premiums from their date of issue.

In return for this Contribution, the Company now holds 100% of the capital of Waga Energy Inc. (compared to 81% before the transaction).

6.2 Significant subsidiaries of the Company

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

Legal entity	Legal form	Country	Date of creation	% of ownership	Co-shareholder
Business development subsidiaries					
Waga Energy Inc. Registered office: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 in the county of New Castle, United States	Company under American law	United States	04/03/2019	100%	
Waga Energy Canada Inc. Registered office: 533, avenue de la Montagne, bureau 102, Shawinigan (Quebec) G9N 0A3, Canada	Company under Canadian law	Canada	10/10/2019	100%	
Waga Energy España Identification number: NIF B16746091 Registered office: Paseo de Gracia 101.4 1 - 08008 Barcelona, Spain	Company under Spanish law (<i>sociedad limitada</i>)	Spain	26/07/2021	100%	
Waga Energy Limited Identification number: 14 198 974 Registered office: 30 Old Bailey, London, United Kingdom, EC4M 7AU	Company under English law	England	27/06/2022	100%	
Waga Energy Italia Identification number: LU-250443 Registered office: Viale S. Concordio, 710, 55100 Lucca LU, Italy	Company under Italian law	Italy	21/07/2022	100%	
Project companies (SPV)					

³⁰ Percentage before taking into account the exercise of BSPCEs and stock options.

Sofiwaga I Identification number: 832 083 026 Registered office: Zone Industrielle A - 10 rue Lorival 59113 Seclin	<i>Société par actions simplifiée</i> (SAS - simplified joint stock company)	France	19/09/2017	49%	Les Saules
Sofiwaga Infra Identification number: 840 259 303 Registered office: 34 boulevard des Italiens 75009 Paris	SAS	France	11/06/2018	49%	Meridiam

Waga Assets Véhicule 1 Identification number: 890 231 301 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	21/10/2020	100%	
Waga Assets Véhicule 2 Identification number: 890 231 335 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	21/10/2020	100%	
Waga Assets Véhicule 3 Identification number: 890 231 350 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	21/10/2020	100%	
SP Waga 1 Identification number: 891 536 302 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	30/11/2020	100%	
Waga Assets Véhicule 4 Identification number: 895 041 382 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	10/03/2021	100%	
Sofiwaga España 1 Identification number: NIF B05438478 Registered office: Paseo de Gracia 101.4 1 - 08008 Barcelona, Spain	Company under Spanish law (<i>sociedad limitada</i>)	Spain	30/04/2021	100%	
Waga Assets Véhicule 5 Identification number: 902 873 967 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	06/09/2021	100%	
WB Steuben LLC Registered office: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 in the county of New Castle, United States	Company under American law	United States	27/09/2021	100%	

Waga Assets Véhicule 6 Identification number: 912 891 751 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	26/04/2022	100%	
Waga Assets Véhicule 19 Identification number: 914 179 742 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	02/06/2022	100%	
Sofiwaga España 2 Identification number: NIF B16746091 Registered office: Paseo de Gracia 101.4 1 - 08008 Barcelona, Spain	Company under Spanish law (<i>sociedad limitada</i>)	Spain	07/07/2022	100%	
Hartland Renewable Resources Group Identification number: 1419829-8 Registered office: 200-896 Cambie Street Vancouver BC V6B 2P6 Canada	Company under Canadian law	Canada	11/07/2022	100%	

Waga Assets Véhicule 20 Identification number: 918 858 242 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	01/09/2022	100%	
Waga Assets Véhicule 18 Identification number: 919 391 417 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	16/09/2022	100%	
Waga Assets Véhicule 21 Identification number: 920 859 394 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	26/10/2022	100%	
Waga Assets Véhicule 22 Identification number: 921 700 936 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	24/11/2022	100%	
Intermediate holding companies / other subsidiaries					
Waga Assets Identification number: 884 522 954 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	24/06/2020	100%	
Waga Assets 2 Identification number: 910 396 050 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	15/02/2022	100%	
Wagarena Identification number: 920 350 485 Registered office: 5 Av Raymond Chanas 38320 Eybens	SAS	France	13/10/2022	100%	

7. REVIEW OF FINANCIAL POSITION AND RESULTS

Readers should read the information relating to the Group's results in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022 as set out in Section 19.1 "*Historical financial information*" of the Universal Registration Document and prepared specifically for the purpose of preparing the Universal Registration Document.

The Group's consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with IFRS as adopted by the European Union.

The Statutory Auditors' report on the Group's consolidated financial statements for the year ended 31 December 2022 is set out in Section 19.3 "*Audit of historical annual financial information*" of the Universal Registration Document.

7.1 Financial condition

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 m³/h), while companies specialising 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 Group sought co-investment financing. This is how the financing of the six WAGABOX[®] units was structured, firstly with Les Saules, one of the Company's shareholders, through a project company (Sofiwaga 1) 49%-owned by the Company and 51%-owned by the co-shareholder, then with Meridiam through the Sofiwaga Infra project company, also 49%-owned by the Company and 51%-owned by the co-shareholder. 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.

For the following projects and with a view to retaining control of the WAGABOX[®] units, the financing was mainly centralised by the Company and its intermediary financing subsidiaries (Waga Assets, created in 2020, and Waga Assets 2, created in 2020), which finance the project companies *via* interest-bearing current accounts. Thus, since 2020, investments dedicated to the construction of WAGABOX[®] units in France are isolated within dedicated Special Purpose Vehicles (SPVs). The Company ensures the construction of the units hosted by the project companies *via* an EPC contract as well as their operation *via* a long-term O&M contract with the project company. The latter carries the contract for the sale of biomethane or treatment service. The financing is carried by the intermediary financing subsidiary and covers the needs of a portfolio of project companies, with the aim of optimising structuring costs.

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.

In order to have sufficient resources to finance its growth, notably internationally, the Company completed its IPO in October 2021, raising €124 million.

This important step enabled the Group to accelerate its international development, initiated in 2019 with the creation of the first subsidiaries in Canada and the United States and the signature of the first international contracts.

Thus, in 2021 the Group created a commercial development subsidiary in Spain (Waga Energy España), and two project companies, including one in the United States and one in Spain. The Group continued its international development in 2022 with the creation of two companies to support commercial development in, respectively, Italy (Waga Energy Italia) and the United Kingdom (Waga Energy Ltd) and two project companies (including one in Canada and one in Spain).

In France, the Group also created a real estate holding company (Wagarena) to manage the Company's new registered office building and financing for it.

Over 2021 and 2022, there was also strong growth in the Group's workforce, which reached 153 employees at 31 December 2022 (including 33 outside France), compared to 79 at 31 December 2021 (including 11 outside France).

Although it has no exposure in Eastern Europe, the Group is indirectly affected by the consequences of the conflict in Ukraine, through the brutal rise in energy prices and inflation, the rise in interest rates, the deterioration of the economic situation in Europe and the uncertainty generated (see also Note 3.1.7 to the consolidated financial statements presented in Chapter 19 "*Financial information*" of the Universal Registration Document).

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 conducted in France for the years ended 31 December 2022 and 2021, with a minority in North America and Europe. Three geographical areas have been selected: France, North America and Europe (excluding France). This geographical segmentation may change in the future as part of its international growth strategy.

7.1.3 Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2022, as set out in Section 19.1 "*Historical financial information*" of the Universal Registration Document, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2022.

The consolidated financial statements covering the year ended 31 December 2022 were approved by the Company's Board of Directors on 25 April 2023.

Pursuant to Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017, the comparison of the Group's results for the financial years ended 31 December 2020 and 2021 set out in Chapter 7 "*Review of financial position and results*" of the Company's Universal Registration Document approved by the Autorité des Marchés Financiers on 14 June 2022 under number R.22-025 (**the "2021 Universal Registration Document"**), is included by reference in this Universal Registration Document.

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 "*Review of financial position and*

results” of the Universal Registration Document. The risk factors likely to have an impact on the Group’s business are described in Chapter 3 “*Risk factors*” of the Universal 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 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:

Revenue (income from ordinary activities)

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 category mainly includes employee compensation, social security contributions, other miscellaneous personnel expenses, share-based compensation (BSPCE, stock options, etc.) and the net provision for retirement benefit obligations

Recurring operating income (loss)

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.

Operating income (loss)

Operating income is the current operating income as defined above adjusted for other non-current operating income and expenses and impairment of non-current assets.

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 debt mainly includes interest and premiums related to bond financing, current accounts and bank loans. The cost of debt also covers the IFRS 16 cost of debt (see also Chapter 8 “*Cash and equity*” of the Universal Registration Document);
- 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, mainly foreign exchange losses and accretion.

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 Universal Registration Document. In application of the principles described above and the mechanism for capping tax loss carry forwards, no deferred tax assets have been recognised beyond the deferred tax liabilities in the Group’s consolidated financial statements as at 31 December 2021 and 31 December 2022 (see Note 7.5 to the consolidated financial statements presented in Chapter 19 “*Financial information*” of the Universal Registration Document).

7.1.6 Main performance indicators

The Group uses revenue and profit (loss) from recurring operations 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.

- Revenue

The table below shows income from ordinary activities for the financial years ended 31 December 2022 and 31 December 2021.

in EUR thousands	FY22		FY21	
Number of Wagabox® units in operation (at 31 December)	14		10	
Biomethane sales	15,091	79%	10,025	82%
Equipment sales	3,606	19%	1,793	15%
O&M and other	462	2%	443	4%
Total revenue	19,158	100%	12,261	100%

In 2022, the Group generated consolidated revenue of €19.2 million, up 56% compared to 2021, mainly due to the commissioning of new WAGABOX® units, and equipment sales in the United States (NORU Winnebago) and Canada (Hartland contract).

In 2022, 79% of revenue was generated by the sale of biomethane and treatment services invoiced to waste storage site operators, and 19% by the sale of equipment.

At 31 December 2022, the Group operated 14 WAGABOX® units, all located in France, compared to 10 at the end of 2021. In 2022, the fleet of WAGABOX® units injected 216 GWh of biomethane into the French gas network, *i.e.* 49% more than the previous year.

Revenue generated in France represents 81% of the Group's revenue, and mainly stems from long-term contracts, guaranteed by a purchase price obligation.

- **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 amortisation 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 2022 and 2021. Since the financial year ended 31 December 2022, the Group has changed the definition of this indicator, by also restating the expenses related to share-based compensation. Indeed, the Group considers that these expenses do not reflect its current operating performance and that they have no direct impact on cash.

The tables below present the revenue, EBITDA reconciliation, as well as the evolution of the WAGABOX® fleet in operation over the years ended 31 December 2022 and 2021.

- **EBITDA reconciliation**

The table below reconciles current operating income with EBITDA for the financial years ended 31 December 2022 and 31 December 2021.

Reconciliation EBITDA/Profit (loss) from continuing operations (in EUR thousands)	FY22	FY21
Profit (loss) from continuing operations	-8,171	-2,978
Cancellation of the impact of depreciation and amortisation and provisions	2,725	1,819
Cancellation of the impact of IFRS 2 expenses	2,241	1,364
EBITDA	-3,205	205

Reconciliation EBITDA/Profit (loss) from continuing operations (in EUR thousands)	FY22	FY21
Profit (loss) from continuing operations	-8,171	-2,978
Cancellation of the impact of depreciation and amortisation and provisions	2,725	1,819

Cancellation of the impact of IFRS 2 expenses	2,241	1,36
EBITDA	-3,205	20

EBITDA amounted to €(3.2) million for the financial year ended 31 December 2022 compared to €0.2 million for the financial year ended 31 December 2021, *i.e.* a decrease of €3.4 million.

This deterioration was mainly due to the implementation of the Group's growth strategy, which is reflected in:

- commercial development, in particular internationally;
 - the reinforcement of the operational teams to develop the WAGABOX® solution; and
 - the structuring of the support teams to support the Group's growth and internationalisation.
- *Average age of WAGABOX® fleet and residual term of biomethane sales agreements*

**Data weighted according to production.*

in years (*)	31 December 2022	31 December 2021
Average age of the fleet	2.8	3.0
Residual term of biomethane sales agreements	11.9	11.6

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 2022 and 31 December 2021, 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.

7.1.7 Key figures

The table below presents the key figures for the 2022 and 2021 financial years.

€m	2022	2021	% change
Revenue	19.2	12.3	+56%
Operating expenses (excl. depr./amort./prov. & IFRS 2 expenses)	(22.4)	(12.1)	+85%
EBITDA*	(3.2)	0.2	
IFRS 2 expenses (share-based payment)	(2.2)	(1.4)	+64%
Depreciation, amortization and provisions	(2.7)	(1.8)	+50%
Recurring operating income (loss)	(8.2)	(3.0)	
Non-recurring operating income and expenses	0.0	(1.3)	-103%
Operating income (loss)	(8.1)	(4.2)	
Cost of financial debt	(1.2)	(3.2)	

Consolidated net income (loss)	(9.7)	(7.7)	
Net income (loss) (Group share)	(10.1)	(8.1)	
Capex	(40.9)	(13.1)	+213%
Cash and cash equivalents (Dec. 31)	91.7	122.9	-25%

* EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) is an indicator of operating performance, defined as operating income before non-recurring items restated for net depreciation and amortization on property, plant and equipment, intangible assets, and provisions, as well as expenses related to share-based payments (IFRS 2). Since the fiscal year ended December 31, 2022, the Group has changed the definition of this indicator by restating it for share-based payment expenses, which do not reflect the Group's recurring operating performance and have no direct cash impact.

7.2 Analysis of results for the financial years ended 31 December 2022 and 2021

The table below shows the Group's income statement (in thousands of euros) for the financial years ended 31 December 2022 and 31 December 2021.

INCOME STATEMENT (in EUR thousands)	December 31, 2022	December 31, 2021
Revenue	19 159	12 261
Other income	397	379
Revenue	19 556	12 640
Cost of sales and change in inventory	(7 948)	(5 390)
External expenses	(6 845)	(3 095)
Taxes, duties and similar payments	(190)	(127)
Personnel expenses	(9 961)	(5 172)
Other recurring operating income and expenses	(59)	(16)
Depreciation, amortisation and provisions	(2 725)	(1 819)
Profit (loss) from recurring operations	(8 171)	(2 978)
Other non-recurring operating income and expenses	34	(1 269)
Impairment of non-current assets	0	0
Operating profit (loss)	(8 137)	(4 247)
Cost of net financial debt	(1 238)	(3 178)
Other financial income and expenses	21	(62)
Financial income (expense)	(1 217)	(3 239)
Profit (loss) before income tax	(9 354)	(7 486)
Income tax expense	(325)	(238)
Deferred taxes P&L	0	0
Total comprehensive income (loss)	(9 679)	(7 724)
Profit (loss) attributable to:		
Owners of the Company	(10 076)	(8 061)
Non-controlling interests	396	337
Basic earnings per share (in EUR)	-0,50	-0,41
Diluted earnings per share (in EUR)	-0,50	-0,41

7.2.1 Revenue

Revenue amounted to €19.2 million for the financial year ended 31 December 2022 compared to €12.3 million for the financial year ended 31 December 2021, an increase of €6.9 million, representing an increase of 56%.

In 2022, 79% of revenue was generated by the sale of biomethane and treatment services invoiced to waste storage site operators, and 19% by the sale of equipment.

The increase in revenue was mainly due to:

- the increase in the sale of biomethane and treatment services (+51%), corresponding to a 49% increase in biomethane production, through the commissioning of four new units during the financial year, including one of very large capacity;
- equipment sales in the United States and Canada (Hartland contract), which represented revenue of €3.6 million in 2022, *i.e.* an 85% increase.

Revenue generated in France represents 81% of the Group's revenue, and mainly stems from long-term contracts, guaranteed by a purchase price obligation.

7.2.2 Cost of sales and change in inventories

Purchases of goods and changes in inventories increased by 47%, from an expense of €5.4 million for the financial year ended 31 December 2021 to €7.9 million for the financial year ended 31 December 2022.

Purchases of materials and equipment increased sharply in line with the growth of the Group's business and for the construction of WAGABOX© sold.

Details of purchases of goods and changes in inventories can be found in Note 8.3 to the consolidated financial statements in Chapter 19 "*Financial information*" of the Universal Registration Document.

7.2.3 External expenses

External expenses amounted to €6.8 million for the year ended 31 December 2022 compared to €3.1 million for the year ended 31 December 2021, an increase of €3.7 million.

This increase was mainly due to overhead costs related to the growth in the workforce, the compensation of intermediaries to develop the growth strategy, particularly internationally, and the increase in fees in the context of the initial public offering.

Details of external expenses can be found in Note 8.4 to the consolidated financial statements presented in Chapter 19 "*Financial information*" of the Universal Registration Document.

7.2.4 Personnel expenses

Personnel expenses amounted to €10 million for the year ended 31 December 2022 compared to €5.2 million for the year ended 31 December 2021, an increase of €4.8 million.

This increase is explained, on the one hand, by the strong growth of the workforce (in 2022, the Group hired 74 employees taking the total workforce to 153 at the end of 2022) and, on the other, by the expense corresponding to the allocation of BSPCE and stock options, which amounted to €2.2 million for the year ended 31 December 2022 (compared to €1.4 million for the year ended 31 December 2021).

7.2.5 Depreciation, amortisation and provisions

The amount for depreciation, amortisation and provisions increased for the financial year ended 31 December 2022 compared to the financial year ended 31 December 2021, from an expense of €1.8 million (in 2021) to €2.7 million (in 2022).

Depreciation and amortisation are directly related to the number of WAGABOX® units in operation, given that no unit is currently fully depreciated. WAGABOX® are depreciated over 15 years for the first versions and 25 years for WAGABOX® 10 and subsequent versions (see paragraph 5.3.2.3 "*Securing projects (phase 2)*" in Chapter 5 "*Business overview*"). Depreciation is reduced by the subsidies obtained to finance the WAGABOX®, which are recognised at the same rate as the depreciation of the subsidised asset.

7.2.6 Recurring operating income (loss)

As a result of the factors described above, current operating income fell from €(3.0) million for the year ended 31 December 2021 to €(8.2) million for the year ended 31 December 2022. Most of this decrease was due to the increase in personnel expenses and the increase in general expenses caused by the Group's growth and the Company's IPO.

7.2.7 Operating income (loss)

As a result of the factors described above, current operating income went from €(4.2) million for the year ended 31 December 2021 to €(8.1) million for the year ended 31 December 2022.

7.2.8 Cost of financial debt

The cost of net financial debt decreased from an expense of €3.2 million for the financial year ended 31 December 2021 to an expense of €1.2 million for the financial year ended 31 December 2022, an decrease of €2.0 million. This decrease is explained by the reduction in the average cost of debt as a result of the refinancing carried out in 2022 and by the fact that the cost of debt in 2021 included an expense of €1.8 million corresponding to the conversion premium of the OCA 2021 Tranche 1, which were converted at the time of the Company's IPO.

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 Universal 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 19 "*Financial information*" of the Universal Registration Document.

8.1 General presentation

The Group's main financing requirements are 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.

The Group's main sources of liquidity at 31 December 2022 were as follows:

- the Company's IPO on the regulated market of Euronext Paris on 26 October 2021, which allowed the Company to carry out a capital increase of €124.1 million;
- the issuance of several bonds (see Section 8.3.3 below):
 - the issuance of bonds during 2017 (bond issue not convertible into shares) of Sofiwaga 1 subscribed by Les Saules, Sofiwaga 1's co-shareholder, for a total amount of €2.6 million; and
 - a bond issue (OCA 2021 Tranche 2) corresponding to €6 million in financing fully subscribed as at 13 July 2021, and repaid in full by Waga Energy SA. The OCA 2021 Tranche 2 were reissued in December 2022, under the same conditions except for the redemption or convertibility deadline of the bonds, by its subsidiary Waga Assets 2 for an amount of €5.2 million;
- several bank loans, the total outstandings of which as at 31 December 2022 amounted to €38 million (see Section 8.3.4 below), mainly concern:
 - the refinancing of WAGABOX® units in France concluded in 2021 by Sofiwaga Infra and SP Waga 1 for a maximum amount of €10.6 million, the outstandings of which at 31 December 2022 amounted to €8 million and €2 million, respectively;
 - the refinancing of WAGABOX® units in France concluded in 2022 by Waga Assets and its subsidiaries for a maximum amount of €23 million, including €12.8 million drawn down at 31 December 2022;
 - the bank loan entered into by the subsidiary Waga Energy Canada to finance the WAGABOX® unit in Saint-Etienne-des-Grès, for a maximum amount of €7.1 million, the outstandings of which at closing amounted to €4.9 million;
 - the real estate financing concluded in November 2022 to finance the acquisition of and work on the Group's new premises for a maximum amount of €8 million, including €4.4 million drawn down at 31 December 2022;
 - a loan granted by Bpifrance (innovation loan) to finance the high-capacity unit at Claye-Souilly, for an amount of €3 million;
- current account advances with historical shareholders, such as Les Saules, and co-investors in project companies (Meridiam) for a balance amounting to €0.4 million at closing in 2022 (see Section 8.3.5 below);
- grants from the research tax credit as well as grants relating to research projects (see Note 8.2 to the consolidated financial statements presented in Chapter 19 "*Financial information*" of the

Universal Registration Document) (see Section 8.3.6 "*Financing from subsidies and research tax credit*" below); and

- cash flows generated by the activity to finance, to a lesser extent, current operations (see Note 8.1 to the consolidated financial statements presented in Chapter 19 "*Financial information*" of the Universal Registration Document).

Readers should read the following information on the Group's cash flows in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022 as set out in Chapter 19 "*Financial information*" of the Universal Registration Document, which has been the subject of an audit report by the joint Statutory Auditor contained within that Chapter 19.

8.2 Cash flow

Changes in the Group's cash and cash equivalents amounted to €(31.2) million and €106.9 million, respectively, for the financial years ended 31 December 2022 and 31 December 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 31 December 2022 and 31 December 2021:

CASH FLOW STATEMENT (in EUR thousands)	December 31, 2022	December 31, 2021
Profit (loss) for the period	(9 679)	(7 724)
Adjustments for:		
Depreciation, amortisation and provisions	2 832	1 950
Share-based payments	2 241	1 364
Other income and expense	(231)	(18)
Cost of net financial debt	1 238	3 239
Tax expense (incl. deferred tax)	325	238
Operating cash flow before income tax and change in working capital	(3 275)	(950)
Income taxes paid	(76)	(279)
Effect of change in inventories	(3 471)	(591)
Effect of change in trade and other receivables	(4 952)	(6 513)
Effect of change in trade and other payables	4 384	7 382
Net cash from (used in) operating activities	(7 391)	(952)
Acquisition of property, plant and equipment and intangible assets	(40 938)	(13 063)
Acquisition of financial assets	(917)	(915)
Investment grants received	3 023	0
Advance Assets Suppliers	(1 460)	0
Net cash used in investing activities	(36 982)	(13 979)
Effect of change in consolidation scope (NCI contributions)		
Share capital increase (net of capital increase costs)	239	116 196
Proceeds from borrowings & repayable advances	35 884	26 756
Repayment of borrowings & repayable advances (incl. Cost of debt)	(23 098)	(21 237)
Dividends paid		
Net cash from financing activities	13 024	121 715
Effect of change in exchange rates on cash held	85	128
Net increase in cash and cash equivalents	(31 264)	106 912
Cash and cash equivalents at 1 January	122 913	16 001
Cash and cash equivalents at 31 December	91 659	122 913

Cash flows are distinguished by:

8.2.1 Net cash from (used in) operating activities

For the financial years ended 31 December 2022 and 31 December 2021, cash flow from operating activities amounted to €(7.4) million and €(1.0) million respectively. The change was mainly due to the

deterioration in EBITDA related to the Group's structuring and growth (see Section 7.1.6 "*Main performance indicators*"), and the increase in the inventories of parts and equipment needed to manufacture WAGABOX® units. This increase in inventories was mainly due to the strong growth in business and the anticipation of orders to secure supplies.

8.2.2 Cash flows from investing activities

Cash flow from investing activities, which led to respective cash consumption of €37 million and €14 million over 2022 and 2021, is mainly linked to the Group's investment policy in the development of WAGABOX® units in France and internationally. The sharp increase in investments in 2022 was mainly due to the Group's international expansion, with WAGABOX® projects that were significantly larger than the French units. Investments also include the acquisition of the Group's registered office for €5.3 million. For further details, please refer to Section 5.7 "*Investments*" of the Registration Document.

8.2.3 Net cash from financing activities

Cash flows from financing activities amounted respectively to €13 million and €121.7 million for 2022 and 2021. In 2022, cash flow mainly stemmed from:

- amounts drawn on the bank financing concluded in 2021 and 2022 for a cumulative amount of €30.6 million and the re-issue of 2 OCA Tranche by Waga Assets 2 in the amount of €5.2 million;
- the redemption of convertible bonds subscribed in 2020 by Eiffel Gaz Vert (€12.5 million) and OCA Tranche 2, redeemed in the amount of €6 million by Waga Energy SA and reissued by its subsidiary Waga Assets 2;
- the repayment of shareholder current accounts (€0.6 million), as well as the repayment of various bank loans and repayable advances for €2.2 million;
- the cost of financial debt (€1.2 million).

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.

8.3 **Information on the Company's financing needs and financing structure**

Entity	Type of financial debt	Amount (in EUR thousands)
Waga Energy SA	Bank loans	8,270
	IFRS 16	872
	Repayable advances	604
	Shareholders' loan	17
	Other	6
Sofiwaga 1	Bank loans	922
	IRFS 16	1,826
	Convertible bonds (subscribed by Les Saules)	2,578
Sofiwaga Infra	Bank loans	7,627
	Shareholders' loan	363
Waga Energy Inc	IRFS 16	137
Waga Energie Canada	Bank loans	4,960
Waga Energy Espana	IRFS 16	157
Waga Assets	Bank loans	12,496
Waga Assets Vehicule 3	IRFS 16	57
Waga Assets 2	Convertible bonds (OCA tranche 2)	5,265

SP Waga 1	Bank loans	2,005
Wagarena	Bank loans	4,444
Total		52,605

As of 31 December 2022, the Group's financial debt was borne by the following entities:

Entity	Type of financial debt	Amount (in EUR thousands)
Waga Energy SA	Bank loans	8,270
	IFRS 16	872
	Repayable advances	604
	Shareholders' loan	17
	Other	6
Sofiwaga 1	Bank loans	922
	IFRS 16	1,826
	Convertible bonds (subscribed by Les Saules)	2,578
Sofiwaga Infra	Bank loans	7,627
	Shareholders' loan	363
Waga Energy Inc	IFRS 16	137
Waga Energie Canada	Bank loans	4,960
Waga Energy Espana	IFRS 16	157
Waga Assets	Bank loans	12,496
Waga Assets Vehicule 3	IFRS 16	57
Waga Assets 2	Convertible bonds (OCA tranche 2)	5,265
SP Waga 1	Bank loans	2,005
Wagarena	Bank loans	4,444
Total		52,605

8.3.1 Net financial debt

The Group's net financial debt amounted to €52.6 million and €38.2 million respectively at 31 December 2022 and 31 December 2021.

Change in net financial debt between 2021 and 2022 in thousands of euros

EMPRUNT ET DETTES FINANCIERES (en milliers d'euros)	31 décembre 2021	Emissions	Remboursements	Nouveaux contrats IFRS 16	Intérêts courus et reclassement	31 décembre 2022
Emprunts bancaires	12 169	27 586	-1 783		57	38 029
Emprunts BPI		3 000			-305	2 695
Dettes associées	967		-609		22	380
Avances remboursables	1 031	48	-465		-10	604
Emprunts obligataires Sofiwaga 1	2 569				9	2 578
Obligations convertibles Waga Asset	12 277		-12 277			0
Obligations convertibles Waga Asset 2		5 250			14	5 265
Obligations convertibles Waga Energy SA	6 262		-6 262			0
Dettes financières IFRS 16	2 963		-526	612		3 049
Autres dettes financières	7		-1			6
Total	38 246	35 884	-21 924	612	-212	52 605

The main changes in gross debt during the 2022 financial year were as follows:

- amounts drawn several times for a total amount of €5.7 million on the project financing of SP Waga 1 and Sofiwaga Infra signed in 2021;
- the repayment of the Eiffel Gaz Vert bonds for €12.5 million, refinanced through a new long-term bank loan signed in 2022 for a maximum total amount of €23 million, and drawn down for an amount of €12.9 million at 31 December 2022;
- amounts drawn several times for €4.9 million on the project financing of Waga Energy Canada;
- the subscription of a new loan with Bpifrance (innovation loan) for €3 million;
- the subscription of a new real estate loan for a maximum total amount of €8 million to finance the acquisition of the premises located in Eybens, drawn down in the amount of €4.4 million at 31 December 2022;
- the redemption by Waga Energy SA of the bonds convertible into shares subscribed by Swift Gaz Vert in 2021 (OCA 2021 Tranche 2) for €6 million, reissued by its subsidiary Waga Assets 2 in the amount of €5.2 million in December 2022.

8.3.2 Financing through capital increases

The main capital transactions carried out by the Group during the 2021 and 2022 financial years were as follows:

- on 26 October 2021, the Company was listed on Euronext Paris, raising €124 million in equity including the share premium, corresponding to 5,273,017 new shares being issued at a unit price of €23.54 (of which €0.01 in par value and €23.53 in additional paid-in capital per share). The issue costs related to the IPO were charged to the share premium for €8.0 million and recognised in other non-current operating expenses for €1.5 million.
- During the 2022 financial year, the Company issued 655,995 shares in consideration for the contribution of 19% of the shares in Waga Energy USA previously held by Holweb SAS (one of the minority shareholders), representing a capital increase of €6,560 and a share premium of €22,972,944. This contribution did not generate any cash flows. The Company also issued 74,938 shares following the exercise of BSPCEs, representing a capital increase of €749 and a share premium of €237,838.

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 2022 and 31 December 2021.

Change in bonds (en EUR thousands)	Green convertible bonds	SFW1 bonds	Waga Energy SA bonds	Waga Assets 2 bonds	Total
At 31 december 2021	12,277	2,569	6,262	0	21,109
Issuance (+)				5,250	5,250
Derivative liability (-)					0
Repayment (-)	-12,277		-6,000		-18,277
Accrued interest (+/-)		9	-262	14	-239
Conversion (+/-)					0
At 31 december 2022	0	2,578	0	5,265	7,843

The table below shows the maturities of the various bond debts as at 31 December 2022:

Breakdown by maturity (in EUR thousands)	Green convertible bonds	SFW1 bonds	Waga Energy SA bonds	Waga Assets 2 bonds	Total
Less than 1 year		5		764	769
1-5 years		973		3,000	3,973
More than 5 years		1,600		1,501	3,101
Total	0	2,578	0	5,265	7,843

OCA 2021 Tranche 2

On 30 June 2021, the Company issued 18,844 bonds convertible 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).

Pursuant to these terms, the Company redeemed the bonds in December 2022. The OCA 2021 Tranche 2 were reissued under the same conditions except for a deadline for the redemption or convertibility of the bonds into new shares of the said subsidiary, set at 8 July 2029, by its subsidiary Waga Assets 2 for an amount of €5,250,000 to finance WAGABOX® projects borne by Waga Assets 2 subsidiaries.

Holders of OCA 2021 Tranche 2 may ask 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 bankruptcy proceedings by the Company or at any time with the Company’s agreement. The OCA 2021 Tranche 2 has a conversion parity equal to the nominal principal amount plus accrued interest and/or any other sum due in respect of the convertible bonds, divided by 85% of the value of the Company’s share as retained as part of a qualified fundraising (the “**Qualified Fundraising**”) made less than six months before the conversion request. The Qualified Fundraising refers to any transaction involving the issuance of new ordinary shares for a minimum total issue 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 concluded a bond issue convertible into Waga Assets shares for a maximum amount of €80 million, with the Eiffel Gaz Vert infrastructure fund. This loan, intended to finance the SPVs carrying the WAGABOX® purification units, could be issued in several tranches over a period of six years provided that outstandings do not exceed €20 million.

In order to optimise its financing costs, this bond issue was terminated by Waga Assets with effect from 31 March 2022. The bonds convertible into shares that were subscribed were fully redeemed on that date for a total amount of €12.5 million, including interest and premiums.

8.3.4 Bank loan and repayable advance financing

The tables below show changes in repayable advances, bank loans and SGLs as shown in the consolidated financial statements prepared in accordance with IFRS at 31 December 2022:

Change in bank loans and repayable advances (in EUR thousands)	Bank loans	Repayable advances	Total
Au 31 décembre 2021	12,169	1,031	13,200
Issuance (+)	30,586	48	30,634
Derivative liability (-)			0
Repayment (-)	-1,783	-465	-2,248
Accrued interest (+/-)	-248	-10	-258
Conversion (+/-)			0
Au 31 décembre 2022	40,724	604	41,328

The table below shows the maturities of the various bank loans and repayable advances at 31 December 2022:

Breakdown by maturity (in EUR thousands)	Bank loans	Repayable advances	Total
Less than 1 year	7,733		7,733
1-5 years	13,579	604	14,183
More than 5 years	19,411		19,411
Total	40,723	604	41,328

Bank loans

As part of the financing of its investments and operations, the Group took out several bank loans with partner banks or financial institutions, such as BNP Paribas, Bpifrance, Banque Populaire, Caisse d'Épargne, CIC, Arkéa and Caisse Desjardins. These bank loans amounted to a total of €40.7 million at 31 December 2022.

These various loans are described below:

Funding of Wagabox® projects

In October 2021, through its 49%-owned subsidiary Sofiwaga Infra, the Group took out bank financing worth €8.3 million with a maturity date of 2033 with a pool of banks. The Group provided further bank

financing of the same type for its subsidiary SP WAGA 1 in 2022. This made it possible to repay a portion of the corresponding current account with Meridiam (Sofiwaga Infra shareholder with a 51% stake) and to cover the financing of three projects in operation and one project under construction. As of 31 December 2022, the amount drawn on this loan was €9.6 million.

In July 2022, the Group concluded a new long-term bank loan for a maximum amount of €23 million for its subsidiary Waga Assets, subscribed by CIC and Arkéa. This transaction, which concerns a portfolio of six WAGABOX® unit projects in France, made it possible to refinance portion of the shareholder current accounts contributions made by the Group at the beginning of the year to repay the Eiffel Gaz Vert OCA, with the balance being intended to finance projects under construction. As of 31 December 2022, the amount drawn on this loan was €12.9 million.

At the end of 2021, through its subsidiary Waga Energy Canada, the Group secured bank financing for a WAGABOX® project in Canada for a total of C\$7.1 million, including a C\$1 million bridging loan to pre-finance part of the C\$3.2 million subsidy obtained from Transition Energie Québec. At the end of the 2022 financial year, the amount drawn down in respect of this financing was C\$7 million (€ 4.9 million).

Bpifrance loan

In 2022, the Group was granted a €3 million Innovation - Research & Development loan by Bpifrance for the development of the high-capacity WAGABOX® unit in Claye-Souilly. This loan, repayable over 31 quarters from 31 March 2025 to 31 December 2029, bears interest at a fixed rate of 1.46% per year.

Real estate loan

In order to finance the acquisition and development of its new premises in Eybens (Greater Grenoble), the Group, through its subsidiary Wagarena, entered into four (4) bank loans of a maximum of €2 million each in November 2022, *i.e.* a total amount of €8 million, from the banks BNP Paribas, Crédit Agricole Sud Rhône-Alpes, Caisse d'Épargne Rhône-Alpes and Banque Populaire Auvergne Rhône-Alpes. These loans bear interest at a fixed rate of between 3.80% and 4.10%, and have a maturity of 15 years. As of 31 December 2022, the amount drawn on this loan was €4.4 million.

State-Guaranteed Loans (“SGL”)

During 2020, the Group contracted five SGLs with its partner banks to strengthen its cash flow in the context of the COVID-19 pandemic, representing a total amount of €2.5 million.

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. 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 Programme (“PIA”)), the Group obtained a repayable advance from ADEME divided into two tranches of €797,000, *i.e.* a total of €1.6 million, bearing interest at 1.28% and 6.28%, respectively. This advance was repaid in full at 31 December 2022.

In 2020, as part of the PIA, the Group was granted a recoverable advance of a total of €104,000. The outstanding amount to be repaid at 31 December 2022 was €67,000 thousand.

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 2022, 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 2022, the current accounts with Les Saules and Holweb had been fully repaid, while Meridiam’s amounted to €0.4 million.

8.3.6 Financing from subsidies and research tax credit

Grants

In December 2021, the Group was awarded a European grant of €2.5 million under the Innovation Fund - Small Scale scheme. This sum will be used to co-finance the first internationally deployed WAGABOX® unit, currently under construction in Spain.

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 €316 thousand in 2022 and €294 thousand in 2021.

8.4 **Restriction on use of capital**

Bpifrance Financing 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 convertible bonds (as issued in December 2022) 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 “*Organisation of the Group*” and 17.1 “*Shareholders holding more than 4% of the share capital at the date of the Universal Registration Document*” of the Universal 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.

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 in 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.

Project financing

In the context of the bank financing intended to fund Wagabox® projects (mentioned in Section 8.3.4 “*Bank loans and repayable advances*”, under the heading “*Funding of WAGABOX® of projects*”), the

contracts signed contain certain covenants, including financial covenants such as the gearing ratio and the debt coverage ratio. They are also backed by collateral such as: pledges, guarantees without dispossession, or “Daily assignments”, and are without recourse or with limited recourse on the parent company Waga Energy SA.

Real estate financing

The real estate loan granted to Wagarena for the acquisition of the building in Eybens is backed by a mortgage on the property.

8.5 Future funding sources

The Group carried out a specific review of its liquidity risk and estimates, as of the date of the Universal Registration Document, that it would be able to finance its activities over the period of twelve (12) months to come, after taking into account the cash balance at its disposal to date and the business plan, including the planned investments and the necessary additional financing. In view of the strength of the business model, management is confident in the Group’s ability to raise the necessary financing for new WAGABOX® projects (see Note 3.2. to the consolidated financial statements presented in Chapter 19 “*Financial information*” of the Universal Registration Document).

In order to finance its development and future investments, the Group may subsequently use other financing (such as bank loans, bond issues or private debt placements) to finance its new projects.

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, as of 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 of the date of the Universal Registration Document, the Group believes it meets these criteria. (see also 3.4.2 *“Risk related to obtaining the permits, licences and authorisations necessary to carry out its activities or to set up its facilities”* of the Universal Registration Document)

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, which was revised on 13 December 2021 and then on 20 September 2022.

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, the purchase commitment is only possible for biomethane production facilities with a maximum capacity of 300 Nm³/h. Larger facilities must respond to calls for tenders organised by the public authorities. The conditions for the sale of biogas imposed by

the obligation to purchase following a call for tenders for biogas injected into a natural gas network as well as by the additional compensation system for biogas not injected are detailed in Articles R. 446-1 *et seq.* of the French Energy Code.

In addition, 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 (C_{max}) that determines the feed-in tariff applied to facilities injecting biomethane. This easing allows the possibility of lowering the C_{max} in order to benefit from a higher feed-in tariff. This provision reduces the economic risk if biogas production decreases over time.

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 (“**CPB**”) 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. Decree 2022-640 of 25 April 2022 relating to the biogas production certificate system defined the terms of application of the system, the details of which are being finalised.

Two texts concerning the use of guarantees of origin were promulgated during 2022:

- the Decree of 7 April 2022 on the use of guarantees of origin for injected non-subsidised biomethane to decarbonise the consumption of gas that is not transported by the network (LNG);
- the Decree of 8 December 2022, concerning the use of guarantees of origin in the ETS system (Emissions Trading Schemes), whether subsidised or non-subsidised.

These provisions will enable a better valuation of guarantees of origin for end consumers.

Lastly, the Law No. 2023-175 of 10 March 2023 on the acceleration of renewable energy production amends several provisions of the French Energy Code relating to the marketing of gas to include the long-term direct sales contract of biogas, renewable gas and low-carbon gas by a producer to an end consumer, without the need for the producer to have an authorisation to supply natural gas.

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.

Inflation Reduction Act (“**IRA**”) voted by the Biden administration in August 2022 also includes a section on biogas. The IRA proposes to subsidise the investment (ITC for Investment Tax Credit) or the production (PTC for Production Tax Credit) of biogas, these two schemes being mutually exclusive. The implementing regulations for the IRA are currently being drafted.

