



UPGRADING LANDFILL GAS TO BIOMETHANE



PORTZAMPARC
BNP PARIBAS GROUP

Séminaire Impact Investing – 7/11/2023

01 MISSION

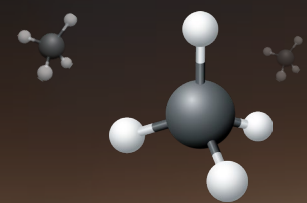
Methane concentration in the atmosphere is at its highest level for **800,000 years.**

If methane emissions are not reduced, it could **undermine the goals of the Paris Agreement.**

_____ 2021 IPCC Report

Countries joining the Global Methane Pledge commit to a collective goal of **reducing global methane emissions by at least 30 % by 2030**

_____ 2021 Global Methane Pledge



All over the world, landfill is **a major source of methane emissions** as well as an immediately available gas



Leveraging 15+ years of R&D, **Waga Energy transforms landfill methane emissions into pure biomethane**



Our Mission :

Curb pollution by delivering biomethane for all

Our Ambition :

From a pioneer to a global leading producer of biomethane



Waga Energy, a **unique energy transition investment opportunity** to fight against climate change

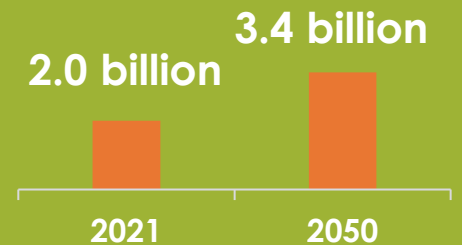
LANDFILLS, THE SIMPLEST AND CHEAPEST SOLUTION FOR WASTE MANAGEMENT, BUT A FAST GROWING SOURCE OF POLLUTION



Landfill model is the **main way** to manage household waste



Tons of waste per year



70% of household waste is landfilled worldwide in **>20,000 landfills**

LANDFILL GAS IS UNEXPLOITED : ONLY <1% IS RECOVERED & UPGRADED FOR GRID INJECTION

+90%

*of landfill gas is wasted
(released to the atmosphere or flared)*

<10%

*is burned
with low
energy yield*

<1%

*is recovered
and upgraded
for grid injection*

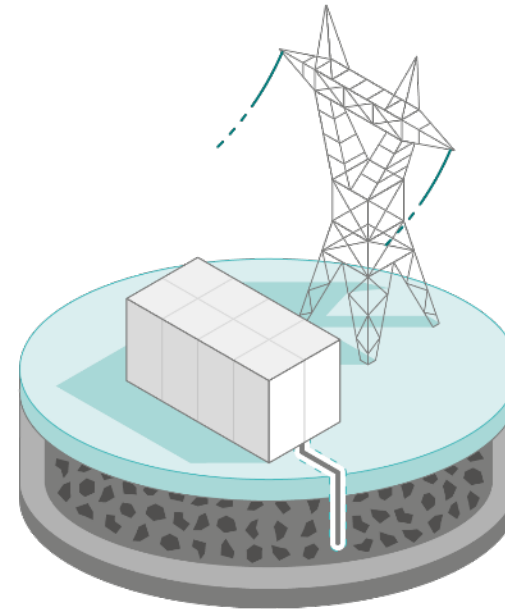
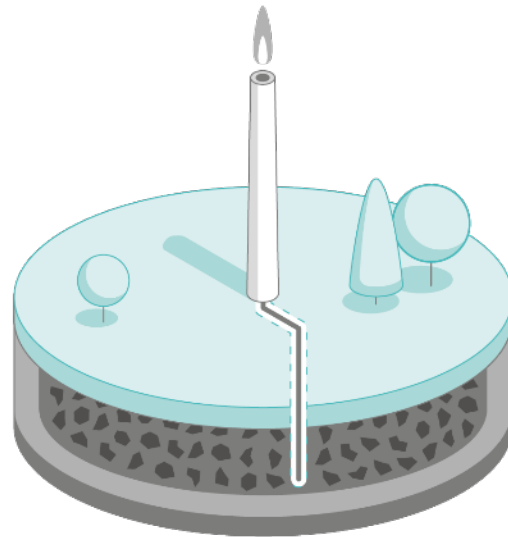
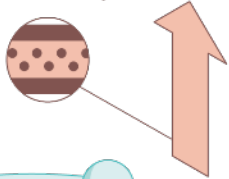
OPEN STORAGE

STORAGE IN LANDFILL SITES,
LANDFILL GAS CAPTURED AND FLARED

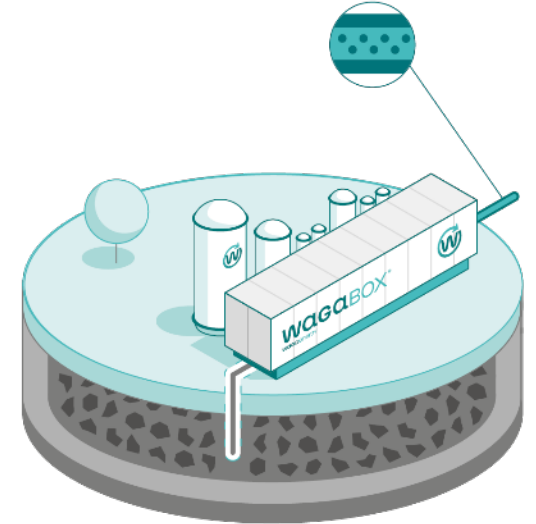
STORAGE IN LANDFILL SITES,
LANDFILL GAS CAPTURED
AND CONVERTED TO ELECTRICITY

STORAGE IN LANDFILL SITES,
LANDFILL GAS CAPTURED AND PURIFIED
INTO RNG WITH WAGABOX® TECHNOLOGY

Landfill Gas
(including +50 % CH₄)



Renewable natural gas



THREAT
TO THE ENVIRONMENT

Energy efficiency: 0 %

NO ENVIRONMENTAL
PERFORMANCE

Energy efficiency: 0 %

LIMITED ENVIRONMENTAL
PERFORMANCE

Energy efficiency: 30 %

OPTIMAL ENVIRONMENTAL
PERFORMANCE

Energy efficiency: 90 %

WASTE IS AN UNTAPPED LARGE SOURCE OF BIOMETHANE

Landfills' energy potential by:



20%
of total biomethane
energy potential



c.€40bn
natural gas equivalent
of wasted landfill gas annually
(at 40€/MWh)



WAGABOX®, A DISRUPTIVE TECHNOLOGY TO UPGRADE LANDFILL GAS INTO BIOMETHANE

YESTERDAY

*No technology to
efficiently upgrade
landfill gas into
biomethane:*

2 CHALLENGES:

- ❌ Separate the **oxygen** and the **nitrogen** included in landfill gas (main challenge)
- ❌ Manage **high volatility** over time and **high composition**

TODAY



WAGABOX®

*the **only** standardized solution to recover landfill gas
and upgrade it into biomethane*

**PATENTED
TECHNOLOGY**

15+ years of R&D

 Air Liquide

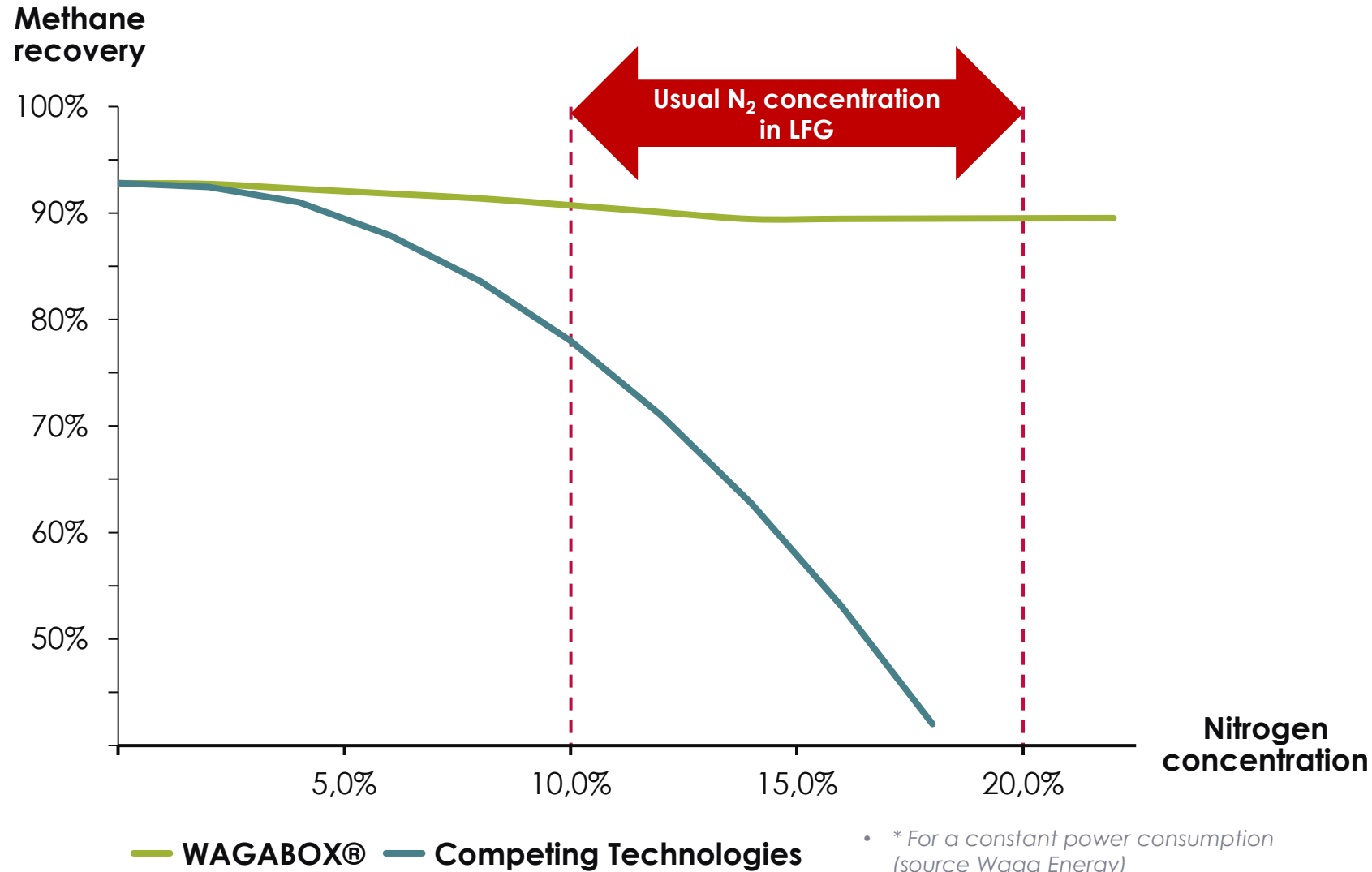
 **waga
energy**



01 MISSION



HIGHER RECOVERY RATE THAN PSA TECHNOLOGIES AS NITROGEN CONCENTRATION INCREASES*



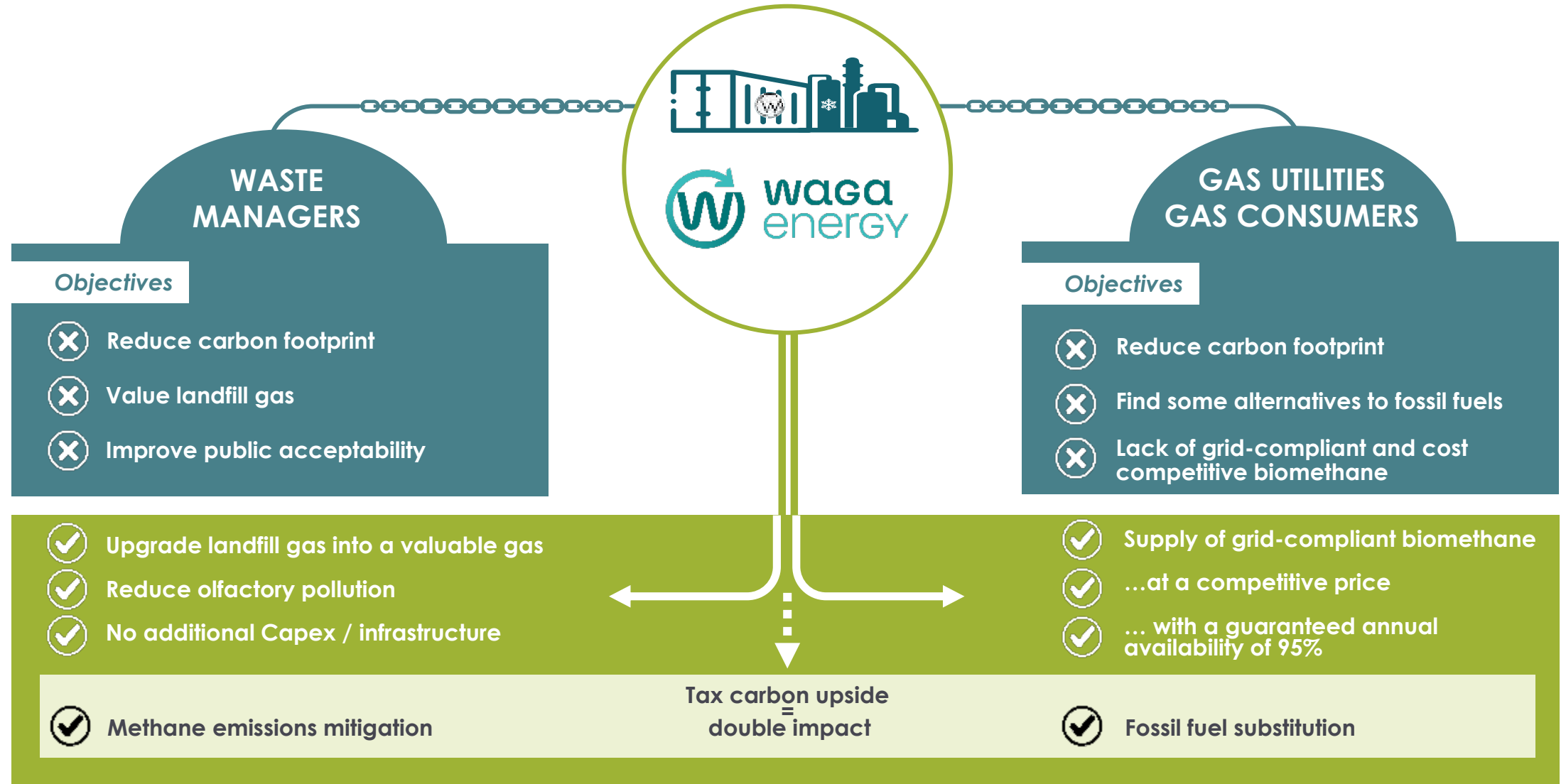


A CLOSER LOOK AT THE WAGABOX® #8



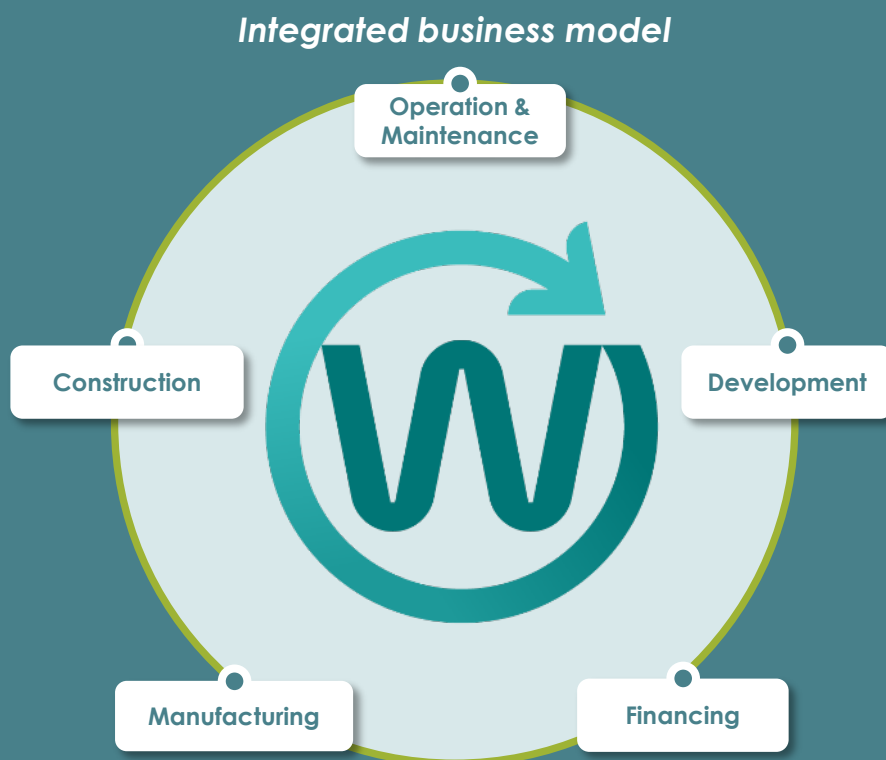
WAGABOX® #8
SUEZ landfill, France (2020)