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 (or Power Purchase Agreement).

In addition, the RFS is being amended to incorporate the production of RINs from electricity generated from biogas.

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 Ministry of the Environment, of the Fight against Climate Change, of Fauna and of Parks (“**MELCCFP**”) 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. This regulation was amended on 22 June 2022 (entered into force on 1 January 2023). This new requirement is a flagship measure of the Quebec strategy on green hydrogen and bioenergy to inject 10% of gas from a renewable source into the natural gas network by 2030. It is also part of Measure 182 of the Master Plan on energy transition, innovation and efficiency in Quebec - 2026 upgrade, which consists in adapting the regulatory framework to require minimum renewable content (or a maximum carbon intensity index) in fuels and fossil fuels.

The Ministry of the Economy, Innovation and Energy has set up a programme (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 subsidies can cover up to 50% of the investment.

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.

The government, with the help of the PSPGNR, finances up to 50% of the connection work in the context of producer subsidy applications and offers any developer who so requests RNG purchase contracts for a period of up to 20 years.

9.3.3 Régie de l'Énergie

The Régie also approved a cost characteristic in two components as part of Step D, one relating to the average cost indexed as of 1 October of each year based on the Consumer Price Index below \$20/GJ until 2023 and \$25/GJ for 2024-2026.

The second component is a maximum price for a GSR contract, for a contract with a volume of less than 5Mm³, a price of up to \$45/GJ or up to \$35/GJ for volumes equal to or greater than 5Mm³.

9.3.4 Clean Fuel Regulations

On 6 July 2022, the Government of Canada published the final version of the Clean Fuel Regulations (the “CFR”). Under the terms of the latter, producers and importers of liquid fossil fuels, such as gasoline and diesel, will be required to gradually reduce carbon intensity (“CI”) of these fuels from December 2023. The federal government expects these reductions to result in a 15% decrease (below 2016 levels) in liquid fuel CI by 2030. The annual CI reduction requirements can be met in a variety of ways, including through a newly implemented Compliance Unit Market. The federal government announced that it will gradually increase to \$170/t by 2030 and will help reduce GHG emissions in Canada from 729 Mt in 2018 to 503 Mt in 2030. In the proposed regulation, the price of a compliance unit under this mechanism would be set at \$350 in 2022 (adjusted for the IPC).

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 recently set up an investment assistance line, together with the European Regional Development Fund, for renewable energy projects in which biomethane is recovered. The first call for projects took place in September 2020.

On 24 January 2023, the Register of Guarantees of Origin in Spain was commissioned by the Company, mandated by the Spanish Ministry of Energy (Enagas GTS). For the moment, the registration of biomethane production sites is not mandatory, and the use of guarantees of origin remains to be defined by the Spanish authorities as regards the use cases for the decarbonisation of end customer gas consumption.

10. TRENDS

10.1 Recent developments

A detailed description of the Group's results for the financial years ended 31 December 2021 and 31 December 2022 is provided in Chapter 7 "*Review of financial position and results*" of the Universal 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 Universal 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 Universal Registration Document.

Moreover, the materialisation of certain risks described in Chapter 3 "*Risk Factors*" of the Universal 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.

10.2.1 Background

The geopolitical and climatic events that occurred in 2022 accelerated raising awareness of the consequences of dependence on fossil fuels, notably in Europe and North America. This awareness is sparking increased interest from governments and companies in biomethane, a clean, local and renewable energy that can replace fossil fuels (natural gas and oil) in sectors such as transport and industry.

In this context, the Group believes that it can benefit from the measures aimed at accelerating the energy transition adopted by many countries. In Europe, the REPowerEU plan, unveiled by the European Commission in May 2022, aims to invest €37 billion in the biogas sector and increase biomethane production by 35 billion cubic metres by 2030. In the United States, the "Inflation Reduction Act" (IRA) adopted in August 2022 will devote \$369 billion to renewable energies.

Several acquisitions made in 2022 demonstrate the interest of investors and major energy companies in the biogas sector: acquisition of Vanguard Renewables by BlackRock for US\$700 million, acquisition of MAS CanAm (a subsidiary of MAS Energy) by CIM Group, acquisition of Nature Energy by Shell for US\$2 billion, acquisition of Archaea Energy by BP for US\$3.8 billion, and acquisition of the assets of Energy Power Partners Fund (EPP) by NextEra Energy for US\$1.1 billion.

From an environmental standpoint, the Group should also benefit from growing awareness of the impact of methane emissions on global warming. As part of the United Nations Climate Change Conference (COP26) held in Glasgow (Scotland) in 2021, more than 110 countries launched the Global Methane Pledge movement, and set the goal of reducing by 30% emissions of human-induced methane by 2030. Around fifty other countries joined them during the climate change conference held in Sharm el-Sheikh in November 2022 (COP 27). On the sidelines of this event, the United Nations announced the creation of a satellite monitoring system for methane leaks (Methane Alert and Response System) in order to

force companies to reduce their emissions.

In this context, the Group believes that the WAGABOX[®] solution elicits increased interest from both storage site operators and energy buyers: the former see an opportunity to improve the environmental performance of their sites while generating additional profits, and for the latter it is a means of accessing large volumes of biomethane at a competitive and stable price that is guaranteed over time.

While the price of natural gas peaked at €432/MWh in August 2022 (compared to around €20/MWh a year earlier), the Group believes that it is in a position to negotiate its biomethane production at higher prices than those of the start of 2022, across all the markets in which it operates. The increase in the commercial value of biomethane also allows it to make profitable its purification service at smaller sites, which helps to increase the number of sites that can be equipped. This new situation, although not yet having a direct impact on the Group's business, could accelerate the deployment of the WAGABOX[®] solution in Europe, North America, but also in other parts of the world.

10.2.2 Medium-term objectives

In this context, the Group is maintaining its goal 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 at the end of 2026, *i.e.* approximately 70 additional WAGABOX[®] units compared to the number of units in operation or under construction at the date of the Universal Registration Document; 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 revenues³¹ with an asset fleet whose specific unit capacity is increasing, in particular due to international deployment.

To achieve these objectives in terms of revenue and WAGABOX[®] units, the Group is counting on the 123 sites in the pipeline and several hundred targets identified in Europe and the United States, covering the target of 100 sites in operation by 2026. The 123 sites making up the pipeline are divided between France (21%), Europe excluding France (42%), North America (29%) and the rest of the world (8%).

The Group believes that growth in the number of WAGABOX[®] units in operation will not be linear, but will gradually accelerate at a rate of around 10 units a year over the next financial year, then around 20 units a year over the following two years, then around 30 units in 2026.

This gradual acceleration is based on:

- the growing reputation of the WAGABOX[®] solution in targeted countries: the first units put into operation will serve as a technological and commercial showcase, facilitating the signature of new contracts, as has been observed on the French market;
- the reinforcement and training of the sales force thanks to the funds raised during the IPO, which are beginning to produce its full effect.

Other projects not yet identified (not included in the list of projects under development or in the list of opportunities) will be added to the pipeline as and when the Group sends commercial offers to the operators of waste storage sites eligible for the installation of a WAGABOX[®] unit, *i.e.* respecting the criteria of proximity to the gas network, sufficient flow, and ethical and technical compliance. There are

³¹ 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. It does not constitute a forecast and is intended to represent, at the date, the potential of the installed base of WAGABOX[®] units and those under construction. In the case of a biomethane sales contract, the revenue depends on the price obtained from an energy company and the sales volumes anticipated by the Group on the basis of the biogas audit carried out before each project.

some 20,000 sites worldwide, of which approximately 1,500 are in Europe and 2,700 in North America.

The investments necessary to achieve these roll-out objectives will depend on the size of the WAGABOX[®] units and the geographical areas where they will be installed. The Group estimates that the proportion of project debt will be in the range of 50% to 80%, which may vary depending on the type of project and the cash flows from operating units. The Group is targeting a Project EBITDA margin³² of between 30% and 50% of revenue for a “typical” WAGABOX[®] project (1 500 m³/h).

³² Project EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortisation) is an indicator of operating performance, defined as operating income before non-recurring items restated for depreciation and amortisation on property, plant and equipment, intangible assets, and provisions, as well as expenses related to share-based payments, calculated on a per-project basis. 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. CSR REPORT

Waga Energy's CSR strategy

Corporate Social Responsibility (“**CSR**”) has always been an integral part of Waga Energy's DNA: from its founders to all its employees, everyone is committed to protecting the environment on a daily basis, while ensuring respect for human rights.

In 2022, the Group undertook a voluntary and active approach to structuring its CSR policy, in order to develop and formalise a CSR strategy based on three central pillars, together with concrete actions.

The Company, driven by its executives and with the support of a specialised external firm, identified its main CSR challenges in 2022, then carried out a diagnosis of the maturity of its practices and, lastly, with the dedicated working group, elaborated the CSR policy presented below.

In the course of 2023, indicators will be selected and action plans put in place to monitor and improve them.

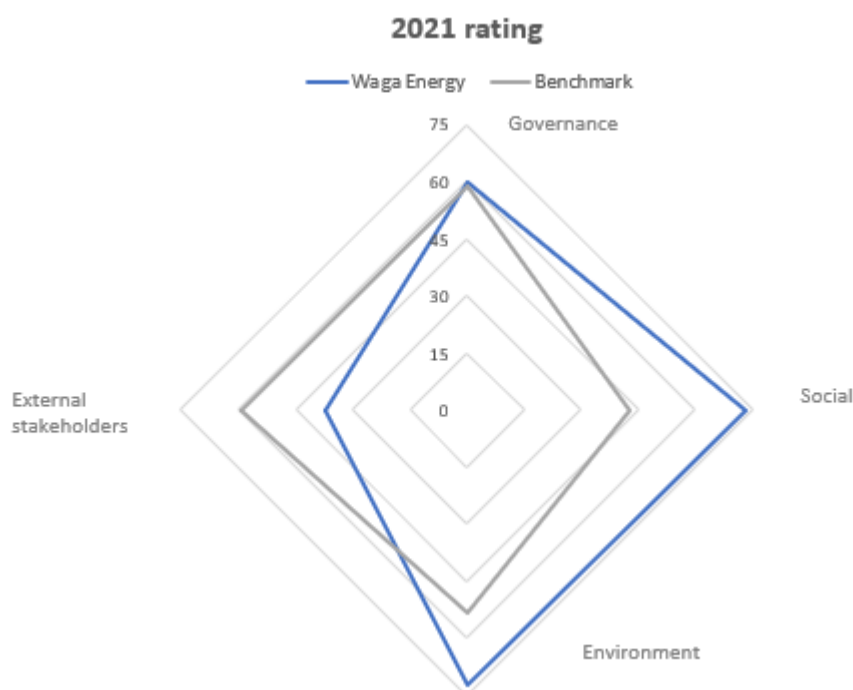
The Group wishes to formalise the elements of this report on a voluntary basis with the dual objective of:

- providing information to its stakeholders on its virtuous practices in the areas of governance, labour relations and environmental protection;
- better understanding and anticipating reporting expected in the future.

However, the Company notes that the Group is below the thresholds that make it mandatory to file a Statement of Non-Financial Performance under French commercial regulations, together with an assessment of eligibility and alignment with the European Taxonomy. This report has not been verified by an independent third party.

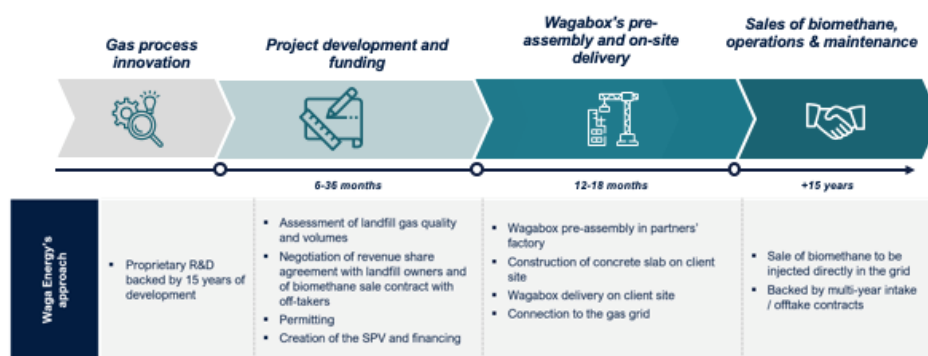
CSR performance

The Company obtained an ESG rating of **65/100** during the Gaïa Research 2022 campaign (2021 data) for a benchmark (25 companies in the Energy sector rated during the Gaïa Research 2022 campaign) of 50:



12.1 A business model for the energy transition

The Group is committed to the fight against climate change, which offers an innovative technological solution, WAGABOX®, to produce biomethane from the gas emitted by waste storage facilities. Thus, Waga Energy contributes to reducing the methane emissions from these facilities and provides local energy injected directly into existing networks to supply private individuals and businesses with renewable gas.



12.1.1 Contributing to the fight against global warming

Methane (CH₄) is the second largest contributor to climate change after carbon dioxide (CO₂). Over a 20-year period, its warming power is 80 times greater than that of carbon dioxide. Thus, reducing human-made methane emissions is essential to contain the increase in the average global temperature to well below 2°C compared to pre-industrial levels, a target set by the Paris Agreement signed in 2016 by 196 countries.

More recently, at the United Nations Climate Change Conference (COP26) of 2021, more than 110 countries committed, under the “Global Methane Pact”, to reducing their methane emissions by 30% compared to 2020 by 2030.

The Group intends to make a voluntary contribution to these international environmental objectives by capturing the methane emitted by waste storage sites and transforming it into biomethane, a renewable substitute for fossil natural gas, injected directly into existing gas networks.

12.1.2 Converting a major source of air pollution into easily accessible renewable energy

The degradation of organic matter contained in waste spontaneously produces biogas consisting of methane (CH₄) and carbon dioxide (CO₂). This biogas must be captured to avoid methane emissions into the atmosphere. This operation is carried out through aspiration devices which also recover air. Gas from storage sites therefore results from a mixture of methane, carbon dioxide, nitrogen and oxygen, to which are added various volatile organic compounds, depending on the type of waste stored. Its composition and flow rate are unpredictable and vary constantly, depending notably on weather conditions.

The recovery of this complex gas represents a technical, economic and ecological challenge. In the absence of an efficient and profitable solution, most operators simply burn it in a flare, or let it escape into the atmosphere, which contributes to climate change. Millions of cubic meters of methane are lost. The Group's goal is to put an end to this energy waste.

To this end, the Group has developed a purification solution that is unique in the world, the WAGABOX®, making it possible to transform gas from storage sites into biomethane, a renewable

substitute for fossil natural gas. This innovative technology combines membrane filtration and cryogenic distillation to separate methane from other components. It guarantees the production of biomethane that can be injected directly into existing distribution networks to supply individuals and businesses.

By recovering a by-product from waste treatment, the Group is able to produce large volumes of biomethane at a competitive and guaranteed price over periods ranging from 10 to 20 years. The Group intends to promote an ecological alternative to natural gas, facilitate the adoption of biomethane by as many people as possible, and help reduce dependence on fossil fuels. Biomethane, an element of the energy transition, makes it possible to decarbonise, as of today, certain sectors such as industry, transport and housing, which are still heavily dependent on fossil fuels and contribute to greenhouse gas emissions.

The Research & Development team works on the continuous improvement of our technological WAGABOX® solution, which it protects by regularly filing of patents.

12.1.3 Creating a circular economy that generates value for each stakeholder

The Group deploys the WAGABOX® technology under a developer, investor and operator model: the Group finances the preliminary feasibility studies and the construction of the units, and is in charge of their operation and maintenance under long-term contracts (10 to 20 years) with storage site operators; the Group generates revenue by reselling biomethane through over-the-counter contracts. In some cases, the Group provides operation and maintenance under a purification service contract.

WAGABOX® units intended for European markets are built in France, in the Auvergne-Rhône-Alpes region, using components purchased mainly in Europe and Japan. The units intended for the North American market are built in Canada, with the exception of the cryogenic distillation modules, which are all manufactured in France. The construction, operation and maintenance of WAGABOX® units are carried out in strict compliance with current European and North American regulations and quality standards.

The Group deploys the WAGABOX® solution at waste storage sites operated by industrial groups, local authorities or mixed associations. Biomethane produced by WAGABOX® units is sold to energy companies, who distribute it to end consumers, or to companies wishing to decarbonise their activities.

The Group's business model creates value for each of the stakeholders involved in a project:

- **the operator of the waste storage site** receives additional revenues (sale of raw gas to Waga Energy, or sale of biomethane produced by the WAGABOX® unit in the case of a purification service contract), without having to invest in landfill gas recovery equipment or manage its operation and maintenance.
- **the buyer of biomethane** has access to large volumes of renewable gas at competitive prices which are guaranteed for periods of 10 to 20 years, to decarbonise its activities or meet consumer demand,

The Group is thus positioned at the heart of a circular economy:



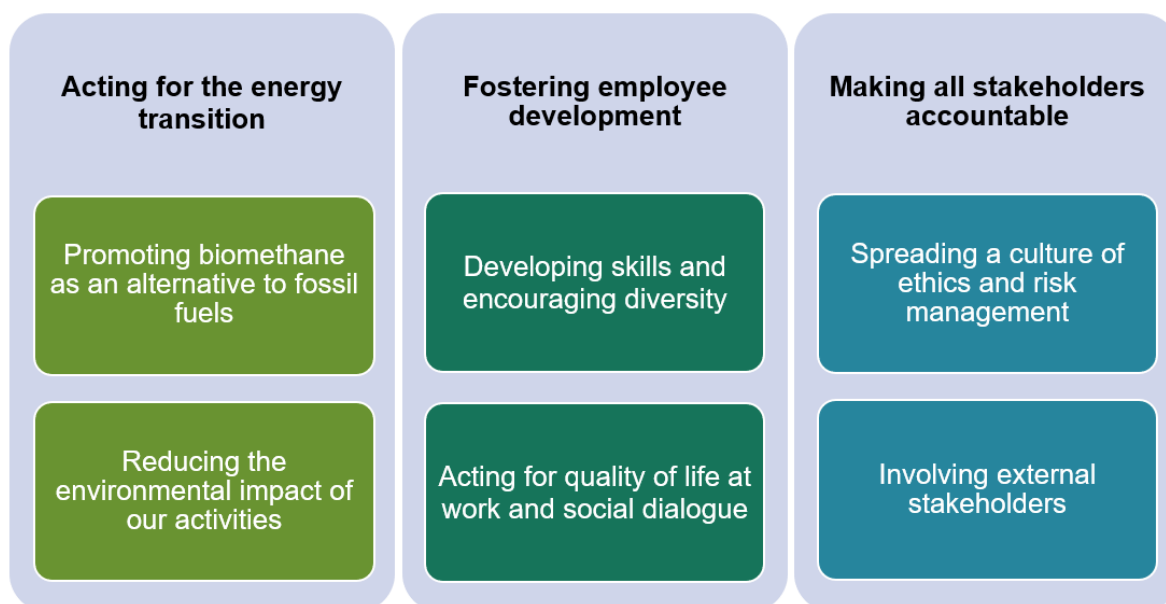
12.2 Identification of risks

The Group has identified the main risks and challenges to which it may be exposed. The main risk factors likely to have a significant negative impact on the Group, its business, its financial position, its results or its outlook are presented in Chapter 3 of the Universal Registration Document (of which Section 3.5 deals more specifically with CSR risks).

An initial risk mapping was carried out internally on this basis and validated by the Audit Committee of the Company's Board of Directors. The Risk Committee analyses changes in these risks and challenges, both financial and non-financial, every six months.

12.3 Our CSR policy

The Group has developed a CSR policy based on three pillars, each of which has two ambitious goals (summarised in the diagram below), on the basis of which indicators will soon be formalised, in order to give the Group a trajectory for the continuous improvement of its practices.



Internally, this policy is rolled out so that CSR is well understood by all Group employees and executives.

With regard to our external partners, this policy is proof of the Group's efforts to remain exemplary at all levels.

Among the 17 Sustainable Development Goals adopted by the UN in 2015, the Group contributes directly, through its activities and actions, to at least nine of them:



12.4 Acting for the energy transition

A pioneer in the production of biomethane from waste, the Group is committed to the energy transition and the fight against climate change.

The Group attaches particular importance to the environmental challenges of its activities, in particular energy and climate issues, as well as the circular economy and biodiversity.

All these topics are an integral part of the environmental approach initiated at Group level by General Management, the Legal & Compliance Department, and the Quality, Health, Safety and Environment Department. They are then embodied on a daily basis by all employees, both in terms of the design and operation of production units, and across all support functions.

Regulatory monitoring is structured around environmental issues (environmental code, urban planning authorisations, ICPE, etc.).

Environmental reporting to measure and monitor several environmental indicators at Group level is being finalised. In addition, an ISO 14001 certification process is under way.

12.4.1 Promoting biomethane as an alternative to fossil fuels

❖ **Positive environmental externalities of the WAGABOX® technology**

The technologies developed by the Group aim to contribute to the preservation of the environment by:

1. Reducing or avoiding significant emissions of methane into the atmosphere and
2. Transforming this gas into biomethane, a renewable and local energy source.

Capturing methane to transform it into biomethane contributes to the energy transition and to the greenhouse gas emission reduction targets set by governments at the international level. The WAGABOX® unit produces renewable energy from a hitherto little-valued resource. ISCC certification (International Sustainability and Carbon Certification) guaranteeing the renewable nature of the biomethane produced was obtained on the first WAGABOX® unit installed in Spain and is under way for the WAGABOX® unit located in Claye-Souilly. This certification process is directly integrated into the Group's sustainable development strategy and includes the greenhouse gas emissions avoided.

The following indicators are already being monitored:

➤ **Plant capacity/Annual renewable energy production**

In 2022, the WAGABOX® units in service injected 216 GWh of biomethane into the networks, compared to 145 GWh in 2021 (+49%). They ensured an average availability of over 95% (excluding outages attributable to landfill operators or network operators).

At the date of publication of this Universal Registration Document, the Group had injected nearly 60 million cubic meters of biomethane into the French gas network since the start of the first WAGABOX® unit in February 2017.

➤ **Greenhouse gas emissions reduced or avoided by biomethane production**

The Group is currently working on the development of a scientific measurement methodology for the greenhouse gas emissions avoided thanks to its solution. Based on the Base Empreinte database developed by ADEME, the Group estimates that its biomethane production for 2022 avoided the emission of around 35,700 tonnes of CO2 equivalent into the atmosphere.

The measurement of the tonnes of CO2 equivalent avoided is used by the IPCC to compare the impact on the climate of gases with different warming powers and lifetimes in the atmosphere. In the case of methane, the CO2 equivalent is 28, which means that one tonne of methane will have the same impact on the rise in temperatures over 100 years as 28 tonnes of CO2.

The Group assesses the environmental impact of its units by measuring the tonnes of CO2 equivalent avoided by replacing fossil natural gas with biomethane. As biomethane produced by WAGABOX® units is injected directly into gas infrastructures, the Group considers that each cubic meter of biomethane injected avoids the consumption of one cubic meter of fossil natural gas. The impact is calculated by multiplying the volume of biomethane injected by the ratio established between the biomethane and natural gas emission factors included in the ADEME carbon database.

The installation of a WAGABOX® unit encourages operators to efficiently capture the methane emitted by their storage site, in order to increase the revenue generated by the sale of this raw gas. In addition, the revenues generated help them maintain and improve their collection systems, thus reducing fugitive methane emissions into the atmosphere. As it is unable to quantify these avoided methane emissions, the Group does not take them into account in the assessment of its environmental impact.

➤ Number of households supplied

The estimation of the number of households supplied by WAGABOX® units is based on the average gas consumption of households complying with the 2012 Thermal Regulation (RT2012). This regulation applies to almost all buildings for which a building permit has been filed in France as of 1 January 2013, and limits primary energy consumption to an annual average of 50kWh/m²/year. According to GRDF, the main gas distributor in France, a household complying with the RT2012 standard consumes an average of 6,000 kWh/year. On this basis, the Group estimates that the WAGABOX® units supplied approximately 36,000 households in France during 2022.

❖ European green taxonomy

As part of the Green Deal for Europe, the European Union has taken important steps to build a sustainable finance ecosystem. Thus, the European taxonomy is a standardised classification of economic activities that substantially contribute to the achievement of environmental objectives according to scientific criteria.

Even if the Group is not yet subject to the European Green Taxonomy with regard to the regulatory thresholds, it is committed to enabling its partners to report on these matters.

At the end of 2021, the Group entrusted Ethifinance with the analysis of its eligibility for the European taxonomy.

Ethifinance's report concluded that there was **100% eligibility** of the Group's revenue, in the "biogas supply" category (4.13). The reader is informed that this Ethifinance report was prepared at the Company's request, as the Company is not subject to taxonomic regulations. The information included in this report, which is partial, is provided only on a voluntary basis.

EXECUTIVE SUMMARY

100%

of WAGA Energy 2020 turnover is

Eligible under the EU
Taxonomy



Evaluation date: 8th of October 2021

12.4.2 Reducing the environmental impact of our activities

❖ **Energy consumption**

The Group attaches the greatest importance to controlling direct and indirect energy consumption throughout the life cycle of its products: from the design of WAGABOX® units through to the supply of raw materials, the construction of units, or their maintenance.

The Group has implemented numerous actions in terms of energy efficiency and sobriety, notably:

- Development of the new Eybens registered office designed to minimise energy consumption (optimisation of lighting systems through the use of LED bulbs, presence detectors), and to recycle some of the materials already present in the building;
- Gradual renewal of the Group's car fleet in France with 19% of vehicles running on BioNGV;
- Use of local partners whenever possible. The Group works with boilermakers, integrators and electricians located in the Auvergne Rhône-Alpes region for its Western European market;
- Short-circuit supply of consumables as soon as possible, use of more environmentally-friendly products (oils, biosourced filtration media).

The following indicators are already being monitored

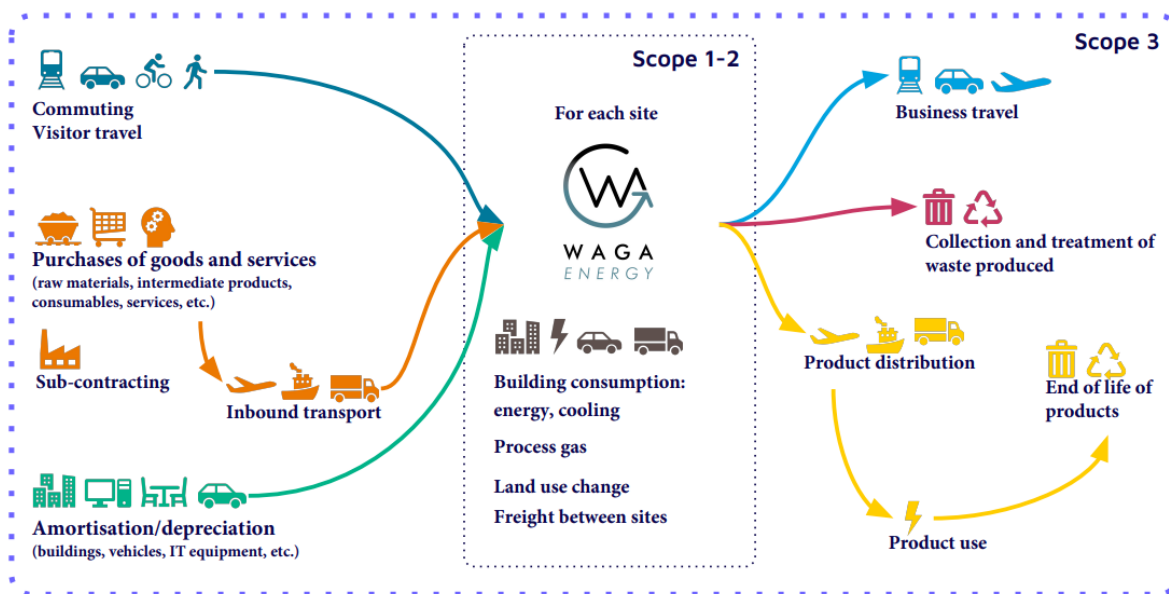
Key indicators (data for France)	2021	2022
Total electricity consumption in GWh	13.89	20.78
Renewable energy consumption in GWh	2.78	1.75
Production of renewable energy (biomethane) in GWh	144.68	216

❖ **Climate change and carbon footprint**

The Group's biomethane production units are not very sensitive to climate risks. However, as a preventive measure, the French units are shut down when outdoor temperatures exceed 40°C.

The Research & Development teams anticipate the necessary changes, such as to respond to recurring hot weather phenomena.

The Group is also committed to limiting its own environmental footprint and has thus launched a Carbon Assessment ("Bilan Carbone") process with an external firm, the conclusions of which are expected in 2023.



Scope 1, 2 and 3 as defined by the GHG Protocol

The Carbon Assessment expected by the Company provides for the indication of CO₂ emissions for Scopes 1, 2 and 3 with an indication of upstream and downstream emissions for Scope 3.

❖ Air quality

Atmospheric pollutants generated by activities come from two sources:

- Refrigerants or heat transfer fluids used in production processes, notably for refrigeration and cryogenics. These fluids can damage the ozone layer.
Lean gases, not recovered by injection and treated by a thermal oxidizer. In France, this combustion treatment generates fumes that are strictly monitored by the prefectural order issued under the legislation on facilities classified for the protection of the environment (ICPE) and controlled by the regional environment, planning and housing department (DREAL).
- These two potential sources of air pollution are subject to regulations. Regular checks are carried out in accordance with the regulations in force and sent to the DREAL through the operator of the waste storage site. Where appropriate, in other regions of the world, such monitoring may also be imposed and controlled by the competent environmental authorities, according to the applicable local regulations. This monitoring ensures compliance with regulations and the quality of the air surrounding the industrial units.

❖ Waste and the circular economy

The Group attaches the greatest importance to the management of waste generated by the manufacture or operation of its units, and to limiting the consumption of non-renewable raw materials.

During construction phases, waste is sorted and removed. All material that can be reused is retained to limit waste.

All waste from the operation and maintenance of units is listed, monitored and treated in accordance with the regulations in force in France and Europe. When a waste is produced, its treatment method is determined by prioritisation: reuse, recycling, recovery, elimination.

Throughout the waste life cycle, the waste monitoring form is kept up to date by all parties involved - producer, transport company, treatment company - and then archived by the Company.

Since 1 January 2022 (Decree 2021-321 of 25 March 2021), hazardous waste is recorded on a national online register (*Waste track*). The Group has chosen to use this national register to monitor and process all of its hazardous or non-hazardous waste:

Waste (data for France)	2021	2022
Non-hazardous waste in tonnes	185	396
Hazardous waste in tonnes	7	41
% of waste recovered	65%	99%

The increase in the tonnage of waste is linked to the Group's strong growth, but everything is being done to limit its impact on the environment.

❖ Water

The manufacture and operation of industrial units do not require water in its natural state and therefore do not generate conflicts of use. The two glycol water networks used to run the purification process (drying and cooling the gas) operate in a closed circuit (around 2,000 litres). During the maintenance or cleaning of civil engineering works, water may be used, but in very small quantities. Lastly, the condensate discharged by the WAGABOX® units comes from the presence of water in the biogas and is treated by the operator of the waste storage site.

❖ Biodiversity

The installation and operation of a WAGABOX® unit at waste storage sites generates virtually no harm to biodiversity.

The use of rotating machines such as compressors generates noise pollution for the natural environment. The Group has designed its WAGABOX® units in such a way as to limit this pollution, by designing containers with wall thicknesses that reduce noise. For other equipment, the noise levels comply with the standards in force and the commissioning of new machines is systematically accompanied by noise measurements.

Amendments to the prefectural orders to which landfill sites are subject for the installation of a WAGABOX® unit systematically include provisions related to biodiversity and the unit's impact on the natural environment.

12.5 Fostering employee development

The Group strives to offer its teams a working environment in line with its human values and corporate culture.

As part of a dynamic of rapid growth and of the reinforcement of teams in France and internationally, each theme that makes up well-being at work (diversity, health and training) is addressed with careful attention. The Group's innovative nature and its model of protecting the environment are key factors in attracting, recruiting and retaining highly qualified profiles with the same goals.

The Group also ensures the development of each of its employees throughout their career through a continuous training programme.

Lastly, in 2022 the Group set up a Quality of Life at Work barometer (The Predictive Index) in order to measure the well-being at work of all employees, as well as their level of commitment. This barometer was the subject of specific action plans and will be repeated each year to measure the progress made.

12.5.1 Developing skills and encouraging diversity

❖ **Structuring employment**

At 31 December 2022, the Group had 153 employees in four countries (78% in France, 10% in the United States, 9% in Canada and 3% in Spain). The workforce is 42% women and 58% men

More than 12 different nationalities are represented at the Group.

❖ **Developing skills**

The Group's success is based on the experience and expertise of its employees. Training is therefore key to ensuring the employability of employees.

In 2019, the Group set up a training course adapted to future growth. Each new employee at the Group benefits from a specific career path.

- Each employee receives an annual interview and a professional interview every two years.
- 100% of employees present for more than 2 years benefited from a professional interview

The integration of new employees is a decisive step for their commitment and loyalty. It includes an in-depth presentation of the Group, meeting the various teams that make up the company, and a mentoring system to share the Group's values and corporate culture.

Training policy

The training of our employees is essential to support the Group's growth.

Thus, the Group has a training plan that defines, for each business line, the mandatory training that each employee must follow to perform their duties.

Each training course is followed by a validation of prior learning. Monthly questionnaires completed by our employees confirm that they still have the knowledge required for their position.

Requests for additional training are taken into account during individual interviews.

Digitalisation of learning paths.

In addition to the strong growth in the workforce, an online training platform is being developed and will be available by the end of 2023. It will build a culture of continuous skills acquisition, but also collaborative learning, for all Group employees.

❖ **Diversity and inclusion**

The Group makes diversity a strong lever for its development. The recruitment policy is based on the principles of non-discrimination, equality and inclusion. The Group strives to preserve the uniqueness of each individual and provides a working environment in which everyone can express themselves and act freely.

The Group encourages gender diversity as of recruitment and throughout professional careers, including in technical fields.

A dozen nationalities are represented at the Group, providing great cultural diversity.

- **Value sharing**

Since 2020, the Group has chosen to involve all employees in the Company's performance by setting up a profit-sharing agreement, based on quantitative and qualitative criteria linked to the achievement of economic and financial objectives.

In addition, each Group employee receives a collective bonus as part of WAGABOX® unit investment projects.

Lastly, some employees are beneficiaries of BSPCE or stock options, in order to retain them and enable them to benefit in the long term from the increase in the Company's value.

➤ **Equal pay**

The Group respects the principles of equal pay as well as gender equality and equal levels of responsibility, both in hiring and throughout a career. The Group also verifies that its salary policy is in line with the employment market.

➤ **Actions to promote the inclusion of people with disabilities**

The Group uses recruitment firms specialising in the inclusion of people with disabilities. For equivalent services, the Group favours companies working for protected employment, with which it works on a regular basis. The Group is committed to the employment and integration of people with disabilities, and to combating discrimination against them (see table in Section 16.1 "*Number of employees*" of the Universal Registration Document). Nevertheless, this number of employees remains below the legal threshold of 6% of the workforce. Consequently, the Company pays an annual contribution to Agefiph.

Employer brand

The Group is working on its employer brand to attract new talent and retain its employees through various actions:

- Recruitment from Pôle Emploi,
- Participation in various fairs and forums, notably those of the energy transition professions as part of Grenoble Green Capital 2022,
- Activities in high schools, schools and universities to promote its jobs,
- Raising awareness in schools about the place of women in industry,

Participation in the Tenerrdis and EY study for the promotion of the renewable gas sector.

12.5.2 Acting for quality of life at work and social dialogue

❖ **Ensuring the health and safety of our employees**

The health and safety of our employees is the Group's top priority. The single document for assessing the risks inherent to our business is regularly updated. It incorporates both industrial risks and psychosocial risks, enabling an exhaustive review of all risks associated with the Group's activities. Psychosocial risks are at the heart of the Group's health and safety policy. Various bodies with authority on these subjects (*e.g.*: occupational medicine) are used.

In addition, best practices and good reflexes to adopt to improve safety are shared throughout the Group. Training is also a key element in the prevention of accident risks and training and awareness-raising actions are regularly scheduled for exposed employees.

Lastly, a weekly safety update is provided by the QHSE manager to all employees and included in the internal newsletter.

The management of industrial risks and the associated safety management system is part of the Group's core business. All industrial risks relating to safety, the environment or financial matters are identified using the HAZOP risk analysis method. This method is an inductive analysis that includes several steps, from the identification of failures to the implementation of actions to limit the residual risk. To determine

the dangerousness of the risk, an objective and exhaustive rating is applied to all identified potential failures. The risk reduction measures already in place are then included in this rating to determine the actions to be implemented.

Once industrial risks have been identified and secured, the safety management system complements the risk management policy. It makes it possible to integrate and monitor the various needs for security and final risk reduction. Procedures, safety training, displays, safety indicators, reminders, awareness-raising, models, protective equipment and any other safety requirements are integrated into this system.

This comprehensive system complies with the OSHA model. It incorporates elements related to life expectancy, maintenance, change management, feedback and the identification of risky situations in safety management. The analysis of technical risks associated with the safety management system enables comprehensive and effective safety management at the Group.

❖ **Work to improve the working conditions of our employees**

Quality of life at work is an integral part of their vision and values. The company agreements in force provide a respectful framework for the Group's work experience, enabling employees to reconcile professional and personal life.

Parenthood

The Group has set up a parenting policy which extends the duration of parental leave for new parents, grants additional leave during an employee's PACS or marriage, and provides days off for sick children. This policy is applied at the subsidiaries when possible.

Teleworking

The Company set up a charter organising teleworking.

Mobility

The Group established a "sustainable mobility" bonus in order to provide a solution in line with its values for commuting: employees are thus encouraged to favour public transport, cycling and carpooling.

Social security coverage

Social security coverage is an essential dimension for the Group, which, since its creation, has chosen to provide very protective conditions in terms of health and personal protection insurance, with high levels of guarantees, and without distinction of status. In France, the Company pays 90% of the contribution to employee health insurance and provides a family plan that covers the entire family without conditions. It implemented this policy at its subsidiaries; 100% of the Group's employees benefit from social security coverage.

Employee satisfaction survey

The Group set up an internal satisfaction survey (registered office and subsidiaries) in October 2022 using The Predictive Index solution. With an 80% participation rate, it revealed very good scores across the various categories surveyed: commitment (94%), position (79%), manager (86%), social dimension (87%) and work experience (87%). It confirms the strong commitment of the teams and the conviction that the corporate culture is a true driver of performance.

Employees received feedback on the results and an associated action plan was put in place.

This survey will be conducted on a yearly basis over the same period to assess collective satisfaction and its evolution.

Fight against harassment and discrimination

The Code of Conduct implemented at the Group sets out the rules on harassment and discrimination. The Group does not tolerate any form of harassment. Any situation of harassment or discrimination must be reported. To do so, the Group has set up a whistleblowing portal to report any inappropriate behaviour (discrimination, harassment, etc.).

To date, no report has been made.

❖ **Social dialogue and internal communication**

The Group attaches great importance to social dialogue within the teams.

The election of the members of the Social and Economic Committee took place in March 2023. The attendance rate was over 90% at the Managerial Body: four permanent representatives and four alternates were elected; two incumbents and two alternates were elected from the Non-Managerial Body, with a participation rate of over 87%.

All teams, including subsidiaries, meet weekly to share news from all the departments, systematically starting with a security update.

Communication with employees will be strengthened in the coming months with the deployment of an intranet to streamline the transmission of information and reinforce team collaboration.

➤ **Main indicators – Human resources**

Breakdown of Group workforce by geographical area		
<i>Country</i>	<i>2021</i>	<i>2022</i>
France	68	120
Spain	1	4
United States	4	15
Canada	6	14
Total	79	153

Breakdown of workforce by contract as a %		
	<i>2021</i>	<i>2022</i>
Permanent employment contracts	89.9	90.2
Fixed-term contracts	10.1	9.8

Breakdown of workforce by gender as a %		
	<i>2021</i>	<i>2022</i>
Men	62	57.5
Women	38	42.5

Number of hires on a permanent employment contract		
<i>Country</i>	<i>2021</i>	<i>2022</i>
France	21	52
Spain	1	4
United States	2	11
Canada	5	7

Total	29	74
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Breakdown of arrivals and departures by country and by type of contract	2021		2022	
	Arrivals	Departures	Arrivals	Departures
France	23	9	60	11
Spain	1	-	4	1
United States	5	1	8	-
Canada	2	-	11	-
Total	31	10	83	12
Permanent contract <i>(not preceded by a fixed-term contract)</i>	23	5	71	6
Fixed-term contract/Temporary contract	8	5	12	6
Total	31	10	83	12

Percentage of female managers / female workforce	2021	2022
% female managers	26.67	20

Percentage of women on the Executive Committee France	2021		2022	
	Nb	%	Nb	%
Nb pers. Executive Committee	9	100	11	100
Nb women	3	33.33	4	36.36

Breakdown of workforce by age group	2021		2022	
	Nb	%	Nb	%
20-29	28	35.44	58	37.91
30-39	26	32.91	52	33.99
40-49	20	25.32	33	21.57
Over 50	5	6.33	10	6.54

Training (France data)	2021	2022
Number of hours of training provided	1,664	4,006
Number of employees trained at 31 December of the financial year in question	60	114
Percentage of employees trained	88%	95%

Number and rate of workplace accidents* and occupational illnesses	2021	2022
Number of workplace accidents with lost time	2	0
Frequency rate	10.9	0
Severity rate	0.6	0
Number of recorded cases of occupational illnesses	0	0
Number of days lost due to a workplace accident	68	0

Number of deaths related to workplace accidents or occupational illnesses.	0	0
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**Excluding commuting accidents*

12.6 Making external stakeholders accountable

The Group aims to be exemplary in the management of its business and commits all its employees to compliance with ethical and responsible standards and procedures at all levels.

12.6.1 Spreading a culture of ethics and risk management

The Group promotes responsible and transparent governance in the conduct of its activities. It considers business ethics to be an absolute requirement, at the level of its governance, the organisation as a whole and, by extension, its supply chain.

❖ Responsible governance

Since the admission of the Company's shares to trading on the Euronext Paris regulated market in October 2021, the Group has referred to the Middledenext Code as updated in September 2021 in order to coordinate governance according to simple and consistent principles, by placing CSR at the heart of its strategy.

Several governance bodies have been set up, details of which are provided in Chapters 13 and 15 of the Universal Registration Document.

Board of Directors and Committees

The Company's Board of Directors is composed of eleven (11) members with diverse and complementary skills and expertise:

- Five women, *i.e.* 45.5% of members;
- Four independent directors with regard to the independence criteria defined by the Middledenext Code.

The Board of Directors met nine times in 2022.

On 8 October 2021, the Board of Directors approved the establishment of three committees, in accordance with the recommendations of the Middledenext Corporate Governance Code, as specified in the internal regulations:

- An Audit Committee;
- An Appointments and Compensation Committee;
- A CSR Committee.

A fourth Commitment Committee was set up by the Board of Directors on 28 February 2022, on the proposal of the Chairman of the Board of Directors.

Actions implemented at the Board:

- Signature by each director of the Board's internal regulations, the Code of Conduct and the Stock Market Ethics Charter,
- Annual declaration of interests of each director,
- Implementation of a Board self-assessment procedure.

General Management and Group Management Committee

The Company's Management Committee is composed of complementary profiles and experts in their field, who manage the various departments of the Company, under the control of the General

Management. It meets weekly. Board of Director meetings are also set up at the level of each foreign subsidiary.

Since its initial public offering, the Group has continued to develop its governance and financial communication in line with best practices to ensure that all shareholders are treated equally and with the utmost transparency.

These practices are based on the following mechanisms:

- Adherence to the Middledelt Corporate Governance Code (in its latest version of September 2021) and objective of compliance with the said code's recommendations;
- Participation in the GAIA socially responsible investment index;
- Creation of a space dedicated to shareholders and investors on the Company's website;
- Dialogue with investors and shareholders according to financial communication rules;
- Reminder of internal stock market ethics rules, notably through a dedicated charter;
- Monitoring of insider lists.

❖ **Non-financial risk management**

Non-financial risks are managed by the CSR Manager, in conjunction with General Management and the Finance Department to strengthen and monitor CSR actions. The Group has identified the following CSR risks in its risk mapping:

Risk related to the IT infrastructure

The Group's activities are supported by IT tools (operations, engineering, accounting, logistics, support, etc.) capable of processing high volumes of content and data. 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. To guard against this, the Group had a cybersecurity audit carried out in 2022, the conclusions of which were satisfactory.

Risk related to climate, weather and environmental fluctuations

Severe weather events such as heavy rains, significant changes in temperature, hail or snow could damage the Group's facilities but also lead to prolonged shutdowns, as well as an increase in operating and maintenance costs.

The Group is aware that climate change will have an upward impact on ambient temperatures across all regions. To cope with this increase, new facilities are designed to operate at temperatures of up to 45°C.

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

In general, the Group's business sector requires executive managers with a high level of expertise and specialists in their field of competence, whether in financing, design, construction or the operation of WAGABOX® units, or in recent technological and market innovation. The limited number of qualified candidates and the strong competition for the recruitment of such executives could prevent the Group from benefiting from skills equivalent to those of these executives. The Group may also fail to attract new talent and retain experienced staff.

Ethics and corruption risk

The Group's growth has led to the development of its business in many countries. Unethical or non-compliant practices by its representatives or employees could expose the Group to criminal and civil sanctions and damage its image.

Since 2022, the Group has implemented an anti-corruption programme.

These risks and the associated risk management measures are further discussed in Chapter 3 of the Universal Registration Document.

❖ **Business ethics**

As a responsible economic player, the Group is committed to ensuring that all its stakeholders comply with the rules of transparency and ethics across all its business relationships. The Group relies on its values which are shared with its employees and all stakeholders to establish and implement programmes and tools that guarantee transparency and business ethics on a daily basis.

Dedicated governance

In this context, the Group decided to strengthen its governance and organisation in terms of compliance and business ethics, by appointing a Legal Director, who joined in June 2022 to manage and monitor the various compliance programmes, in close collaboration with the Human Resources Department, the Finance Department and the operational departments. All matters are reported directly to the Management Committee. Regular updates on these subjects are also presented to the Board of Directors. The Group is also supported by a specialised independent firm.

Code of Conduct

In 2022, the Group adopted a Code of Conduct. It details the principles of action and specifies the rules that everyone must apply on a daily basis. The Code of Conduct and its content also apply to the Group's relations: customers, suppliers, commercial intermediaries and any other person encountered in a professional environment. The Group asks these third parties to comply with the Code of Conduct and to ensure that their own suppliers and subcontractors comply with equivalent principles.

The Group intends to comply with the following regulations:

- the Principles of the Universal Declaration of Human Rights (1948);
- the main conventions of the International Labour Organization (ILO);
- the OECD Guidelines for Multinational Enterprises and the Convention on

Combating Bribery of Foreign Public Officials in International Business Transactions (1999) and the 2009 anti-bribery recommendations;

- the principles of the United Nations Global Compact (2000);
- the law on transparency, the fight against corruption and the modernisation of economic life ("Sapin II" 2016);
- the Foreign Corrupt Practices Act (1977); and
- the European regulation on "the protection of individuals with regard to the processing of personal data and on the free movement of such data", known as the General Data Protection Regulation (GDPR).

A procedure for auditing commercial partners, notably on aspects related to corruption, has been put in place so that each project developer carries out a precise analysis of potential partners to identify any risks, which are then addressed by Management.

Comprehensive corruption audits of the main commercial partners are also carried out by the external firm that supports the Company.

Whistleblowing portal

A whistleblowing system has been put in place to enable any employee or partner to report a serious breach of the Group's Code of Conduct. This reporting portal allows any employee but also third parties to report any behaviour or situations that are contrary to the Code of Conduct:

- Conflict of interest,
- Corruption and influence peddling,
- Fraud, embezzlement and theft,
- Discrimination and harassment,
- Non-compliance with the principles set out in the Code of Conduct,

- Infringement of fundamental freedoms.

No alert was identified at the date of publication of the Universal Registration Document.

Stock Market Ethics Charter

A Stock Market Ethics Charter was drafted in 2022 to draw the attention of the Group's employees and partners to the principles and rules in force in terms of stock market ethics and the need to scrupulously comply with them. Lists of insiders are drawn up, listing who may not trade in Waga Energy shares during the abstention periods preceding the Group's financial publications (or at any time if they hold inside information) and who must ensure the strict confidentiality of inside information.

This document also aims to provide a reminder of the preventive measures implemented at the Group. It is available on the Group's intranet site and, if they have any questions, the reader is invited to consult the Group's Legal Department.

Actions implemented:

- Awareness-raising and signature of the Code of Conduct and the Stock Market Ethics Charter by all French employees; roll-out currently under way at the level of foreign subsidiaries,
- Awareness-raising and signature of the Code of Conduct and the Stock Market Ethics Charter by each new employee as part of their onboarding process,
- Signature of the Code of Conduct and the Stock Market Ethics Charter by all Directors,
- Dissemination of the Code of Conduct and the Stock Market Ethics Charter on the Group's website,
- Implementation of anti-corruption training for all teams exposed to risk, mainly project developers and the Management Committee.

12.6.2 Involving external stakeholders

❖ Product quality and offering enhancement

Regulatory monitoring is carried out by the Quality, Health, Safety and Environment (QHSE) team, composed of four people in France, to ensure compliance with the regulations in force.

The products (consumables) and equipment (materials) used comply with applicable regulations depending on the country of use.

The Group incorporates quality into its operational strategy through a continuous improvement policy based on the ISO 9001 standard. A quality policy and objectives are defined and validated by the leadership process of this standard.

The Group is aiming for ISO 9001 and ISO 14001 certification for Europe and Canada in the course of 2023.

In order to promote the quality of the services offered and the biomethane recovered, the Group's model units (in Claye-Souilly, France and Can Mata, Spain) are or will also be ISCC-certified (International Sustainability and Carbon Certification). This certification, which is directly in line with the Group's sustainable development goals, is a guarantee of the quality of the biomethane produced and the greenhouse gas emissions avoided thanks to the solution.

The establishment of an ERP (Enterprise Resource Planning) in early 2023 allows the Group to optimise the management of the various products supplied. Potential cases of non-compliance identified are reported directly and managed *via* the software. Suppliers are thus assessed with regard to the quality of the services they provide. The assessment of suppliers, carried out according to the ISO 9001 standard, is notably based on these results.

❖ Supplier relations

Economic impacts and dependency

The Group is mindful of its economic impact on its suppliers in order not to create dependency and to ensure a suitable distribution of expenses. Supplier mapping was initiated to assess this impact and is updated annually. This mapping is based on the following criteria:

- Financial elements of the relationship with the supplier
- Possibilities in terms of alternative sourcing
- Supplier competitiveness
- Capacity to ramp up
- Supplier's financial health
- Quality
- Deadlines

The resulting final score makes it possible to measure the risk and the actions to be implemented so as not to place suppliers and subcontractors in a situation of economic dependence on the Group, and likewise to not place the Group in a position of dependence on a single supplier.

Collaboration and partnerships

The Group's teams want to develop a relationship of mutual trust with suppliers and subcontractors. Outlook meetings with strategic stakeholders are organised, in order to allow all parties to better anticipate orders and discuss their innovations. These moments of discussion are also an opportunity to assess their ability to follow the evolution of the Company, and where necessary to discuss the adaptations needed to support this evolution.

In order to secure these partnerships and retain suppliers while giving them the clearest possible vision of the Company's goals, several framework agreements were negotiated. Strategic suppliers, carriers of innovative technologies or presenting a flagship product for the operation of the WAGABOX® (*e.g.* nitrogen), were the first to be subject to framework contracts.

As part of a continuous improvement approach, feedback meetings are regularly organised at the end of the project, to review the initial specifications and discuss the progress made or difficulties encountered, in order to identify areas for improvement.

❖ Responsible purchasing

The Group strives to build a responsible and sustainable supply chain, favouring, where possible, the use of products with a lower impact on the environment.

Suppliers are chosen according to selection criteria such as their social responsibility (notably in terms of corruption), their environmental impact and the quality of their service. This monitoring is conducted through compliance with the ISO 14001 and ISO 9001 standards currently being validated. These international standards require strict monitoring of suppliers but also of their own suppliers.

The Group's goal is to formalise a responsible purchasing policy in 2023-2024.

❖ Customer relations and satisfaction

The development, project, operation and sales administration teams are in daily contact with customers and landfill operators, from the development of the project through to its construction and its operation/maintenance.

They assess the quality of the Group's services and monitoring, in the context of long-term relationships, with projects being developed over periods ranging from 10 to 20 years.

The main players in the French waste management market have entrusted several projects to the Group and have continued to trust it since 2017.

Questionnaires are being finalised to measure the satisfaction of the Company's customers as regards the three phases of projects (development, construction and operation), which will be communicated on a regular basis.

13. ADMINISTRATIVE AND MANAGEMENT BODIES

13.1 Information concerning the Board of Directors and General Management

13.1.1 Board of Directors

The table below shows the composition of the Board of Directors as of the date of the Universal Registration Document, as well as the terms of office of the members of the Board of Directors of the Company over 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	41	M	French	1,730,000	<u>N/A</u>	No	16 January 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	7 years	
Guénaél Prince Director	41	M	French	829,900	<u>N/A</u>	No	16 January 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	5 years	
Dominique Gruson Independent Director	64	M	French	-	<u>N/A</u>	Yes	Board of Directors' meeting of 6 February 2018	General Meeting held in 2024 to approve the financial year ending 31 December 2023	4 years	Audit Committee Appointments and Compensation Committee Commitment Committee
Air Liquide Investissements d'Avenir et de Démonstration (ALIAD) Represented by Séverine Adami Director	47	F	French	2,848,729	1	No	General Meeting of 11 June 2015	General Meeting held in 2024 to approve the financial year ending 31 December 2023	7 years	CSR Committee Commitment Committee
Les Saules Represented by Marie Bierent Director	28	F	French	1,831,654	<u>N/A</u>	No	General Meeting of 8 October 2021	General Meeting held in 2024 to approve the financial year ending 31 December 2023	1 year	
Starquest	62	M	French	2,030,898	<u>N/A</u>	No	General	General	7 years	Appointments

Represented by Arnaud Delattre Director							Meeting of 11 June 2015	Meeting held in 2024 to approve the financial year ending 31 December 2023		and Compensation Committee Commitment Committee
Tertium Management Represented by Stéphane Assuied Director	58	M	French	658,129	<u>N/A</u>	No	General Meeting of 15 October 2019	General Meeting held in 2024 to approve the financial year ending 31 December 2023	3 years	Audit Committee
SWIFT (Swen) Represented by Olivier Aubert Director	50	M	French	304,001	<u>N/A</u>	No	General Meeting of 8 October 2021	General Meeting held in 2024 to approve the financial year ending 31 December 2023	1 year	
Anna Creti Independent Director	53	F	Italian	-	<u>N/A</u>	Yes	General Meeting of 8 October 2021	General Meeting held in 2024 to approve the financial year ending 31 December 2023	1 year	CSR Committee as of 2023
Anne Lapierre Independent Director	53	F	French	-	<u>N/A</u>	Yes	General Meeting of 8 October 2021	General Meeting held in 2024 to approve the financial year ending 31 December 2023	1 year	Appointments and Compensation Committee CSR Committee
Christilla de Moustier Independent Director	53	F	French	-	<u>N/A</u>	Yes	General Meeting of 8 October 2021	General Meeting held in 2024 to approve the financial year ending 31 December 2023	1 year	Audit Committee CSR Committee

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:	-
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 1 Legal representative of Waga Energy, Chairman company of Waga Assets

	<p>SAS</p> <p>Legal representative of Waga Energy, Chairman company of SP Waga 1 SAS</p> <p>Legal representative of Waga Energy, Chairman company of Waga Assets 2 SAS</p> <p>Legal representative of Waga Energy, Chairman company of Wagarena SAS</p> <p>Chairman of Holweb SAS</p> <p>Director of Waga Energy Inc. (Canadian subsidiary of the Company)</p> <p>Employee positions within Waga Energy as Product Director (employment contract)</p>
— 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	N/A

Mathieu Lefebvre graduated in fluid mechanics and thermal engineering from the École Centrale Marseille. He built up his unique expertise in the biomethane sector and the development of gas projects at Air Liquide, starting in 2004 as head of the fuel cell research programme 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 and Chief Executive Officer. Mathieu Lefebvre has been a permanent member of the national biomethane working group since 2009.

Name: Guénaél Prince	
Summary of the main areas of expertise and experience:	<p>Specialist in process engineering, particularly in gas separation processes (adsorption, distillation, membrane filtration) and cryogenic processes (cooling production cycles). Project management, developer of WAGABOX® unit purification processes.</p> <p>Management of organisations, strategy, deployment and management of subsidiaries, project finance.</p>
Main activities conducted outside the company:	-
Current terms of office:	Director
— Terms of office and positions in Group companies	<p>Full-time employee CTO of Waga Energy Inc. (US subsidiary)</p> <p>CEO of Waga Energy Inc. (US subsidiary).</p>
— Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies)	-

companies, non-listed foreign companies)	
Terms of office that expired during the last five years	Term of office as Chief Executive Officer at Holweb SAS

Guénaél Prince is a graduate of Arts et Métiers ParisTech and the French Institute of Oil (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 product management in helium liquefaction. He also holds a Master's degree in Business Administration from IAE Grenoble.

Name: Séverine Adami Representative of Air Liquide Investissements d'Avenir et de Démonstration since 22 April 2022	
Summary of the main areas of expertise and experience:	Finance, Strategy, M&A, Venture Capital
Main activities conducted outside the company:	CFO IDD - L'Air Liquide SA Chief Executive Officer - Air Liquide Investissements d'Avenir et de Démonstration
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)	Air Liquide Advanced Technologies - Director Cryolor - Director Alizent International - Director Air Liquide Investissements d'Avenir et de Démonstration - Chief Executive Officer Air Liquide Electronics Systems Asia - Director Air Liquide Advanced Technologies US - Manager Air Liquide Maritime - Director L'Air Liquide SA - CFO IDD
Terms of office that expired during the last five years	Air Liquide Investissements d'Avenir et de Démonstration - Director

Séverine Adami, aged 47, is Chief Financial Officer (CFO) of the Innovation and Development division of Air Liquide and Chief Executive Officer of ALIAD. Séverine has 20 years of professional experience in industry and consulting. Before joining Air Liquide in 2016, she spent eight years at Lafarge in strategy and business development, mergers and acquisitions and finance positions, mainly in emerging regions. Previously, Séverine worked for 10 years as a strategy and management consultant (Bossard-Gemini Consulting, Kea & Partners), working more specifically on marketing-sales issues in international contexts. She is a graduate of the Institut National Agronomique Paris-Grignon and INSEAD.

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 Medipower Newhaven Ltd - Director (UK) Ovive Maroc – Manager
Terms of office that expired during the last five years	Optyma SAS – Chief Executive Officer

Marie Bierent, aged 28, holds an engineering degree from Mines de Douai and an MSc in Environmental Engineering and Business Management from Imperial College London. With several years of experience in the environment and landfill sectors, as well as in international development, she is co-manager of Les Saules, a holding company investing in the environment 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.

Name: Arnaud Delattre Representative of Starquest	
Summary of the main areas of expertise and experience:	Entrepreneurship, assistance and investment in young cybertech and greentech companies and the high-tech industry, from the start-up phase to the scale-up phase
Main activities conducted outside the company:	Chairman Starquest Capital
Current terms of office:	Representative of Starquest Power 5, (Director)
— Terms of office and positions in Group companies	N/A
— Terms of office and positions in non-Group companies (listed French companies, non-listed French companies, listed foreign companies, non-listed foreign companies)	Chairman and/or Chief Executive Officer of Objectif Gazelles 1, 2 et 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, Starquest AGS Investissement

	Chairman of the Management Board of Starquest SA Chairman of SCR Impact et performance SAS Manager SARL TELAHC Manager SCI du Chêne Manager of SBBS World SARL
Terms of office that expired during the last five years	-

Arnaud Delattre, aged 63, 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 Christoffle. Before founding Starquest Capital in 2008, 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 start-ups with a strong environmental impact.

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 Member of the Strategic Committee of Novrh Member of the Strategic Committee of WEBRIVAGE Member of the Strategic Committee of General Industries
Terms of office that expired during the last five years	

Stéphane Assuied, aged 58, 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.

Name: Olivier Aubert Swen Capital Partners	
Summary of the main areas of	Investor and civil engineer with more than 25 years of experience in the

expertise and experience:	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)	Gaz'Up (France) Biomethane Invest (Italy)
Terms of office that expired during the last five years	Protium Ter'Green

Olivier Aubert, aged 50, 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 Chief Executive Officer 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 2019, has financed stakes in more than 250 biomethane production and distribution facilities, in production, construction or development, in 12 European countries.

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)	-
Terms of office that expired during the last five years	Independent Director on the Board of Directors of GRTgaz

Anna Creti, aged 53, is a full professor at the University of Paris Dauphine where she heads the Climate Economics Chair (Université Dauphine) and the Economics of Natural Gas Chair (Université 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. She is a member of the Scientific and Expertise Committee of the Sustainable Finance Observatory, the ACPR AMF Sustainable Finance Working Group, the ACPR-Banque de France Scientific Committee, and the Projet Ambition Climat-Caisse des Dépôts Scientific Committee. 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.

Name: Anne Lapierre 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 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	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

Anne Lapierre, aged 53, 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.

Name: Christilla De Moustier Independent Director	
Summary of the main areas of expertise and experience:	Expertise in Private Equity, Investor Relations, Fundraising, ESG.
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	-

Christilla de Moustier, aged 53, 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 Defence Policy session.

Name: Dominique Gruson Independent Director	
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 Treasurer of the Confédération des Métiers d'Art Chairman of the Selection Loisirs association Chairman of Chambre Syndicale Bijouterie Vice-Chairman of the Confédération HBJO Director of Association Centrale Supelec Alumni Manager of SPRL Ornalys based in Brussels Chairman of Fédération des industries diverses de l'habillement Treasurer of Union des fédérations des industries de la mode et habillement
Terms of office that expired during the last five years	-

Dominique Gruson, aged 64, 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 is an Independent Director of the Company.

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.

Situation of 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 the company Swift Gaz Vert, the latter, represented by Olivier Aubert, has been appointed as a director of the Company since the IPO in October 2021.

Non-voting member

In accordance with the provisions of Article 18 of the Articles of Association, the Board of Directors appointed Noria, represented by Christophe Guillaume, as non-voting member at the time of the IPO carried out in October 2021. The non-voting member, who may be a natural person or a legal entity, may be appointed by the Ordinary 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 (3) years ending at the end of the Ordinary 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. The Board of Directors may compensate non-voting members by deducting amounts from the compensation allocated by the General Meeting to the directors. The non-voting member was not compensated in respect of the 2022 financial year.

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.

Internal regulations of the Board of Directors

The Board of Directors has internal regulations that define and contain the operating rules of this body with regard to its duties, the attendance of its members, and the rights and obligations of the latter, in particular with regard to ethics and the prevention of conflicts of interest. The internal regulations of the Board of Directors were adopted at the meeting held on 8 October 2021. The directors have all signed these internal regulations and made the annual declaration of any conflicts of interest for the 2021 and 2022 financial years.

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.

Independent members of the Board of Directors.

The Company’s analysis of the independence of each director, with regard to the criteria set out in the Middenext Code, is presented below.

Criteria (1)	Mathieu Lefebvre	Guénaél Prince	Séverine Adami (ALIAD)	Arnaud Delattre (Starquest)	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.

With regard to the independence criteria defined by the Middlednext code to which the Company refers, the Board of Directors considered that four (4) members, namely Dominique Gruson, Anna Creti, Anne Lapierre, and Christilla de Moustier are independent members of the Board of Directors.

Situation of Dominique Gruson

At its meeting of 28 February 2022, the Board of Directors authorised the conclusion of a service agreement between the Company and Ornalys SPRL, whose manager is Dominique Gruson. 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. This agreement was validated as a regulated agreement and was subject to an *in concreto* analysis by the Appointments and Compensation Committee (without the

presence of Mr Gruson) with regard to the independence criteria of the Middlednext code. The Appointments and Compensation Committee and the Board of Directors considered that this business relationship was not likely to interfere with Dominique Gruson's freedom of judgement or to call into question his independence. This agreement expired on 31 December 2022. At its meeting of 7 March 2023, the Board of Directors authorised the renewal of this service agreement between the Company and Ornalys SPRL.

Duties of the Board of Directors

The main duties of the Board of Directors are as follows:

- determine the Company's business direction, in particular its strategy, 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,
- appoints the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officers and sets their compensation,
- authorises the agreements and commitments referred to in Article L. 225-38 of the French Commercial Code,
- proposes to the General Meeting of Shareholders the appointment of the Statutory Auditors,
- prepares the Board's report on corporate governance and internal control, and
- draws up the draft resolutions referred to in Article L. 22-10-8 of the French Commercial Code as well as the corresponding report.

It ensures the quality of the information provided to shareholders and the markets.

Rules of professional conduct

Each director is made aware of the responsibilities incumbent upon them at the time of their appointment and is encouraged to observe the rules of ethics relating to their office: pursuing exemplarity, complying with the legal rules on multiple offices, informing the Board of Directors in the event of a conflict of interest occurring after obtaining their office, attending meetings of the Board of Directors and General Meetings, ensuring that they have all the necessary information on the meeting agenda before making any decisions, and respecting professional secrecy.

The internal regulations of the Board of Directors include provisions in the event of the occurrence of situations presenting a risk of conflict of interest, notably in terms of informing the Board of Directors and the AMF, and of abstaining from voting or participating in deliberations.

On 28 February 2022, the Board of Directors adopted a Stock Market Ethics Charter that was communicated to all Group employees.

Balanced representation of women and men

The Board of Directors includes five women, *i.e.* 45.5% of the members of the Board of Directors. The composition of the Board of Directors is therefore 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.

Assessment of the Board of Directors

The internal regulations of the Board of Directors provide that, once a year, the Board shall devote an item on its agenda to a discussion on its operating methods and that, every three years, it shall ensure a formal assessment is carried out with the assistance of an external consultant.

The Chairman of the Board of Directors invited members to comment on the functioning of the Board of Directors and the preparation of its work during the 2022 financial year.

At the end of this assessment, after reviewing the summary presented to the Board of Directors at its meeting of 16 December 2022, the Board took note of the comments and steps for improvement to be made.

Meetings of the Board of Directors in 2022

	Board of Directors	Audit Committee	Appointments and Compensation Committee	CSR Committee	Commitment Committee
Total number of meetings	9*	4	2	2	1
Attendance rate of directors					
Mathieu Lefebvre	100%	-	-	-	-
Dominique Gruson	89%	100%	100%	-	100%
ALIAD, represented by Séverine Adami	78%	-	-	100%	100%
Les Saules, represented by Marie Bierent	89%	-	-	-	-
Guénaél Prince	56%	-	-	-	-
Tertium Invest	89%	100%	-	-	-
Anna Creti	78%	-	-	-	-
Anne Lapierre	67%	-	100%	100%	-
Christilla De Moustier	100%	100%	-	100%	-
Starquest, represented by Arnaud Delattre	78%	-	100%	-	100%
Swen Capital Partners, represented by Olivier Aubert	89%	-	-	-	-
2022 average	83%	100%	100%	100%	100%

**Total number of Board of Directors meetings (excluding committee meetings)*

13.1.2 General Management

In accordance with the provisions of Article L.225-51-1 paragraph 2 of the French Commercial Code, and pursuant to the decisions of the Company's Board of Directors of 8 October 2021, the positions of Chairman of the Board of Directors and of Chief Executive Officer were merged, as permitted by Article 16.1 of the Company's Articles of Association, and are held by Mathieu Lefebvre, for a period of three (3) years expiring at the end of the Board meeting following the Ordinary General Meeting called in 2024 to approve the financial statements for the financial year ending 31 December 2023.

Mathieu Lefebvre has an employment contract for his duties as Product Director. The Board of Directors of 8 October 2021 maintained the employment contract of 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 was due to Mathieu Lefebvre in respect of his corporate office in connection with the IPO.

Nicolas Paget serves as Deputy Chief Executive Officer.

He was appointed Deputy Chief Executive Officer of the Company by the Board of Directors of 8 October 2021 for a period of three (3) years expiring at the end of the Board meeting following the Ordinary General Meeting called in 2024 to approve the financial statements for the financial year ending 31 December 2023.

Nicolas Paget has an employment contract for his duties as Industrial Director. The Board of Directors of 8 October 2021 maintained the employment contract of Nicolas Paget in view of his role as founder of the Company and his resulting seniority in the Company. In addition, Nicolas Paget does not receive any compensation in respect of his corporate office and no exceptional compensation was due or paid 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

(see the description in Section 13.1.1 above for the biography of Mathieu Lefebvre)

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.

13.2 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 18 "*Transactions with related parties*" of the Universal Registration Document, at the date of the Universal 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 Universal 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 13.1 above has been selected as a member of an administrative, management or supervisory body or as a member of the Company's general management.

As of the date of the Universal Registration Document, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors regarding the disposal of their

shareholding in the Company's share capital, with the exception of the usual lock-up commitments entered into with banks as part of the Company's IPO, the rules relating to the prevention of insider trading and the law imposing a lock-up obligation.

14. COMPENSATION AND BENEFITS

14.1 Compensation of Corporate Officers

The information in this chapter has been prepared with reference to the Middlednext 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.

14.1.1 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 2021 and 2022.

Table 3: Compensation table for the activity and other compensation received by non-Executive Corporate Officers

Non-Executive Corporate Officers	2021		2022	
	Amount due (gross value)	Amount paid (gross value)	Amount due (gross value)	Amount paid (gross value)
Dominique Gruson - independent director				
Compensation for Board activity	€3,000	€3,000	€24,000	€24,000
Other compensation ¹	€18,043 excl. tax	€18,043 excl. tax	€11,866 excl. tax	€11,866 excl. tax
Air Liquide Investissements d’Avenir et de Démonstration (represented by Séverine Adami)² - Director				
Compensation for Board activity	€0	€0	€0	€0
Other compensation	€8,833 excl. tax	€8,833 excl. tax	€0	€0
Les Saules (represented by Marie Bierent) - Director				
Compensation for Board activity	€0	€0	€0	€0
Other compensation	€8,267 excl. tax	€8,267 excl. tax	€0	€0
Guénaél Prince - Director				
Compensation for Board activity	€0	€0	€0	€0
Other compensation ³	€194,449	€194,449	€262,444	€262,444

¹ Compensation (including expenses) of Ornalys (managed by Mr Gruson) for training courses organised by Ornalys under the agreement between the Company and Ornalys (see also paragraph 13.1.1 “Board of Directors” and Section 18.1 “Intra-group agreements and related-party transactions” of the Universal Registration Document).

² Represented by Priscilla Rozé-Pages in 2020 and 2021 then by Séverine Adami in 2022

³ Compensation in euros for the office of CEO of the US subsidiary, Waga Energy

Tertium Invest (represented by Stéphane Assuied) - Director

Compensation for Board activity	€0	€0	€0	€0
Other compensation	€0	€0	€0	€0
Anna Creti - Independent Director*				
Compensation for Board activity	€3,000	€3,000	€10,500	€10,500
Other compensation	€0	€0	€0	€0
Anna Lapierre - Independent Director*				
Compensation for Board activity	€3,000	€3,000	€16,500	€16,500
Other compensation	€0	€0	€0	€0
Christilla De Moustier - Independent Director*				
Compensation for Board activity	€3,000	€3,000	€24,000	€24,000
Other compensation	€0	€0	€0	€0
Starquest (represented by Arnaud Delattre) - Director				
Compensation for Board activity	€0	€0	€0	€0
Other compensation	€10,000 excl. tax	€10,000 excl. tax	€0	€0
Swen Capital Partners (represented by Olivier Aubert) - Director				
Compensation for Board activity	€0	€0	€0	€0
Other compensation	€0	€0	€0	€0

The total annual compensation allocated to the Company's Board of Directors is €81,000 for the current and subsequent financial years. The total annual compensation allocated to the Company's Board of Directors is distributed as follows among the members of the Board of Directors:

- only independent directors within the meaning of the Middlednext Code receive compensation for their duties as independent directors; and
- compensation is equal to €1,500 per meeting (of the Board or of a Committee of which the director concerned is a member, with the exception of the Commitment Committee) in which the director concerned participates physically or *via* telephone or videoconference.

14.1.2 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 2021 and 2022:

Table 1: Summary table of compensation, options and shares granted to each Executive Corporate Officer

	FY 2021	FY 2022
Mathieu Lefebvre, Chairman and Chief Executive Officer		
Compensation due in respect of the financial year	€110,334	€144,159
Valuation of multi-year variable compensation allocated during the financial year	€0	0
Valuation of BSPCE granted during the year ⁽¹⁾	€800,397	0
Valuation of free shares allocated	€0	0
Total	€910,731	€144,159

(1) The Company made a change in methodology for its 2022 Universal Registration Document compared to the 2021 Universal Registration Document, by posting the IFRS 2 value for the year of the grant of the BSPCE allocated to the Chairman and Chief Executive Officer in 2021.

The compensation of 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, Mathieu Lefebvre receives gross fixed annual compensation of €100,000 under his employment contract under French law and gross fixed annual compensation of €40,000 in respect of his office. Under his employment contract, 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.

	FY 2021	FY 2022
Nicolas Paget, Deputy Chief Executive Officer		
Compensation due in respect of the financial year	€100,212	€140,227
Valuation of multi-year variable compensation allocated during the financial year	€0	€0
Valuation of BSPCE granted during the year ⁽¹⁾	€800,397	€0
Valuation of free shares allocated	€0	€0
Total	€900,609	€140,227

(1) The Company made a change in methodology for its 2022 Universal Registration Document compared to the 2021 Universal Registration Document, by posting the IFRS 2 value for the year of the grant of the BSPCE allocated to the Chairman and Chief Executive Officer in 2021.

The compensation of Nicolas Paget comes from his employment contract with the Company as Industrial Director. For the current financial year, Nicolas Paget receives gross fixed annual compensation of €100,000 under his employment contract under French law and gross fixed annual compensation of €40,000 in respect of his office. Under his employment contract, 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 2021 and 2022 and the compensation received by these same people during the same financial years.

	FY 2021		FY 2022	
	Amount due ⁽¹⁾	Amount paid ⁽²⁾	Amount due ⁽¹⁾	Amount paid ⁽²⁾
Mathieu Lefebvre, Chairman and Chief Executive Officer				
Fixed compensation	€97,000	€97,000	€132,833	€132,833
Annual variable compensation ⁽³⁾	€0	€11,070	€0	€8,609
Multi-year variable compensation	€0	€0	€0	€0
Exceptional compensation ⁽⁴⁾	€0	€0	€0	€0
Compensation in respect of the position	€0	€0	€0	€0
Benefits in kind ⁽⁵⁾	€2,263	€2,263	€2,716	€2,716
Total	€99,263	€110,334	€135,549	€144,159

(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 holiday bonuses, on-call bonuses, collective bonuses, redemption of RTT days, profit-sharing bonuses and paid holiday allowance by the Executive Corporate Officers.

(4) Exceptional compensation consists of patent operating bonuses received by Executive Corporate Officers.

(5) Benefits in kind include unemployment insurance for executives.

	FY 2021		FY 2022	
	Amount due ⁽¹⁾	Amount paid ⁽²⁾	Amount due ⁽¹⁾	Amount paid ⁽²⁾
Nicolas Paget, Deputy Chief Executive Officer				
Fixed compensation	€90,000	€90,000	€131,667	€131,667
Annual variable compensation ⁽³⁾	€0	€10,212	€0	€7,853
Multi-year variable compensation	€0	€0	€0	€0
Exceptional compensation ⁽⁴⁾	€0	€0	€0	€0
Compensation in respect of the position	€0	€0	€0	€0
Benefits in kind ⁽⁵⁾	€0	€0	€707	€707
Total	€90,000	€100,212	€132,374	€140,227

(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 holiday bonuses, on-call bonuses, collective bonuses, redemption of RTT days, profit-sharing bonuses and paid holiday allowance by the Executive Corporate Officers.

(4) Exceptional compensation consists patent operating bonuses received by Executive Corporate Officers.

(5) Benefits in kind include unemployment insurance for executives.

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 Corporate Officer

[None].

Table 7: Free shares vested during the financial year for each 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:	1,000,000	1,250,000
<i>Corporate officers</i>	390,000	600,000
Mathieu Lefebvre (Chairman and Chief Executive Officer)	130,000	200,000
Nicolas Paget (Deputy Chief Executive Officer)	130,000	200,000
Guénaél Prince (Director)	130,000	200,000
BSPCE exercise starting point	18 December 2021	1 July 2023
Expiry date	18 December 2029	30 June 2031
Subscription price	€3.1842 per share ⁽¹⁾	€10.00 per share ⁽¹⁾
Terms of exercise (when the plan includes several tranches)	1/4 from 18 December 2021 then 1/24 th per month of presence over the following 24 months	1/4 from 1 July 2023 then 1/24 th per month of presence over the following 24 months
Number of shares at the date of the Universal Registration Document (most recent date)	74,938	0
Number of expired BSPCEs	0	0
BSPCEs outstanding at year-end	925,062 ⁽²⁾	1,250,000 ⁽²⁾

(1) Subscription price of a share upon exercise of the BSPCE after dividing the par value of the Company's shares by 100 and the corresponding multiplication by 100 of the number of shares comprising the Company's share capital.

(2) Number of BSPCE granted after dividing the par value of the shares by 100 and the corresponding multiplication of the number of shares comprising the Company's share capital by 100.

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 (as delegated by the Combined General Meeting of 17 June 2021) 8 September 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:	Board of Directors' meeting dated 30 June 2021: 130,000 Board of Directors' meeting dated 8 September 2021: 85,000
Corporate officers	N/A
Beneficiaries: employees of Waga Energy Canada and Waga Energy Inc.	Board of Directors' meeting dated 30 June 2021: 130,000 Board of Directors' meeting dated 8 September 2021: 85,000
Starting point for exercising options	1 July 2023
Expiry date	30 June 2031
Subscription price	€10.00 per share ⁽¹⁾
Terms of exercise (when the plan includes several tranches)	1/4 from 1 July 2023 then 1/24 th per month of presence over the following 24 months
Number of shares at the date of the Universal Registration Document (most recent date)	-
Cumulative number of stock options cancelled or lapsed	20,000 ⁽²⁾
Stock options outstanding at year-end	195,000 ⁽²⁾

(1) Subscription price of a share on exercise of the 2021 Options after dividing the par value of the Company's shares by 100 and the corresponding multiplication by 100 of the number of shares comprising the Company's share capital.

(2) Number of 2021 Options issued after dividing the par value of the shares by 100 and the corresponding multiplication of the number of shares comprising the Company's share capital by 100.

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 top 10 employees of the Company or any company included in this scope, for whom the number of options thus	195,000 ⁽¹⁾	€10.00/share ⁽²⁾	Boards of Directors' meeting of 30 June 2021 and 8 September 2021 (as delegated by the Combined General Meeting of 17 June 2021)

	Total number of options granted/shares subscribed or purchased	Weighted average price	2021 options
granted is the highest (aggregate information)			
Options held on the Company and the aforementioned companies, exercised during the financial year by the top 10 employees of the Company and these companies, for whom the number of options thus purchased or subscribed is the highest (aggregate information)	-	-	-

(1) Number of Options issued after dividing the par value of the shares by 100 and the corresponding multiplication of the number of shares comprising the Company's share capital by 100.

(2) Subscription price of a share on exercise of the Options after dividing the par value of the Company's shares by 100 and the corresponding multiplication by 100 of the number of shares comprising the Company's share capital.