THE MISSING LINK BETWEEN WASTE MANAGERS AND GAS UTILITIES





UNIQUE POSITIONING AS A BIOMETHANE PRODUCER WITH A PROPRIETARY TECHNOLOGY



Benefit for the landfill:
Revenue sharing of the
biomethane sale backed
by 10 to 20-year gas
offtake agreements

WAGA ENERGY ACHIEVEMENTS TO DATE



> 800 GWh

of biomethane injected*

> 142,000 tons

of CO₂eq avoided*

** Since the commissioning of the first unit in 2017*

H1 2023 revenues:
€13.7 m (+95%)

H1 2023 biomethane production:
142 GWh (+48%)

18 WAGABOX[®] units in operation
in France, Spain and Canada

640 GWh/y of total installed capacity
Target: **750 GWh** of total installed capacity
by end of 2023

16 more units under construction
in France, Canada and the US

95% average uptime
for all units in operation in H1 2023





01

Highlights H1 2023

Inauguration of the WAGABOX® unit in Montois-la-Montagne (April 2023)

01 HIGHLIGHTS H1 2023

EXECUTION OF THE STRATEGIC ROADMAP

Strong increase in consolidated revenue: +95%

- **+3 units** commissioned in **France, Spain** and **Canada**
- H1 2023 revenue doubled to **€13.7 million**
- **+48%** growth in renewable gas production
- Annual contractual and recurring revenue **>€80 million**

Confirmed breakthrough in North America

- Signing of **major contracts**
- Ongoing construction of **8 units**
for a total installed capacity of **650 GWh/y**
- Exclusive negotiations
for an additional **potential of 1.2 TWh/y**

Solid financial position for continued investments

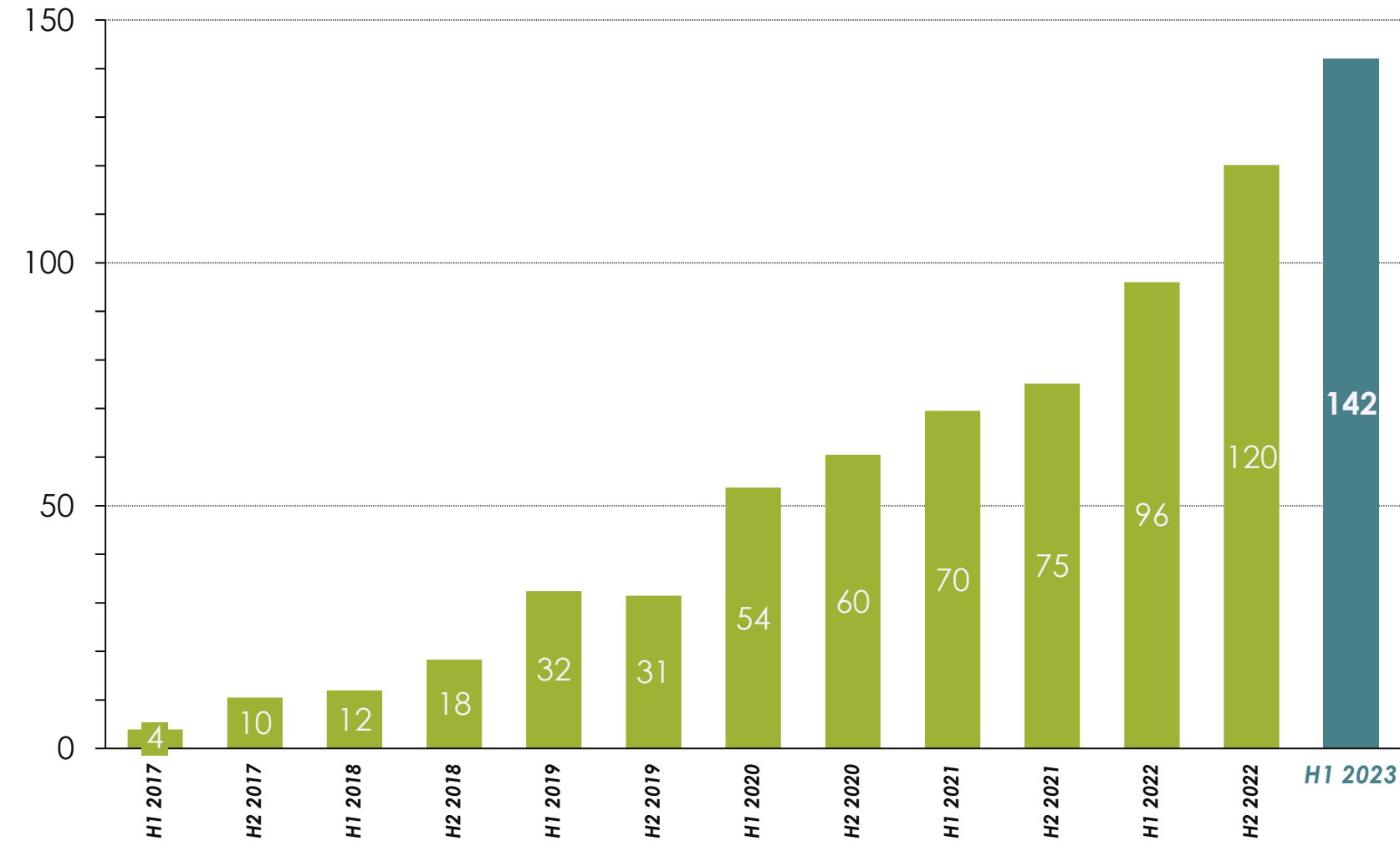
- Total Capex of **€20.5 million** for H1 2023
- **€58.8 million** of cash
and financial debt of **€50.5 million** (30/06/23)
- Robust debt refinancing capabilities,
with **€21 million** of undrawn bank debt



01 HIGHLIGHTS H1 2023

ACCELERATING BIOMETHANE PRODUCTION DRIVEN BY OPERATING EXCELLENCE AND NEW UNITS IN OPERATION

GWh



COMMISSIONING OF THREE NEW WAGABOX® UNITS: +225 GWH/YEAR IN INSTALLED CAPACITY



January 26, 2023
**Montois -La-Montagne
(France)**

- Partner: **Suez**
- Capacity: **25 GWh/y**
- Grid operator: **GRDF**
- Offtaker: **ekWateur**
- **~3,000 tons of eqCO₂** avoided /y



May 25, 2023
**Saint-Étienne-des-Grés
(Canada)**

- Partner: **Energycycle**
- Capacity : **130 GWh/y**
- Grid operator: **Energir**
- Offtaker: **Energir**
- **~16,000 tons of eqCO₂** avoided /y



June 20, 2023
**Els Hostalets de Pierola
(Spain)**

- Partner: **PreZero**
- Capacity : **70 GWh/y**
- Grid operator: **Nedgia**
- Offtaker: **N.D (« BPA »)**
- **~12,000 tons of eqCO₂** avoided /y



COMMISSIONING OF THE SAINT-ETIENNE-DES-GRES PLANT: A MAJOR STEP IN THE COMPANY'S INTERNATIONAL DEPLOYMENT

- Contract duration: **20 years**
- Construction time: **23 months**
- Debt financing: **CA\$7.1m** (Caisse Desjardins)
- Grant: **CA\$3.2m** (Quebec Government)