BSPCEs awarded to the top 10 employees³³ who are not 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 top 10 Company employees for whom the number of BSPCEs thus allocated is the highest (aggregate information)	535,000 ⁽¹⁾	€3.1842/share ⁽²⁾	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 top 10 Company employees for whom the number of BSPCEs thus exercised is the highest (aggregate information)	74,938	€3.1842/share ⁽²⁾	-

(1) Number of BSPCE issued after dividing the par value of the shares by 100 and the corresponding multiplication of the number of shares comprising the Company's share capital by 100.

(2) Subscription price of a share upon exercise of the BSPCE after dividing the par value of the Company's shares by 100 and the corresponding multiplication by 100 of the number of shares comprising the Company's share capital.

³³ The top ten employees included in the two tables do not include Mathieu Lefebvre, Nicolas Paget and Guénaél Prince.

Plan no. 2

	Total number of BSPCEs allocated/shares subscribed	Weighted average price	Plan no. 2
BSPCEs allocated by the Company to the top 10 Company employees for whom the number of BSPCEs thus allocated is the highest (aggregate information)	400,000 ⁽¹⁾	€10.00/share ⁽²⁾	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 top 10 Company employees for whom the number of BSPCEs thus exercised is the highest (aggregate information)	-	-	-

(1) Number of BSPCE issued after dividing the par value of the shares by 100 and the corresponding multiplication of the number of shares comprising the Company's share capital by 100.

(2) Subscription price of a share upon exercise of the BSPCE after dividing the par value of the Company's shares by 100 and the corresponding multiplication by 100 of the number of shares comprising the Company's share capital.

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	X (permanent employment contracts)			X		X	<ul style="list-style-type: none"> ➤ Effective after the expiry of the contract ➤ Two-year term ➤ 30% of average compensation over the last 12 months 	
Term of office start date:	16 January 2015							
Term of office end date:	At the close of the Annual General Meeting held in 2024 to approve the financial statements for the financial year ending 31 December 2023							
Nicolas Paget, Deputy Chief Executive Officer	X (permanent employment contracts)			X		X	<ul style="list-style-type: none"> ➤ Effective after the expiry of the contract ➤ Two-year term ➤ 30% of average compensation over the last 12 months 	
Term of office start date:	26 January 2021							
Term of office end date:	At the close of the Annual General Meeting held in 2024 to approve the financial statements for the financial year ending 31 December 2023							

As at the date of the Universal Registration Document, the compensation paid to Mathieu Lefebvre and Nicolas Paget is as follows (on an annual basis):

Mathieu Lefebvre:

- gross annual fixed compensation (excluding office) of €100,000 in respect of his employment contract; and
- gross annual fixed compensation (excluding employment contract) of €40,000 in respect of his corporate office; and
- no individual variable compensation.

Nicolas Paget:

- gross annual fixed compensation (excluding office) of €100,000 in respect of his employment contract; and
- gross annual fixed compensation (excluding employment contract) of €40,000 in respect of his corporate office; and
- no individual variable compensation.

It will be up to the next Annual General Meeting to decide on the principles and criteria for determining, allocating and granting compensation and benefits of any kind to the two Executive Corporate Officers for the 2023 financial year.

No exceptional compensation was due to Executive Corporate Officers at the time of the Group's IPO.

Equity ratios

Pursuant to Article L. 22-10-9 of the French Commercial Code, the Universal Registration Document discloses the ratios between the level of compensation of the Company's Chairman and Chief Executive Officer and the Deputy Chief Executive Officer and, on the one hand, the average compensation on a full-time equivalent basis of the Company's employees other than corporate officers and, on the other, the median compensation on a full-time equivalent basis of the Company's employees other than corporate officers. It is specified that the term of office of the Deputy Chief Executive Officer began on 26 January 2021.

In France, the Company is the only Group entity that employs staff. In addition, the Company's employees represent approximately 78% of the Group's workforce, which is a scope that the Company considers significant for the calculation of equity ratios.

In order to develop its methodology for calculating the ratios provided for in Article L. 22-10-9, I, 6° of the French Commercial Code, the Company referred to the AFEP guidelines on compensation multiples as updated in February 2021 (the "**AFEP guidelines**").

In accordance with the AFEP Guidelines, the compensation of each of the Executive Corporate Officers, *i.e.* the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, appearing in the numerator of compensation multiples, is the total compensation paid or awarded during year N, which was used for consistency with the methodology applied to calculate the average and median compensation of employees. This compensation consists of the fixed compensation paid in FY N (including notably the compensation paid under their employment contract), the variable compensation awarded in N-1 and paid in FY N, benefits in kind, BSPCE and stock options granted during FY N and measured at IFRS value at the time of the allocation.

The Group's performance is measured by changes in its revenue.

The equity ratios were higher in 2019 and 2021 due to the BSPCE allocation plans that were implemented during these two years.

Table of equity ratios - Chairman and Chief Executive Officer

Mathieu Lefebvre Chairman and Chief Executive Officer	2018	2019	2020	2021	2022
Annual percentage change in the compensation of the corporate officer	N/A	213%	-60%	872%	-84%
Change (as a %) of the average compensation of employees	N/A	86%	-42%	135%	-50%
Ratio compared to average compensation	1.6	2.7	1.9	7.8	2.5
Change in the ratio (as a %) compared to the previous financial year	N/A	68%	-31%	313%	-68%
Change (as a %) of the median compensation of employees	N/A	-3%	5%	42%	-27%
Ratio compared to median compensation	1.8	6.0	2.3	15.6	3.4
Change in the ratio (as a %) compared to the previous financial year	N/A	224%	-62%	585%	-78%
Revenue (in millions of euros)	2.8	7.9	9.5	12.3	19.2
Change in revenue	N/A	183%	20%	30%	56%

Table of equity ratios - Deputy Chief Executive Officer

Nicolas Paget Deputy Chief Executive Officer	2018	2019	2020	2021	2022
Annual percentage change in the compensation of the corporate officer	N/A	N/A	N/A	N/A	-84%
Change (as a %) of the average compensation of employees	N/A	86%	-42%	135%	-50%
Ratio compared to average compensation	N/A	N/A	N/A	7.7	2.4
Change in the ratio (as a %) compared to the previous financial year	N/A	N/A	N/A	N/A	-69%
Change (as a %) of the median compensation of employees	N/A	-3%	5%	42%	-27%
Ratio compared to median compensation	N/A	N/A	N/A	15.4	3.3
Change in the ratio (as a %) compared to the previous financial year	N/A	N/A	N/A	N/A	-79%
Revenue (in millions of euros)	2.8	7.9	9.5	12.3	19.2
Change in revenue	N/A	183%	20%	30%	56%

14.2 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 7.13 to the consolidated financial statements appearing in Section 19.1 “*Historical financial information*” of the Universal 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.

15. BOARD PRACTICES

15.1 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 13.1 “*Information concerning the Board of Directors and General Management*” of the Universal Registration Document.

15.2 Service contracts binding members of the administrative or management bodies

To the best of the Company’s knowledge, as at the date of the Universal Registration Document, there are no service agreements, other than those set out in Section 18.1 “*Intra-group agreements and related-party transactions*” of the Universal Registration Document, between the members of the Board of Directors and the Company or any of its subsidiaries providing for the grant of benefits.

15.3 Information on Board committees

At the date of the Universal Registration Document, the Company is a public limited company (*société anonyme*) with a Board of Directors.

In accordance with Article 13.1 of the Company’s Articles of Association, the Company’s Board of Directors may set up committees tasked with studying or formulating opinions on specific issues.

Three committees of the Board of Directors have been set up in the context of the initial public offering: an Audit Committee, an Appointments and Compensation Committee and a CSR Committee.

The Board of Directors decided on 28 February 2022 to create a fourth committee, called the “Commitment Committee”, whose objective is to report to the Board of Directors on so-called “strategic” projects.

15.3.1 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, after an opinion is issued by the Appointments and Compensation Committee. 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 Middlednext 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.

At its meeting of 17 May 2022, the Board of Directors appointed Dominique Gruson as Chairman of the Audit Committee to replace Christilla de Moustier, who is already Chairwoman of the CSR Committee and who remains a member of the Audit Committee. The Audit Committee is composed of

Dominique Gruson (Chairman of the Committee and Independent Director), Christilla de Moustier (Independent Director) and 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 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.

During the financial year ended 31 December 2022, the Audit Committee met four times: on 28 April, 9 June, 26 September and 20 December.

15.3.2 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.

The Appointments and Compensation Committee is composed of Anne Lapierre (Chairwoman and Independent Director), Arnaud Delattre and Dominique Gruson (Independent Director).

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.

During the financial year ended 31 December 2022, the Compensation Committee met twice: on 2 February and 9 December.

15.3.3 CSR Committee

Composition

The Corporate Social Responsibility ("CSR") Committee shall be composed of at least three (3) members, at least two-thirds of whom shall be 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.

The CSR Committee is composed of Christilla de Moustier (Chairwoman of the Committee and Independent Director), Anne Lapierre, Séverine Adami, who replaced Priscilla Rozé-Pages on 22 April 2022, and Anna Creti, who became a member of the Committee following a decision by the Board of Directors of 7 March 2023.

Duties

As part of its corporate social responsibility 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.

During the financial year ended 31 December 2022, the CSR Committee met twice: on 9 March and 13 October 2022.

15.3.4 Commitment Committee

Composition

The Commitment Committee will be composed of three (3) members, as proposed by the Commitment Committee. The composition of the Commitment 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 Commitment 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.

The Chairman of the Commitment Committee is appointed from among the members of the Commitment Committee.

The Commitment Committee is composed of Séverine Adami (Chairwoman of the committee and Independent Director), Dominique Gruson and Arnaud Delattre.

Duties

In the context of its missions in terms of undertaking so-called "strategic" projects within the Group, it carries out the following tasks in particular:

- validating upstream the launch of any so-called "strategic" project within the Waga Group, in France or internationally;
- monitoring so-called "strategic" projects within the Waga Group;
- periodically reviewing the progress of so-called "strategic" projects;
- regularly reporting to the Board of Directors on the performance of its duties; and
- in general, providing advice and making appropriate recommendations concerning so-called "strategic" projects.

The Commitment Committee reports regularly to the Board of Directors on the performance of its duties and immediately informs it of any difficulties encountered.

The Commitment Committee meets as often as necessary, depending on the commitment schedule of the so-called "strategic" projects envisaged within the Group.

During the financial year ended 31 December 2022, this Committee met once, on 22 September 2022.

15.4 Statement of compliance with the corporate governance regime in force

Since the admission of the Company's shares to trading on the regulated market of Euronext Paris in October 2021, the Company refers to the Middenext Code (insofar as the principles contained therein are compatible with the Company's organisation, size, resources and shareholding structure).

The Company aims to comply with all the recommendations of the Middenext Code.

The table below shows the Company's position with respect to all of the recommendations issued by the Middenext Code at the date of the Universal Registration Document.

Recommendations of the Middenext 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	
R4: Information for Board members	X	
R5: Training of Board members	X ⁽¹⁾	
R6: Organisation of Board and committee meetings	X	
R7: Establishment of committees	X	
R8: Establishment of a specialised committee on corporate social/societal and environmental responsibility (CSR)	X	
R9: Setting up of internal regulations for the Board	X	
R10: Choice of each Director	X	
R11: Term of office of Board members	X	
R12: Directors' compensation	X	
R13: Setting up of an assessment of the work of the Board	X	
R14: Relations with shareholders	X	

Executive powers		
R15: Diversity and equity policy within the company		X ⁽²⁾
R16: Definition and transparency of the compensation of Executive Corporate Officers	X ⁽³⁾	
R17: Preparation of an executive succession plan	X ⁽⁴⁾	
R18: Combination of employment contracts and corporate office	X	
R19: Severance pay	X	
R20: Supplementary pension schemes	X ⁽⁵⁾	
R21: Stock options and free allocation of shares	X	
R22: Review of points of vigilance	X	

(1) The three-year training plan for the Company's directors consists of two training days per year per director. As of the date of the Universal Registration Document, each director had benefited from at least half a day of training.

(2) The Company will consider studying a policy aimed at achieving gender balance and equity at each hierarchical level. The Board of Directors is notably composed of 45.5% of women.

(3) As at the date of the Universal Registration Document, the Company did not publish an additional equity ratio.

(4) A succession plan for executives was discussed and set by the Company's Board of Directors on 24 January 2023.

(5) None of the Group's Executive Corporate Officers benefit from a supplementary pension plan, as the Executive Corporate Officers are affiliated to the mandatory pension plans.

15.5 Internal control

The internal control system implemented within the Group is detailed in Chapter 3 "Risk factors" and in particular in Section 3.6 "Insurance and risk management policy" of the Universal Registration Document.

16. EMPLOYEES

16.1 Number of employees

At 31 December 2022, the Group employed 153 employees in companies within its scope of consolidation.

At this date, approximately 87% of employees were employed in Europe (including approximately 86% of the total in France).

For the financial year ended 31 December 2022, the Group's payroll amounted to €10.0 million compared with €5.2 million for the financial year ended 31 December 2021. The total payroll corresponds to the sum of all gross salaries and employer's social security contributions, employee shares and profit-sharing and other personnel costs, paid during each financial year, as well as the allocations related to the provision for retirement benefits and the cost of share-based compensation (BSPCE and stock options).

The table below shows the change in the Group's workforce over the last three financial years, broken down by country:

Country	Employees at 31 December		
	2022	2021	2020
France	120	68	54
Spain	4	1	0
United States	15	4	2
Canada	14	6	2
Total	153	79	58

The table below shows the change in the breakdown of the workforce by type of contract over the last three financial years:

Breakdown of workforce by type of contract	FY 2022	FY 2021	FY 2020
Permanent contracts (CDI)	90%	89%	83%
Fixed-term contracts (CDD)	10%	11%	17%
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	FY 2022	FY 2021	FY 2020
Total turnover (departures)	6%	10%	6%
Voluntary turnover (resignation)	1%	1%	0%
Hiring rate	107%	32%	23%
Permanent contract hiring rate	92%	88%	46%
Percentage of people with disabilities/average workforce	1%	1%	2%

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.

16.2 Shareholdings and stock options of Corporate Officers

For more information on stock options granted to Corporate Officers, see Sections 14.1.2 “*Compensation of Executive Corporate Officers*” and 16.3.4 “*Employee shareholding*” of the Universal Registration Document.

16.3 Agreements providing for employees to share in the Company’s profits

16.3.1 Profit-sharing agreements

In France, Group companies do not benefit from profit-sharing agreements at the date of this Universal Registration Document.

16.3.2 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.

16.3.3 Company savings plans and similar

In France, employees can invest their incentive bonuses in an Inter-Company Savings Plan and a Retirement Savings Plan.

16.3.4 Employee shareholding

As at the date of the Universal 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: 1,730,000
- Nicolas Paget: 990,000
- Guénaél Prince: 829,900

As of the date of the Universal Registration Document, Mathieu Lefebvre, Guénaél Prince and Nicolas Paget respectively hold 37.18%, 21.26% and 12.76% of Holweb SAS, which itself holds 12.27% of the Company’s share capital.

List of members of the Company’s Management Committee that were granted BSPCE:

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List of members of the Management Committee	BSPCE granted by the Board of Directors on 18 December 2019	BSPCE granted by the Board of Directors on 30 June 2021
Mathieu Lefebvre	1,300	2,000
Nicolas Paget	1,300	2,000
Guénaél Prince	1,300	2,000
Marie-Amélie Richel	1,500	1,000
Marco Venturini	1,000	500
Laurent Barbotin	200	100
Guillaume Piechaczyk	600	500
Caroline Millet	300	300
Vincent Tisseire	450	300
Elsa Perfetti	0	200

Following the Combined General Meeting of 8 October 2021 and the tenth resolution adopted relating to the division by 100 of the par value of the Company's shares and the corresponding multiplication by 100 of the number of shares of the Company, each BSPCE granted now gives the right, in case of exercise, to 100 ordinary shares, *i.e.* a share value of €3.1842 for BSPCEs issued on 18 December 2019 and €10 for BSPCEs issued on 30 June 2021.

16.4 Labour relations

Since 29 March 2023, the Company has had a Social and Economic Committee (CSE). This staff delegation is made up of six elected members and six alternates. The elected members are divided into two groups (managers and non-managers). They have a four-year term of office to represent employees in relations with management. New professional elections will be organised in the first quarter of 2027 to renew the delegation.

17. MAJOR SHAREHOLDERS

17.1 Shareholders holding more than 4% of the share capital at the date of the Universal Registration Document

At the date of the Universal Registration Document, the Company is a public limited company (*société anonyme*).

The table below shows the breakdown of the Company's share capital and voting rights as of the date of the Universal Registration Document for shareholders holding more than 4% of the share capital:

Shareholder	Number of shares and voting rights	% of capital and voting rights	Share categories
Mathieu Lefebvre	1,730,000	8.45%	ordinary shares
Nicolas Paget	990,000	4.83%	ordinary shares
Guénaél Prince	829,900	4.05%	ordinary shares
Holweb*	2,513,495	12.27%	ordinary shares
Aliad SA	2,848,729	13.91%	ordinary shares
Les Saules SARL	1,785,654	8.72%	ordinary shares
FCPI Starquest Puissance 5	1,510,800	7.38%	ordinary shares
Other commitments	2,445,747	11.94%	ordinary shares
Floating	5,829,025	28.46%	ordinary shares
TOTAL	20,483,350	100%	ordinary shares

*Mathieu Lefebvre, Guénaél Prince and Nicolas Paget respectively hold 37.18%, 21.26% and 12.76% of Holweb SAS.

17.2 Existence of different voting rights

In accordance with Article 12 of the Company's Articles of Association, a double voting right is 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.

17.3 Control of the Company

As of the date of the Universal Registration Document, the Company is not controlled within the meaning of the provisions of Article L. 233-3 of the French Commercial Code.

17.4 Agreements that may result in a change of control

As at the date of the Universal Registration Document, there are no agreements whose implementation could result in a change of control of the Company.

17.5 Threshold crossings

During the financial year ended 31 December 2022, the Company was informed of the crossing of thresholds provided for by the following legal and statutory provisions:

- In a letter received on 6 July 2022, the concert composed of Holweb and Mathieu Lefebvre³⁴ declared that it had crossed above the thresholds of 20% of the Company's capital and voting rights and held 4,243,495 Company shares representing as many voting rights, *i.e.* 20.72% of this company's capital and voting rights³⁵, broken down as follows:

	Shares and voting rights	% of capital and voting rights
Holweb SAS	2,513,495	12.28%
Mathieu Lefebvre	1,730,000	8.45%
Total concert	4,243,495	20.72%

On this occasion, Holweb declared that it had individually crossed over the thresholds of 10% of the Company's capital and voting rights.

- In a letter received on 6 July 2022, Nicolas Paget declared that he had individually crossed below the thresholds of 5% of the Company's capital and voting rights and that he individually held 990,000 Company shares representing the same number of voting rights, *i.e.* 4.83% of this company's capital and voting rights³⁵.

These threshold crossings are the result of a capital increase by the Company (through the issue of 655,995 new Company shares) decided by its shareholders at the General Meeting of 30 June 2022 for the benefit of Holweb SAS, in consideration of a contribution of Waga Energy Inc. shares by Holweb SAS (see Section 6.1.2 “100% ownership of the Company's US subsidiary via a contribution transaction” of this Universal Registration Document).

(see also Section 20.2.3 “Crossing of thresholds” of the Universal Registration Document).

³⁴ Mathieu Lefebvre is the Chairman of Holweb and is therefore presumed to be acting in concert with Holweb pursuant to the provisions of Article L. 233-10 II, 1° of the French Commercial Code.

³⁵Based on a capital of 20,476,312 shares representing the same number of voting rights, pursuant to the 2nd paragraph of Article 223-11 of the General Regulation.

18. TRANSACTIONS WITH RELATED PARTIES

18.1 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 the 2022 financial year, see Note 8.13 of the notes to the consolidated financial statements presented in Chapter 19 "*Financial information*" of the Universal Registration Document.

18.1.1 Regulated agreements

The Company will continue to implement the following related-party agreements, duly authorised by the Board of Directors for previous financial years and falling within the scope of Article L. 225-38 of the French Commercial Code.

- Service provision agreement

The Company entered into a service agreement with Ornalys SPRL, managed by Dominique Gruson, Independent Director of the Company, dated 1 January 2022, for a period of one year ending on 31 December 2022, 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. At its meeting of 7 March 2023, the Board of Directors authorised the renewal of this service agreement between the Company and Ornalys SPRL.

(see Section 13.1.1 "*Board of Directors*" of the Universal Registration Document)

- 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 21 "*Major contracts*" of the Universal Registration Document)

- 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 Guénaél 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 Guénaél Prince to the United States from 1 October 2019. Guénaél Prince now has an employment contract under US law with Waga Energy Inc.

- Current account agreements

The Company 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 12.27% of the Company as at the date of the Universal Registration Document

18.1.2 Agreements covered by Article L.225-39 of the French Commercial Code

Pursuant to the provisions of Article L.22-10-12 of the French Commercial Code, the Universal Registration Document describes the procedure implemented by the Company pursuant to Article L.225-39 and its implementation.

In companies whose shares are admitted to trading on a regulated market, the Board of Directors establishes a procedure to regularly assess whether the agreements relating to current transactions and concluded under normal conditions meet these conditions.

Persons directly or indirectly interested in one of these agreements do not participate in its assessment.

The Company's Board of Directors has put in place a procedure to assess, on a yearly basis, the agreements relating to current transactions entered into under normal conditions.

Thus, at its meeting of 7 March 2023, the Board of Directors assessed the aforementioned agreements in respect of the financial year ended 31 December 2022; namely the associated cash and current accounts agreements, the management fees agreements and the patent and trademark royalty agreements entered into with the Group's subsidiaries, under normal conditions, which were validated as such by the Board.

18.2 Statutory Auditors' special reports on related-party agreements for financial years 2022 and 2021

18.2.1 Statutory Auditors' special report on related-party agreements for the financial year ended 31 December 2022

Waga Energy

General Meeting to approve the financial statements for the financial year ended 31 December 2022.

Statutory Auditors' special report on related-party agreements

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.

1. Agreements submitted to the General Meeting for approval

We hereby inform you that we were not notified of any agreement authorised and entered into during the past financial year that is to be submitted for the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

2. Agreements already approved by the General Meeting

Agreements approved in previous years

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**

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), €100,000 gross from 1 March 2022 (authorised by the Board of Directors' meeting of 28 February 2022).

Mathieu Lefebvre also benefited from a supplementary pension scheme, a provident fund, executive health insurance and a lump-sum bonus for patent applications.

The expense recorded by your company under this employment contract is €107,825 for financial year 2022.

► **With Nicolas Paget, Deputy 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 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), €100,000 gross from 1 March 2022 (authorised by the Board of Directors' meeting of 28 February 2022).

Nicolas Paget also benefited from a supplementary pension scheme, a provident fund, executive health insurance and a lump-sum bonus for patent applications.

The expense recorded by your company under this employment contract is €106,894 for financial year 2022.

► **With Guénaél Prince, Director of your company**

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 Guénaél 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 Guénaél Prince to the United States from 1 October 2019. His annual salary was set at US\$224,000 gross from 1 July 2020 (authorisation of the Board of Directors' meeting of 9 July 2020), then US\$285,000 gross from 1 March 2022 (authorisation of the Board of Directors' meeting of 28 February 2022) and is paid in full by Waga Energy Inc. under his employment contract under US law.

► **With Ornalys SPRL, whose Manager is Dominique Gruson, Director of your company**

Strategic consulting services agreement

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.

The agreement is for a period of six months, tacitly renewable for three months, then extended by amendment until 31 December 2021 and then again until 31 December 2022 (authorised by the Board of Directors' meeting of 28 February 2022). 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 daily flat fee of €1,500 excluding tax.

The expense recorded by your company under this agreement is €11,866 for financial year 2022.

► **With Holweb SAS, having Mathieu Lefebvre and Nicolas Paget as common managers**

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 your Board of Directors on 10 September 2020.

The current account was repaid in full over the financial year. The interest paid by your company in respect of the financial year ended 31 December 2022 represents a financial expense of a total amount of €5,605.

► **With Air Liquide, parent company of Aliad, the latter being a Director and shareholder with a stake of more than 10% in your company**

Framework investment agreement

Nature, purpose and terms

A patent and communication and know-how license 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 your 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 your Board of Directors' meeting of 26 September 2019.

The expense recorded by your company under this agreement is €83,333 for financial year 2022.

Paris and Paris-La Défense, 28 April 2023

The Statutory Auditors

BM&A

ERNST & YOUNG et Autres

18.2.2 Statutory Auditors' special report on related-party agreements for the financial year ended 31 December 2021

[BM&A and Ernst & Young headers]

Waga Energy

General Meeting to approve the financial statements for the financial year ended 31 December 2021.

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.

1. 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.

► **With Waga Assets, a wholly-owned subsidiary of which your company is president**

1) Current account agreement

Nature, purpose and terms

A current account agreement was entered into between your company, as a lender, and Waga Assets dated 1 February 2021 for a maximum nominal amount of €6,000,000. The annual interest rate is 3%. The agreement was authorised by the Board of Directors on 26 January 2021.

For the financial year ended 31 December 2021, the amount of advances, in principal, granted by your company to Waga Assets amounted to €4,015,400 and the interest represented a financial income of a total amount of €106,032.

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 your company and Waga Assets in order to strengthen the latter's liquidity position.

2) Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Assets, the beneficiary, on 1 February 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: establishment of a service agreement to ensure the operational functioning of Waga Assets in view of the evolution of its activity and the overall reorganisation of its logistics.

► **With the companies Waga Energy Inc. and Waga Energy Canada, wholly-owned subsidiaries managed by Mathieu Lefebvre, Chairman and Chief Executive Officer of your company**

Cash management agreement

Nature, purpose and terms

A cash management agreement was entered into between your company and Waga Energy Inc. and Waga Energy Canada on 1 February 2021. The advances granted under this cash management agreement bear annual interest at the tax-deductible rate, *i.e.* 1.17% for the financial year ended 31 December 2021. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: establishment of a cash management agreement in order to streamline the cash surpluses of your company and its subsidiaries, Waga Energy Inc. and Waga Energy Canada, and this, in order to limit the recourse to external financing within the limit of a maximum outstanding amount of 15,000,000 US dollars for Waga Energy Inc. and 10,000,000 Canadian dollars for Waga Energy Canada

► **With Waga Energy Inc., a wholly-owned subsidiary managed by Mathieu Lefebvre, Chairman and Chief Executive Officer of your company**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Energy Inc., the beneficiary, on 1 February 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a service agreement to ensure the operational functioning of Waga Energy Inc. in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Energy Canada, a wholly-owned subsidiary managed by Mathieu Lefebvre, Chairman and Chief Executive Officer of your company**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Energy Canada, the beneficiary, on 1 February 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a service agreement to ensure the operational functioning of Waga Energy Inc. in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Espana 1 SL, a wholly-owned subsidiary**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Espana 1 SL, the beneficiary, on 1 June 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: establishment of a service agreement to ensure the operational functioning of Waga Espana 1 SL in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Assets Vehicule 1, a wholly-owned sub-subsidiary of which Waga Assets is president**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Assets Vehicule 1, the beneficiary, on 1 February 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a service agreement to ensure the operational functioning of Waga Assets Vehicule 1 in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Assets Vehicule 2, a wholly-owned sub-subsidiary of which Waga Assets is president**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Assets Vehicule 2, the beneficiary, on 1 February 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a services agreement to ensure the operational functioning of Waga Assets Vehicule 2 in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Assets Vehicule 3, a wholly-owned sub-subsidiary of which Waga Assets is president**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Assets Vehicule 3, the beneficiary, on 1 February 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a services agreement to ensure the operational functioning of Waga Assets Vehicule 3 in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Assets Vehicule 4, of which Waga Assets is president**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Assets Vehicule 4, the beneficiary, on 1 April 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a services agreement to ensure the operational functioning of Waga Assets Vehicule 4 in view of the evolution of its activity and the overall reorganisation of its logistics.

- **With Waga Assets Vehicule 5, of which Waga Assets is president**

Management fees agreement

Nature, purpose and terms

A central services agreement was entered into between your company, the service provider, and Waga Assets Vehicule 5, the beneficiary, on 1 April 2021. The services provided by your company are subject to a 5% margin. The agreement was authorised by the Board of Directors on 26 January 2021.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: implementation of a services agreement to ensure the operational functioning of Waga Assets Vehicule 4 in view of the evolution of its activity and the overall reorganisation of its logistics.

2. 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

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 benefited from a supplementary pension scheme, a provident fund, executive health insurance and a lump-sum bonus for patent applications.

The expense recorded by your company in respect of all these compensation items is €110,334 for the 2021 financial year.

► With Nicolas Paget, Deputy 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 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).

Nicolas Paget also benefited from a supplementary pension scheme, a provident fund, executive health insurance and a lump-sum bonus for patent applications.

The expense recorded by your company in respect of all these compensation items is €100,212 for the 2021 financial year.

► **With Guénaël Prince, Director of your company**

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 a stake of more than 10% in your company**

Framework investment agreement

Nature, purpose and terms

Framework investment agreement signed on 9 June 2015 between your company and Starquest Anti-Fragile 2015 for the provision of assistance and annual monitoring to your company. The benefits ended with effect from 27 October 2021.

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 excluding tax for financial year 2021.

► **With Les Saules, Director and shareholder with a stake of more than 10% in your company**

1) Framework investment agreement

Nature, purpose and terms

Agreement signed on 11 June 2015 between the Les Saules company and your company, including the provision of support services. This agreement was terminated by written amendment between the parties with effect from 27 October 2021.

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 2021 amounts to €8,267 excluding tax.

2) 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.

All sums due under this agreement have been repaid by your company so that no current account receivable is held against your company by Les Saules at 31 December 2021. The interest paid by your company for the financial year ended 31 December 2021 represents a financial expense of a total amount of €90,477.

► With Aliad, Director and shareholder with a stake of more than 10% in your company

Framework investment agreement

Nature, purpose and terms

Agreement signed on 11 June 2015 between your company and Aliad, for the provision of support services. This agreement was terminated by written amendment between the parties with effect from 27 October 2021.

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 2021 amounts to €8,833 excluding tax.

► With Ornalys SPRL, whose Manager is Dominique Gruson, Director of your company

Strategic consulting services agreement

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 daily flat fee of €1,500 excluding tax.

The expense recorded by your company under this agreement is €18,043 for financial year 2021.

► With Holweb SAS, having Mathieu Lefebvre and Nicolas Paget as common managers

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.

The current account receivable held against your company by Holweb SAS amounts to €100,000 at 31 December 2021. The interest paid by your company in respect of the financial year ended 31 December 2021 represents a financial expense of a total amount of €17,375.

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 a stake of more than 10% in your company

Framework investment agreement

Nature, purpose and terms

A patent and communication and know-how license 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 2021 or any recognition under balance sheet assets.

Paris and Paris-La Défense, 29 April 2022

The Statutory Auditors

BM&A

ERNST & YOUNG et Autres

Pierre-Emmanuel Passelègue

Cédric Garcia

19. FINANCIAL INFORMATION

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, (i) the consolidated financial statements for the year ended 31 December 2021 and the corresponding Statutory Auditors' report, included in Chapter 18 of the Universal Registration Document approved by the AMF on 14 June 2022 under no. R.22-025 and (ii) the consolidated financial statements for the year ended 31 December 2020 and the corresponding Statutory Auditors' report included in Chapter 18 of the Universal Registration Document approved by the AMF on 28 September 2021 under no. I.21-056, are included by reference in this Universal Registration Document.

19.1 Informations financières historiques

19.1.1 Comptes consolidés du Groupe au titre de l'exercice clos le 31 décembre 2022

WAGA ENERGY GROUP IFRS Financial Statements 31 December 2022

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BALANCE SHEET

ASSETS (in EUR thousands)	Notes	December 31, 2022	December 31, 2021
Intangible assets	7.1	804	401
Property, plant & equipment	7.2	70 331	32 516
Non-current financial assets	7.4	2 137	1 147
Deferred tax assets	7.5	0	0
Autres actifs non courants	7.6	6 562	0
Non-current assets		79 835	34 064
Inventories	7.7	4 867	1 434
Trade and other receivables	7.8	4 143	4 074
Tax receivables	7.9	315	297
Other current assets	7.10	8 356	6 776
Cash and cash equivalents	7.11	91 659	122 913
Current assets		109 339	135 494
Total assets		189 174	169 558

EQUITY AND LIABILITIES (in EUR thousands)	Notes	December 31, 2022	December 31, 2021
Share capital		205	198
Share premium		150 090	126 879
Reserves		(31 119)	(3 122)
Foreign currency translation reserves		16	21
Profit (loss) attributable to owners of the Company		(10 076)	(8 061)
Shareholders' equity attributable to owners of the Company		109 115	115 914
Non-controlling interests		2 912	1 675
Equity	7.12	112 028	117 590
Non-current provisions	7.13.2	585	548
Non-current loans and borrowings	7.14	43 185	18 364
Other non-current liabilities	7.18.1	4 677	1 089
Deferred tax liabilities		1	0
Non-current liabilities		48 448	20 001
Current provisions		0	0
Current loans and borrowings	7.14	9 420	19 882
Trade and other payables	7.16	5 413	5 712
Tax liabilities	7.17	42	107
Other current liabilities	7.18.2	13 823	6 267
Current liabilities		28 698	31 967
Total equity and liabilities		189 174	169 558

INCOME STATEMENT

INCOME STATEMENT (in EUR thousands)	Notes	December 31, 2022	December 31, 2021
Revenue	8.1	19 159	12 261
Other income	8.2	397	379
Revenue		19 556	12 640
Cost of sales and change in inventory	8.3	(7 948)	(5 390)
External expenses	8.4	(6 845)	(3 095)
Taxes, duties and similar payments		(190)	(127)
Personnel expenses	8.5	(9 961)	(5 172)
Other recurring operating income and expenses	8.7	(59)	(16)
Depreciation, amortisation and provisions	7.1 & 7.2	(2 725)	(1 819)
Profit (loss) from recurring operations		(8 171)	(2 978)
Other non-recurring operating income and expenses	8.8	34	(1 269)
Impairment of non-current assets		0	0
Operating profit (loss)		(8 137)	(4 247)
Cost of net financial debt		(1 238)	(3 178)
Other financial income and expenses		21	(62)
Financial income (expense)	8.9	(1 217)	(3 239)
Profit (loss) before income tax		(9 354)	(7 486)
Income tax expense	8.10	(325)	(238)
Deferred taxes P&L		0	0
Total comprehensive income (loss)		(9 679)	(7 724)
Profit (loss) attributable to:			
Owners of the Company		(10 076)	(8 061)
Non-controlling interests		396	337
Basic earnings per share (in EUR)	8.11	-0,50	-0,41
Diluted earnings per share (in EUR)	8.11	-0,50	-0,41

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME (in EUR thousands)	Notes	31 December 2022	31 December 2021
Consolidated comprehensive income (loss)		(9,679)	(7,724)
Foreign currency translation differences		(238)	(75)
Interest Rate Swap		1,698	
Items that may be reclassified to profit or loss		1,460	(75)
Actuarial gains (losses)		174	(5)
Items that may not be reclassified to profit or loss		174	(5)
Consolidated comprehensive income (loss)		(8,045)	(7,804)
Comprehensive income (loss) attributable to owners of the Group		(8,864)	(8,129)
Comprehensive income attributable to NCI		820	325

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY (in EUR thousands)	Number of shares	Share capital	Share premium	Reserves and profit (loss)	Other comprehensive income	Equity attributable to owners of the Group	Non-controlling interests	Total equity
Balance at 31 December 2020	145	145	10,824	(4,234)	15	6,749	1,358	8,107
Total comprehensive income for the period				(8,061)	(68)	(8,129)	325	(7,804)
Share capital increase	19,608	53	116,143			116,196		116,196
Cancellation of treasury shares				(266)		(266)		(266)
Other changes			(91)	88		(3)	(8)	(11)
Share-based payments				1,364		1,364		1,364
Balance at 31 December 2021	19,752	198	126,879	(11,109)	(53)	115,914	1,676	117,590
Balance at 31 December 2021	19,752	198	126,879	(11,109)	(53)	115,914	1,676	117,590
Profit (loss) for the period				(10,076)		(10,076)	396	(9,679)
Foreign currency translation differences					(249)	(249)	11	(238)
Hedging instruments					1,286	1,286	412	1,698
Actuarial gains (losses)					174	174		174
Total comprehensive income for the period				(10,076)	1,211	(8,864)	820	(8,045)
Share capital increase	75	1	238			239		239
Acquisition of NCI (contribution)	656	7	22,973	(23,393)		(413)	413	(0)
Cancellation of treasury shares						0		0
Share-based payments				2,241		2,241		2,241
Other changes				0		0	3	3
Balance at 31 December 2022	20,483	205	150,090	(42,337)	1,158	109,115	2,912	112,028

The main changes relate to:

- ⇒ The creation of 74,938 shares following the exercise of founders' share warrants, for a capital increase of €749 and additional paid-in capital of €237,838.
- ⇒ The creation of 655,995 shares in exchange for the contribution of the Waga Energy USA shares previously held by one of the non-controlling shareholders, for a capital increase of €6,560 and additional paid-in capital of €22,972,944.

CASH FLOW STATEMENT

CASH FLOW STATEMENT (in EUR thousands)	Notes	December 31, 2022	December 31, 2021
Profit (loss) for the period		(9 679)	(7 724)
Adjustments for:			
Depreciation, amortisation and provisions	7.1, 7.2, 7.12	2 832	1 950
Share-based payments	8.6	2 241	1 364
Other income and expense		(231)	(18)
Cost of net financial debt	8.9	1 238	3 239
Tax expense (incl. deferred tax)	8.10	325	238
Operating cash flow before income tax and change in working capital		(3 275)	(950)
Income taxes paid		(76)	(279)
Effect of change in inventories		(3 471)	(591)
Effect of change in trade and other receivables		(4 952)	(6 513)
Effect of change in trade and other payables		4 384	7 382
Net cash from (used in) operating activities		(7 391)	(952)
Acquisition of property, plant and equipment and intangible assets	7.1, 7.2	(40 938)	(13 063)
Acquisition of financial assets	7.4	(917)	(915)
Effect of changes in down payments to suppliers of fixed assets		3 312	(915)
Advance Assets Suppliers	7.6	(1 460)	0
Investment grants received	7.17	3 023	0
Net cash used in investing activities		(36 982)	(13 979)
Effect of change in consolidation scope (NCI contributions)			
Share capital increase (net of capital increase costs)	7.12.1	239	116 196
Proceeds from borrowings & repayable advances	7.14	35 884	26 756
Repayment of borrowings & repayable advances (incl. Cost of debt)	7.14	(23 098)	(21 237)
Dividends paid			
Net cash from financing activities		13 024	121 715
Effect of change in exchange rates on cash held		85	128
Net increase in cash and cash equivalents		(31 264)	106 912
Cash and cash equivalents at 1 January		122 913	16 001
Cash and cash equivalents at 31 December		91 659	122 913

Increases in non-cash assets and liabilities are eliminated. Consequently, assets financed through finance leases are not included in investments for the period. The decrease in financial liabilities relating to finance leases is included in loan repayments for the period.

The effect of the repayment of the bond subscribed by Waga Assets is recorded under loan repayments for €12.4 million (including interest and premiums).

Non-cash capital increases are eliminated (shares created in exchange for the contribution of Waga USA shares).

All advances and down payments on fixed assets and trade payables are recorded under net cash used in investing activities, since they mainly relate to Wagabox© units. Taking changes in advances and down payments and trade payables into account, acquisitions of property, plant and equipment and intangible assets resulted in cash disbursements of €39.1 million in 2022.

Explanation of changes in working capital

Change in working capital	31 December 2021	Change in consolidation scope	Foreign currency translation differences	31 December 2022	Change
<i>Inventories</i>	1 434	0	38	4 867	3 471
<i>Trade and other receivables</i>	4 074	0	(105)	4 143	(36)
<i>Other current assets</i>	3 445	0	60	8 356	4 972
<i>Current tax receivable (tax credits)</i>	297	0	0	315	17
					4 952
<i>Trade and other payables</i>	3 084	0	45	5 413	(2 375)
<i>Other non-current liabilities</i>	1 089	0	0	1 654	(566)
<i>Other current liabilities</i>	6 267	0	(173)	7 883	(1 443)
					(4 384)

Investment grants received in the reporting period by subsidiary Waga Energie Canada and Sofiwaga Infra, classified under 'other non-current liabilities' in the balance sheet, are included in net cash used in investing activities in the cash flow statement for €3 million.

All advances and down payments on fixed assets and trade payables are included in net cash used in investing activities, since they mainly relate to Wagabox© units.

NOTES TO THE FINANCIAL STATEMENTS

1. Description of the Group and its business activities

Waga Energy is a public limited company (*société anonyme*) with a Board of Directors, registered and domiciled in France (hereinafter referred to as “the Company”).

Its registered office is located at 5 avenue Raymond Chanas, 38320 Eybens, France. The consolidated financial statements of Waga Energy include those of the Company and the subsidiaries it controls (collectively referred to as “the Group”). The consolidation scope is presented in Note 5.2.

Formed 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, which is then injected into gas grids as a replacement for natural gas of fossil origin.

Waga Energy 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 in landfills. They are classified under French regulations on environmental protection (ICPE).

The unique technology combining membrane filtration and cryogenic distillation is protected by several patents.

Waga Energy SA’s financial statements for the year ended 31 December 2022, prepared in accordance with the IFRS, were approved by the Board of Directors on 25 April 2023.

2. Basis of preparation

2.1. Statement of compliance

The financial statements of the Company for the reporting period ended 31 December 2022 have been prepared in accordance with the international financial reporting standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

All the IFRS adopted by the European Union are available for viewing on the European Commission’s website at the following address: <https://eur-lex.europa.eu/eli/reg/2008/1126/2016-01-01>.

2.2. Changes in accounting standards

The following standards, amendments and interpretations are mandatory for the Group at 31 December 2022:

- Amendments to IFRS 3 – Updated References to the Conceptual Framework (effective for financial years beginning on or after 1 January 2022)
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract (effective for financial years beginning on or after 1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (effective for financial years beginning on or after 1 January 2022)
- Annual improvements to IFRS – 2018-2020 (effective for financial years beginning on or after 1 January 2022)

The following standards, amendments and interpretations are not yet mandatory. The Group has elected to not apply them early for the financial statements at 31 December 2022:

- Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for financial years beginning on or after 1 January 2023 subject to EU approval)
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective for financial years beginning on or after 1 January 2023 subject to approval from the European Union)
- Amendments to IAS 8 – Definition of Accounting Estimates (effective for financial years beginning on or after 1 January 2023, subject to EU approval)
- Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (effective for financial years beginning on or after 1 January 2024 – Proposed amendment under development – subject to EU approval)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective for financial years beginning on or after 1 January 2024, subject to EU approval)

The Group does not expect these amendments to have a significant impact on the financial statements.

2.3. Use of estimates and judgments

The preparation of the consolidated financial statements requires Management to use judgments and accounting estimates, which affect the Company's accounting policies and the reported amounts of assets and liabilities and income and expense items.

The estimates and underlying assumptions are regularly reviewed to ensure their reasonableness based on the Company's past performance. Estimates may be adjusted if the circumstances on which they are based change or if new information comes to light. Actual values may differ from these estimates due to changes in the assumptions made and economic circumstances. The effect of such adjustments is recognised prospectively. Consequently, the items reported in the Group's future financial statements may differ from current estimates.

2.3.1. Judgments

Information on the judgements made in applying accounting policies, which have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Determining the costs that may be included when measuring property, plant and equipment in accordance with IAS 16 "Property, Plant and Equipment" (Note 7.2),
- Assessing control over subsidiaries (Note 5.2) and Wagabox® units sold to subsidiaries,
- Determining revenue flows and whether an entity is acting as an agent or principal in accordance with IFRS 15 (Note 8.1),
- Measuring the recoverable amount of Wagabox® units and estimating their useful life (Note 7.2).

2.3.2. Assumptions and estimation uncertainties

Information on assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment in the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Measuring the fair value of founders' share warrants (BSPCE) (Notes 8.6): Determining the fair value of share-based payments using the Black & Scholes option pricing model, which factors in assumptions on complex and subjective variables, including share price, expected volatility

of share price over the life of the instrument and the current and future behaviour of the holders of those instruments,

- With regard to convertible bonds, estimates are made to:
 - Determine the fair value of conversion options (Note 7.14 to the financial statements for the year ended 31 December 2022);
 - Determine the effective interest rate (EIR) of the debt component of the conversion options, which takes into account the most probable time horizon for conversion into shares or redemption (Note 7.14 to the financial statements for the year ended 31 December 2021).
- Measure interest rate swaps to manage the Group's exposure to interest rate risk (Note 9.2).
- Measure provisions, including for retirement benefits and site dismantlement (Note 7.13),
- Determine the discount rate and lease term when assessing lease liabilities in accordance with IFRS 16 "Leases" (Note 7.2),
- Measure provisions for the impairment of trade receivables in accordance with IFRS 9,
- Assess whether to capitalise deferred tax assets (Note 7.5).

Actual values may differ from estimates due to changes in the assumptions made and economic circumstances.

These estimates may be adjusted if the circumstances on which they are based change or if new information comes to light.

2.4. Basis of measurement

The financial statements have been prepared on the historical cost basis except for derivative financial instruments and plan assets which are measured at fair value.

The financial statements of Waga Energy SA for the year ended 31 December 2022 have been prepared on a going concern basis for a minimum period of twelve months from the date of the financial statements in line with the net cash position currently available and the growth prospects reflected in the product business plan.

2.5. Functional and presentation currency

These financial statements are presented in euros, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Transactions in foreign currencies are translated into euros at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the exchange rate at the reporting date.

Foreign currency translation gains or losses are recognized in the income statement, except for amounts that can be considered net investments in a foreign operation as defined by IAS 21, for which foreign exchange gains and losses are recognized in other comprehensive income.

3. Significant events of the period

3.1. Significant events of 2022

3.1.1. Biomethane production

At 31 December 2022, Waga Energy (the "Company") and its subsidiaries listed in the consolidation scope in section 5.2 (the "Group") were operating 14 Wagabox® units in France. Four of those were commissioned in 2022: one on the SEG site in Gournay (Indre department), two on Veolia sites in Le

Ham (Manche) and Claye-Souilly (Seine-et-Marne), and another on Suez's "Madaillan" site in Milhac-d'Auberoche (Dordogne).

	FY2022	FY2021	Change
Number of Wagabox® units in operation (at 31 December)	14	10	+40%
Number of Wagabox® units in operation (average)	12.2	10.0	+22%
Biomethane produced (in GWh)	216	145	+49%

The fleet of Wagabox® units operated by the Group produced 216 GWh of biomethane in 2022, 49% more than in 2021. The increase is due to the commissioning of new units, including the one at the Veolia site in Claye-Souilly that started up in March, which is the first unit producing 3,000 m³/h – 120 GWh of biomethane every year. That is four to five times more than previous units.

All units but two already in operation in 2021 maintained at least 95% availability (except for shutdowns from external causes).

3.1.2. Business development

The Group signed seven new contracts in 2022.

In France, the Group signed its first contract with Séché Environnement to equip the Sainte-Marie-Kerque site in Pas-de-Calais; a second with Suez to equip the Cusset site in Allier; a third with Veolia in Granges (Saône-et-Loire); and two other contracts which have not yet been officially announced.

In Canada, the Group also signed an agreement with the Capital Regional District (CRD), one of British Columbia's 28 regional districts, to build and sell a high capacity biomethane unit at the Hartland landfill site on Vancouver Island. It will be able to process 3,200 m³/h of unrefined gas and produce more than 100 GWh of biomethane per year (365,000 GJ/year), equivalent to the power consumed by more than 4,500 local households. The Group will operate and maintain the unit for a renewable 5-year period. The biomethane produced will be sold by the CRD to Canadian energy provider FortisBC, and injected on-site into its gas grid through a pipeline also built in connection with the project.

Another contract was also signed in Canada and will be announced shortly.

3.1.3. Structuring and developing international subsidiaries

Legal organisation chart

In financial year 2022, twelve new subsidiaries were created and consolidated, including eight SPVs, two subsidiaries for the purposes of business development in Italy (Waga Energy Italia) and the United Kingdom (Waga Energy Ltd), a financial holding company (Waga Assets 2), and a real estate holding company for the new head office (Wagarena).

Contribution of Waga Energy Inc. shares from Holweb to the Company

To simplify the Group's legal structure and improve its operational efficiency, Holweb contributed all its shares in Waga Energy Inc. to Waga Energy Inc. (the "Contribution"), increasing the Company's equity interest and voting rights in its US subsidiary to 100%. At their Combined General Meeting of 30 June 2022, the shareholders approved the Contribution and issued 655,995 new shares at a par value of €0.01 for the benefit of Holweb SAS, increasing Holweb's equity interest and voting rights in the Company from 9.4% to 12.3% on a non-diluted basis. The Company now holds 100% of the share capital of Waga Energy Inc. (compared with 81% before the transaction). The exchange ratio was determined by Waga Energy's Board of Directors based on the work of an independent expert and

validated by a contributions auditor. The Contribution totals €22,979,504.85 and the capital increase €6,559.95, with additional paid-in capital of €22,972,944.90 (see statement of changes in equity).

3.1.4. Other significant events

Acquisition of new premises

On 9 November 2022, the Company acquired new premises in Eybens, near Grenoble (France), for a total of €5.3 million, to relocate its head office. As of January 2023, the building is used for offices and inventory space instead of the old premises in Meylan, and will accommodate our growing business and staff. Some of the premises will be leased to third parties.

3.1.5. Financing

Cancellation of the convertible bond agreement with Eiffel Gaz Vert

To optimise its financing costs, on 31 March 2022 Waga Assets (a fully owned subsidiary of Waga Energy SA) cancelled the convertible bond financing agreement entered into with Eiffel Gaz Vert S.L.P on 10 December 2020. The cancellation took effect on 31 March 2022. Waga Assets fully repaid the subscribed convertible bonds to Eiffel Gaz Vert S.L.P for a total of €12.5 million, including interest and premiums. The early repayment was temporarily funded out of Group equity, then refinanced by a new bank loan taken out in July 2022 (see below).

Funding of Wagabox® projects

On 21 June 2022, the Group drew down €3 million from its Innovation, Research & Development loan from Bpifrance, granted for the development of the high-capacity Wagabox® unit in Claye-Souilly.

In July 2022, the Group secured a maximum of €23 million in new long-term bank financing for its subsidiary Waga Assets, taken out with CIC and Arkéa. The funds, which concern six Wagabox® units in France, helped finance new construction and partly refinance the Group's shareholder current account contributions made at the start of the year to repay the Eiffel Gaz Vert convertible bonds. €12.9 million of this financing was drawn down in financial year 2022.

SP Waga 1 and Sofiwaga Infra respectively drew down €2.2 million and €3.5 million of the €10.5 million loan taken out in 2021 in connection with the refinancing of four Wagabox® units.

The Group also made several drawdowns from the Canadian financial cooperative Desjardins Group, for an amount reaching CAD 7.1 million at 31 December, to fund the construction of a Wagabox® unit in Saint-Etienne-des-Grès (Quebec, Canada). Part of this amount relates to a bridge loan that will be paid back using the CAD 3.2 million government subsidy granted by Transition Énergétique Québec (TEQ) for the project.

Real estate financing

To finance the acquisition and refurbishment of its new premises in Eybens (greater Grenoble), in November 2022 the Group took out a bank loan for a maximum of €8 million with a banking consortium comprising BNP Paribas, Crédit Agricole Sud Rhône-Alpes, Caisse d'Épargne Rhône-Alpes and Banque Populaire Auvergne Rhône-Alpes. At 31 December 2022, €4.4 million had been drawn down.

Grants

The Company received a FASEP grant (French government grant for green and innovative sectors) of up to €350 thousand to finance studies and sales prospecting in Colombia. At 31 December 2022, the amount received totalled €70 thousand.

Subsidiary Sofiwaga Infra also received a grant of up to €390 thousand to finance Suez's "Madaillan" project in Milhac-d'Auberoche (Dordogne).

Waga Energie Canada had received CAD 4.1 million in subsidies at 31 December 2022, with no impact on 2022 net income.

3.1.6. Covid-19 health crisis: current situation

The effects of the health crisis gradually abated during the first half of 2022 and the Group's business was able to return to normal.

3.1.7. Geopolitical backdrop of the conflict in Ukraine

Waga Energy has no direct exposure in Eastern Europe. However, the Group is indirectly impacted by the war in Ukraine in terms of increased energy costs, inflation, increased interest rates and the deteriorating European economy.

The increase in natural gas prices on the market has no direct impact on Group revenue, since all the biomethane it produces is currently sold in France under agreements with obligations to purchase it at a rate set by the French government for a 15-year period, indexed annually to industrial and labour costs.

In 2022, the sharp hike in electricity prices did not increase Wagabox® operating costs since the Group's power supply agreements are multi-year and partly capped under the ARENH (Regulated Access to Historic Nuclear Power) scheme rolled out by the French government in 2011. Additionally, power consumption of Wagabox® units is in most cases shared with the storage site operator, and offset by the price indexing of biomethane injected into the grid in France, delayed by one year.

In France, high electricity prices fuelled speculation, making landfill gas recovery solutions based on turbines or cogeneration engines more competitive. Under these extraordinary circumstances, despite their low energy efficiency, these solutions can be highly profitable in the short term for some waste storage site operators. As a result, some reduced the volume of biogas injected into their Wagabox® unit, with no significant impact on Group revenue, protected by the non-variable component of its agreements. Additionally, two operators decided to postpone the commissioning of units under construction by several months. Under the terms of its agreements, in these cases the Group negotiates compensation to cover the fixed costs of these units. This context-driven competition between gas recovery solutions tapered off at the end of 2022 with the introduction of the EU cap on market revenues for electricity generators and with the drop in electricity prices in the autumn.

In France and the United Kingdom, and to a lesser degree Spain, Italy and Portugal, high electricity prices slowed down the Group's business since operators with a generator on site adopted a wait-and-see attitude. This situation also led to delays in the signing of some agreements.

Rising energy prices have also weighed heavily on the economy in general and triggered inflation once again, particularly in Europe. For the Group, this meant higher prices when procuring parts for Wagabox® construction or maintenance. Some suppliers have also announced longer delivery times, which has forced the Group to anticipate orders and stock up on critical parts.

The rise in interest rates had little impact on the Group's financial costs in 2022, since floating rate financing was hedged with interest rate swaps.

3.2. Going concern

The going concern assumption was adopted by the Board of Directors considering the following factors:

- Available cash of €92 million at 31 December 2022,
- The Group's business plan including planned investments and additional financing required,
- The cash flow forecast for the next twelve months.

Management and the Board of Directors expect that these items will enable the Group to meet its needs over the next twelve months, until the end of April 2024.

4. Subsequent events

4.1. Business development

After the reporting date, the Group commissioned a new Wagabox® unit at the Montois-La-Montagne site.

4.2. Share capital transactions and subsidiaries

Stock options and founders' share warrants (BSPCE)

On 24 January 2023, the Board of Directors decided to issue and allocate 337,000 founders' share warrants (BSPCE 2023) free of charge to employees and/or executives, granting access to 337,000 new company shares with a par value of €0.01, under the delegation of powers granted by the Combined General Meeting of 30 June 2022. On the same date, the Shareholders also resolved to issue and allocate 196,000 free stock options ("Options.2023") for employees and/or executives, granting access to 196,000 new company shares actions with a par value of €0.01, under the authorisation granted by the Combined General Meeting of 8 October 2021.

Transfer of head office

After acquiring the new premises in Eybens (greater Grenoble), the Company transferred its head office and the head office of its subsidiaries there effective 16 January 2023.

4.3. Financing

In March 2023, the Group secured €6.6 million in new long-term bank financing from Bpifrance for its subsidiary Sofiwaga España 1. The transaction helped partly refinance the equity contributions made by the Group during construction of the Can Mata project, which is expected to be commissioned in 2023. With this financing in hand, the first €1 million tranche of the €2.5 million EU subsidy from the EIC Innovation Fund, obtained in 2022, was released.

5. Consolidation scope

5.1. Accounting policies relating to the consolidation scope

Controlled subsidiaries, as defined in IFRS 10 "Consolidated financial statements", are fully consolidated regardless of the percentage of the Group's equity interest. Full consolidation is applied for all subsidiaries in which the Group holds a majority equity interest and over which it exercises control. This rule applies regardless of the percentage of the equity interest. Control is defined as "the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities".

Subsidiaries are companies that are controlled by the Group. The Group exercises control when it has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the returns. Entities are consolidated or deconsolidated from the date on which control is effectively obtained or relinquished.

Non-controlling interests are presented in the balance sheet and income statement on a separate line from Group share.

All intercompany transactions and positions of fully consolidated subsidiaries are eliminated. The list of the main subsidiaries, joint ventures and associates is provided in Note 5.2.

5.2. Consolidation scope

The following companies are included in the consolidation scope:

Subsidiaries	Consolidation method		Percentage control		Percentage ownership interest	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
WAGA ENERGY	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company
WAGA ENERGY INC	FC (a)	FC	100.00%	81.00%	100.00%	81.00%
WAGA ENERGIE CANADA	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ENERGY ESPANA	FC	FC	100.00%	100.00%	100.00%	100.00%
WB STEUBEN LLC	FC	FC	100.00%	81.00%	100.00%	81.00%
WAGA ENERGY LIMITED	FC		100.00%		100.00%	
WAGA ENERGY ITALIA	FC		100.00%		100.00%	
WAGA ASSETS	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ASSETS 2	FC		100.00%		100.00%	
SOFWAGA 1	FC	FC	49.00%	49.00%	49.00%	49.00%
SOFWAGA INFRA	FC	FC	49.00%	49.00%	49.00%	49.00%
WAGA ASSETS VEHICULE 1	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ASSETS VEHICULE 2	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ASSETS VEHICULE 3	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ASSETS VEHICULE 4	FC	FC	100.00%	100.00%	100.00%	100.00%
SP WAGA 1	FC	FC	100.00%	100.00%	100.00%	100.00%
SOFWAGA ESPANA 1	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ASSETS VEHICULE 5	FC	FC	100.00%	100.00%	100.00%	100.00%
WAGA ASSETS VEHICULE 6	FC		100.00%		100.00%	
WAGA ASSETS VEHICULE 19	FC		100.00%		100.00%	
WAGA ASSETS VEHICULE 18	FC		100.00%		100.00%	
WAGA ASSETS VEHICULE 20	FC		100.00%		100.00%	
WAGA ASSETS VEHICULE 21	FC		100.00%		100.00%	
WAGA ASSETS VEHICULE 22	FC		100.00%		100.00%	
SOFWAGA ESPANA 2	FC		100.00%		100.00%	
WAGARENA	FC		100.00%		100.00%	
HARTLAND RENEWABLE RESOURCES GROUP	FC		100.00%		100.00%	

(a) Fully consolidated

Sofiwaga 1 and Sofiwaga Infra are special purpose vehicles for the financing of Wagabox® assets. The Company manages all activities and transactions related to the operation of the Wagabox® units of these SPVs. Although they are only 49% owned, both Sofiwaga Infra SAS and Sofiwaga 1 SAS are fully consolidated in accordance with IFRS 10, since Waga Energy SA exercises control over them. Waga Energy SA:

- Has the ability to direct the relevant activities of both companies and therefore exercises power over both of them,
- Is exposed to variable returns from its involvement with these two entities, as there are contractual penalties in the event of non-performance, and,
- Has the ability, as sole shareholder, to use its power over the entities to affect the amount of returns.

6. Segment information

According to IFRS 8 “Operating segments”, an operating segment is a separate component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker, who decides on the resources to be allocated to the segment and assesses its performance, and
- for which discrete financial information is available.

The Group's Chief Operating Decision Maker has been identified as the Chief Executive Officer, who makes strategic decisions.

On this basis, the Company identified only one operating segment: biomethane production by landfill gas purification.

Revenue from our four main customers at 31 December 2022 amounted to €4.2 million (or 22% of total revenues), €3.2 million (17%), €2.3 million (12%) et €2.3 million (12%).

Since financial year 2019, the Group has expanded internationally with the creation of subsidiaries in the United States, Canada, Spain, the United Kingdom and Italy. The geographic information required under IFRS 8.33 is presented below.

6.1. Income Statement segmented by geographic region – 31 December 2022

INCOME STATEMENT (in EUR thousands)	31 December 2022	North America	Europe	France	31 December 2021	North America	North America	France
Revenue	19,159	3,642	2	15,515	12,261	1,801	0	10,460
Other income	397	21	0	376	379	0	0	379
Income from recurring operations	19,556	3,664	2	15,891	12,640	1,801	0	10,839
Cost of sales and change in inventories	(7,948)	(1,450)	11	(6,508)	(5,390)	(660)	0	(4,730)
External expenses	(6,845)	(2,059)	(245)	(4,540)	(3,095)	(552)	(41)	(2,502)
Taxes, duties and similar payments	(190)	(9)	(0)	(180)	(127)	(7)	0	(120)
Personnel expenses	(9,961)	(2,151)	(217)	(7,592)	(5,172)	(674)	(31)	(4,467)
Other recurring operating income and expenses	(59)	18	(35)	(42)	(16)	16	16	(47)
Depreciation, amortisation and provisions	(2,725)	(56)	(9)	(2,660)	(1,819)	(15)	0	(1,804)
Intercompany reconciliation account	0	0	0	0	0	0	0	0
Profit (loss) from recurring operations	(8,171)	(2,043)	(495)	(5,633)	(2,978)	(91)	(56)	(2,830)
Other non-recurring operating income and expenses	34	(15)	0	49	(1,269)	46	0	(1,315)
Amortisation & depreciation of non-current assets	0	0	0	0	0	0	0	0
Operating profit (loss)	(8,137)	(2,057)	(495)	(5,584)	(4,247)	(45)	(56)	(4,145)
Cost of financial debt	(1,238)	(64)	(0)	(1,174)	(3,178)	(1)	0	(3,177)
Other financial income and expense	21	(191)	(33)	246	(62)	(1)	0	(61)
Financial profit (loss)	(1,217)	(256)	(33)	(928)	(3,239)	(1)	0	(3,238)
Profit (loss) before tax	(9,354)	(2,313)	(528)	(6,512)	(7,486)	(47)	(56)	(7,383)
Income tax expense	(325)	(0)	(0)	(325)	(238)	0	0	(238)
Consolidated profit (loss)	(9,679)	(2,313)	(529)	(6,838)	(7,724)	(47)	(56)	(7,621)

6.2. Balance Sheet segmented by geographic region – 31 December 2022

EQUITY AND LIABILITIES (in EUR thousands)	31 December 2022	North America	Europe	France	31 December 2021	North America	Europe	France
Share capital	205	(0)	0	205	198	0	0	198
Share premium	150,090	0	0	150,090	126,879	0	0	126,879
Reserves	(31,119)	(24,898)	(75)	(6,146)	(3,122)	(652)	0	(2,470)
Foreign currency translation differences	16	13	3	0	21	21	0	(0)
Profit attributable to owners of the Group	(10,076)	(3,289)	(993)	(5,793)	(8,061)	(842)	(86)	(7,132)
Equity attributable to owners of the Group	109,115	(28,175)	(1,065)	138,355	115,914	(1,473)	(86)	117,474
Non-controlling interests	2,912	0	0	2,912	1,675	0	0	1,675
Equity	112,028	(28,175)	(1,065)	141,268	117,590	(1,473)	(86)	119,150
Non-current provisions	585	0	0	585	548	0	0	548
Non-current borrowings and financial liabilities	43,185	2,520	144	40,521	18,352	60	0	18,292
Other non-current liabilities	4,677	3,220	1	1,457	1,114	0	0	1,114
Deferred tax liabilities	1	0	0	0	0	0	0	0
Total non-current liabilities	48,448	5,740	145	42,564	20,013	60	0	19,954
Current provisions	0	0	0	0	0	0	0	0
Current borrowings and financial liabilities	9,420	2,577	6	6,837	19,895	0	0	19,895
Trade and related payables	5,413	1,022	44	4,347	5,712	1,179	0	4,533
Tax liabilities	42	0	0	42	107	0	0	107
Other current liabilities	13,823	4,256	92	9,475	6,242	4,074	9	2,159
Total current liabilities	28,698	7,856	143	20,699	31,955	5,253	9	26,693
Intercompany reconciliation account	0	24,881	70	(24,951)	0	4,387	322	(4,709)
Total equity and liabilities	189,174	10,302	(707)	179,580	169,558	8,226	245	161,086

7. Notes to the Consolidated Balance Sheet

7.1. Intangible assets

Intangible assets are recorded at their acquisition cost.

Intangible assets are amortised on a straight-line basis over their estimated useful life.

Research costs are systematically expensed.

Under IAS 38, an intangible asset arising from development shall be recognised if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset;
- the Company's intention to complete the intangible asset;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The main categories of intangible assets and their useful lives are as follows:

- Software: 1 to 5 years
- Development costs: 5 years
- Concessions, patents and licences: 6 years

GROSS VALUE (in EUR thousands)	Research and development expenses	Concessions, patents, licences and software	Other intangible assets	Total
Balance at 31 December 2021	482	307		789
Acquisitions		24	506	530
Disposals			(5)	(5)
Reclassifications and other	(47)	39	8	(0)
Effect of change in consolidation scope				
Balance at 31 December 2022	434	370	509	1,313
AMORTISATION AND IMPAIRMENT (in EUR thousands)	Research and development expenses	Concessions, patents, licences and software	Other intangible assets	Total
Balance at 31 December 2021	(115)	(273)		(388)
Impairment loss	(72)	(35)	(15)	(121)
Reversal of impairment loss				
Balance at 31 December 2022	(187)	(308)	(15)	(509)
NET VALUE (in EUR thousands)	Research and development expenses	Concessions, patents, licences and software	Other intangible assets	Total
Balance at 31 December 2021	367	34		401
Balance at 31 December 2022	248	62	494	804

The €0.5 million in acquisitions mentioned in “Other intangible assets” relate to the purchase of a new ERP system slated for deployment in 2023.

7.2. 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:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of decommissioning costs, which cover dismantling and removing the Wagabox® unit and restoring the site on which it is located.

A significant portion of property, plant and equipment corresponds to the 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 (Note 8.1). For safety reasons, and given the specific know-how acquired by the Company, the Company is the sole operator of Wagabox® units. The Group controls these assets, which are recognised in accordance with IAS 16.

The costs directly attributable to the Wagabox® units manufactured by the Group comprise direct labour, raw material and external costs (such as legal advisors, experts, sub-contractors) directly relating to site preparation, as well as the engineering, design, technical studies, calibration, manufacturing, delivery, assembly and installation of the Wagabox® units to be operated.

Costs directly attributable to fixed assets are capitalised only when the following two criteria are met:

- There is written evidence of interest by the prospect confirming their intention to enter into a contract (signature of a letter of intent, Memorandum of Understanding, etc.)
- The technical feasibility of the project has been verified and validated (analysis of the biogas deposit and feasibility of the connection).

Prior to commissioning a Wagabox® unit, these costs are recognised under "Property, plant and equipment in progress" and are analysed at each reporting date to ensure that the conditions for capitalisation are still met.

If significant components of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment (major component).

The cost of an item of property, plant and equipment includes, where appropriate, the estimated costs of decommissioning - dismantlement and removal (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 its estimated useful life, on a straight-line basis as follows:

- Wagabox® excluding components: 15 to 25 years;
- Wagabox® components: 5 to 20 years ;
- Facilities & buildings: 10 to 25 years;
- Technical plant, equipment and tooling: 4 to 15 years;
- Office equipment and furniture, IT: 3 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Assets in progress primarily relate to Wagabox® units under construction.

Once expenditure is incurred for the construction of a Wagabox® unit, and until the latter is commissioned, the unit is recognised as an asset in progress.

Accounting policies applied to leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To determine if a contract conveys the right to control the use of an identified asset throughout its useful life, 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 the economic benefits from use of the asset throughout the period of use;
- the Group has the right to direct 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 inception of the lease:

- The right-of-use asset is initially measured at cost, which includes the amount of the initial measurement of the lease liability adjusted for lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred.
- The right-of-use asset is then depreciated on a straight-line basis from the commencement date to the end of the useful life of the underlying asset. In addition, the value of the right-of-use asset is adjusted for any remeasurement 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 (rate of interest that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment). This represents the borrowing rate used to finance the asset in question. These rates were determined by adding the risk-free rate (French State Loan) to Waga Energy's risk premiums based on the terms of the leases.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;

- leases for periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option. The analysis of renewal clauses under IFRS 16 is carried out individually for each lease under consideration and estimated use of the asset. The inclusion of renewal clauses is analysed in light of their estimated useful life, particularly if the estimated useful life (with regard to the Group's strategic plan) is longer than the initial lease term.

The lease liability is remeasured to reflect changes in lease payments resulting from changes in an index or rate or if the Group reassess whether it is reasonably certain to exercise an option to extend or to purchase the underlying asset, or to terminate the lease.

When the lease liability is remeasured, an adjustment is made to the carrying amount of the right-of-use asset, or if the right-of-use asset has been reduced to zero the amount is recognised in profit or loss.

The leases identified mainly relate to:

- leased equipment at the Saint Palais, Gueltas and Chevilly sites;
- premises leased by the Group (offices, warehouses);
- leased transport equipment.

The Group has defined depreciation periods for assets falling within the scope of IFRS 16 in terms of similar assets. The periods are defined individually for each lease 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 leases them to Waga Energy, at the same time as commissioning, and for an amount corresponding to the carrying amount of the membrane scrubber. This equipment is considered part of the construction of Wagabox® units;
- Approximately 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 as defined in IFRS 16, 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 liability 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 lease, the lease liability is measured at the present value of the lease payments not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate. These rates are between 3.7% and 9% depending on the asset concerned.

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 related lease payments as expenses.

Property, plant and equipment break down as follows:

GROSS VALUE (in EUR thousands)	Land excluding IFRS 16	Buildings excluding IFRS 16	Buildings IFRS 16	Plant, equipment and machinery excl. IFRS 16 (*)	Plant, equipment and machinery IFRS 16	Other property, plant and equipment excl. IFRS 16	Other property, plant and equipment IFRS 16	Property, plant and equipment in progress	Total	(*) of which capitalised decommissioning costs
Balance at 31 December 2021		183	555	20,977	3,524	418	97	12,255	39,008	192
Acquisitions	806	4,486	324	8,587	237	589	54	25,940	41,023	90
Disposals		(95)		(15)		(55)	(51)		(216)	
Reclassifications and other		0		17,180		13		(17,220)	(27)	
Effect of change in consolidation scope			(2)	(431)		(6)		(103)	(543)	
Foreign currency translation differences										
Balance at 31 December 2022	806	4,574	877	46,298	3,761	959	99	20,871	78,246	282
DEPRECIATION AND IMPAIRMENT (in EUR thousands)	Land excluding IFRS 16	Buildings excluding IFRS 16	Buildings IFRS 16	Plant, equipment and machinery excl. IFRS 16 (*)	Plant, equipment and machinery IFRS 16	Other property, plant and equipment excl. IFRS 16	Other property, plant and equipment IFRS 16	Property, plant and equipment in progress	Total	(*) of which capitalised decommissioning costs
Balance at 31 December 2021		(76)	(305)	(4,094)	(738)	(204)	(76)		(5,492)	(41)
Depreciation		(32)	(151)	(1,924)	(252)	(184)	(9)		(2,552)	(18)
Reversal of impairment loss		52		(14)		39	51		128	
Reclassifications and other			9	(1)	(0)	(7)	(0)			
Balance at 31 December 2022		(56)	(447)	(6,033)	(990)	(355)	(34)		(7,914)	(58)
NET VALUE (in EUR thousands)	Land excluding IFRS 16	Buildings excluding IFRS 16	Buildings IFRS 16	Plant, equipment and machinery excl. IFRS 16 (*)	Plant, equipment and machinery IFRS 16	Other property, plant and equipment excl. IFRS 16	Other property, plant and equipment IFRS 16	Property, plant and equipment in progress	Total	(*) of which capitalised decommissioning costs
Balance at 31 December 2021		107	250	16,882	2,786	214	21	12,255	32,516	152
Balance at 31 December 2022	806	4,518	430	40,264	2,771	605	65	20,871	70,331	224

Plant, equipment and machinery mainly comprise Wagabox® units. Changes in this line item were primarily due to the change in Wagabox® commissioning (Note 3.1).

Land and buildings correspond to the Group's acquisition of its new premises in Eybens for €5.3 million, broken down as €0.8 million for land and €4.5 million for buildings.

Property, plant and equipment in progress mainly correspond to Wagabox® units under construction (Note 3.1), and to a lesser degree, work in progress at the Eybens premises. As explained above, an impairment test is performed at each reporting date for each CGU (each Wagabox® unit), by comparing actual results with forecasts from the initial business plan.

7.3. Asset impairment

In accordance with IAS 36 "Impairment of assets", at the end of each reporting period the Group determines whether there is an indication of impairment of property, plant and equipment and intangible assets with finite useful lives. If such an indication exists, 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 costs to sell 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.

If the resources generated by the project are predictable, and if there are no production incidents, the risk of not generating the expected level of cash flow is low. 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 for these assets.

For Wagabox® units in operation, the Group has chosen each biogas recovery (Wagabox®) unit project as the CGU. To determine whether there is an indication of impairment, the Group uses the following method: the data (revenue and margins) used in the test are reviewed by comparing actual results and forecasts. These data are taken from the project's business plans for the duration of the gas sales agreements, and a sales period from the end of the sales agreements until the end of the useful life of the underlying assets. The underlying assumptions are systematically updated at the impairment testing date. External factors, such as climate-related or operating incidents, or any event that could call into question the profitability of the Wagabox® units, are also taken into account.

At 31 December 2022, the Group had not identified any impairment losses as a result of the Ukraine war or the resulting sudden increase in electricity costs. Mechanisms for indexing revenue and mitigating electricity costs (the ARENH tariff and price indexing of biomethane sales) limit the impact of rising electricity prices and do not affect long-term project profitability.

7.4. Non-current financial assets

Non-current financial assets comprise security deposits related to financing contracts and guarantees.

Financial assets are recognised at amortised cost; where applicable, provisions for impairment are recognised if the assets' net realisable value falls below their carrying amount.

Resulting impairment loss would be included under provisions for impairment.

NON-CURRENT FINANCIAL ASSETS (in EUR thousands)	31 December 2022	31 December 2021
Security deposits	1,960	908
Other non-current receivables	160	234
Other financial assets	17	5
Gross value	2,137	1,147
Impairment	0	0
Net value	2,137	1,147

The change in security deposits was mainly due to the:

- €0.7 million refund of a security given in Canada,
- €1.6 million security given in Spain concerning the Can Mata project,
- €0.2 million security to BPI paid by Waga Energy.

7.5. 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 reporting date.

Deferred tax assets are recognised using the liability method for all temporary differences existing at the reporting date between the tax base for assets and liabilities and their carry amounts, as well as for tax loss carry-forwards. Deferred tax assets and liabilities are recognised for tax loss carry-forwards when it is probable that the Company will have future taxable profit against which the unused tax losses can be offset.

In determining the amount of deferred tax assets that may be recognised, management is required to make estimates both about the period of use of the tax loss carry-forwards, and the level of future taxable profit, 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 2022 tax loss carry-forwards for which the Group did not recognise deferred tax assets amounted to €13.6 million, including €7.5 million for the French companies (of which €3 million generated in the reporting period) and €6.1 million for companies outside France (of which €4.6 million generated in the reporting period).

Deferred tax assets are recognised for tax loss carry-forwards when it is more likely than unlikely that the Company will have future taxable profit against which these unused tax losses can be offset.

7.6. Other non-current assets

OTHER NON-CURRENT ASSETS (in EUR thousands)	31 December 2022	31 December 2021
Unpaid capital	14	0
Trade receivables, advances and down payments on intangible assets	4,791	
Financial instruments - Non-current assets	1,757	
Total other non-current assets	6,562	0

Changes in the down payments made to suppliers of fixed assets shown in the table above are recorded under investing activities in the cash flow statement.

Financial instruments correspond to the positive fair value of interest rate hedging instruments (Note 9.2).

7.7. Inventories

Inventories are measured according to the First In First Out ("FIFO") method, which measures the outflow of goods at their actual cost at purchase, assuming that assets purchased first are disposed of first.

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 under "Depreciation, amortisation and impairment".

INVENTORIES (in EUR thousands)	31 December 2022	31 December 2021
Inventories of spare parts	4,731	1,299
Work in progress	0	0
Nitrogen and coal inventories	136	135
Gross value	4,867	1,434
Impairment	0	0
Net value	4,867	1,434

The Group carries out a review of the value of inventories at each reporting date. The Group did not recognise any impairment losses on inventories at 31 December 2022.

Safety spare parts inventories pooled for all Wagabox® units are recognised in inventories (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.

7.8. Trade receivables and related accounts

Trade receivables are recognised upon transfer of ownership and at their nominal value.

In accordance with IFRS 9, impairment is recognised if the carrying amount of trade receivables presents a collection risk.

Under IFRS 9, entities are required to account for expected credit losses on their financial assets, which involves recognising a loss allowance for trade receivables not yet due.

At 31 December 2021, the Group carried out an additional review of its trade receivables portfolio based on the quality and solvency of its customers. Given the nature of its activities and customers, and the fact that the amount of receivables overdue by more than 120 days is not significant, no provisions were recognised at 31 December 2022.

TRADE RECEIVABLES AND RELATED ACCOUNTS (in EUR thousands)	Gross value	Overdue	Not yet due	Impairment	Net value
Position at 31 December 2021	4,143	608	3,535	0	4,143
Position at 31 December 2022	4,074	418	3,657	0	4,074

Given the non-material nature of trade receivables overdue by more than 120 days, this information was not presented in the Group's consolidated financial statements.

7.9. Tax receivables

TAX RECEIVABLES (in EUR thousands)	31 December 2022	31 December 2021
Research tax credit	285	251
Innovation tax credit	29	43
Other	0	3
Tax receivables	315	297

7.10. Other current assets

OTHER CURRENT ASSETS (in EUR thousands)	31 December 2022	31 December 2021
Trade receivables, advances and down payments, credit notes receivable	0	
Personnel and social security	4	2
State, VAT	6,237	2,529
Investment grants	1,681	749
Prepaid expenses	434	164
Total other current assets	8,356	3,444

Prepaid expenses mainly relate to annual insurance costs, lease expenses and annualised services. The lease expenses relate to low-value assets that have not been restated in accordance with IFRS 16. The increase is partly explained by the purchase of equipment in transit at the end of the reporting period for €0.7 million.

The sharp increase in VAT receivables is due to a €1 million VAT credit for the acquisition of the new offices and the VAT arising from the increase in trade payables.

7.11. Cash and cash equivalents

Cash and cash equivalents includes cash 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 cash and cash equivalents and are recognised as current financial liabilities.

CASH AND CASH EQUIVALENTS (in EUR thousands)	31 December 2022	31 December 2021
Short-term investments	24,235	0
Cash	67,424	122,913
Total cash and cash equivalents	91,659	122,913

7.12. Equity and dilutive instruments

7.12.1. Share 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 support the future growth of the Company. Consequently, the Company continually arranges financing by raising additional funds and issuing bonds or financial debt.

Waga Energy's share capital comprises fully paid-up ordinary shares with a par value of €0.01.

Number of shares	Ordinary shares
At 31 December 2021	19,752,417
Capital increase Waga Energy USA	655,995
Capital increase BSPCE 30/06/2022	67,900
Capital increase BSPCE 31/12/2022	7,038
At 31 December 2022	20,483,350

In exchange for the contribution of Waga US shares, 655,995 shares were created. The issue of these new shares did not generate any cash flows.

The increase in equity relating to the exercise of founders' share warrants amounted to €0.2 million.

7.12.2. Dilutive instruments

In accordance with IFRS 2, the cost of equity-settled share-based payment transactions is recognised as an expense in the period in which the rights to benefit from the equity instruments are acquired, with a corresponding increase in equity.

The group has applied IFRS 2 to all equity instruments granted to employees and corporate officers.

The fair value of founders' share warrants (BSPCE) is determined by applying the Black & Scholes option pricing model.