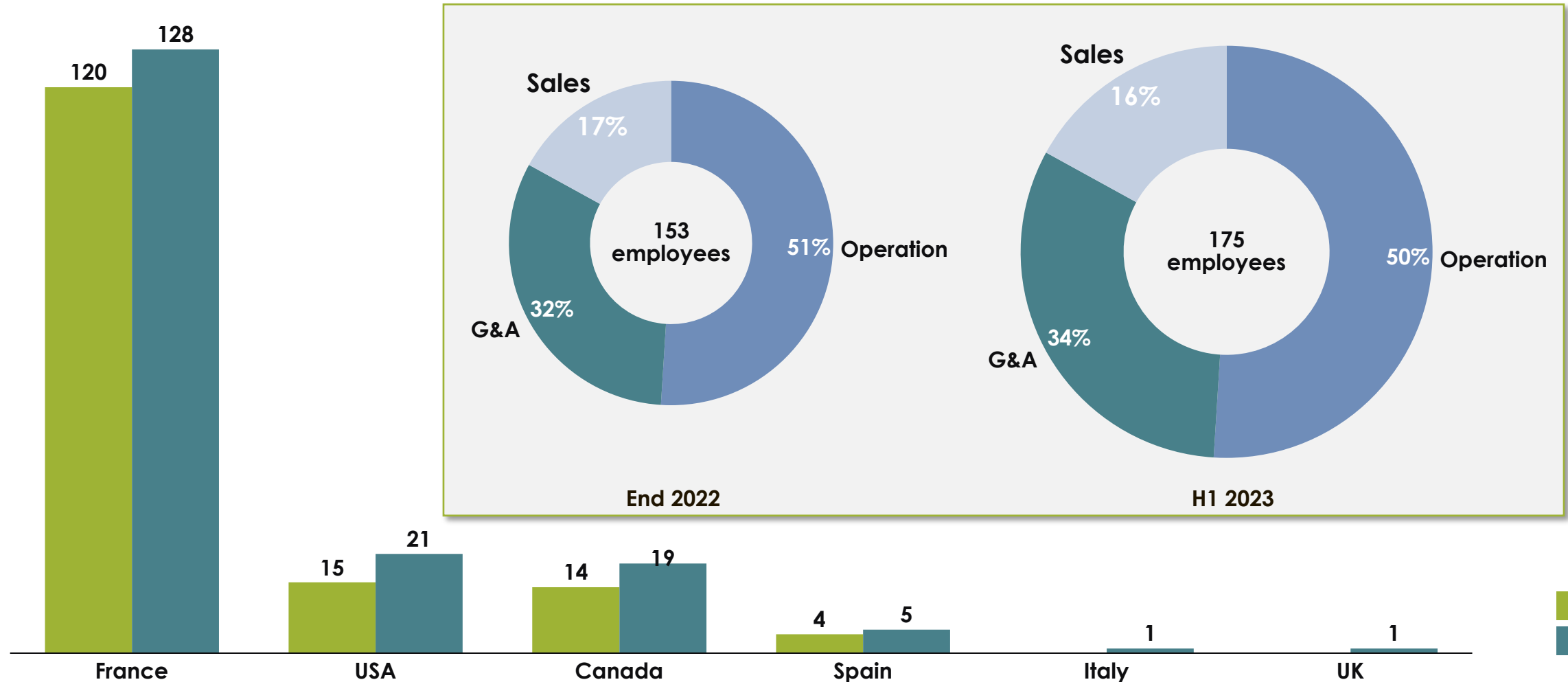
CAN MATA: THE EUROPEAN FIRST LANDFILL GAS TO BIOMETHANE INJECTION PROJECT FINANCED BY A “BPA”



- Contract duration: **10 years**
- Construction time: **28 months**
- Debt financing: **€6.6m** (Bpifrance)
- Grant: **€2.4m** (EU Innovation Fund)



SUCCESSFUL RECRUITMENT SUPPORTING GROWTH



2022
H1 23

02

Financial results

02 FINANCIAL RESULTS

H1 2023 KEY FIGURES



€m	June 30, 2023	June 30, 2022	% change
Revenue	13.7	7.0	95%
Operating expenses (excl. depr./amort./prov. & IFRS 2 expenses)	-16.8	-9.0	+86%
EBITDA*	-3.1	-2.0	
IFRS 2 expenses (share-based payment)	-2.0	-1.1	+79%
Depreciation and provisions	-1.8	-1.3	+42%
Recurring operating income	-6.9	-4.4	
Non-recurring operating income and expenses	0.1	-0.1	
Net operating income	-6.9	-4.5	
Cost of financial debt	-0.6	-0.5	
Consolidated net loss	-7.6	-5.1	
Net income (group share)	-7.9	-5.2	
Capex	-20.5	-14.1	+45%
Cash and cash equivalents at June 30	58.8	100.1	-4 %
Headcount at June 30	175	116	+51%

(1) 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).

LONG TERM BUSINESS MODEL AND VISIBILITY



2,9 years

Average WAGABOX® asset age¹



11,8 years

Average remaining Biomethane Purchase Agreement duration¹



>€80m

in annual recurring revenue² secured

¹ Weighted by production volume of WAGABOX® installations

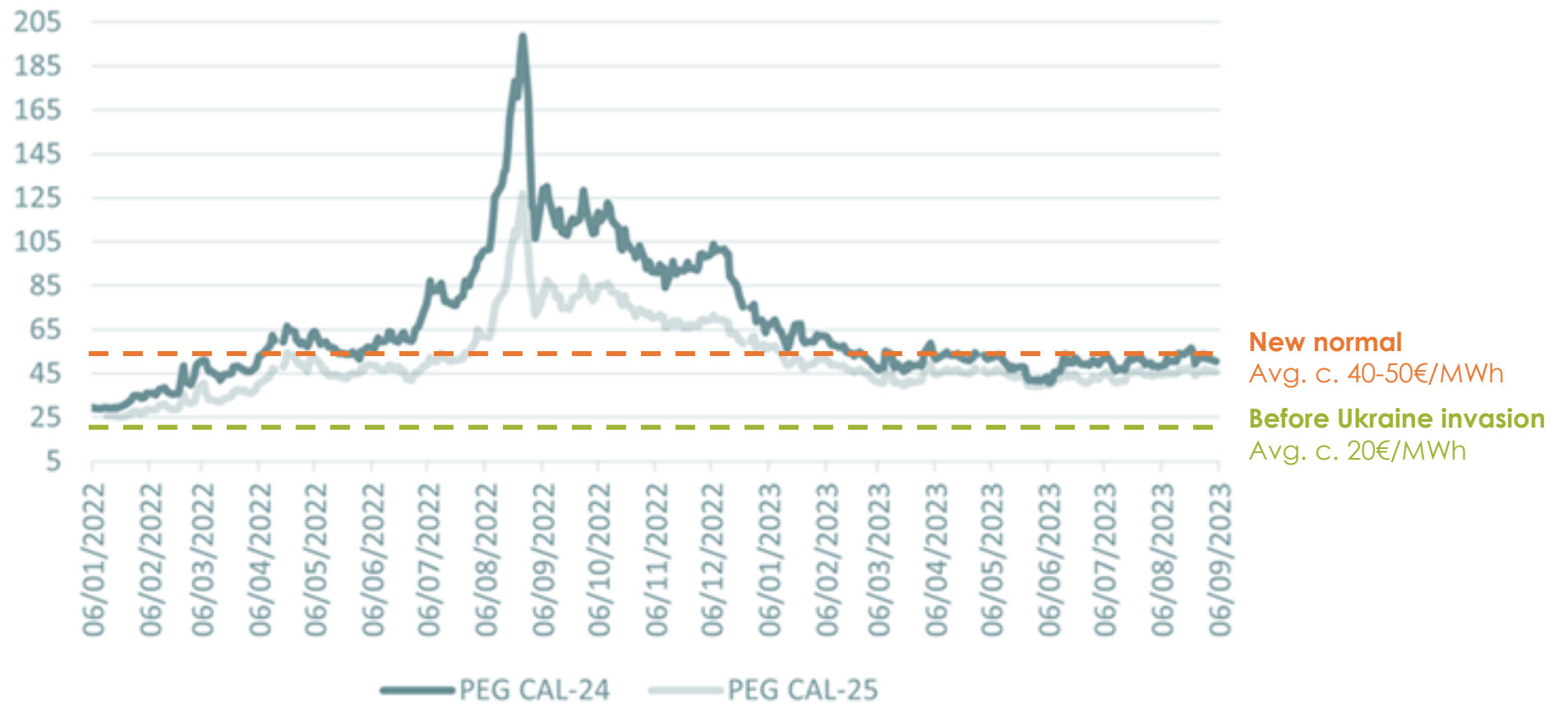
² The annual contractual recurring revenue correspond to the revenues anticipated by the company over a period of 10 to 20 years in the context of long-term contracts, either for the sale of biomethane or for purification services. It does not constitute a forecast and is intended to represent, at the date, the potential of the installed base of WAGABOX® units and those under construction.