The valuation methods used to estimate the fair value of options are described below.

- The share price used is equal to the subscription price of investors for the 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 based on 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;
- Employee turnover was not taken into account, as it was considered low for the population of beneficiaries of the instruments.

The value of the options was recorded in the income statement under personnel expenses between the grant date and the maturity date (that is, over the vesting period), with an offset to equity. The expense was thus spread over the vesting period according to the vesting terms and conditions.

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.

7.13. Provisions

Provisions are recognised when, at the reporting date, the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised in provisions is measured in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” based on the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. When the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The increase in provisions recorded to reflect the passage of time and accretion is recognised as a borrowing cost.

Litigation and contingent liabilities

The Group exercises its judgment on a case-by-case basis in assessing risks and recognises a provision when it expects a probable outflow of resources. In the event that no reliable estimate can be made, either because it is deemed unfounded or insufficiently substantiated, a present or possible obligation exists that cannot be recognised (contingent liability).

Provision for decommissioning costs

When a legal or contractual obligation to decommission a Wagabox® exists, a provision for decommissioning costs is recognised for the item of property, plant and equipment, 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 carrying amount of the asset is also increased. If the change leads to a decrease in the provision, an impairment loss is recorded.

PROVISIONS (in EUR thousands)	Decommissioning	Pensions and retirement benefits	Guarantee	Other	Total
Balance at 31 December 2021	236	267		45	548
Increase in the financial year	104	107			211
Reversal of used provisions					
Reversal of unused provisions					
Actuarial (gains) / losses		-174			-174
Balance at 31 December 2022	340	200		45	584
Less than one year at 31 December 2022					
More than one year at 31 December 2022	340	200		45	584

Pensions and retirement benefits

IAS 19 distinguishes between two post-employment benefit plans.

Defined contribution plans (statutory and supplementary pension plans) are expensed in the year in which the services are rendered by employees. The Company’s obligation is limited to the payment of contributions. Consequently, no liability is recognised in the balance sheet.

Under defined benefit plans, the actuarial risks are borne by the Company. They relate to the retirement obligations defined by the French Labour Code. Retirement benefit obligations are calculated using the projected unit credit method based on the vesting calculations stipulated in collective bargaining agreements, as well as employees' final salary and actuarial assumptions (discount rate, salary increase rate, turnover rate, mortality rate, etc.).

The Group does not outsource the financing of its retirement benefit obligations.

The benefit obligation is recognised in the balance sheet as a non-current liability for the total amount of the obligation.

In accordance with IAS 19, the cost of services rendered is presented in operating profit (loss). Interest expense is recognised under net financial income and expense. Remeasurements of the liability (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.

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 benefit obligations are recognised in the form of provisions or contributions paid to independent pension funds and the legal bodies responsible for servicing them.

Retirement benefits only relate to employees of the parent company Waga Energy. No benefit obligations within the meaning of IAS 19 have been identified and provisioned for the Canadian or US subsidiaries.

The main actuarial data used at 31 December 2022 and 31 December 2021 is presented below:

	31 December 2022	31 December 2021
Retirement age	Age 63: other employees Age 65: management	Age 63: other employees Age 65: management
Discount rate (a)	3.65%	0.80%
Salary increase rate	3%	3%
Social security contribution rate (b)	44%	44%
Mortality table	Insee 2012-2014 without distinction Men/Women	Insee 2012-2014 without distinction Men/Women
Probability of presence at retirement age (before mortality)	under age 30: 91,7% between age 30 and 40: 94,7% between age 40 and 60: 99,0% over 60: 100,0%	under age 30: 91,7% between age 30 and 40: 94,7% between age 40 and 60: 99,0% over 60: 99,0%

(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.

Changes in the retirement benefit obligation between 1 January 2022 and 31 December 2022 were as follows:

In EUR thousands	31 December 2021	Effect on consolidated profit (loss)				Effect on other comprehensive income	31 December 2022
		Current service cost	Interest cost	Benefits paid	Subtotal	Actuarial (gains) / losses	
Total obligation	267	97	10		374	-174	200
Fair value of fund assets							
Net obligation	267	97	10		374	-174	200

As the Group has no plan assets, the entire benefit obligation described above is recorded under liabilities.

7.14. 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 directly attributable transaction costs. They are then recognised at amortised cost 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 amounts of expected repayments. The discount rate corresponding to the market financing rate was determined based on bank loans with similar terms.

Upon the 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 grant under “Other income” as the expenses financed by these advances are recognised in accordance with IAS 20 (Note 7.17).

The effective interest rate includes any premium provided for in the contract, which could be due in the event of repayment, taking into account estimated future revenue into account if the repayable advance contracts provide for indexation on revenue generated by the projects.

In the event of a change in the schedule of expected repayments of repayable advances, in particular in the event of a change in estimated forecast revenue, the Company recalculates the carrying amount of the liability resulting from discounting 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 and expense.

In the event of a pronounced failure, the debt waiver granted is recorded in other operating income.

BORROWINGS AND FINANCIAL LIABILITIES (in EUR thousands)	31 December 2021	Issuances	Repayments	New IFRS 16 leases	Accrued interest and reclassification	31 December 2022
Bank loans	12,169	27,586	-1,783		57	38,029
BPI loans		3,000			-305	2,695
Shareholder loans	967		-609		22	380
Repayable advances	1,031	48	-465		-10	604
Sofiwaga 1 bonds	2,569				9	2,578
Waga Asset convertible bonds	12,277		-12,277			0
Waga Asset 2 convertible bonds		5,250			14	5,265
Waga Energy SA convertible bonds	6,262		-6,262			0
IFRS 16 financial liabilities	2,963		-526	612		3,049
Other financial liabilities	7		-1			6
Total	38,246	35,884	-21,924	612	-212	52,605

- **Shareholder loans**

Shareholder loans comprise the current accounts held with companies with a 51% interest in the Group’s subsidiaries, which are classified as current liabilities.

These current accounts bear interest, recorded under current liabilities.

- **Repayable advances**

The Group receives advances that are repayable, with or without a premium, beyond a certain profitability level. These repayable advances amounted to a total of €1,031 thousand at 31 December 2021 and €604 thousand at 31 December 2022.

The main terms of the repayable advances are presented below:

ADEME ADVANCE

Waga Energy received support from ADEME in connection with the Wagabox 1 Investments for the Future Programme, which comprised two components: a grant of €683 thousand and a repayable advance totalling €1,595 thousand.

There was an outstanding balance of €465 thousand on this repayable advance at 31 December 2021, which was fully paid back at 31 December 2022.

WHIPE ADVANCE

The company received a repayable advance from Ademe WHIPE of €104 thousand, of which the remaining balance outstanding at 31 December 2022 was €67 thousand.

This advance will be repaid with 0.85% interest in two equal annual instalments, the first of which will occur nine months after the end of the investment phase.

BPI INSURANCE

In connection with the development of international projects in the United States and Canada, Waga Energy SA obtained repayable “Prospecting” advances from BPI of €455 thousand per country. At 31 December 2022, the advances received amounted to €455 thousand (half of the advance for each country). The repayment of these two advances is expected to be spread over the period between 2025 and 2028.

• Convertible bonds

The Group has several bonds convertible into shares, which are recognised under “Financial liabilities”:

- Convertible bond OCA 2021 Tranche 2, corresponding to financing of €6,000 thousand, fully subscribed on 13 July 2021 and bearing interest at the maximum annual interest rate of 9.2%. The bonds were fully repaid by Waga Energy SA and reissued by its subsidiary Waga Assets 2 in December 2022 in the amount of €5,250 thousand.

The deadline for the redemption or conversion of the bonds into new shares of the Company is set at 30 June 2029.

- In addition, the Group issued two bonds for a total amount of €2,600 thousand in November 2017 to finance 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.

- The convertible bonds issued by Waga Assets and subscribed by Eiffel Gaz Vert for €12.5 million were repaid early on 31 March 2022 and refinanced by a bank loan (see below).

• Bank loans

New bank loans mainly comprise:

- Drawdowns of €5.7 million from the financing of the SP Waga 1 and Sofiwaga Infra project;
- €12.9 million in refinancing of the Eiffel Gaz Vert bonds at 31 December 2022, through a new bank loan of up to €23 million;
- Drawdowns of €4.9 million from the financing of the Waga Energie Canada project;
- A new €3 million loan taken out with Bpifrance (innovation loan);
- A new real estate loan of up to €8 million to finance the acquisition of the premises in Eybens, of which €4.4 million were drawn down at 31 December 2022.

An interest rate swap was used to hedge the first two floating rate loans for their aggregate amount. The breakdown is presented in Note 9.2.

The repayment schedule for borrowings and financial liabilities is as follows:

BORROWINGS AND FINANCIAL LIABILITIES (in EUR thousands)	31 December 2022	Less than 1 year	1-5 years	More than 5 years
Bank loans	38 029	7 733	13 409	16 886
BPI loans	2 695	0	1 617	1 078
Shareholder loans	380	380	0	0
Repayable advances	604	0	604	0
Sofiw aga 1 bonds	2 578	5	973	1 600
Waga Asset convertible bonds	0	0	0	0
Waga Asset 2 convertible bonds	5 265	764	3 000	1 501
Waga Energy SA convertible bonds	0	0	0	0
IFRS 16 financial liabilities	3 049	532	1 604	912
Other financial liabilities	6	6	0	0
Total	52 605	9 420	21 207	21 977

The €2.1 million in bank loans taken out by SP Waga 1 were presented as loans due in less than one year, as the company had not met a covenant deadline to report information on Wagabox® utilisation. The information was sent to the lenders after the reporting date, and the lenders did not ask for early repayment. The other financial covenants were met.

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 EUR thousands	Carrying amount at 31 December 2022	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	2,137	3	2,137			2,137
Other non-current assets	6,562		6,562		1,757	4,806
Trade receivables and related accounts	4,143	2	4,143			4,143
Other current assets	2,119	2	2,119			2,119
Cash and cash equivalents	91,659	2	91,659			91,659
Total financial assets	106,620		106,620		1,757	104,864
Non-current borrowings and financial liabilities	43,185	2	43,185			43,185
Other non-current liabilities	4,677	2	4,677			4,677
Current borrowings and financial liabilities	9,420	2	9,420			9,420
Trade payables and related accounts	5,413	2	5,413			5,413
Other current liabilities	10,029	2	10,029			10,029
Total financial liabilities	72,725		72,725			72,725

7.15. Trade payables and related accounts

TRADE PAYABLES AND RELATED ACCOUNTS (in EUR thousands)	31 December 2022	31 December 2021
Trade payables and related accounts	5,413	5,712
Total trade payables	5,413	5,712

7.16. Tax liabilities

TAX LIABILITIES (in EUR thousands)	31 December 2022	31 December 2021
Income tax	42	107
Tax liabilities	42	107

Tax liabilities correspond to taxes payable at the reporting date for all Group entities.

7.17. Other liabilities

7.17.1. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES (in EUR thousands)	31 December 2022	31 December 2021
Deferred income - non-current	4,677	1,089
TOTAL	4,677	1,089

At 31 December 2022, deferred income to be earned in more than one year corresponds to investment grants amounting to €4,104 thousand and additional premiums for €216 thousand. This item also includes the reclassification, for €305 thousand, of the impact of applying the effective interest rate to a €3 million BPI advance.

The investment grants received by subsidiaries Waga Energie Canada and Sofiwaga Infra in the reporting period classified as 'other non-current liabilities' on the balance sheet are presented under investing activities in the cash flow statement for €3,023 thousand.

7.17.2. Other current liabilities

OTHER CURRENT LIABILITIES (in EUR thousands)	31 December 2022	31 December 2021
Social security liabilities	1,447	653
Tax liabilities	2,347	1,488
Advances and down payments received, credit notes	17	3,148
Deferred income (current)	2,791	879
Amounts due relating to assets acquired - current	7,042	80
Other liabilities	180	19
TOTAL	13,823	6,267

At 31 December 2022, deferred income to be earned in less than one year mainly comprises investment grants for €146 thousand and revenue from operations for €2,611 thousand, mainly relating to equipment sales.

8. Notes to the consolidated income statement

8.1. Revenue

The Group recognises revenue in accordance with IFRS 15.

Group revenue is generated by the sale of biomethane production to energy companies or purification services to operators of Non-Hazardous Waste Storage Facilities (NHWSF) when operators of NHWSF hold biomethane sales contracts. Alongside 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 in landfills (known as Non-Hazardous Waste Storage Facilities in France). The biogas produced by landfill waste is captured by the landfill operator. Wagabox® units purify the 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 sell biomethane to end users.

The Group's core business is based on the integrated developer-investor-operator business model for long-term contracts, in which the Group commits to the performance of Wagabox® units. The key contracts involve the following stakeholders:

- The landfill operator, which supplies biogas;
- The energy operator, which purchases biomethane;
- The Group, which manufactures and operates Wagabox® units and owns the purification process to convert biogas into biomethane.

Two separate economic models have been developed in the business:

- Purification services; and
- Biomethane sales.

For purification services, the Group enters into contracts with the landfill operator, provides biogas purification services and guarantees fixed remuneration in return for the service. The landfill operator, which is a biomethane producer in the regulatory sense, enters into biomethane sales contracts with energy companies. In accordance with IFRS 15, revenue from purification services is recognised in the Group's ordinary income.

For biomethane sales, the Group enters into (i) biogas purchase contracts with landfill operators, and (ii) biomethane sales contracts with energy companies. In France, the tariff is set by the French State; in other countries, the price is negotiated based on market value. The Group generates revenue from the sale of biomethane at the price negotiated with an additional premium. The biomethane sales model enables the Company to choose energy companies and freely negotiate additional premium, which is a substantial revenue component. As energy companies can derive additional value from energy sales, biomethane producers are also able to freely negotiate additional premiums (defined in contracts as "additional premium"), which are recognised as biomethane is injected into the grid. In accordance with IFRS 15, income from the sale of biomethane is recognised as revenue, and biogas purchases are recognised under purchases of goods.

For each contract, an analysis is carried out under IFRS 15 to determine whether Waga Energy acts as principal. As such:

For direct biomethane sales, Waga Energy acts 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 enters into the contract with the energy provider and negotiates the sales price (even though negotiation margin is limited in France);
- The additional premiums (described above) represent a significant part of incremental contract margin.

Consequently, Waga Energy acts as principal and has the obligation to supply biomethane to the energy provider. Waga Energy delivers the biomethane itself. To summarise, Waga Energy acts as principal and has the ability to decide to whom it sells and at what price.

For purification services, Waga Energy only provides purification services. The NHWSF operator chooses the energy provider, enters into the contract with the provider and negotiates sales prices. In this case, Waga Energy's client is the NHWSF operator and the performance obligation is the purification service sold to the operator.

However, for the Group, the commitment to purify biogas or sell biomethane is not quantifiable because compliance with the obligations can only be assessed once the service has been provided or product sold. And the Group does not commit 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 revenue were generated by (i) the sale of equipment (Engineering Procurement & Construction contracts, "EPC"), and (ii) revenue from long-term Operating & Maintenance ("O&M") contracts for units sold, in consideration for the operating and maintenance services provided by the Group.

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 business.

Revenue is recognised net of discounts and rebates, and net of intercompany sales.

No income is recognised when there is significant uncertainty as to the collectability of the consideration due.

REVENUE (in EUR thousands)	31 December 2022		31 December 2021	
Biomethane sales	15,091	79%	10,025	82%
Equipment sales	3,606	19%	1,793	15%
O&M	423	2%	407	3%
Other	39	0%	36	0%
Total revenue	19,159	100%	12,261	100%

Equipment sales correspond to the sale of cryogenic equipment to Air Liquide by subsidiary Waga Energy Inc, and a portion of the sale of equipment by subsidiary HRRG in Canada in connection with the agreement signed in 2022 (Hartland agreement). O&M (Operating & Maintenance) services mainly concern the Wagabox® based in greater Lorient.

8.2. Other operating income

Other operating income includes grants, the Research Tax Credit (CIR) and the Innovation Tax Credit (CII).

In accordance with IAS 20, government grants received are initially recognised in the balance sheet as deferred income. Government grants are recognised in the income statement for the financial year:

- symmetrically with asset depreciation and amortisation for government grants for capital expenditure. Grants that finance capitalised development costs are accounted for in the same way as equipment grants. Such grants are recognised in the income statement at the same pace as depreciation and amortisation of the financed assets are recognised, directly crediting the allowance account.
- in proportion to expenses incurred for government grants for operating expenses. Grants intended to cover expenditure are expensed based on progress of R&D projects (pro rata to actual costs incurred/estimated costs at completion).

OTHER OPERATING INCOME (in EUR thousands)	31 December 2022		31 December 2021	
Research tax credit	285	72%	251	66%
Innovation tax credit	29	7%	43	11%
Grants	83	21%	86	23%
Total other operating income	397	100%	379	100%

8.3. Purchases of goods and changes in inventories

GOODS PURCHASED (in EUR thousands)	31 December 2022		31 December 2021	
Raw materials and spare parts	5,382	0	3,301	0
Change in inventories	(6,172)	(0)	(524)	(0)
Sub-contracting	1,053	0	701	0
Equipment and material	7,686	0	1,766	0
Other purchases		0	145	0
Total goods purchased	7,948	0	5,390	0

Purchases of equipment and material increased sharply due to Group growth and the construction of Wagabox© units sold.

8.4. External expenses

EXTERNAL EXPENSES (in EUR thousands)	31 December 2022		31 December 2021	
General subcontracting	415	6%	120	4%
Leases and lease expenses	660	10%	299	10%
Maintenance and repairs	287	4%	180	6%
Insurance premiums	639	9%	344	11%
Seconded personnel	118	2%	57	2%
Professional fees	3,125	46%	1,295	42%
Advertising	165	2%	78	3%
Transport	156	2%	149	5%
Travel and assignment expenses	601	9%	250	8%
Postal & telecom costs	215	3%	106	3%
Banking services	280	4%	137	4%
Other external expenses	183	3%	80	3%
Total external expenses	6,845	100%	3,095	100%

Leases and lease expenses correspond to the expenses recognised in the income statement for the exemptions to IFRS 16, and property taxes.

Professional fees rose due to increased use of external agents to implement the Group's growth strategy, including acquisitions abroad, as well as overheads related to the regulatory obligations of listed companies.

The increase in other external expenses was mainly due to growth in business activities abroad.

8.5. 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 7.2).

Other personnel expenses, including the cost of services relating to retirement benefit provisions (Note 7.13) and the cost of equity-settled transactions (Note 7.12) are expensed in the income statement.

Personnel expenses break down as follows:

PERSONNEL EXPENSES (in EUR thousands)	31 December 2022		31 December 2021	
Personnel remuneration	5,086	0	2,339	0
IFRS 2 expenses	2,241	0	1,364	0
Social security contributions	2,499	0	1,404	0
Other personnel expenses	28	0	(17)	(0)
Net provision for retirement benefit obligations	107	0	83	0
Total personnel expenses	9,961	0	5,172	0

NUMBER OF EMPLOYEES	31 December 2022		31 December 2021	
Management	77	70%	49	78%
Other employees	33	30%	14	22%
Total number of employees	110	100%	63	100%

8.6. Share-based payments (IFRS 2)

Founders' share warrants (BSPCE) and stock options were awarded to executives and certain key employees. The various stock option plans are presented in the table below:

Type of financial instrument	BSPCE 2019	BSPCE 2021	OPTIONS 2021	OPTIONS 2021
AGM warrant grant date	18/12/2019	30/06/2021	30/06/2021	08/09/2021
Vesting date	18/12/2023	30/06/2025	30/06/2025	30/06/2025
Exercise price per new share subscribed	€318.42	€1,000.00	€1,000.00	€1,000.00
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 following the initial period of twenty-four (24) months, for a period of twenty-four (24) months	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 following the initial period of twenty-four (24) months, for a period of twenty-four (24) months	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 following the initial period of twenty-four (24) months, for a period of twenty-four (24) months	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 following the initial period of twenty-four (24) months, for a period of twenty-four (24) months
Period of validity	17/12/2029	30/06/2031	30/06/2031	30/06/2031
Number of warrants granted at 31 December 2021	10,000	12,500	1,300	850
Number of warrants granted at 31 December 2022	10,000	12,500	1,300	850
Maximum number of new shares that may be subscribed at December 31, 2022	0	0	0	0
Maximum number of new shares that may be subscribed at 31 December 2022				
Key data and assumptions	BSPCE 2019	BSPCE 2021	OPTIONS 2021	OPTIONS 2021
Maturity	10 years	10 years	10 years	10 years
Risk-free rate	0.36%	-0.57%	-0.57%	0.24%
Volatility	40.72%	48.60%	48.60%	48.60%
Underlying price	€318.42	€1,000.00	€1,000.00	€1,000.00
Exercise price	€318.42	€1,000.00	€1,000.00	€1,000.00
Fair value of the option	€112.30	€366.81	€366.81	€411.87

The strike price of founders' share warrants was divided by 100 in October 2021, amounting to €3.18 for those of the 2019 plan and €10 for those of the 2021 plans.

Based on the data above, expenses amounted to €2,241 thousand and €1,364 thousand for 2022 and 2021 respectively.

8.7. Other recurring operating income and expenses

OTHER RECURRING OPERATING INCOME AND EXPENSES (in EUR thousands)	31 December 2022	31 December 2021
Other recurring operating income	275	7
Other recurring operating expenses	(334)	(23)
Total other recurring operating income (expense)	(59)	(16)

Other recurring operating expenses include those relating to license fees.

8.8. 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 presentation of the Group's recurring operating activities.

OTHER NON-RECURRING OPERATING INCOME AND EXPENSES (in EUR thousands)	31 December 2022	31 December 2021
Other non-recurring operating income	230	379
Other non-recurring operating expenses	(196)	(1,648)
Total other non-recurring operating income (expense)	34	(1,269)

Other non-recurring income reflects extraordinary income of €83 thousand and €145 thousand derived from the portion of grants recognised in the income statement.

Other non-recurring expenses reflect extraordinary expenses of €196 thousand and, for the 2021 reporting period, issue costs in connection with the Company's stock market flotation of €1,588 thousand, recognised in the income statement.

8.9. Net financial income (expense)

Net financial income (expense) includes all expenses relating to the Company's financing (interest paid, accrued interest, lease finance costs, accretion of non-current liabilities, financial impact of fair value), as well as foreign exchange gains and losses.

NET FINANCIAL INCOME (EXPENSE) (in EUR thousands)	31 December 2022	31 December 2021
Foreign exchange gains	140	65
Other financial income	227	5
Financial income	367	70
Interest on loans and conditional advances	1,238	3,178
Accretion expense	31	0
Foreign exchange losses	281	(12)
Other financial expenses	34	26
Financial expenses	1,584	3,309
Net financial income (expense)	(1,217)	(3,239)

In financial year 2021, interest on loans included €1,764 thousand due in connection with the "IPO premium" for the conversion of OCA2021 Tranche 1 convertible bonds. This amount did not incur a net cash outflow for the Group.

The decrease in interest on loans is due to the above-mentioned non-recurring interest expense recognised in 2021 and to refinancing secured in 2021 and 2022 which brought down the average project financing interest rate.

8.10. 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 appropriate, the tax effects on items recognised directly in equity are also recognised in equity.

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 are recorded in the consolidated balance sheet and income statement and result from:

- temporary differences in the accounting recognition of income or expense and their inclusion in taxable profit in a subsequent financial year;
- temporary differences between the tax values and carrying amounts of assets and liabilities on the balance sheet;

- adjustments and eliminations required for consolidation purposes and not recognised in the separate financial statements;
- the use of tax losses.

The prospect of using deferred tax assets is reviewed periodically by each tax entity and may result in previously recognised deferred tax assets no longer being recognised. The prospect of using deferred tax assets is analysed on the basis of a tax plan indicating the forecast level of taxable profit.

The assumptions included in the tax plan are consistent with those included in the forecasts and medium-term business plan prepared by the Group's entities and approved by the Board of Directors.

Deferred taxes are calculated at the tax rate that is 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 reporting date (Note 8.1.4).

Other taxes and duties

In France, the 2010 Finance Act introduced a regional economic contribution (CET) to replace business tax. The CET includes two new contributions: corporate land tax (CFE) and value-added business tax (CVAE). For the financial years presented, the Group recognised this tax as a recurring operating expense under "Taxes, duties and similar payments".

The table below shows the reconciliation of theoretical tax and effective tax:

In EUR thousands	At 31 December 2022	At 31 December 2021	At 31 December 2020
Current taxes	(325)	(238)	(167)
Deferred taxes			10
Total income tax	(325)	(238)	(157)

In EUR thousands	At 31 December 2022	At 31 December 2021	At 31 December 2020
Profit (loss) for the period	(9,680)	(7,724)	(1,912)
Consolidated tax	(325)	(238)	(157)
Research tax credit	315	294	260
Theoretical profit before tax	(9,669)	(7,780)	(2,015)
Income tax rate applicable to the parent company	25.0%	26.5%	28.0%
Theoretical tax expense at the current tax rate	2,417	2,062	564
Increase/Decrease in tax expense resulting from			
Unrecognized tax loss carryforwards	(1,815)	(831)	(360)
Unrecognized deferred tax assets	(198)	(1,073)	(264)
Share-based payments	(560)	(361)	(108)
Permanent differences	58	(15)	(2)
Other	(227)	(19)	13
ACTUAL TAX EXPENSE	(325)	(238)	(157)
Effective tax rate	3%	3%	8%

8.11. Earnings per share

Basic earnings per share is calculated 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 2022	31 December 2021
Net income attributable to holders of ordinary shares	(10,075,698)	(8,060,803)
Number of ordinary shares	20,483,350	19,752,417
Weighted average number of ordinary shares outstanding	20,117,339	15,421,010
Weighted average number of ordinary and potential shares	20,117,339	15,421,010
Earnings per share in euros	(0.50)	(0.41)
Diluted earnings per share in euros	(0.50)	(0.41)

8.12. Off-balance sheet commitments

The Group monitors off-balance sheet commitments based 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.

For 2021 and 2022, the financial commitments received corresponded to guarantees granted by the French State or BPI France to lenders in respect of bank loans.

Pledges given correspond mainly to guarantees for the financing of Wagabox® units, particularly the 2020 bond issue and bank refinancing issued in 2021 and 2022. Pledges also include equipment pledged to lenders. Other commitments mainly relate to the mortgage on the new premises acquired by subsidiary Wagarena, benefiting the banks that granted the real estate loan.

FINANCIAL COMMITMENTS (in EUR thousands)	31 December 2022	31 December 2021
<u>Commitments given</u>		
Endorsements, securities and guarantees given	(2,423)	(695)
Pledges	(29,206)	(11,416)
Other commitments	(1,030)	(1,030)
Commitments given	(32,659)	(13,140)
<u>Commitments received</u>		
Endorsements, securities and guarantees received	5,267	6,077
Pledges	0	0
Other commitments	0	0
Commitments received	5,267	6,077
Total commitments	(27,392)	(7,064)

8.13. 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 performed on an arm's-length basis.

All 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:

31 December 2022

Name of related party	Related party	Type of related party	Description of the transaction	Balance sheet (in EUR thousands)	Income statement (in EUR thousands)
Waga Energy SA / Sofiwaga 1	Les Saules	Shareholder	Support services agreement		11
Waga Energy SA	Société Européenne de Gestion de l'Energie (SEGE)	Company in the same group as a shareholder with more than 10% of the shares	Biomethane sales contract	203	2,469
Waga Energy Inc.	ALAT US	Company in the same group as a shareholder with more than 10% of the shares	EPC agreement	61	2,282
Waga Energy Inc.	ALAT US	Company in the same group as a shareholder with more than 10% of the shares	O&M agreement	0	37
Waga Energy SA	ALAT US	Company in the same group as a shareholder with more than 10% of the shares	Patent licence	100	83
Waga Energy SA	Air Liquide France Industrie (ALFI)	Company in the same group as a shareholder with more than 10% of the shares	Lease of Nitrogen frame and purchase of Nitrogen	2	115
Waga Energy SA	Omalyis SPRL	Company employing a director	Strategic consulting services agreement		12
Sofiwaga 1	Les Saules	Shareholder	Shareholder current account	0	0
Sofiwaga 1	Les Saules	Shareholder	Mandatory contract	2,600	260
Waga Energy SA	Holweb	Shareholder	Shareholder current account	0	6
	Meridiam	Shareholder	Shareholder current account		
Sofiwaga Infra	Meridiam	Shareholder	Shareholder current account	553	32

KEY MANAGEMENT PERSONNEL COMPENSATION (in EUR thousands)	Total at 31 December 2022	Short-term remuneration (1)	Share-based payments (2)
Nicolas PAGET	447	140	306
Mathieu LEFEBVRE	451	144	306
Guenaël PRINCE	569	262	306
Anna CRETI	11	11	0
Anne LA PIERRE	17	17	0
Christila DE MOUSTIER	24	24	0
Dominique GRUSON	36	36	0
Key management personnel compensation	1,553	634	919

(1) This includes salaries, wages, profit-sharing, bonuses, attendance fees and benefits in kind.

(2) This amount corresponds to the annual expense relating to the founders' warrants (BSPCE) and stock options awarded.

8.14. Statutory Audit fees

31 December 2022

(In EUR thousands)	EY		BM&A		KPMG		31 December 2022	
Waga Energy SA								
Statutory audit and opinion, review of separate parent company and IFRS financial statements	170	77%	170	83%			340	79%
Services other than statutory audit of financial statements	5	2%	5				10	2%
Subsidiaries								
Statutory audit and opinion, review of separate parent company and IFRS financial statements	47	21%	29	14%	5	100%	80	19%
Services other than statutory audit of financial statements								
Total	222	100%	204	97%	5	100%	430	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 interest rate risk and credit risk.

9.1. Liquidity risk

Liquidity risk corresponds to the risk to which the Company is exposed if it encounters difficulties in meeting its obligations relating to the financial liabilities to be settled in cash or by means of other financial assets. The Company's objective is to manage liquidity risk so as to ensure, insofar as possible, that it will have sufficient cash to pay its liabilities when due, under normal conditions, without having to incur unacceptable losses or damaging the Company's reputation.

Since its formation, the Group has financed growth through successive capital increases, bond issues, repayable advances, State-guaranteed loans and Research Tax Credit receivables.

Cash and cash equivalents amounted to €91.7 million at 31 December 2022 and financial liabilities amounted to €52.6 million (of which €3 million relating to leaseholds and finance leases). Current financial liabilities amounted to €8.4 million.

Residual contractual payments outstanding at the reporting date break down as follows: The amounts are expressed as raw data, they have not been measured to present value, and they include contractual interest payments.

	< 1 year	Between 1 and 5 years	< 5 years	Total contractual flows	Total at 31 December 2022
<i>In thousands of euros</i>					
Financial liabilities (excluding finance leases)	10,893	24,422	25,790	61,105	49,556
Finance leases liabilities	582	2,124	1,180	3,886	3,049
Total	11,475	26,546	26,970	64,991	52,605

Some agreements have restrictions on the use of capital:

Bpifrance Financement loan

The debt contracted by the Group with Bpifrance Financement on 3 October 2019 is subject to mandatory full early repayment 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 restriction making the payment of dividends by the Company subject to the payment of all sums due to parties involved in financing the convertible bonds.

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 in 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 gearing) or specific debt levels.

Note 3.2 on Going concern provides more information on the Group's liquidity horizon at the reporting date of 31 December 2022.

9.2. Interest rate risk

Hedge accounting

Interest rate risk represents the Group's exposure to changes in market interest rates.

Changes in interest rates may affect returns on cash and term deposits. This risk is not significant for the Group's term deposits.

Most of the Group's loans are taken out at fixed rates or fully hedged floating rates through interest rate swaps (Note 7.14 Borrowings and financial liabilities).

The models used to measure these instruments include assumptions based on market information in accordance with IFRS 13. The fair value of interest rate swaps is calculated based on discounted cash flows.

These interest rate swaps are qualified as cash flow hedges in accordance with IFRS 9.

At 31 December 2022, the Group held the following interest rate swaps:

No.	Characteristics									Value (in €)
	Counterparty	Value Date	Maturity Date	Financing	Initial principal amount	Closing principal amount	Fixed rate	Floating rate	Floor	
1	BNP	13/10/2021	30/12/2033	Belledonne	1,618,807	1,470,603	0.26%	EURIBOR3M	-1.75%	220,877
2	BPGO	13/10/2021	30/12/2033	Belledonne	693,775	630,259	0.26%	EURIBOR3M	-1.75%	94,614
3	BNP	24/12/2021	30/12/2033	Belledonne	1,873,703	1,701,918	0.2475%	EURIBOR3M	-1.75%	259,989
4	BPGO	24/12/2021	30/12/2033	Belledonne	803,015	729,393	0.2475%	EURIBOR3M	-1.75%	111,397
5	BNP	28/04/2022	30/06/2034	Belledonne	1,570,800	1,491,963	1.57%	EURIBOR3M	-1.75%	130,670
6	BPGO	28/04/2022	30/06/2034	Belledonne	673,200	639,413	1.57%	EURIBOR3M	-1.75%	56,299
7	BNP	03/10/2022	30/06/2036	Belledonne	1,817,200	1,792,709	2.54%	EURIBOR3M	-1.75%	74,636
8	BPGO	01/10/2022	30/06/2036	Belledonne	778,800	768,304	2.54%	EURIBOR3M	-1.75%	31,987
9	CIC	30/09/2022	31/12/2036	Ariane	9,542,525	9,462,967	2.343%	EURIBOR3M	N/A	531,467
10	Arkea	30/09/2022	31/12/2036	Ariane	4,915,846	4,874,862	2.343%	EURIBOR3M	N/A	273,786
11	CIC	31/03/2023	31/12/2036	Ariane	1,813,505	1,813,505	3.295%	EURIBOR3M	N/A	-19,372
12	Arkea	31/03/2023	31/12/2036	Ariane	909,475	909,475	3.295%	EURIBOR3M	N/A	-9,712
Total					27,010,652	26,285,370				1,756,638

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 relating to customer credit, including unpaid receivables and committed transactions.

Credit risk relating to cash, cash equivalents and deposits with banks and financial institutions is not 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 significant credit risk.

The Group manages credit risk relating to trade receivables by recognising allowances for impairment when risks are identified (Note 7.8).

9.4. Currency risk

The main risks relating to foreign exchange are not considered to be significant due to the low level of activity of subsidiaries abroad.

At its stage of development, the Group has not made any hedging arrangements to protect its business against exchange rate fluctuations.

However, the Group cannot rule out the possibility that a significant increase in its activity could 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.

10. 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 in 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 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 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.

In accordance with IFRS 9, the financial liability component is measured at amortised cost.

The Group also uses interest rate swaps to manage its exposure to interest rate risk. Most of the swaps negotiated make it possible to convert floating rate debt to fixed.

19.1.2 Comptes annuels de la Société au titre de l'exercice clos le 31 décembre 2022

[BBM Groupe Letterhead]

BBM & Associés

Seyssinet

FINANCIAL STATEMENTS

For the year ended 31 December 2022

SA WAGA ENERGY

5 Av Raymond Chanas

38320 Eybens

Engagement Report

We performed a compilation engagement for **WAGA ENERGY SA** for the financial year from **1 January 2022 to 31 December 2022**.

The Company's annual financial statements are attached to this report and feature the following key figures:

Total balance sheet assets:	€178,156,410
Revenue:	€30,022,673
Profit (loss) for the period:	-€2,563,116

We conducted the verifications required by the professional standard of the *Conseil Supérieur de l'Ordre des Experts-Comptables* applicable to compilation engagements, except for:

Seyssinet Cedex

26 April 2023

Signature

Laurent Cohn

Assets

		31 December 2022			31 December 2021
		Gross value	Amort. & Dep.	Net value	Net value
	Uncalled subscribed share capital (I)				
NON-CURRENT ASSETS	INTANGIBLE ASSETS				
	Start-up costs	9 628 254	2 351 959	7 276 295	9 211 099
	Research and development costs	434 392	186 719	247 673	319 770
	Concessions, patents and similar rights	363 690	307 552	56 138	73 168
	Business goodwill (1)			-	
	Other intangible assets	508 821	14 510	494 311	15 985
	Advance payments relating to intangibles			-	
	PROPERTY, PLANT & EQUIPMENT				
	Land			-	
	Buildings	87 988	30 112	57 876	107 369
	Technical plant, equipment and ind. tooling	9 296 442	3 258 436	6 038 006	5 850 082
	Other property, plant and equipment	609 761	280 846	328 915	162 949
	PPE under construction	268 007		268 007	453 929
	Advances and downpayments			-	
	FINANCIAL ASSETS (2)				
	Equity-accounted investments			-	
	Other investments	26 211 110		26 211 110	2 976 506
	Loans relating to equity investments	27 429 437		27 429 437	10 169 094
	Other long-term investments			-	
	Loans			-	
	Other financial assets	729 073		729 073	1 392 705
	TOTAL (II)	75 566 974	6 430 134	69 136 840	30 732 657
CURRENT ASSETS	INVENTORIES AND WORK IN PROGRESS			-	
	Raw materials and supplies	3 821 724		3 821 724	1 117 854
	Work in progress - goods	2 660 406		2 660 406	193 817
	Work in progress - services	229 173		229 173	490 016
	Finished and semi-finished goods			-	
	Purchased goods	806 414		806 414	75 754
	Advances & down payments on orders			-	
	RECEIVABLES (3)			-	
	Trade and related receivables	20 139 576		20 139 576	9 791 819
	Other receivables	5 692 141		5 692 141	3 662 320
	Unpaid called-up subscribed capital	2 987		2 987	
	MARKETABLE SECURITIES	22 630 079		22 630 079	
	CASH AND CASH EQUIVALENTS	51 614 438		51 614 438	113 022 903
ADJUSTMENT ACCOUNTS	Prepaid expenses	1 146 400		1 146 400	235 755
	TOTAL (III)	108 743 338		108 743 338	128 590 239
	Deferred loan issuance costs (IV)			-	
	Bond redemption premiums (V)			-	
	Currency translation adjustment (VI)	276 231		276 231	
	TOTAL ASSETS (I to VI)	184 586 543	6 430 134	178 156 409	159 322 895
	(1) of which leaseholds				
	(2) less than one year			729 073	11 561 799
	(3) more than one year				

NOTES – ADDITIONAL INFORMATION

Additional notes

“Other receivables” should be understood as the sum of trade and related receivables, advances & down payments on orders, wages and salaries, payroll - advances and down payments, social security receivables, government receivables and shareholder current account advances for the corporate income tax share of subsidiaries within the tax consolidation scope. “Other receivables” amounted to €5,692,141 at 31 December 2022.

Shareholders' equity and liabilities

		31 December 2022	31 December 2021
Shareholders' equity	Share capital	204 834	197 524
	Additional paid-in capital	158 099 457	134 888 644
	Revaluation surplus		
	RESERVE S		
	Legal reserves	10 992	10 992
	Statutory and contractual reserves		
	Regulated reserves		
	Other reserves		
	Retained earnings	(1 862 688)	(1 862 688)
	Profit (loss) for the period	(2 563 116)	(1 862 688)
Other equity	Investment grants	794 187	884 278
	Regulated provisions	10 883	
	Total shareholders' equity	154 694 547	134 118 750
Provisions	Proceeds from issuance of equity		
	Conditional advances	318 500	318 500
	Total other equity	318,500	318 500
FINANCIAL LIABILITIES	Provisions for contingencies	320,947	54 128
	Provisions for liabilities	225,000	
	Total provisions	545,947	54 128
OPERATING LIABILITIES	Convertible bonds		
	Other bonds		6,000,306
	Bank loans and borrowings (2)	8,624,500	6,291,603
	Other loans and borrowings (3)	353,670	1,171,883
	Advances and downpayments received on orders in progress	2,804,488	4,367,025
	Trade and related payables	7,608,654	4,046,266
	Tax and payroll-related payables	3,088,747	2,698,869
	OTHER LIABILITIES		
	Payables to suppliers of assets and related accounts	68	2,212
	Other liabilities	16,169	83,243
	Deferred income (1)		111 769
	Total liabilities	22,496,296	24 773 176
	Currency translation adjustment	101,119	58 342
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	178,156,409	159 322 895
Profit (loss) for the period		2,563,116	1,862,688
-1 Liabilities and deferred income of less than one year		12 711 198	15 235 215
-2 Of which overdrafts, credit balances and current accounts		6 048	7 190
-3 Of which participating loans			

Income statement

		31 December 2022		31 December 2021	
		12 months	% revenue	12 months	% revenue
OPERATING INCOME	Sales				
	Sales of goods	21 940 940	73.08	12,828,093	67.44
	Sales of services and site work	8 081 677	26.92	6,192,459	32.56
	Revenue	30 022 673	100.00	19,020,552	100.00
	Production held in inventory	91 080	0.30	114,185	0.60
	Capitalized production	187 924	0.63	40,797	0.21
	Operating grants	204 968	0.68	209,535	1.10
	Reversals of dep., amort. and provisions, and expense transfers	1 184 208	3.94	405,349	2.13
	Other operating income	144 388	0.48	114,738	0.60
	Total operating income	31 835 241	106.04	19,905,156	104.65
OPERATING EXPENSES	Cost of sales				
	Change in inventories	(730 659)	(2.43)	5,198	0.03
	Purchase of raw materials and other supplies	2 695 846	8.98	2,434,886	12.80
	Change in inventories	(4 818 535)	(16.05)	(623,770)	(3.28)
	Other purchases and external expenses	26 657 814	88.79	12,266,068	64.49
	Taxes, duties and similar payments	172 391	0.57	124,330	0.65
	Wages and salaries	5 033 774	16.77	3,123,071	16.42
	Social security contributions	2 088 918	6.96	1,308,435	6.88
	Owner's social security contributions				
	Amortization, depreciation and impairment provisions	3 014 577	10.04	1,301,977	6.85
	Other expenses	378 918	1.26	23,008	0.12
	Total operating expenses	34 493 045	114.89	19,963,205	104.96
	OPERATING INCOME (EXPENSE)	(2 657 804)	(8.85)	(58,048)	(0.31)
FINANCIAL INCOME, Joint oper.	Profit allocated or loss transferred				
	Loss assumed or profit transferred				
	Financial income from equity investments (3)			102,753	0.54
	Proceeds from marketable securities and long-term investments (3)				
	Other interest and similar income (3)	643,149	2.14	206,334	1.08
	Reversals of provisions and expense transfers			33,957	0.18
	Foreign exchange gains	97,053	0.32	6,975	0.04
	Proceeds from disposals of marketable securities				
	Total financial income	740,202	2.47	350,019	1.84
FINANCIAL EXPENSES	Amortization and impairment provisions	276,231	0.92	33,957	0.18
	Accrued interest and related expenses (4)	724,512	2.41	2,560,070	13.46
	Foreign exchange losses	141,659	0.47	3,987	0.02
	Net expense on disposals of marketable securities				
	Total financial expenses	1,142,402	3.81	2,598,014	13.66
	NET FINANCIAL INCOME (EXPENSE)	(402,200)	(1.34)	(2,247,995)	(11.82)
	PROFIT (LOSS) BEFORE INCOME TAX	(3 060 003)	(10.19)	(2,306,044)	(12.12)
Total non-recurring income		45,727	0.15	162,560	0.85
Total non-recurring expenses		43,063	0.14	50,151	0.26
NON-RECURRING INCOME (EXPENSE)		2,664	0.01	112,410	0.59
EMPLOYEE PROFIT SHARING					
CORPORATE INCOME TAX		(494,223)	(1.65)	(330,946)	(1.74)
TOTAL INCOME		32,621,171	108.66	20,417,736	107.35
TOTAL EXPENSES		35,184,287	117.19	22,280,424	117.14
PROFIT (LOSS) FOR THE PERIOD		(2,563,116)	(8.54)	(1,862,688)	(9.79)

Accounting Principles and Policies

Company name: Waga Energy SA (*société anonyme* – public limited company)

Notes to the balance sheet before appropriation of earnings for the year ended 31 December 2022, totalling €178,156,410, and to the income statement, presented in list form, showing a net loss of €2,563,116.

Financial year 2022 lasted 12 months, from 1 January 2022 to 31 December 2022.

Significant events

Business development

The Company signed five new contracts in France in financial year 2022: a contract with Séché Environnement to equip the Sainte-Marie-Kerque site in Pas-de-Calais; a contract with Suez to equip the Cusset site in Allier; a contract with Veolia in Granges (Saône-et-Loire); and two other contracts which have not yet been officially announced.

Business development and hiring

Following its initial public offering in October 2021, the Company scaled up recruitment in 2022 to support business development in France and other countries. At 31 December 2022, the Company had 120 employees, compared to 68 at 31 December 2021.

Creation of subsidiaries

In financial year 2022, the Company pursued its international development by creating two new subsidiaries for the purposes of business development in Italy and the United Kingdom.

It also created a financial holding company (Waga Assets 2) for the financing of a portfolio of Wagabox® projects, and a real estate holding company (Wagarena) for the acquisition of the new premises in Eybens.

Contribution of Waga Energy Inc. shares from Holweb to the Company

To simplify the Group's legal structure and improve its operational efficiency, Holweb contributed all its shares in Waga Energy Inc. to the Company (the "Contribution"), increasing the Company's equity interest and voting rights in its US subsidiary to 100%. At their Combined General Meeting of 30 June 2022, the shareholders approved the Contribution and issued 655,995 new shares at a par value of €0.01 for the benefit of Holweb SAS, increasing Holweb's equity interest and voting rights in the Company from 9.4% to 12.3% on a non-diluted basis. The Company now holds 100% of the share capital of Waga Energy Inc. (compared with 81% before the transaction). The exchange ratio was determined by Waga Energy's Board of Directors based on the work of an independent expert and validated by a contributions auditor.

Accounting Principles and Policies

Internal disposal of subsidiary Sofiwaga España

To simplify its legal organisation in Spain, the Company sold its entire equity interest in Sofiwaga España 1 to its Spanish subsidiary Waga Energy España.

Bank loans

On 21 June 2022, the Group drew down €3 million from its Innovation, Research & Development loan from Bpifrance, granted for the development of the high-capacity Wagabox® unit in Claye-Souilly.

Transfer of OCA 2021 Tranche 2 convertible bonds

Bondholders fully subscribed the OCA 2021 Tranche 2 on 13 July 2021. In accordance with the convertible bond issue agreement, the outstanding OCA 2021 Tranche 2 bonds (5,250,427 bonds totalling €5,250,427) were fully repaid by the Company and reissued by its subsidiary Waga Assets 2 for subscription by Swift Gaz Vert under the same terms as the original agreement, to finance the construction of three new projects (Montois-La-Montagne, Arcavi and Vichy).

Grants

The Company received a FASEP grant (French government grant for green and innovative sectors) of up to €350 thousand to finance studies and sales prospecting in Colombia. At 31 December 2022, the amount received totalled €70 thousand.

Covid-19 health crisis: current situation

The effects of the health crisis gradually abated during the first half of 2022 and the Company's business was able to return to normal.

Geopolitical backdrop of the conflict in Ukraine

Waga Energy has no direct exposure in Eastern Europe. However, the Company is indirectly impacted by the war in Ukraine in terms of increased costs of material and equipment used to build Wagabox® units, and longer lead times.

Accounting Principles and Policies

Subsequent events

Transfer of head office

Effective 16 January 2023, the Company transferred its head office to the new premises acquired by subsidiary Wagarena in Eybens (greater Grenoble) in November 2022. The Company signed a commercial lease with Wagarena in January 2023.

Stock options and founders' share warrants (BSPCE)

On 24 January 2023, the Board of Directors decided to issue and allocate 337,000 founders' share warrants (BSPCE 2023) free of charge to employees and/or executives, granting access to 337,000 new company shares with a par value of €0.01, under the delegation of powers granted by the Combined General Meeting of 30 June 2022. On the same date, the Shareholders also resolved to issue and allocate 196,000 free stock options ("Options.2023") for employees and/or executives, granting access to 196,000 new company shares with a par value of €0.01, under the authorisation granted by the Combined General Meeting of 8 October 2021.

No other events took place after the reporting date of 31 December 2022.

Accounting policies

General principles

The financial statements of the Company for the reporting period ended 31 December 2022 have been prepared and presented in accordance with regulation ANC 2014-03 issued by the French Accounting Standards Board ("ANC") and regulations ANC 2015-06, 2016-07, and 2022-01.

French generally accepted accounting principles (GAAP) have been applied in accordance with the conservatism principle, based on the following assumptions:

- going concern,
- consistency of accounting policies between reporting periods,
- separation of reporting periods,

And in compliance with the general principles governing the preparation and presentation of financial statements.

The going concern principle was used to prepare the financial statements for the year ended 31 December 2022.

The going concern assumption was adopted considering available cash at 31 December 2022 and forecasts for the next twelve months.

The historical cost method was the basic method used to measure items recognised in the financial statements.

Accounting Principles and Policies

Only material information is presented. Unless otherwise stated, amounts are expressed in euros.

Intangible assets

Intangible assets are measured at their acquisition cost (purchase price and ancillary fees) or production cost. Development expenses related to the standardisation and design of Wagabox® units are capitalised if the conditions for recognising an intangible asset arising from development are met. Intangible assets are not remeasured.

The main amortisation periods are as follows:

- Concessions, patents and licences: 6 years
- Development costs: 5 years
- Software: 1 to 5 years

An impairment loss is recognised if an asset's present value falls below its carrying amount.

Costs relating to the IPO were recognised in start-up costs and amortised over five years.

Property, plant and equipment

Property, plant and equipment are measured at their acquisition cost (purchase price and ancillary fees) or production cost. They are not remeasured.

Impairment tests are conducted annually to ensure that there is no impairment that would change the carrying amount on the balance sheet.

Depreciation is calculated on a straight-line basis based on estimated useful life. Residual values are not taken into account, since their impact is immaterial. The main depreciation periods are as follows:

- technical plant, equipment & tooling: 4 years to 15 years
- office equipment and furniture, IT: 3 years
- Wagabox® excluding components: 15 years
- Wagabox® components: 5 to 15 years

Financial assets

Financial assets are recognised at their purchase price.

Equity investments and loans relating to equity investments are tested for impairment at each reporting date to ensure that their recoverable amount does not fall below their carrying amount.

The recoverable amount is estimated based on several criteria, the main ones being: value of shareholders' equity and value of estimated remeasured net assets based on the expected cash flow net of financial debt of each company tested for impairment.

Trade receivables

Trade receivables are recognised upon transfer of ownership and at their nominal value.

Impairment is recognised if the carrying amount of trade receivables presents a collection risk.

Accounting Principles and Policies

Inventories

Inventories are measured according to the First In First Out (“FIFO”) method.

The gross value of goods and supplies comprises the purchase price before VAT, including distribution costs, and ancillary costs.

Work in progress is measured at production cost, including direct and indirect expenses that may be included depending on the normal capacity of the production facilities, not including financial expenses.

Where applicable, provisions for impairment are made on a case-by-case basis when the net realisable value is lower than the costs incurred to bring inventories to their place and condition of storage:

- for raw materials, based on their physical impairment and risk of obsolescence,
- for work in progress and finished goods, taking into account any lost contracts or risk of obsolescence.

Services in progress correspond to:

- Wagabox® units under construction for which the EPC agreement between the Company and the subsidiary leading the Wagabox® project has not been signed (timeframe for the legal incorporation of the subsidiary)
- development costs incurred by Waga Energy in connection with the projects at its subsidiaries in France, Italy, and the United Kingdom.

Measurement of receivables and payables denominated in foreign currencies

Payables and receivables denominated in foreign currencies are converted to and recognised in euros at the exchange rate at the date of recognition. At the closing date, these payables and receivables are translated into euros at the exchange rate at the closing date.

Any negative difference (i.e. decrease in the value of trade receivables or increase in the value of trade payables) is recognised as a provision for contingencies and liabilities.

Marketable securities

At the reporting date, the carrying amount of marketable securities is compared to their net asset value (latest stock price).

For disposals of a group of securities of the same type granting the same rights, the value of the securities was estimated according to the First In First Out method (FIFO).

Any unrealised capital losses are recognised but not provisioned.

Provisions for contingencies and liabilities

Provisions are recognised when, at the reporting date, the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Company measures provisions based on facts and circumstances surrounding its obligations at the reporting date, to the best of its knowledge based on prior experience, and if needed after consulting its legal counsel at the reporting date.

The Company recognises provisions for litigation (commercial, labour, etc.) for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Accounting Principles and Policies

Since 2022, the Company has recognised a provision for decommissioning its Wagabox® units. A corresponding entry is made under depreciated assets over the residual depreciation period of these Wagabox® units.

Employee benefits

Employee benefits include:

- Founders' share warrants (BSPCEs) and stock options.
- Defined benefit retirement plans, in accordance with the collective bargaining agreement.

The amount of retirement obligations is calculated prospectively and recognised in off-balance sheet commitments.

Borrowings and financial liabilities

Borrowings and financial liabilities consist of bank loans, shareholders' current accounts, repayable advances and bank overdrafts.

Loan issuance costs are recognised in prepaid expenses and allocated over the term of the loan.

Recognition of revenue

Revenue corresponds to the fair value of the consideration received or to be received.

Revenue relates to the sale of goods and purchased goods and the provision of various related services.

Revenue is recognised upon transfer of the significant risks and rewards of ownership to the buyer, which generally corresponds to the date ownership of the good is transferred or the service is performed.

Stage of completion:

Revenue from contracts for the sale of Wagabox units spanning periods of over 12 months (and consequently impacting several financial years) is accounted for using the stage-of-completion method.

The proportion of expenses incurred compared with estimated costs at completion is applied to the contractual sales price.

Trade receivables, accrued invoices, deferred income and advances and down payments received are recognised on the balance sheet.

If estimated revenue at completion shows a loss, a provision for losses at completion is recognised independently of contract progress, based on the best profit estimates including, where applicable, rights to additional income or claims, if they are probable and may be reliably estimated. Provisions for losses at completion are presented under liabilities on the balance sheet.

No such provision was recognised in the financial year.

Grants

Grants that finance capitalised development costs are accounted for in the same way as equipment grants. Such grants are recognised in the income statement at the same pace as depreciation and amortisation of the financed assets.

Accounting Principles and Policies

Grants intended to cover expenditure are expensed based on progress of R&D projects (pro rata to actual costs incurred/estimated costs at completion). Consequently, grants to be received or deferred income may be recorded if the grant contract is signed and expenditure has been incurred although the grants themselves have not yet been received.

Non-recurring income and expenses

Non-recurring income and expenses include items that are not related to the Company's recurring operating activities.

Income tax

The Company is subject to ordinary French law with regard to income tax.

The "income tax" line includes current taxes for the financial year after deduction of tax credits.

Tax loss carryforwards at 31 December 2022 amounted to €6,471,113.

Current tax

Current tax is determined based on taxable net income for the period. Taxable income may differ from profit or loss for the period if certain income or expense items are added again or deducted based on tax positions in effect, and using the tax rate voted into effect at the date on which the financial information is prepared.

Research tax credit (CIR)

Industrial and commercial companies that have research expenses and pay corporate income tax based on net profit (France's *régime réel* tax scheme) can benefit from a tax credit.

The research tax credit is calculated for a calendar year, and is applied to the Company's tax payable in the year in which the research expenses were incurred. Under ordinary French law, any unused tax credit can be carried forward for three years after the year for which it was recognized.

At the end of this period, the Company receives a refund of any unused portion of the research tax credit.

The research tax credit generated from expenses for financial year 2022 amounted to €316,375.

Remuneration of members of management bodies:

The management bodies comprise the three founding Directors and four members of the Board of Directors.

Total remuneration of members of the management bodies amounted to €359,386 for the year ended 31 December 2022.

- 4 directors for €75,000
- 2 founding directors for €284,386 (gross salaries paid by Waga SA).

Statutory Audit fees

The Company is audited by Ernst & Young and BM&A. Their fees for financial year 2022 amounted to:

- Ernst & Young: €173,850 for certification of the financial statements and €4,783 for engagements performed over the financial year.
- BM&A: €173,190 for certification of the financial statements and €14,750 for other engagements performed over the financial year.

Accounting Principles and Policies

Number of employees

AVERAGE WORKFORCE	31 December 2022		31 December 2021	
Management	60	67%	37	69%
Other employees	29	33%	17	31%
Average workforce	89	100%	54	100%

Related party transactions

Related party transactions were carried out under arm's length conditions.

Tax consolidation

Effective 1 January 2021, the Company opted for a tax consolidation scheme with French subsidiaries in which it held more than a 95% equity interest at 1 January 2021 (SP Waga 1, Waga Assets, Waga Assets Véhicule 1, Waga Assets Véhicule 2 and Waga Assets Véhicule 3). Under the scheme, the Company alone pays all taxes due by the tax consolidation group to the French tax authorities.

At 1 January 2022 new companies entered the tax consolidation scope: Waga Assets Véhicule 4 and Waga Assets Véhicule 5.

Under the scheme, the Company alone pays all taxes due by the tax consolidation group to the French tax authorities.

Consolidation

In accordance with Articles L 233-16 to L 233-28 of the French Commercial Code (*Code de commerce*), the Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are available on the Company's website at: <https://waga-energy.com/investisseurs/>

Non-current assets

		Gross value at start of period	Changes in the financial year				Gross value at 31 Dec. 2022
			Increases		Decreases		
			Remeasurement	Acquisitions	Inter-account transfers	Disposals	
INTANGIBLES							
	Start-up and development costs	10,062,646					10,062,646
	Other intangible assets	362,420		510,091			872,511
	TO TAL INTANGIBLE ASSETS	10,425,066		510,091			10,935,157
PROPERTY, PLANT & EQUIPMENT	Land						
	Buildings : on own land	87,988					87,988
	on third-party land						-
	gen. facilities & improvements	95,301				95,301	-
	Technical plant, equipment and tooling	8,367,805	582,127	346,509			9,296,441
	Other general facilities & improvements	15,729	9,629	112,145			137,503
	Transport equipment	124,394		64,322		45,983	142,733
	Office and IT equipment, furniture	208,616		127,557		6,647	329,526
	Reusable containers & miscellaneous						-
	PPE in progress						-
	Advances and down payments	453,929		411,118	597,041		268,006
	TO TAL PROPERTY, PLANT AND EQUIPMENT	9,353,762	591,756	1,061,651	597,041	147,931	10,262,197
FINANCIAL	Equity-accounted investments						
	Other equity investments	13,145,600		55,934,632		15,439,684	53,640,548
	Other investments						
	Loans and other financial assets	1,392,705		4,301,570		4,965,203	729,072
	TO TAL FINANCIAL ASSETS	14,538,305	-	60,236,202	-	20,404,887	54,369,620
TOTAL		34,317,133	591,756	61,807,944	597,041	20,552,818	75,566,974

“Other intangible assets” correspond to intangible assets in progress. Acquisitions under this line item mainly concern the ERP tool.

A €500,000 liquidity contract, included under financial assets, was taken out with Portzamparc in order to ensure the liquidity of the Company's securities. At 31 December 2022, the Company portfolio comprised 12,601 treasury shares valued at €339,921.49 and a cash balance of €160,078.51.

At 31 December 2022, the market value of shares was higher than their acquisition value, so no impairment was recognised.

Amortisation / Depreciation

		Amort./Dep. at start of period	Changes in the financial year		Amort./Dep. at 31 December 2022
			Increases	Decreases	
INTANGIBLES					
	Start-up and research & development costs	531,776	2,006,902		2,538,678
	Business goodwill				
	Other intangible assets	273,267	48,795		322,062
	TOTAL INTANGIBLE ASSETS	805,043	2,055,697	-	2,860,740
PP&E	Land				
	Buildings: on own land	24,246	5,866		30,112
	on third-party land				
	general fixtures and fittings	51,674	43,627	95,301	-
	Technical plant, equipment and ind. tooling	2,517,724	740,712		3,258,436
	Other general fixtures and fittings	10,266	21,382		31,648
	Transport equipment	47,958	40,641	32,172	56,427
	Office and IT equipment, furniture	127,565	71,852	6,647	192,770
	Reusable containers & miscellaneous				
	TOTAL PROPERTY, PLANT AND EQUIPMENT	2,779,433	924,080	134,120	3,569,393
TOTAL		3,584,476	2,979,777	134,120	6,430,133

	Breakdown of changes affecting tax-driven provisions						
	Additions			Reversals			Net change in dep. / amt. at period-end
	Diff. in dep./amt. period	Decl. balance method	Special tax depreciation	Diff. in dep./ amt. period	Decl. balance method	Special tax depreciation	
Start-up and development costs							
Business goodwill							
Other intangible assets							
TOTAL INTANGIBLE ASSETS							
Land							
Buildings on own land:							
- On third-party land							
- General fixtures and fittings							
Technical plant, equipment and ind. tooling							
Other general fixtures and fittings							
Transport equipment							
Office and IT equipment and furniture							
Reusable packaging							
TOTAL PROPERTY, PLAND AND EQUIPMENT							
Deferred transaction costs							
TOTAL							
TOTAL (UNALLOCATED)							

Maturities of Payables and Receivables

		31 December 2022	One year or less	More than one year
RECEIVABLES	Loans relating to equity investments	27,429,437		27,429,437
	Loans (1) (2)			
	Other financial assets	729,073	729,073	
	Doubtful debt (trade receivables)			
	Other trade receivables	20,139,576	20,139,576	
	Receivables representing loaned securities			
	Personnel and related accounts	3,915	3,915	
	Social security and related receivables	316,375	316,375	
	Corporate income tax	1,921,655	1,921,655	
	Value added tax			
	Other taxes, levies and similar payments			
	Other items	135,655	135,655	
	Group and associates (2)	180,835	180,835	
	Miscellaneous accounts receivable	3,136,694	3,136,694	
	Prepaid expenses	1,146,400	1,146,400	
	TOTAL RECEIVABLES	55,139,615	27,710,178	27,429,437
(1) Loans granted during period				
(1) Loans repaid during period				
(2) Loans and advances granted to associates (natural persons)				

		31 December 2022	One year or less	More than one year Five years or less	More than five years
PAYABLES	Convertible bonds (1)				
	Other bonds (1)				
	Bank loans and borrowings (one year or less) (1)	6,048	6,048		
	Bank loans and borrowings (more than one year) (1)	8,618,452	1,637,842	5,780,610	1,200,000
	Other loans and borrowings (1) (2)	329,958	329,958		
	Trade and related payables	7,608,654	7,608,654		
	Amounts due to employees	548,593	548,593		
	Social security and related payables	572,926	572,926		
	Corporate income tax				
	Value added tax	1,811,491	1,811,491		
	Guaranteed bonds				
	Other taxes, levies and similar payments	155,737	155,737		
	Payables to supp. of assets & related accounts	68	68		
	Group and associates (2)	23,712	23,712		
	Other liabilities	16,169	16,169		
	Liabilities representing borrowed securities				
	Prepaid income				
	TOTAL LIABILITIES	19,691,808	12,711,198	5,780,610	1,200,000
(1) Loans taken out during period		3,000,000			
(1) Loans repaid during period		7,294,822			
(2) Loans and debts due to associates (natural persons)		23,712			

Additional notes

Borrowings and financial liabilities

The Company has received support from ADEME in connection with the Wagabox 1 Investments for the Future Programme, which comprised two components: a grant of €683,450 and a repayable advance totalling €1,594,718. At 31 December 2022, the advance had been fully repaid.

The company received a repayable advance from Ademe WHIPE of €103,753, of which the remaining balance outstanding at 31 December 2022 was €37,086.55.

In 2020, the Company obtained “Prospecting” advances from BPI France for an aggregate €455,000 in connection with the development of international projects in the United States and Canada. At 31 December 2022, the Company recognised €136,500 of this advance under loans and borrowings for the portion not subject to conditions and the balance of €318,500 under equity for the portion subject to successful project development.

OCA 2021 Tranche 2

On 30 June 2021, the Company issued 18,844 convertible bonds under an agreement with Swift Gaz Vert, with a par value of €318.42 (an aggregate €6,000,306.48) bearing interest at a maximum annual rate of 9.2%. The bonds were fully subscribed on 13 July 2021.

These convertible bonds were fully repaid by the Company and then reissued by its subsidiary Waga Assets 2 on 20 December 2022.

On 21 June 2022, the Group drew down €3 million from its Innovation, Research & Development loan from Bpifrance, granted for the development of the high-capacity Wagabox® unit in Claye-Souilly.

Share capital

31 December 2022		Number of shares	Face value	Amount
SHARES	Comprising share capital at 1 January	19,752,417.00	0.0100	197,524.17
	Issued during the period	730,933.00	0.0100	7,309.33
	Paid back during the period			
	Comprising share capital at 31 December	20,483,350.00	0.0100	204,833.50

In financial year 2022, the Company issued a total of 730,933 shares representing a share capital increase of €7,309.33:

- 655,995 shares issued as consideration for the contribution of the Waga USA Inc shares held by Holweb, at a par value of €0.01 and additional paid-in capital of €35.02 per share.
- 74,938 shares issued following the exercise of founders' share warrants by Company employees, at a par value of €0.01 and additional paid-in capital of €3.1742 per share.

Consequently, the Company's share capital was increased to €204,833.50.

In connection with the various founders' share warrants (BSPCE) and stock options awarded by the Company to its executives and certain key employees, outstanding instruments at the reporting date were as follows:

- BSPCE 2019: 9,250 share warrants granting entitlement to 925,062 shares at a unit price of €3.1842 (after division of the nominal value of the Company's shares).
- BSPCE 2021: 12,500 share warrants granting entitlement to 1,250,000 shares at a unit price of €10 (after division of the nominal value of the Company's shares).
- Stock option plan 2021: 1,950 stock options granting entitlement to 195,000 shares at a unit price of €10 (after division of the nominal value of the Company's shares).

Subsidiaries & equity investments

31 December 2022	Share capital	Equity	Share of capital held (in %)	Carrying amounts of securities held	
				Gross	Net
A. Detailed information					
1. Subsidiaries (more than 50% of capital held)					
WAGA ASSETS	100,000	(129,456)	100		
SP WAGA 1	5,000	285,075	100		
WAGA INC	8,799	(4,473,058)	100		
WAGA ENERGY CANADA	1,894,268	3,956,273	100		
SOFIWAGA ESPANA 1	10,000	(10,025)	100		
WAGA ENERGY ESPANA	10,000	(682,650)	100		
WAGA ASSETS 2	50000	13,211	100		
2. Equity investments (between 10% and 50% of capital held)					
SOFIWAGA 1	939,000	1,880,302	49		
SOFIWAGA INFRA	1,000,000	2,307,479	49		
	Loans and advances granted	Sureties and guarantees given	Revenue	Profit (loss) last reporting period	Dividends collected
1. Subsidiaries (more than 50% of capital held)					
WAGA ASSETS	11,837,133			- 189,171	
SP WAGA 1	792,234		786,265	113,780	
WAGA INC	3,810,604		2,694,415	- 3,059,146	
WAGA ENERGY CANADA	4,793,744		2,265,423	- 610,549	
SOFIWAGA ESPANA 1				- 110,025	
WAGA ENERGY ESPANA	1,020,873		84,312	- 686,223	
WAGA ASSETS 2	332,880			- 36,789	
2. Equity investments (between 10% and 50% of capital held)					
SOFIWAGA 1			3,705,417	548,098	
SOFIWAGA INFRA	332,880		2,597,416	427,088	
B. General information	Subsidiaries not included in A			Equity investments not included in A	
Share capital	French		Foreign	French	Foreign
Equity					
Percentage ownership					
Carrying amount of securities held - Gross					
Carrying amount of securities held – Net					
Loans and advances granted					
Sureties and guarantees					
Revenue					
Prior-year profit					
Dividends collected					

Subsidiaries & equity investments

31 December 2022	Share capital	Equity	Share of capital held (in %)	Carrying amounts of securities held	
				Gross	Net
A. Detailed information 1. Subsidiaries (more than 50% of capital held) WAGARENA WAGA ENERGY UK 2. Equity investments (between 10% and 50% of capital held) 1. Subsidiaries (more than 50% of capital held) WAGARENA WAGA ENERGY UK 2. Equity investments (between 10% and 50% of capital held)					
	10,000	(112,873) (74,528)	100		
B. General information Share capital Equity Percentage ownership Carrying amount of securities held - Gross Carrying amount of securities held – Net Loans and advances granted Sureties and guarantees Revenue Prior-year profit Dividends collected					

Provisions

		Amount at start of period	Increases	Decreases	31 Dec. 2022
Regulated provisions	Provisions for mining reserves				
	Provisions for investment				
	Provisions for price increases				
	Tax-driven provisions		10,883		10,883
	Provisions for start-up loans				
	Other regulated provisions				
	TOTAL REGULATED PROVISIONS		10,883		10,883
Provisions for contingencies and liabilities	Provisions for disputes and litigation	54,128	34,800	44,213	44,716
	Prov. for warranties given to customers				
	Prov. for losses on contract completion				
	Prov. for fines and penalties				
	Prov. for foreign exchange losses		276,231		276,231
	Prov. for pensions and similar obligations				
	Prov. for taxes				
	Prov. for asset renewals				
	Provisions for major maintenance				
	Prov. for social security and tax liabilities				
	Other provisions for contingencies and liabilities		225,000		225,000
	TOTAL PROV. FOR CONT. AND LIABILITIES	54,128	536,031	44,213	545,947
Provisions for impairment	Intangible assets				
	of: PPE				
	Equity-accounted investments				
	Long-term equity interests				
	Other financial assets				
	Inventories and work in progress				
	Trade receivables				
	Other impairment provisions				
	TOTAL PROVISIONS FOR IMPAIRMENT				
TOTAL		54,128	546,914	44,213	556,830
Of which operating prov. & reversals			34,800	44,213	
Of which financial prov. & reversals			276,231		
Of which non-recurring prov. & reversals			10,883		
Equity-accounted investments: impairment loss at the reporting date calculated in accordance with Article 39-1.5e of the French Tax Code					

A provision for tax-driven amortisation was recognised at 31 December 2022 to reflect expenses in connection with the repurchase of the shares of US subsidiary Waga Energy Inc.

Other provisions for contingencies and liabilities correspond to provisions for the decommissioning of three Wagabox® units owned by the Company.

Expense transfers

31 December 2022

Transfer of expenses for consumables - account 791010	179,638
Expense transfers / VAT exemptions - account 791200	210,562
Intracom. expense transfers - account 791201	140,010
Benefits in kind	3,423
Transfer of expenses for pipeline - account 791000	546,130
Expense transfers / rebilling - account 791020	60,232
TOTAL	

Most expense transfers correspond to expenses borne by the Company and rebilled to its subsidiaries.

Accrued income

		31 December 2022
Total accrued income		18,236,546
Loans relating to equity investments		228,320
<i>Accrued interest</i>	228,320	
Other trade accounts receivable		14,656,415
<i>Retention - customers</i>	175,322	
<i>Accrued trade receivables</i>	14,481,093	
Other receivables		3,351,811
<i>Credit notes receivable</i>	106,274	
<i>Advances and progress payments made</i>	3,026,295	
<i>Social security receivables</i>	3,915	
<i>Investment grants</i>	22,887	
<i>Government receivables</i>	112,768	
<i>Other receivables</i>	688	
<i>Accrued interest</i>	78984	

Expenses payable

31 December 2022

Total expenses payable		2,024,069
Bank loans and borrowings		45,301
<i>Accrued interest on bank loans</i>	38,886	
<i>Insurance premiums not yet due</i>	34	
<i>Accrued interest/commissions</i>	333	
<i>Accrued interest</i>	6,048	
Other loans and borrowings		
<i>Accrued interest / Ademe advance</i>		
<i>Accrued interest bonds</i>		
<i>Current account interest payable</i>		
Trade and related payables		1,264,010
<i>Accrued invoices</i>	1,264,010	
Tax and social security payables		698,588
<i>Provision for paid leave</i>	69,021	
<i>Wages and salaries</i>	479,572	
<i>Social security contributions on paid leave</i>	28,897	
<i>Other accrued social security contributions</i>	95,170	
<i>Government – other accrued expenses</i>	18,795	
<i>Apprenticeship tax payable</i>	2,598	
<i>Continuous training</i>	4,534	
Other payables		16,169
<i>Accrued credit notes</i>	16169	

Deferred income and prepaid expenses

31 December 2022	Expense	Income
OPERATING income and expense	1,146,400	
FINANCIAL income and expense		
NON-RECURRING income and expense		
TOTAL	1,146,400	

Prepaid expenses mainly relate to overhead invoices and one piece of Wagabox® equipment in transit at 31 December 2022.

Financial commitments

31 December 2022	Commitments given	Commitments received
Discounted bills not yet due		
Sureties and guarantees		
See Financial commitments – Sureties and guarantees	19649184	4507166
	19,649,184	4,507,166
Leasehold commitments		
Pensions, retirement and related obligations		
Retirement and supplemental retirement	199,991	
Other commitments		
Total financial commitments (1)	19,849,175	4,507,166
(1) Including those regarding:		
Directors		
Subsidiaries		
Investments		
Other related entities		

Additional notes

Assumptions used to measure retirement benefits:

31 December 2022

Retirement age	Age 63: other employees Age 65: management
Discount rate (a)	3.65%
Salary increase rate	3%
Social security contribution rate (b)	44%
Mortality table	Insee 2012-2014 without distinction Men/Women
Probability of presence at retirement age (before mortality)	Under age 30: 91.7% Between age 30 and 40: 94.7% Between age 40 and 60: 99% Over 60: 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.

Breakdown of endorsements, securities and guarantees

Financial commitments: endorsements, securities and guarantees	Financial commitments given	Financial commitments received
EIF innov. guarantee 164900		13,430
FNG guarantee to BPI 164700		22,795
EIF innov plus guarantee 50% 164310		56,277
Pledge of biogas purifier 164900	26,859	
BPI 164211 FPI FNG guarantee 30%		750,000
BPI 164211 EIF European Investment Fund guarantee 50%		1,250,000
BPI 164070 €500K guarantee fund 90%		421,875
BPA 164060 €500K guarantee fund 90%		395,452
CERA 164080 guarantee fund 90%		404,745
CASRA 164050 €500K guarantee fund 90%		394,290
BNP 164040 €500K guarantee fund 90%		402,802
Pledge of biogas purifier to BNP 164030	137,789	
BPI 164090 €500K guarantee fund 90%		85,500
FNG guarantee for investment seed loan		80,000
FNG guarantee for investment seed loan		75,000
European Investment Fund guarantee 164200		80,000
European Investment Fund guarantee 164210		75,000
Greater Lorient -guarantee given	1,000,000	
Deposit High Valley premises	30,000	
Pledge of FDC CASRA 27/09/17 pari passu BPDA 164700	75,983	
Pledge of biogas purifier to BPDA 06/12/2017 164310	112,554	
Pledge of SP Waga 1 securities	5,000	
Assignment of SW Infra receivables	460,110	
Pledge of Waga Assets securities	100,000	
Assignment of Waga Assets receivables	11,837,133	
Pledge of Waga Assets 2 securities	50,000	
Guarantee for Canada project CAD 2 million	1,385,042	
Joint and several guarantee – Wagarena loan	4,428,714	
Total	19,649,184	4,507,166

19.2 Interim and other financial information

Not applicable

19.3 Audit des informations financières annuelles historiques

19.3.1 Rapport d’audit des commissaires aux comptes sur les comptes consolidés

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

This statutory auditors’ report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the information concerning the Group presented in the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 Versailles et du Centre

Waga Energy

Year ended December 31, 2022

Statutory auditors’ report on the consolidated financial statements

To the Annual General Meeting of Waga Energy,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Waga Energy for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

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

Accounting Method for contributions in Sofiwaga 1 and Sofiwaga Infra

Risk identified	Our response
<p>As at December 31, 2022, the contributions of Sofiwaga 1 and Sofiwaga Infra, which are owned at 49%, amounted to M€ 8.9 and M€ 12.4 respectively in your Group's balance sheet, and contributed M€ 0.7 and M€ 0.5 respectively to your group's net income.</p> <p>As indicated in Note 5.2 to the consolidated financial statements, your Group has control over these two companies insofar as it: (1) has the ability to manage the right business of both companies and therefore has authority over both entities, (2) is exposed to variable returns due to its relationship with both entities, as there are contractual penalties for performance failure, (3) has the ability, as the sole player, to exercise its authority so as to influence the amount of returns earned. These two entities are therefore fully consolidated.</p>	<p>In the context of our audit of the consolidated financial statements, our work consisted in particular in:</p> <ul style="list-style-type: none">▶ examining the analysis carried out by Management arguing that your group has control over Sofiwaga 1 and Sofiwaga Infra;▶ examine the nature and relevance of these arguments with regard to accounting standards, in particular IFRS 10;▶ obtaining information supporting the arguments retained such as, in particular, the minutes of the Board of Directors, the register of related party agreements, and the shareholders' agreements justifying that no changes occurred in the governance of Sofiwaga 1 and Sofiwaga Infra and/or no new contracts structuring the relationships between Sofiwaga 1, Sofiwaga Infra and your

We considered that the determination of the accounting method to be applied to the investments in Sofiwaga 1 and Sofiwaga Infra is a key matter given its significant importance in the accounts of your Group, as well as the facts and circumstances that lead your Group to control Sofiwaga 1 and Sofiwaga Infra, and in particular Management's judgement regarding the analysis of whether it manages the companies' activity in a relevant manner.

Group likely to modify the analysis of the control made by your Group's Management over these companies.

Finally, we have assessed the appropriateness of the information provided in the Notes to the consolidated financial statements.

■ Assessment of the "agent" or "principal"'s position under IFRS 15 regarding individual gas sales

Risk identified	Our response
<p>As at December 31, 2022, your Group had "Gas sales" revenues of M€ 15.1, of which M€ 9.3 corresponded to biomethane sales and M€ 5.8 to purification services.</p> <p>Note 8.1 to the consolidated financial statements describes, for each of these two business models, the revenue recognition methods developed under IFRS 15:</p> <ul style="list-style-type: none"> ▶ on the one hand, purification services in which the Group acts as a service provider and recognizes as ordinary income the remuneration invoiced in return for the service; and ▶ on the other hand, biomethane sale, in which the Group acts on its own behalf, as "principal" and not as "agent" in the transaction. <p>The clauses of the commercial contracts entered into between your Group and its customers include terms and conditions transfer of ownership and the provision of services or the sale of goods, the analysis of which is decisive for the right recognition of revenue. The accounting standards for this type of contracts record require of judgement, particularly for complex contracts.</p> <p>An error in the analysis of the obligations of this type of contract may lead to incorrect revenue recognition.</p> <p>We considered the analysis of whether your Group is acting as a 'principal' or 'agent' regarding the various gas sales as a key audit matter due to its significant impact on your Group's accounts, and the judgement required to perform this analysis.</p>	<p>In the context of our audit of the consolidated financial statements, our work consisted in particular in:</p> <ul style="list-style-type: none"> ▶ obtaining an understanding of the internal control procedures relating to revenue recognition; ▶ consulting the contracts deemed significant entered into between your Group and its various customers in order to analyze whether Management's judgement, in assessing the position of agent or principal, complies with accounting standards. This work consisted of an analysis of the contractual terms and in particular the ability to negotiate both the base sale price and the amount of possible additional revenue (additional bonuses). <p>Finally, we assessed the appropriateness of the information provided in the notes to the consolidated accounts.</p>

Specific Verifications

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

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

Report on Other Legal and Regulatory Requirements

■ Format of preparation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditor regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chairman and Chief Executive Officers responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Waga Energy by the Annual General Meeting held on June 17, 2021 for BM&A and by your Articles of Association of January 16, 2015 for ERNST & YOUNG et Autres.

As at December 31, 2022, BM&A was in the second year of total uninterrupted engagement and ERNST & YOUNG et Autres in the eighth year including two years since the securities of the Company were admitted to trading on a regulated market

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

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

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

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditor's' Responsibilities for the Audit of the Consolidated Financial Statements

■ Objectives and audit approach

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

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

³⁶As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

³⁶ Si la description détaillée des responsabilités du commissaire aux comptes figure en annexe du rapport :

- substituer à cette description détaillée la phrase suivante : "A more detailed description of our responsibilities relating to the statutory audit of the consolidated financial statements is set out in the appendix to this report and forms part of our report." et ;
- insérer une annexe au rapport intitulée "Detailed Description of Statutory Auditor's Responsibilities" reprenant cette partie.