03

2023 OUTLOOK

A NEW PARADIGM IN THE GAS MARKET STRENGTHENING BIOMETHANE COMPETITIVENESS

NATURAL GAS FORWARD PRICES IN FRANCE (€/MWh)



STRONG SUPPORT FOR BIOMETHANE

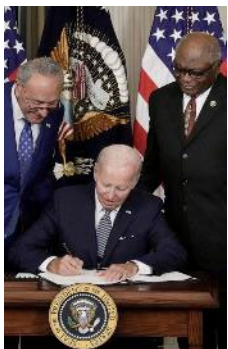
PRESIDENT BIDEN'S ACTIONS ON CLIMATE AND CLEAN ENERGY



Inflation Reduction Act (IRA), August 2022

(inspired by the Build Back Better plan)

- **\$437 billion** in expenditures over 10 years
- **\$369 billion** dedicated to energy security and climate-related initiatives
- Incentives to invest in low- to zero-emission technologies
- Help America reduce its current emissions by 40% by 2030



The most ambitious plan to support renewable energy development and investment in the US (including support for biomethane)

EUROPEAN BIOMETHANE ACTION PLAN



REPowerEU, May 2022, is about rapidly reducing dependence on Russian fossil fuels by fast forwarding the clean transition and joining forces to achieve a more resilient energy system and a true Energy Union

Biomethane Action Plan's key measures

- Boosting sustainable biomethane production to **35 bcm by 2030 => 375 TWh**
- **EUR 37 billion euros** to be invested by 2030
- Addressing the main barriers to increased sustainable biomethane production



The demand for biomethane production is expected to increase strongly in all European countries

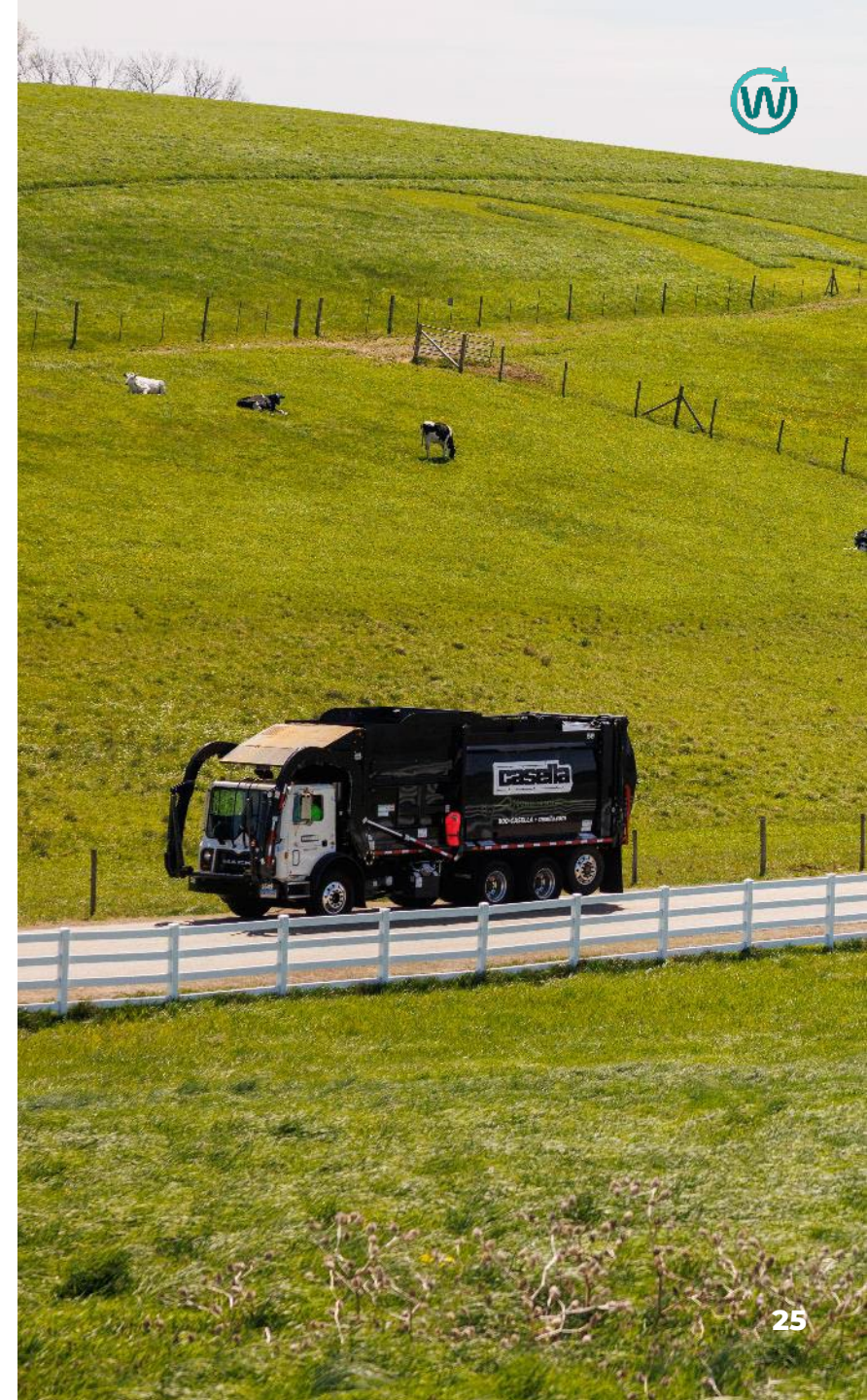
03 OUTLOOK 2023

WAGA ENERGY BREAKTHROUGH IN THE UNITED STATES



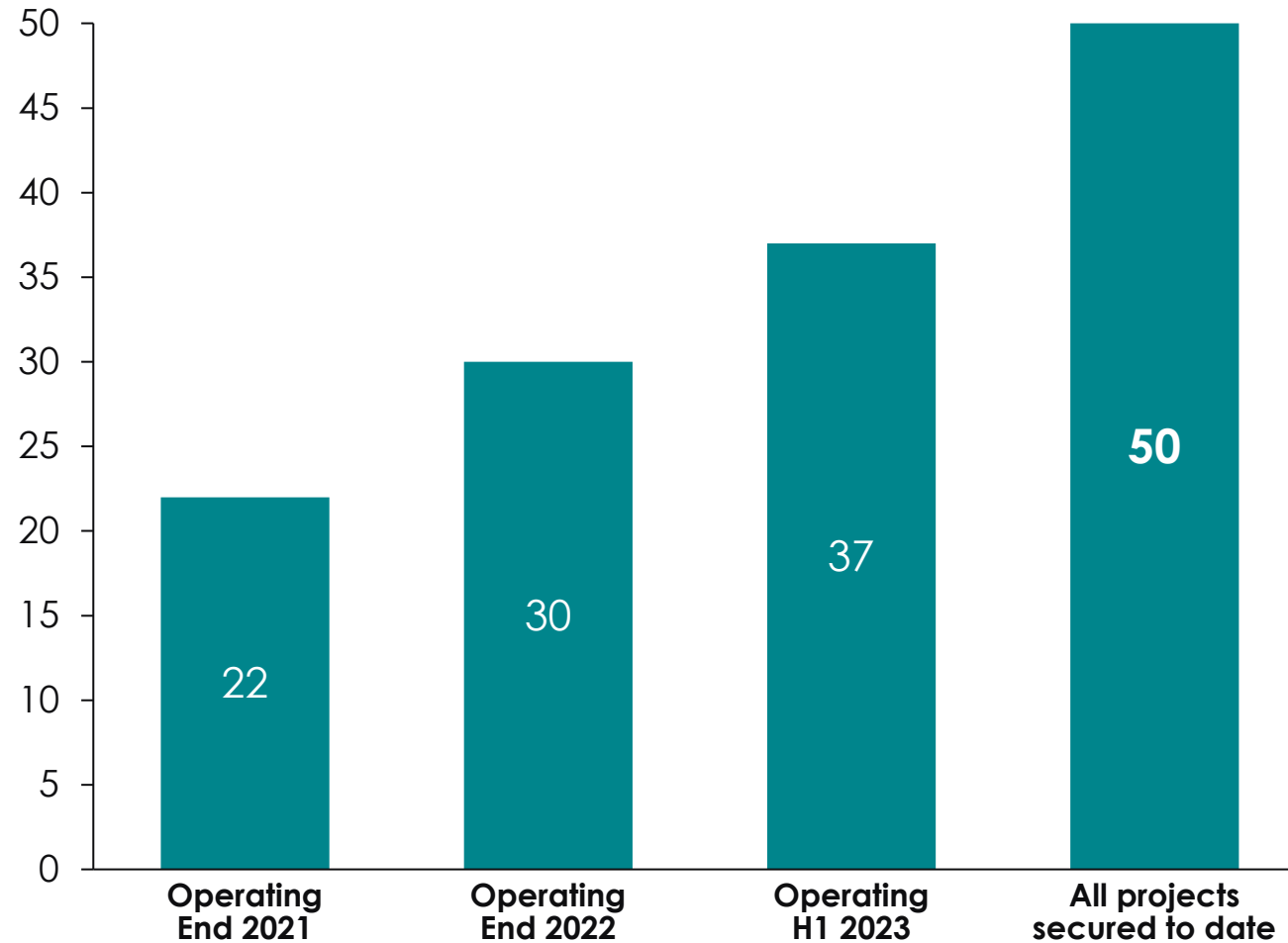
650 GWh/y
of capacity under construction

1.1 TWh/y
of capacity under exclusive negotiations



STEADY INCREASE IN THE AVERAGE SIZE OF UNITS

Average capacity
per unit (GWh/y)

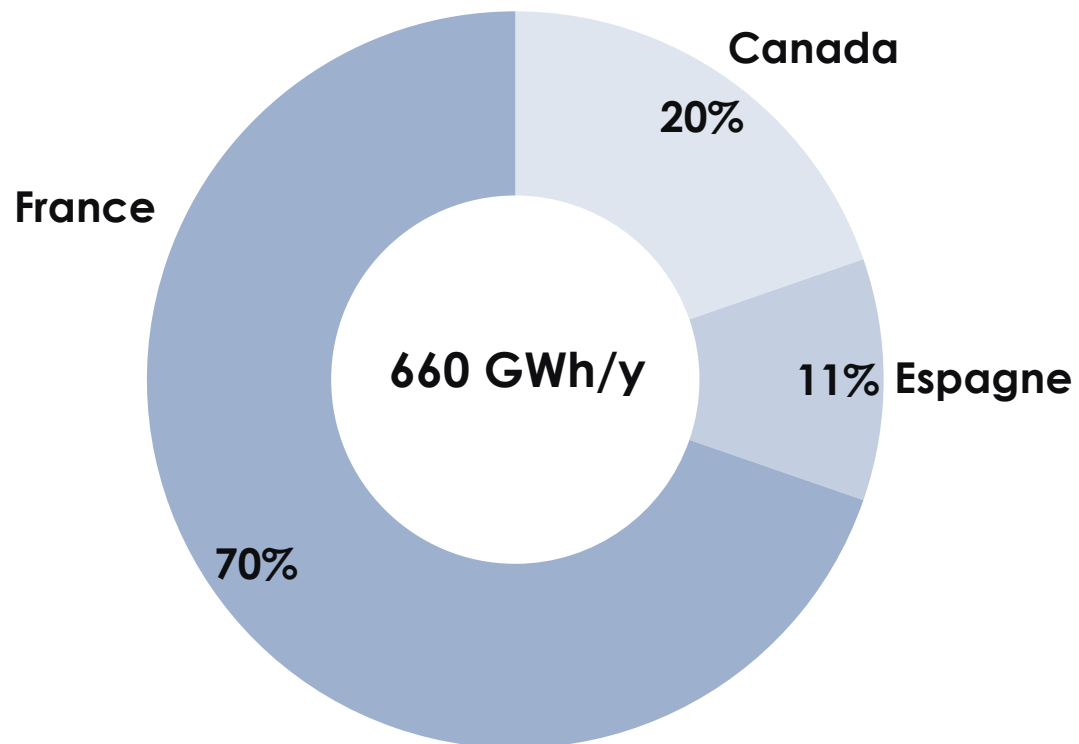


03 OUTLOOK

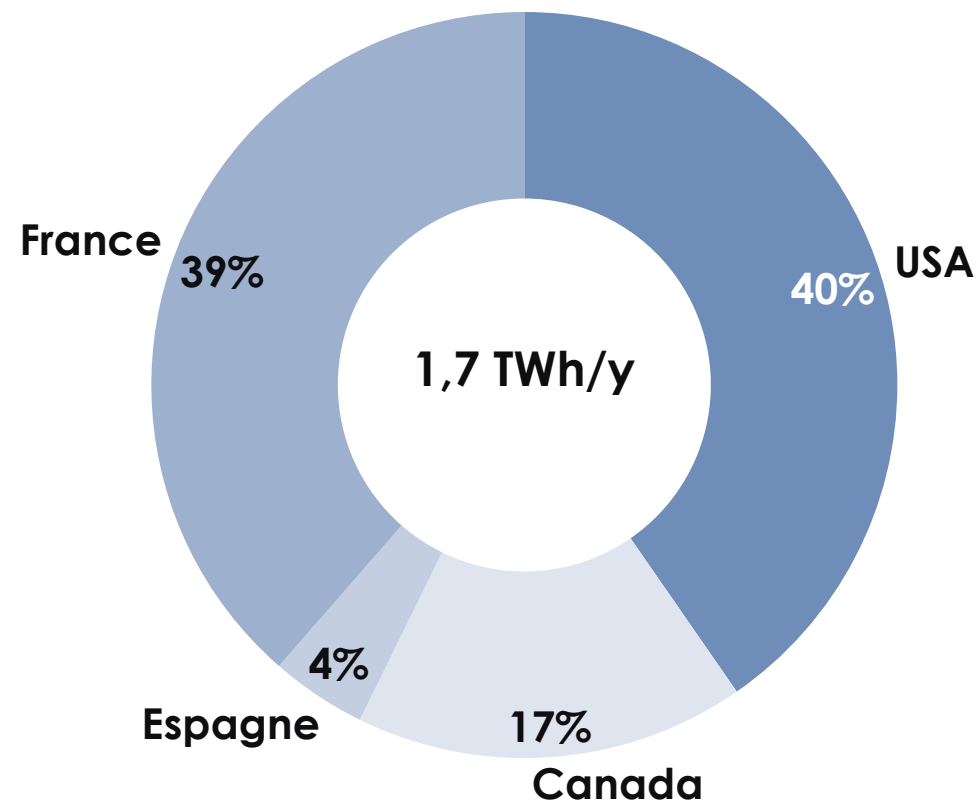
MORE THAN HALF OF SECURED CAPACITY IN NORTH AMERICA, MAINLY IN THE U.S.