This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, April 28, 2023

The Statutory Auditor
French original signed by

BM&A

ERNST & YOUNG et Autres

Pierre-Emmanuel Passelègue

Cédric Garcia

19.3.2 Rapport d'audit des commissaires aux comptes sur les comptes sociaux

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

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 Versailles et du Centre

Waga Energy

Year ended December 31, 2022

Statutory auditors' report on the financial statements

To the Annual General Meeting of Waga Energy,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Waga Energy for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

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

Recognition of profit or loss on long-term contracts

Risk identified	Our response
<p>Revenue from long-term contracts amounted to M€ 22, representing over 73% of your Company's revenue.</p> <p>As indicated in the "Revenue at completion" note to the financial statements, the results of these contracts are recognized using the stage of completion method, which consists in estimating the result at completion of a given contract and recognizing it progressively as costs are incurred.</p> <p>The recognition of profit or loss is therefore based on the estimated costs at completion for each contract. These are reviewed at every closing by Management to reflect the best estimate of the future benefits and obligations expected from these contracts. When the forecast at the end of the business shows a deficit, a provision for loss at completion is recognized.</p>	<p>In the context of our audit, we familiarized ourselves with the internal control procedures relating to the accounting of contracts that have been implemented by your Company and in particular the procedures relating to budgetary control and the commitment of expenses.</p> <p>Our work consisted in carrying out:</p> <ul style="list-style-type: none">▶ interviews with operational and financial managers to obtain an understanding of the judgements they made in determining the profit or loss at completion;▶ a comparison of the achievements for the year ended December 31, 2022 against previous estimates in order to assess the reliability of the estimates;▶ the reconciliation between the accounting data and the management data used to

Given the significance of these estimates and the importance of the judgements made by Management in determining the outcome at completion, we considered the recognition of profit or loss on long-term contracts to be a key audit matter.

recognize revenue and margin over the financial year;

- ▶ the verification of the arithmetical accuracy of the rate of completion, revenue and margin recognized in the financial statements;
- ▶ a test, on a sample basis, of costs incurred.

On a selection of contracts made on the basis of quantitative and qualitative criteria, our work also included:

- ▶ the reconciliation of estimated terminal revenues with contractual documents (such as, for example, purchase orders, contracts and amendments);
- ▶ the analysis of documents used for project monitoring and management, carried out by project managers and management controllers in order to assess the estimate of expenses at completion.

Finally, we assessed the appropriateness of the information provided in the notes to the annual accounts.

■ Valuation of equity interests and receivables from equity interests

Risk identified	Our response
<p>Equity interests held by your Company and receivables from equity interests amounted to M€ 26.2 and M€ 27.4 respectively in net value, and represent significant items on the assets side of the balance sheet, i.e. over 30%.</p>	<p>Our work mainly consisted, on the basis of the information provided to us, in analyzing the estimate of these values determined by Management in relation to the valuation method and the figures used:</p>
<p>Equity investments are recognized at their purchase price on the date of acquisition and are subject to an impairment test at the end of the financial year, which results in the recognition of an impairment loss when the recoverable value of the equity investments falls below their net book value, as indicated in the "Financial assets" Note to the financial statements. The recoverable amount takes into account, in particular, the share of equity at the end of the financial year of the entities concerned, as well as their long-term profitability and strategic information.</p>	<ul style="list-style-type: none"> ▶ for valuations based on historical information, we examined the consistency of the equity retained with the accounts of the entities concerned; ▶ for valuations based on forecast information, we assessed the analyses prepared by Management, relating to the profitability prospects and strategic nature of these entities.
<p>The estimate of the recoverable amount therefore requires the exercise of Management's judgement, using forward-looking information to define the profitability outlook. In this context, and due to the inherent uncertainties of certain information, and in particular the probability of realization of forecasts, we considered that the</p>	<p>In particular, we assessed the consistency of the revenue and EBITDA forecasts with the historical performance of the Company concerned and the economic context at the closing and reporting dates. With the assistance of our valuation specialists, we analyzed the parameters used to determine the discount and perpetual growth rates applied to the estimated cash flows. In particular, we recalculated them based on available market</p>

correct valuation of equity investments and receivables related to equity investments to be a key audit matter.

data and compared the results obtained with the rates used by Management.

In the event that the recoverable amount is lower than the acquisition value of the equity investments, we verified the recognition of an asset impairment and, if necessary, a provision for risks relating to these equity investments and the receivables associated with these investments.

Finally, we assessed the appropriateness of the information provided in the notes to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

■ Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents submitted to us. Based on these procedures, we have no observations to make on this information.

■ Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

■ Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chairman and Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Waga Energy by your annual general meeting held on June 17, 2021 for BM&A and by your articles of association of January 16, 2015 for ERNST & YOUNG et Autres.

As at December 31, 2022, BM&A was in the second year and ERNST & YOUNG et Autres in the eighth year of total uninterrupted engagement respectively, including two years since the securities of the Company were admitted to trading on a regulated market.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

■ Objectives and audit approach

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

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

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

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, April 28, 2023

The Statutory Auditors
French original signed by

BM&A

ERNST & YOUNG et Autres

Pierre-Emmanuel Passelègue

Cédric Garcia

19.4 Pro forma financial information

Not applicable.

19.5 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 "*Information on the Company's financing needs and financing structure*" and 8.4 "*Restriction on use of capital*" of this Universal 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.

19.6 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.

19.7 Significant change in financial or commercial position

With the exception of what is described in the Universal 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 31 December 2022.

20. ADDITIONAL INFORMATION

20.1 Share capital

20.1.1 Amount of share capital

As at the date of the Universal Registration Document, the Company's share capital amounts to €204,833.50 divided into 20,483,350 fully paid-up shares with a par value of one euro cent (0.01) each.

The Company's share capital consists of 20,483,350 ordinary shares.

20.1.2 Transactions on the Company's securities

The Company complies with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended (the "**Market Abuse Regulation**") and the Middennext Code.

Thus, purchases or sales of the Company's securities or financial instruments are prohibited during the periods between the date on which executives, persons legally treated as executives or any other person having access, on a regular basis or occasionally, to inside information, are aware of precise information on the course of business or the outlook which, if made public, would be likely to have a significant influence on the price, and the date on which this information is published.

In addition, pursuant to Article 19 of the Market Abuse Regulation, they are also prohibited for a period of thirty (30) calendar days preceding the date of publication of the Company's annual and half-yearly financial statements.

In accordance with the Market Abuse Regulation and the recommendations of the Middennext Code, hedging transactions of any kind on the Company's securities, in connection with stock options, are prohibited.

In addition, transactions carried out on the Company's securities by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code are reported to the AMF in the manner and within the time limits provided for by Article 223-22-A *et seq.* of the AMF's General Regulation and Article 19 of the Market Abuse Regulation. These statements are available on the AMF website (www.amf-france.org).

During the financial year ended 31 December 2022, the members of the Board of Directors and the persons referred to in Article L.621-18-2 of the French Monetary and Financial Code carried out the following transactions on the Company's securities:

Transaction date	Information on the person exercising management responsibilities/person closely associated	Description of the financial instrument	Nature of the transaction	Aggregate price and volume information
05/07/2022	Noria Invest SRL represented by C. Guillaume (non-voting member of the Board)	Shares	Disposal	Price: €31.06/share Volume: 395,000

20.1.3 Securities not representing capital

See Section 20.1.5 “*Other securities giving access to the share capital*” of the Universal Registration Document.

20.1.4 Shares held by the Company

The Company’s General Meeting of 30 June 2022 authorised, for a period of eighteen (18) months, the Board of Directors to implement a share buyback programme for the Company’s shares within the framework of 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’s General Regulation under the conditions described below:

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
- allow the fulfilment of obligations related to stock option plans, free share plans, employee savings plans or other share allocations to employees of the Company and executives of the Company or its related companies and to carry out all hedging transactions relating to these transactions under the conditions and in accordance with the provisions of applicable laws and regulations; and/or
- deliver shares upon the exercise of rights attached to marketable securities giving access to the capital and to carry out any hedging transactions relating to these transactions under the conditions and in accordance with the provisions of applicable laws and regulations; and/or
- purchase shares to be held and subsequently used for exchange or as payment in the context of potential acquisitions, mergers, spin-offs or contributions, in compliance notably with stock market regulations; 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 or any market practice that may be accepted by the market authorities, it being specified that, in such a case, the Company would inform its shareholders by means of a press release.

Maximum purchase price: Eighty (80) euros, with an overall ceiling of twenty million (20,000,000) euros, it being specified that this purchase price will be subject to adjustments if necessary in order to take into account any transactions on the capital (notably in the event of the incorporation of reserves and the allocation of free shares, or of share splits or reverse splits).

Maximum number of shares that may be purchased: 10% of the total number of shares comprising the share capital at any time, it being specified that (i) when the shares are acquired for the purpose of promoting the liquidity of the Company’s shares under the conditions defined by the AMF’s General Regulation, the number of shares taken into account for the calculation of this limit will correspond to the number of shares purchased less the number of shares sold during the term of the authorisation and (ii) when they are sold with a view to their retention and subsequent delivery in payment or exchange in the context of a merger, spin-off or contribution, the number of shares acquired may not exceed 5% of the total number of shares.

The shares thus purchased may be cancelled.

Liquidity agreement

From 2 November 2021, the Company has entrusted Portzamparc with the implementation of a liquidity contract in accordance with the provisions of the legal framework in force. For the implementation of this contract, €500 thousand in cash were allocated to the liquidity account. At 31 December 2022, the Company held 12,601 treasury shares valued at €359,128.50 and the cash balance of the liquidity account amounted to €160,078.51.

On 26 April 2023, the Company signed an amendment to the liquidity contract concluded with Portzamparc-BNP Paribas in order to allocate an additional €500,000 to the contract. This arrangement, which falls within the framework of AMF decision 2021-01 of 22 June 2021 on the establishment of liquidity contracts on equity securities consistent with accepted market practice, is intended to improve share liquidity and trading conditions for investors.

Thus, the position after the contribution of these new resources on 25 April 2023 is 11,740 treasury shares and a cash balance of €685,044.93.

20.1.5 Other securities giving access to the share capital

The securities giving access to the Company's share capital, as at the date of the Universal Registration Document, are presented below:

Bonds convertible into shares of the Company ("OCA")

- OCA 2021 Tranche 2

(see description in Section 8.3.3 "*Bond financing*").

Share subscription 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 Energy 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 Energy Canada and Sofiwaga Espana 1 SL.

(See also Tables 8 and 9 in Section 14.1.2 "*Compensation of Executive Corporate Officers*".)

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 executives (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 BSPCE 2021 to employees, executives and directors of the Company, in addition to the 10,000 BSPCE 2019 issued by the Board of Directors on 18 December 2019.

(See Tables 4, 5, 8 and 9 in Section 14.1.2 “*Compensation of Executive Corporate Officers*”).

On 24 January 2023, the Board of Directors decided to issue and allocate 337,000 founders’ share warrants (“**2023.BSPCE**”) free of charge for the benefit of employees and/or executives, entitling the holder to the subscription of 337,000 new company shares with a par value of €0.01 each, under the delegation of authority granted by the Combined General Meeting of 30 June 2022. The same Board also decided to issue and allocate 196,000 options (“**2023.Options**”) free of charge for the benefit of employees and/or executives, entitling the holder to the subscription of 196,000 new company shares with a par value of €0.01 each, under the authorisation granted by the Combined General Meeting of 8 October 2021.

As of the date of the Universal Registration Document, 190,970 warrants/options may still be issued, respectively, until 30 December 2023 and 8 December 2024 by the Board of Directors under the delegations of authority and authorizations granted by the 22nd resolution of the Combined General Meeting of 8 October 2021 for the issue of options and the 38th resolution of the Combined General Meeting of 30 June 2022 for the issue of BSPCEs.

20.1.6 Acquisition conditions

The Company’s General Meeting held on 8 October 2021, has adopted the financial delegations described below.

Nature of the delegation	Ceiling (nominal amount)	Duration	Common ceiling	Use
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 (10 th resolution)	N/A	N/A	N/A	Used by the Board of Directors on 28 October 2021 when amending the Articles of Association
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 (11 th resolution)	Capital increase: €108,595.50 Debt securities: €150,000,000	26 months	Common ceiling for the 11 th , 12 th , 13 th , 14 th , 16 th , 17 th and 18 th €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) (12 th resolution)	Capital increase: €72,397 Debt securities: €150,000,000	26 months	Common ceiling for the 11 th , 12 th , 13 th , 14 th , 16 th , 17 th and 18 th €108,595.50	Use by the Board of Directors of 26 October 2021 to the tune of a nominal amount of €45,852.33 by issuing 4,585,233 new ordinary Company shares
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	Within the limit of 20% of the Company’s share capital per 12-month period	26 months	Common ceiling for the 11 th , 12 th , 13 th , 14 th , 16 th , 17 th and 18 th €108,595.50	

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 (13 th resolution)	Debt securities: €150,000,000			
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 (14 th resolution)	15% of the initial issue	26 months	N/A	Use by the Board of Directors of 18 November 2021 to the tune of a nominal amount of €6,877.84 by issuing 687,784 new ordinary Company shares
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 (15 th 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 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 (17 th resolution)	Capital increase: €72,397 Debt securities: €150,000,000	26 months	Common ceiling for the 11 th , 12 th , 13 th , 14 th , 16 th , 17 th and 18 th €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 (18 th resolution)	Within the limit of 10% of the share capital Debt securities: €150,000,000	26 months	Common ceiling for the 11 th , 12 th , 13 th , 14 th , 16 th , 17 th and 18 th €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 (20 th resolution)	Capital increase: €72,397	26 months	N/A	

Authorisation to be given to the Board of Directors to grant stock options in the Company (22 nd resolution)	723,970 shares with a par value of €0.01	38 months	Common ceiling for the 21 st , 22 nd , 23 rd and 24 th 723,970 shares with a par value of €0.01	Use by the Board of Directors of 24 January 2023 to the tune of a nominal amount of €1,960 by issuing 196,000 new ordinary Company shares
Authorisation to be given to the Board of Directors to allocate free shares, either existing or to be issued (23 rd resolution)	723,970 shares with a par value of €0.01	38 months	Common ceiling for the 21 st , 22 nd , 23 rd and 24 th 723,970 shares with a par value of €0.01	

The Company's General Meeting held on 30 June 2022, has adopted the financial delegations described below.

Nature of the delegation	Ceiling (nominal amount)	Duration	Common ceiling	Use
Authorisation to be given to the Board of Directors for the Company to purchase its own shares (32 nd resolution) This delegation cancels and replaces the 8 th resolution of the Combined General Meeting of 8 October 2021.	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 (36 th resolution) This delegation cancels and replaces the 9 th resolution of the Combined General Meeting of 8 October 2021.	Limit of 10% of the share capital per period of 24 months	18 months	N/A	
Delegation of authority to be granted to the Board of Directors for the purpose of issuing and allocating share subscription warrants - BSA - 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 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. (37 th resolution)	723,970 shares with a par value of €0.01	18 months	Common ceiling for the 22 nd and 23 rd resolutions of the Combined General Meeting of 8 October 2021 and for the 37 th and 38 th resolutions of the Combined General Meeting of 30 June 2022 723,970 shares with a par value of €0.01	

This delegation cancels and replaces the 21 st resolution of the Combined General Meeting of 8 October 2021.				
<p>Authorisation to be given to the Board of Directors to allocate founders' warrants -BSPCE - free of charge to the Company's employees and executives</p> <p>(38th resolution)</p> <p>This delegation cancels and replaces the 24th resolution of the Combined General Meeting of 8 October 2021.</p>	723,970 shares with a par value of €0.01	18 months	<p>Common ceiling for the 22nd and 23rd resolutions of the Combined General Meeting of 8 October 2021 and for the 37th and 38th resolutions of the Combined General Meeting of 30 June 2022</p> <p>723,970 shares with a par value of €0.01</p>	Use by the Board of Directors of 24 January 2023 to the tune of a nominal amount of €3,370 by issuing 337,000 new ordinary Company shares
<p>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</p> <p>(40th resolution)</p> <p>This delegation cancels and replaces the 16th resolution of the Combined General Meeting of 8 October 2021.</p>	<p>Capital increase: €72,397</p> <p>Debt securities: €150,000,000</p>	18 months	<p>Common ceiling for the 11th, 12th, 13th, 14th, 17th and 18th resolutions of the Combined General Meeting of 8 October 2021 and for the 40th resolution of the Combined General Meeting of 30 June 2022</p> <p>€108,595.50</p>	
<p>Delegation of authority 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 (PEE)</p> <p>(42th resolution)</p>	<p>Capital increase: €72,397</p> <p>Debt securities: €150,000,000</p>	18 months	N/A	

20.1.7 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.

20.1.8 History of share capital

20.1.8.1 *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	€317.18 issue premium per share	€125,620	125,620	€1
Combined General Meeting of 15 October 2019 and Board of Directors' meeting of 28 October 2019	Capital increase by conversion of OCA ³⁷	14,777	€14,777	€269.66 issue premium per share	€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	€317.18 issue premium per share	€144,794	144,794	€1
Combined General Meeting of 8 October 2021	Division by 100 of the par value and corresponding multiplication of the number of shares by 100	-	-	-	€144,794	14,479,400	€0.01
Board of Directors' meeting of 26 October 2021, as delegated by the Combined General Meeting of 8 October 2021	Capital increase as part of the Company's initial public offering	4,585,233	€45,852.33	€23.53 issue premium per share	€190,646.33	19,064,633	€0.01
Board of Directors' meeting of 18 November 2021	Exercise of the over-allotment option in the	687,784	€6,877.84	€23.53 issue premium per share	197,524.17	19,752,417	€0.01

³⁷ All of the following convertible bond classes were converted: OCA 2017 and OCA 2018.

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 (€)
(as delegated by the Combined General Meeting of 8 October 2021)	context of the Company's IPO						
Combined General Meeting of 30 June 2022	Capital increase through the creation and issuance of ordinary shares following the contribution in kind of Holweb shares to Waga Energy Inc.	655,995	€6,559.95	€35.02 issue premium per share	€204,084.12	20,408,412	€0.01
Board of Directors' meeting dated 30 June 2022	Recognition of BSPCE exercises during the first half of 2022 and the resulting capital increase	67,900	€679.00	€3.1742 issue premium per share	€204,763.12	20,476,312	€0.01
Board of Directors' meeting dated 24 January 2023	Recognition of the BSPCE exercises during the second half of 2022 and the resulting capital increase	7,038	€70.38	€3.1742 issue premium per share	€204,833.50	20,483,350	€0.01

20.1.8.2 *Changes in the Company's share capital over the past three financial years*

	At 31 December 2020		At 31 December 2021		At 31 December 2022	
	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	17,600	12.16%	1,730,000	8.76%	1,730,000	8.45%
Nicolas Paget	10,200	7.04%	990,000	5.01%	990,000	4.83%
Guénaél Prince	8,599	5.94%	829,900	4.20%	829,900	4.05%
Holweb SAS*	18,075	12.48%	1,857,500	9.40%	2,513,495	12.27%

	At 31 December 2020		At 31 December 2021		At 31 December 2022	
	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 Corporate Officers	54,474	37.62%	5,407,400	27.37%	6,063,395	29.60%
Other founders	10,396	7.18%	639,600	3.24%	422,714	2.06%
Total other founders	10,396	7.18%	639,600	3.24%	422,714	2.06%
Starquest Anti-Fragile 2015	13,889	9.59%	-	-	-	-
Aliad SA	27,357	18.89%	2,848,729	14.42%	2,848,729	13.91%
Les Saules SARL	18,063	12.47%	1,831,654	9.27%	1,831,654	8.94%
E Sale Maris (Starquest management mandate)	3,694	2.55%	369,400	1.87%	369,400	1.80%
Starquest Discovery 2017 FCPI	1,219	0.84%	-	-	-	-
Tertium	7,851	5.43%	898,129	4.55%	658,129	3.21%
Noria	7,851	5.43%	-	-	-	-
FPCI Starquest Puissance 5	-	-	1,510,800	7.65%	1,510,800	7.38%
Noria Invest SRL	-	-	935,805	4.74%	540,805	2.64%
Vol V Impulsion	-	-	150,698	0.76%	150,698	0.74%
Swift Gaz Vert	-	-	304,001	1.54%	304,001	1.48%
Total financial investors	79,924	55.20%	8,849,216	44.80%	8,214,216	40.10%
Total floating	N/A	N/A	4,856,201	24.59%	5,783,025	28.23%
TOTAL	144,794	100.00%	19,752,417	100.00%	20,483,350	100.00%

*Mathieu Lefebvre, Guénaël Prince and Nicolas Paget respectively hold 37.18%, 21.26% and 12.76% of Holweb SAS.

20.2 Memorandum and Articles of Association

20.2.1 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;
 - recover 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.

20.2.2 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.

20.2.3 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.

20.2.4 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 they will apply on the date of this Universal Registration Document.

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 in order to allow exclusively for the implementation or maintenance of the staggered terms of office of directors, the Ordinary General Meeting may appoint one or more directors for a term of one (1) year or two (2) years. In the event of a vacancy caused by death or resignation of one or more directors, the Board of Directors may, between two General Meetings, make provisional 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 compensation 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 Chief Executive Officer 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.

20.2.5 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.

20.2.6 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.

21. MATERIAL 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 provide 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 of the date of the Universal Registration Document, Sofiwaga Infra carries three (3) WAGABOX[®] units, two of which are already in operation.

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 six 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 “*Overview of activities*” of the Universal 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 filed its own patents to foster the new technological developments that led to the creation of the WAGABOX[®] unit, on the one hand, and in order to not depend on the intellectual property filed by Air Liquide prior to 2015. As Air Liquide's US patent - US-2004-0103782-A1 - expires in 2023 and with a view to facilitating the Company's development on the US market, it was therefore decided to extend the license agreement through a first amendment. The license agreement was automatically renewed until June 2024.

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 18 "*Transactions with related parties*" of the Universal Registration Document.

22. DOCUMENTS AVAILABLE

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.

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).

23. 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	Industrial activity consisting of manufacturing equipment from sheet metals, tubes and sectional parts (tanks, containers, furniture, etc.).
Cogeneration (Combined Heat Power Engines)	Simultaneous production of electricity and heat in the same plant.
Volatile Organic Compounds (VOCs)	Substances of natural or man-made origin that are characterised by very high volatility and a capacity to spread in the environment (e.g. butane, toluene, ethanol, acetone, benzene, etc.)
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	<i>Acronym for Engineering, Procurement, Construction and Commissioning. I.e. engineering, procurement or purchase, construction and installation contracts.</i>
O&M contract	O&M: acronym for Operation and Maintenance. Industrial equipment operation and maintenance contract.
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	Low-temperature liquefaction process for gas separation. 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.
Carbon dioxide equivalent (CO ₂ eq.)	Metric measure used to compare the emissions of various greenhouse gases on the basis of their global warming potential (GWP), by converting the amounts of the various gases emitted into the equivalent amount of carbon dioxide with the same global warming potential.

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 facility classified for environmental protection that eliminates non-hazardous waste by burying it in the ground.
Kilowatt (kW)	Standard unit measuring energy power, equivalent to 1,000 watts. 1 MW = 1 million watts / 1 GW = 1 billion watts.
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°C, 15°C or 20° C depending on the standards, and 1 atm).
Nm ³ /h	Quantity of gas produced in one hour, measured in normal cubic meters.
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 CO ₂ , H ₂ O and other products of the reaction.
Thermal oxidation	Process consisting of heating a pollutant to a high temperature in a combustion chamber to oxidise it and make it harmless. It is used on WAGABOX units to treat volatile organic compounds (VOCs) and odorous gases.
Grid parity	<p>Grid parity is the situation in which the price of renewable energy falls below that of the retail market.</p> <p>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</p>

	<p>becomes competitive for widespread development without subsidies or government support.</p> <p>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).</p>
LCV	The LCV (lower calorific value) is a property of a fuel. It corresponds to the amount of heat released by a fuel, without including the water vapour condensing in the fumes, unlike the HCV (higher 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.
Skid	Mobile structure consisting of a metal frame on which equipment is integrated, and which can thus be transported to the site and connected to other equipment. Also referred to as “modules”.
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.

APPENDICES

APPENDICES - CROSS-REFERENCE TABLES

Universal Registration Document 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		Section of the Universal Registration Document
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 Universal 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 Universal Registration Document that to the best of their knowledge, the information contained in the Universal Registration Document is in accordance with the facts and that the Universal Registration Document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the Universal Registration Document that, to the best of their knowledge, the information contained in those parts of the Universal Registration Document for which they are responsible is in accordance with the facts and that those parts of the Universal Registration Document make no omission.	1.2
Item 1.3	Where a statement or report attributed to a person as an expert, is included in the Universal Registration Document, provide the following details for that person: a) its name; b) its business address; c) its qualifications; d) where applicable, any material interest it has 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 Universal Registration Document with the consent of the person who has authorised the contents of that part of the Universal 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 [Universal 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 [Universal 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 [Universal 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	<p>A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed ‘Risk Factors’.</p> <p>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 Universal Registration Document.</p>	3
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	<p>Principal markets</p> <p>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.</p>	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	<p>Strategy and objectives</p> <p>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.</p>	5.3 and 5.5 10.2
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 Universal 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 12
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
Item 7.1.1	<p>To the extent not covered elsewhere in the Universal 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.</p> <p>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.</p> <p>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.</p>	7
Item 7.1.2	<p>To the extent not covered elsewhere in the Universal 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:</p> <p>a) the issuer's likely future development;</p> <p>b) activities in the field of research and development.</p> <p>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).</p>	5.2.2 7 10.2
Item 7.2	Operating results	7.2
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
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
SECTION 8	CASH AND EQUITY	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
SECTION 10	TREND INFORMATION	10
Item 10.1	<p>A description of:</p> <p>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 Universal Registration Document;</p> <p>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 Universal Registration Document, or provide an appropriate negative statement.</p>	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 Universal 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	<p>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.</p> <p>The forecast or estimate shall comply with the following principles:</p> <p>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;</p> <p>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;</p> <p>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.</p>	N/A
Item 11.3	<p>The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both:</p> <p>a) comparable to historical financial information;</p> <p>b) consistent with the issuer's accounting policies.</p>	N/A
SECTION 12	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	13

Item 12.1	<p>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:</p> <p>a) members of the administrative, management or supervisory bodies;</p> <p>b) partners with unlimited liability, in the case of a limited partnership with a share capital;</p> <p>c) founders, if the issuer has been established for fewer than five years;</p> <p>d) any Chief Executive Officer who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.</p> <p>Details of the nature of any family relationship between any of the persons referred to in points (a) to (d).</p> <p>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:</p> <p>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;</p> <p>b) details of any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>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;</p> <p>d) details of any official public censure and/or sanctions imposed on such persons by statutory or regulatory authorities (including designated professional bodies). Also indicate whether such persons have been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer for at least the previous five years.</p> <p>If there is no such information required to be disclosed, a statement to that effect is to be made.</p>	13.1
Item 12.2	<p>Administrative, management and supervisory bodies and senior management conflicts of interests</p> <p>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.</p> <p>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.</p> <p>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.</p>	13.2
SECTION 13 REMUNERATION AND BENEFITS		14
	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	<p>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.</p> <p>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.</p>	14.1
Item 13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pensions, retirement or similar benefits.	14.2
SECTION 14 BOARD PRACTICES		15

	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.	15.1
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.	15.2
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.	15.3
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.	15.4
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).	15.5
SECTION 15	EMPLOYEES	16
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 Universal 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.	16.1
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.	16.2
Item 15.3	Description of any arrangements for involving the employees in the capital of the issuer.	16.3
SECTION 16	MAJOR SHAREHOLDERS	17
Item 16.1	To the extent known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, holds a percentage of the issuer's share capital or voting rights which is notifiable under the issuer's national law, together with the amount of such holding as at the date of the Universal Registration Document. If there are no such persons, provide an appropriate statement indicating the absence of such persons.	17.1
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.	17.2
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.	17.3
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.	17.4
SECTION 17	RELATED PARTY TRANSACTIONS	18
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 Universal 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.	18
SECTION 18	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	19

Item 18.1	Historical financial information	19.1
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.	19.1 and 19.3
Item 18.1.2	<p>Change of accounting reference date</p> <p>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.</p>	N/A
Item 18.1.3	<p>Accounting standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No. 1606/2002.</p> <p>If Regulation (EC) No. 1606/2002 is not applicable, the financial information must be prepared in accordance with:</p> <p>a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU;</p> <p>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.</p>	19.3
Item 18.1.4	<p>Change of accounting framework</p> <p>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.</p> <p>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.</p>	N/A
Item 18.1.5	<p>Where the audited financial information is prepared according to national accounting standards, it must include at least the following:</p> <p>a) the statement of financial position;</p> <p>b) the income statement;</p> <p>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;</p> <p>d) the cash flow statement;</p> <p>e) the accounting policies and explanatory notes.</p>	19.1
Item 18.1.6	<p>Consolidated financial statements</p> <p>If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the Universal Registration Document.</p>	19.1

Item 18.1.7	<p>Age of financial information</p> <p>The balance sheet date of the last year of audited financial information may not be older than one of the following:</p> <p>a) 18 months from the date of the Universal Registration Document if the issuer includes audited interim financial statements in the Universal Registration Document;</p> <p>b) 16 months from the date of the Universal Registration Document if the issuer includes unaudited interim financial statements in the Universal Registration Document.</p>	19.1
Item 18.2	Interim and other financial information	19.2
Item 18.2.1	<p>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 Universal 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 this is not the case, there should be an explanation as to why.</p> <p>If the Universal 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.</p> <p>Interim financial information prepared in accordance with the requirements of Regulation (EC) No. 1606/2002.</p> <p>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.</p>	19.2
Item 18.3	Auditing of historical annual financial information	19.3
Item 18.3.1	<p>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).</p> <p>Where Directive 2014/56/EU and Regulation (EU) No. 537/2014 do not apply:</p> <p>a)</p> <p>the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the Universal Registration Document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard;</p> <p>b)</p> <p>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.</p>	19.3.1
Item 18.3.2	Indication of other information in the Universal Registration Document that has been audited by the auditors.	19.3.2
Item 18.3.3	Where financial information in the Universal 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	19.4
Item 18.4.1	<p>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.</p> <p>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.</p> <p>Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.</p>	N/A
Item 18.5	Dividend policy	19.5

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.	19.5
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	19.6
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.	19.6
Item 18.7	Significant change in the issuer's financial position	19.7
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.	19.7
SECTION 19	ADDITIONAL INFORMATION	20
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:	20.1
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.	20.1.1
Item 19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.	20.1.3
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.	20.1.4
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.	20.1.5
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.	20.1.6
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.	20.1.7
Item 19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	20.1.8
Item 19.2	Memorandum and Articles of Association	20.2

Item 19.2.1	If applicable, indicate the register and the entry number in the register; briefly describe the issuer's corporate purpose and indicate where it can be found in the most recent version of the Memorandum and Articles of Association.	20.2.1
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.	20.2.2
Item 19.2.3	A brief description of any provision of the issuer's Memorandum and Articles of Association, a charter or internal regulations that would have the effect of delaying, deferring or preventing a change in its control.	20.2.6
SECTION 20 MATERIAL CONTRACTS		21
Item 20.1	<p>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 Universal Registration Document.</p> <p>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 Universal Registration Document.</p>	21
SECTION 21 DOCUMENTS AVAILABLE		22
Item 21.1	<p>A statement that for the term of the Universal Registration Document the following documents, where applicable, can be inspected:</p> <p>a) the most recent version of the issuer's Memorandum and Articles of Association;</p> <p>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 Universal Registration Document. An indication of the website on which the documents may be inspected.</p>	22

Cross-reference table for the management report required by Articles L. 225-100 *et seq.* of the French Commercial Code

In order to facilitate the reading of this Universal Registration Document, the cross-reference table below makes it possible to identify the elements of information relating to the annual management report of the Board of Directors to be presented to the General Meeting of Shareholders approving the financial statements for each financial year, in accordance with Articles L. 225-100 *et seq.* of the French Commercial Code.

No.	Required elements	Chapter/Sections of the Universal Registration Document
1.	Situation and activity of the Group	
	1.1. Situation of the Company during the past financial year and an objective and exhaustive analysis of the development of the business, the results and the financial position of the Company and the Group, in particular its debt position, in relation to the volume and complexity of the business	Chapters 5, 7 and 8
	1.2. Key financial performance indicators	Chapters 7 and 8
	1.3. Key performance indicators of a non-financial nature relating to the specific activity of the Company and the Group, including information on personnel environment issues	N/A
	1.4. Significant events that occurred between the end of the financial year and the date on which the Management Report is prepared	Chapter 19/Section 19.1/Note 4 to the consolidated financial statements and Section 19.7

	1.5. Identity of the main shareholders and holders of voting rights at General Meetings, and changes made during the financial year	Chapter 17/Section 17.1
	1.6. Existing branches	Chapter 6
	1.7. Significant shareholdings in companies with their registered office in France	Chapter 6
	1.8. Disposal of cross-shareholdings	N/A
	1.9. Foreseeable changes in the Company's and the Group's situation and future prospects	Chapters 10 and 11
	1.10. Activities in the field of research and development	Chapter 5/Subsection 5.2.2
	1.11. Table showing the Company's results for each of the last five financial years	N/A
	1.12. Information on supplier and customer payment terms	N/A
	1.13. Amount of inter-company loans granted and Statutory Auditor's statement	N/A
2.	Internal control and risk management	
	2.1. Description of the main risks and uncertainties facing the Company	Chapter 3/Sections 3.1 to 3.6
	2.2. Information on the financial risks related to the effects of climate change and presentation of the measures taken by the Company to reduce them by implementing a low-carbon strategy in all components of its business	Chapter 3/Section 3.5
	2.3. Main characteristics of the internal control and risk management procedures implemented by the Company and the Group for the preparation and processing of accounting and financial information	Chapter 3/Sections 3.1 to 3.6
	2.4. Information on the objectives and policy for hedging each major category of transactions and exposure to price, credit, liquidity and cash flow risks, including the use of financial instruments	Chapter 3/Sections 3.3 Chapter 19/Section 19.1/Note 9 to the consolidated financial statements
	2.5. Anti-bribery system	Chapter 3/Section 3.2/Subsections 3.2.3 and 3.5.2 Chapter 12/Subsection 12.6.1 Chapter 15/Subsection 15.3.1
	2.6. Vigilance plan and report on its effective implementation	N/A
3.	Corporate governance report	
	a. Compensation information	
	3.1. Compensation policy for corporate officers	Chapter 14/Section 14.1
	3.2. Compensation and benefits of any kind paid during the financial year or allocated in respect of the financial year to each corporate officer	Chapter 14/Section 14.2
	3.3. Relative proportion of fixed and variable compensation	Chapter 14/Section 14.1
	3.4. Use of the option to request the return of variable compensation	N/A

3.5. Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to elements of compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change in their functions or subsequent to the exercise thereof	Chapter 14/Section 14.2 Chapter 19/Section 19.1/Note 7.13 to the consolidated financial statements
3.6. Compensation paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 2333-16 of the French Commercial Code	N/A
3.7. Ratios between the level of compensation of each Executive Corporate Officer and the average and median compensation of the Company's employees	N/A
3.8. Annual change in compensation, the Company's performance, the average compensation of the Company's employees and the aforementioned ratios over the five most recent financial years	N/A
3.9. Explanation of how the total compensation complies with the adopted compensation policy, including how it contributes to the long-term performance of the Company and how the performance criteria were applied	N/A
3.10. Method of taking into account the vote of the last Ordinary General Meeting provided for in I of Article L. 22-10-34 of the French Commercial Code	N/A
3.11. Deviation from the procedure for implementing the compensation policy and any exceptions	N/A
3.12. Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of payment of directors' compensation in the event of non-compliance with the gender balance of the Board of Directors)	N/A
3.13. Allocation and retention of options by corporate officers	Chapter 14/Section 14.1 Chapter 19/Section 19.1/Note 7.12 to the consolidated financial statements
3.14. Allocation and retention of free shares to Executive Corporate Officers	N/A
b. Governance information	
3.15. List of all offices and positions held in any company by each of the corporate officers during the financial year	Chapter 13/Section 13.1
3.16. Agreements entered into between an executive or a significant shareholder and a subsidiary	Chapter 18/Section 18.1
3.17. Summary table of current delegations granted by the General Meeting to increase share capital	Chapter 20/Subsection 20.1.6
3.18. General management procedures	Chapter 13/Section 13.1 Chapter 20/Subsection 20.2.4
3.19. Composition, conditions of preparation and organisation of the work of the Board of Directors	Chapter 15/Section 15.3 Chapter 20/Subsection 20.2.4
3.20. Application of the principle of balanced representation of women and men on the Board of Directors	Chapter 13/Section 13.1
3.21. Any limitations that the Board of Directors places on the powers of the Chief Executive Officer	N/A

	3.22. Reference to a corporate governance code and application of the principle “Comply or explain”	Chapter 15/Section 15.4
	3.23. Specific procedures for shareholder participation in the General Meeting	Chapter 20/Subsection 20.2.5
	3.24. Procedure for assessing current agreements - Implementation	N/A
	3.25. Information likely to have an impact in the event of a takeover or exchange offer: 1. Company’s capital structure;	1. Chapter 17/Section 17.1
	2. statutory restrictions on the exercise of voting rights and share transfers, or clauses of agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code;	2. N/A
	3. direct or indirect shareholdings in the Company’s share capital of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code;	3. Chapter 20/Subsection 20.2.3 Chapter 17/Sections 17.1 and 17.5
	4. list of holders of any securities with special control rights and a description thereof;	4. N/A
	5. control mechanisms provided for in any employee shareholding system, when the control rights are not exercised by the latter;	5. N/A
	6. agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights;	6. N/A
	7. rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company’s Articles of Association;	7. Chapter 20/Subsection 20.2.4
	8. powers of the Board of Directors, in particular with regard to the issue or buyback of shares;	8. Chapter 20/Subsections 20.1.4 and 20.1.6
	9. agreements entered into by the Company which are amended or terminated in the event of a change of control of the Company, unless such disclosure, other than in the event of a legal disclosure obligation, would seriously harm its interests;	9. Chapter 8/Section 8.4
	10. agreements providing for compensation for members of the Board of Directors or employees if they resign or are dismissed without real and serious cause or if their employment ends as a result of a takeover or exchange offer.	10. N/A
4.	Shareholding and capital	
	4.1. Structure, changes in the Company’s share capital and crossing of thresholds	Chapter 17/Section 17.1 Chapter 20/Subsection 20.1.8 Chapter 20/Subsection 20.2.3
	4.2. Acquisition and sale by the Company of its own shares	Chapter 20/Subsections 20.1.4 and 20.1.6
	4.3. Statement of employee shareholding as of the last day of the financial year (proportion of share capital represented)	Chapter 16/Section 16.3
	4.4. Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	N/A
	4.5. Information on transactions by executives and related persons on the Company’s shares	N/A

	4.6. Amounts of dividends paid in respect of the three previous financial years	Chapter 19/Section 19.5
5.	Non-Financial Performance Statement (NFPS)	N/A
6.	Other information	
	6.1. Additional tax information (Articles 223 quater and 223 quinquies of the French General Tax Code)	N/A
	6.2. Injunctions or financial penalties for anti-competitive practices (Article L. 464-2 of the French Commercial Code)	N/A

Cross-reference table for the annual financial report required by Articles L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the AMF

This Universal Registration Document also constitutes the Company's annual financial report. In order to facilitate the reading of this Universal Registration Document, the following cross-reference table identifies, in this Universal Registration Document, the information that constitutes the annual financial report to be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulation.

No.	Required elements	Chapter/Sections of the Universal Registration Document
1.	Annual financial statements	Chapter 19/Subsection 19.1.2
2.	Consolidated financial statements	Chapter 19/Subsection 19.1.1
3.	Management report	See cross-reference table above
4.	Statement by the persons responsible for the annual financial report	Chapter 1/Section 1.2
5.	Statutory Auditors' report on the company and consolidated financial statements	Chapter 19/Subsections 19.3.1 and 19.3.2