Units in operation
(installed capacity)



Units in operation & in construction
(secured capacity)



18 WAGABOX® UNITS UP-AND-RUNNING, 16 MORE UNDER CONSTRUCTION



CANADA

- 1 SAINT-ÉTIENNE-DES-GRÈS
130 GWh/y (Energycycle)
- 2 COWANSVILLE
30 GWh/y (RIGMRBM)
- 3 Announced shortly
25 GWh/y
- 4 HARTLAND
100 GWh/y (CRD)

UNITED STATES

- 1 BATH, NY
55 GWh/y (Steuben County)
- 2 DELAVAN, WI
Air Liquide
- 3 WINNEBAGO, IL
Air Liquide
- 4 Announced shortly
165 GWh/y (Casella)
- 5 Announced shortly
165 GWh/y (Casella)
- 6 Announced shortly
110 GWh/y (Casella)
- 7 DAVENPORT, IA
55 GWh/y (Scott County)
- 8 LANCASTER, PA
130 GWh/y (Chester County)

FRANCE

- 1 SAINT-FLORENTIN
25 GWh/year (Coved)
- 2 SAINT-MAXIMIN
25 GWh/year (Suez)
- 3 PAVIE
15 GWh/year (Trigone)
- 4 SAINT-PALAIS
20 GWh/year (Veolia)
- 5 GUELTAS
25 GWh/year (Suez)
- 6 CHEVILLY
15 GWh/year (Suez)
- 7 INZINZAC-LOCHRIST
15 GWh/year (Lorient)
- 8 LES VENTES-DE-BOURSE
25 GWh/year (Suez)
- 9 LIÉOUX
35 GWh/year (SGMAM)
- 10 LE HAM
20 GWh/year (Veolia)
- 11 BLARINGHEM
25 GWh/year (Baudalet)
- 12 GOURNAY
15 GWh/year (SEG)
- 13 CLAYE-SOUILLY
120 GWh/year (Veolia)
- 14 CHATUZANGE-LE-GOUBET
25 GWh/year (Veolia)
- 15 MILHAC-D'AUBEROCHE
25 GWh/year (Suez)
- 16 Announced shortly
25 GWh/year
- 17 Announced shortly
25 GWh/year
- 18 MONTOIS-LA-MONTAGNE
35 GWh/year (Suez)
- 19 ETEIGNIÈRES
25 GWh/year (Arcavi)
- 20 CUSSET
25 GWh/year (Suez)
- 21 SAINTE-MARIE-KERQUE
35 GWh/y (Séché Environnement)
- 22 GRANGES
25 GWh/year (Veolia)
- 23 CLERMONT-FERRAND
15 GWh/year (Valtom)

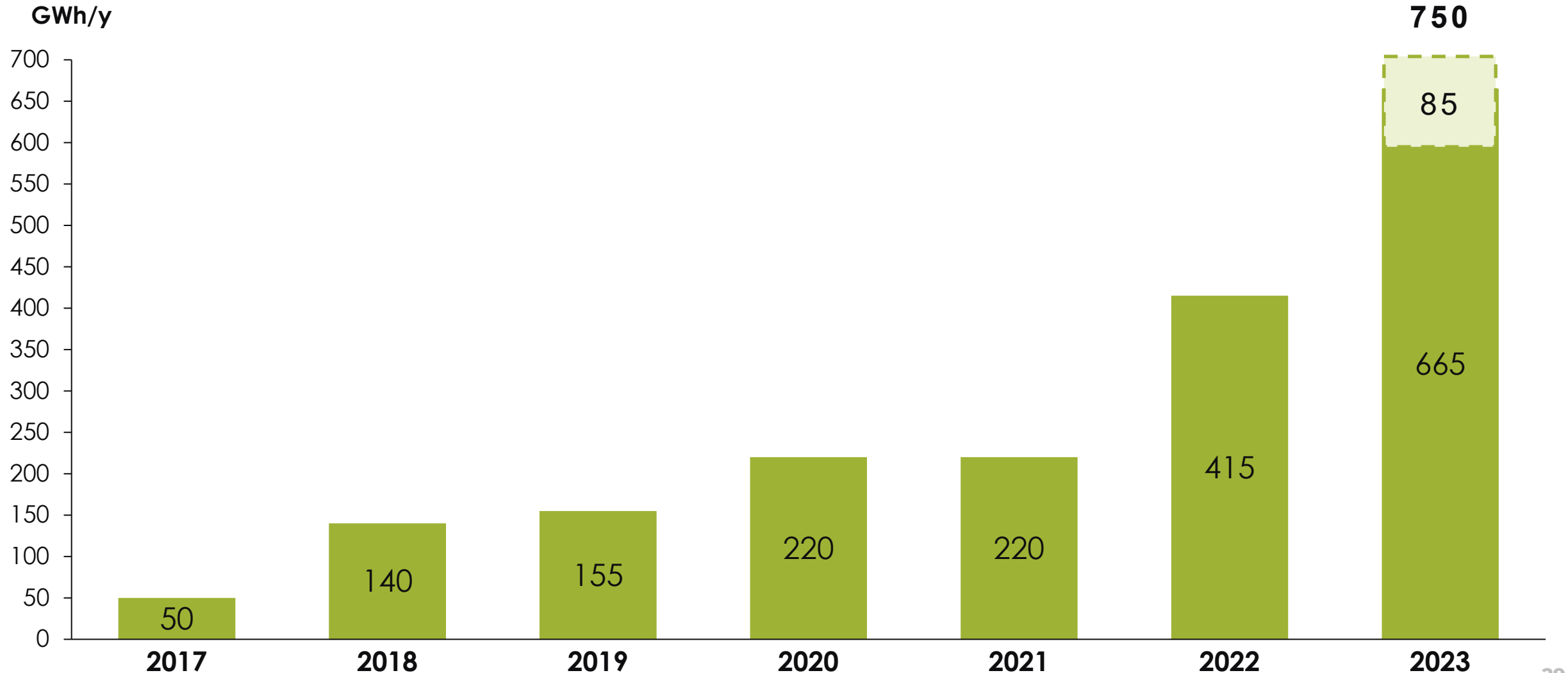


SPAIN

- 1 ELS HOSTALET DE PIEROLA
70 GWh/year (PreZero)

H2 2023 commissioning

750 GWH/Y OF INSTALLED CAPACITY BY END 2023 THANKS TO THE COMMISSIONING OF 4 MORE UNITS



ON TRACK TO DELIVER STRONG 2023 GROWTH

Increase of installed capacity

750 GWh/y by end-2023

4 WAGABOX® units to be commissioned by end-2023

Execution of the Hartland project

Offtake price increase

alongside better renewable natural gas market conditions



SIGNIFICANT PIPELINE BACKING THE INTERNATIONAL RAMP-UP



ADDRESSABLE MARKET

=

3 Landfill selection criteria



1 Compliant distance to natural gas grid

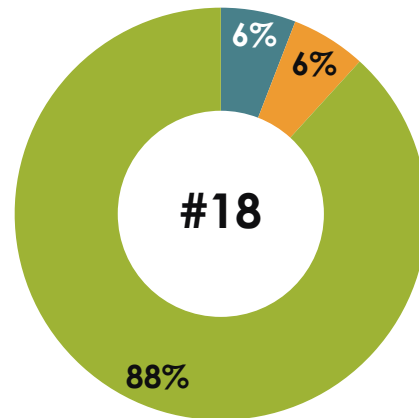


2 Sufficient landfill gas production



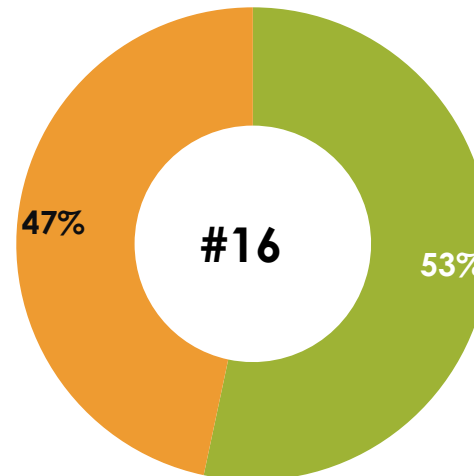
3 Compliant waste managers (regulatory requirements)

In operation



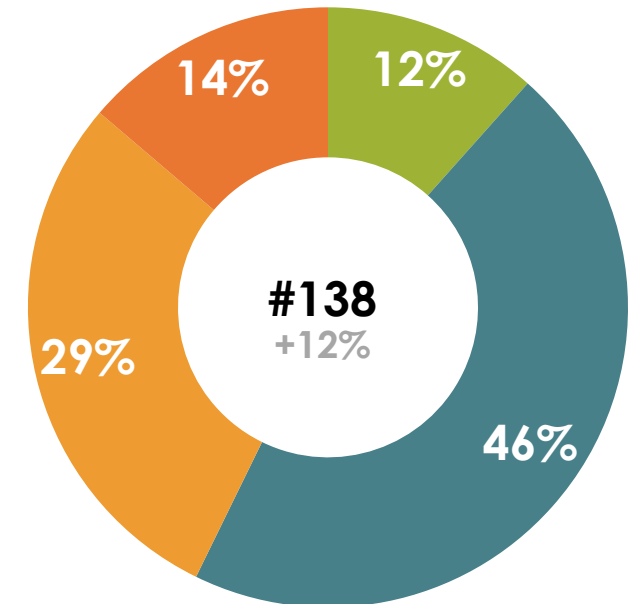
Under construction

Contracts signed



Pipeline

Ongoing negotiations



France

Europe

North America

Rest of the world

* Since FY 2022 Results publication (April 26, 2023)

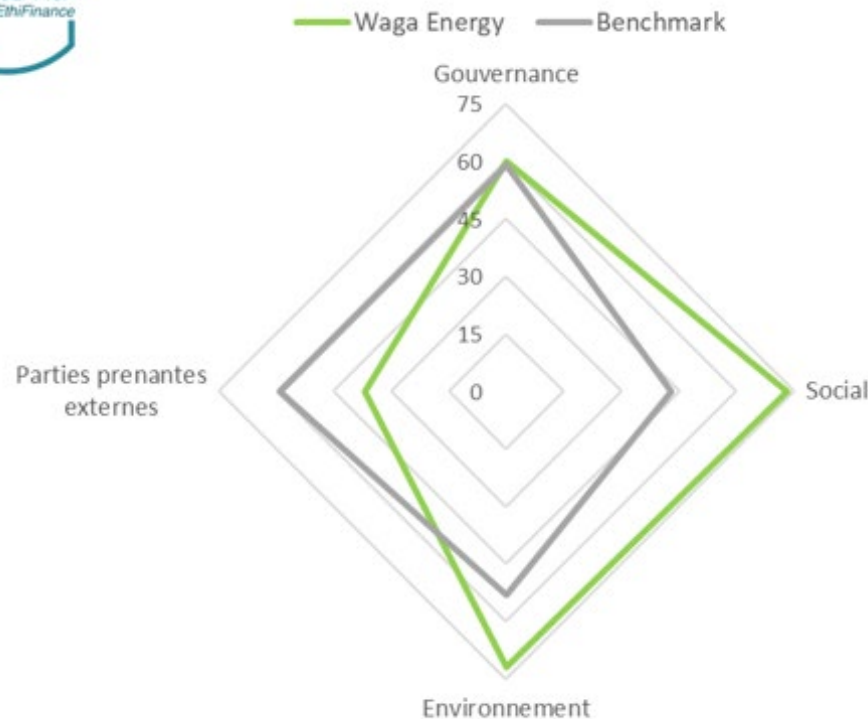
03 OUTLOOK 2023

STRONG FOCUS ON ESG

- Launch of Waga Energy's **carbon footprint**
- Structuring the ESG function within the **executive committee**
- Publication of an **ESG report** in the coming URD



Notation 2021



Extra-financial Rating by



65/100

Overall Rating (vs 50/100 for benchmark)

Key strengths

- **Governance in line with all Middlednext guidelines**
- **Strong ethics culture**
- **Employee skills development**
- **Proactive monitoring of environmental KPIs**

EU TAXONOMY ASSESSMENT

- Waga Activities are 100% eligible to EU Taxonomy
- Waga Energy meets 3 out of the 4 Do No Significant Harm Principles
- Waga complies with Minimum Social Safeguards of the EU Taxonomy

100%

of WAGA Energy 2020 turnover is

Eligible for EU Taxonomy-alignment



READY TO BECOME A WORLD LEADER IN LANDFILL GAS UPGRADING INTO BIOMETHANE

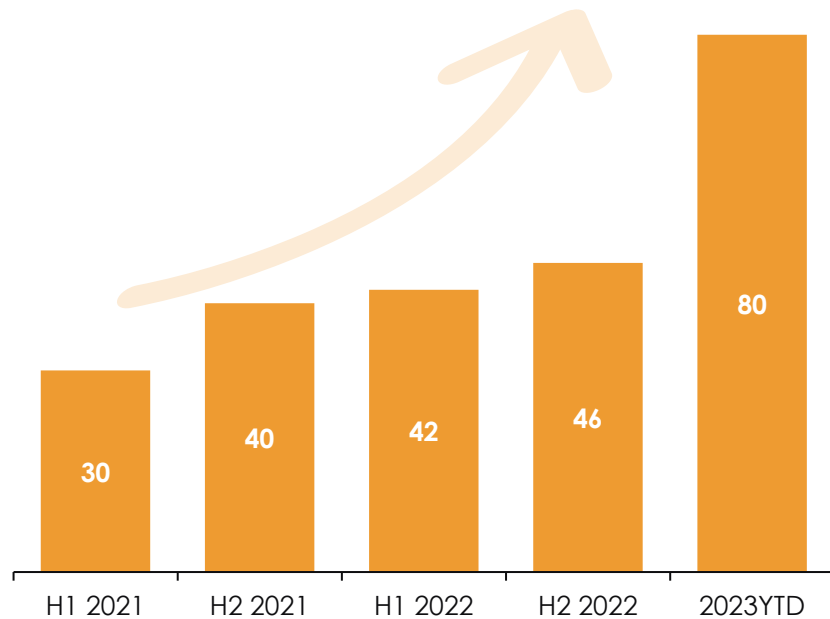
- ✓ A unique and proven technology
- ✓ A global and dedicated organization
- ✓ Significant financial resources
- ✓ For a booming and strategic market



AMBITIOUS GROWTH OBJECTIVES

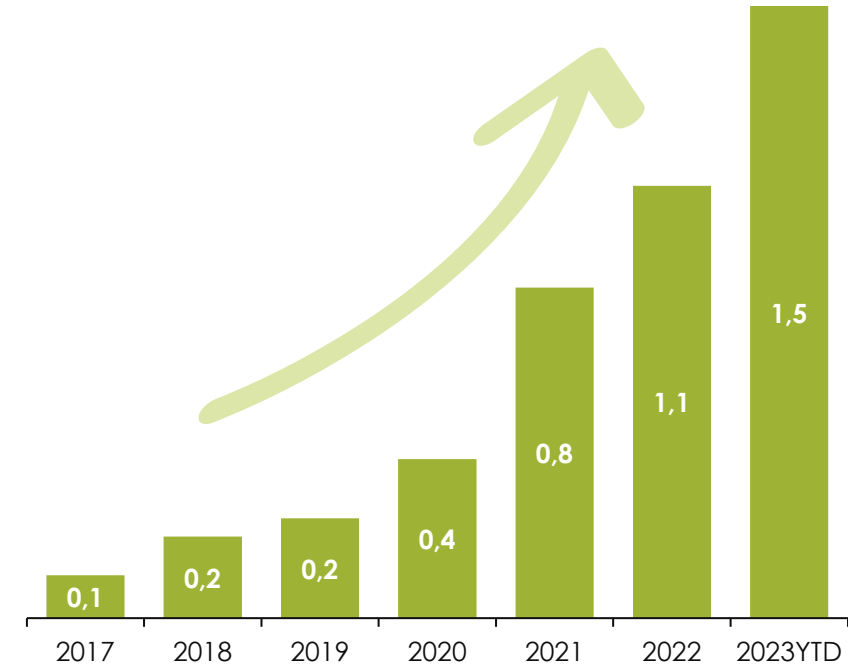
€200m
Revenue

2026
Objectives



Annual secured revenue¹ (€m)

4 TWh/y
Installed Capacity



Secured capacity (TWh/y)

1) Annual contractual and recurring revenue corresponds to the revenue the Company expects to generate over a period of 10 to 20 years from long-term RNG sales contracts and purification service contracts. It is not a forecast and is intended to represent the potential of the installed base of WAGABOX® units as of end 2026

DISCLAIMER
THANK YOU



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