HALF-YEAR FINANCIAL REPORT

30 June 2023

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HALF-YEAR ACTIVITY REPORT

1. 2023 half-year results

1.1 Key figures

€m	30 June 2023	30 June 2022	% change
Revenue	**13.7**	**7.0**	**+95%**
Operating expenses (excl. depr./amort./prov. & IFRS 2 expenses)	-16.8	-9.0	+86%
EBITDA (1)	**-3.1**	**-2.0**	**1.**
IFRS 2 expenses (share-based payment)	-2.0	-1.1	+79%
Depreciation, amortisation and provisions	-1.8	-1.3	+42%
Profit (loss) from recurring operations	**-6.9**	**-4.4**	**2.**
Other non-recurring operating income and expenses	0.1	-0.1	-243%
Operating profit (loss)	**-6.9**	**-4.5**	**3.**
Financial profit (loss)	-0.6	-0.5	**4.**
Consolidated net income (loss)	**-7.6**	**-5.1**	**5.**
Net income (loss) (Group share)	**-7.9**	**-5.2**	**6.**
Capex	-20.5	-14.1	+45%
Cash and cash equivalents at 30 June	58.8	100.1	-41%
Employees at 30 June	175	116	+51%

(1) EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortisation) is an indicator of operating performance, defined as operating income before non-recurring items restated for net depreciation and amortisation on property, plant and equipment, intangible assets, and provisions, as well as expenses related to share-based payments (IFRS 2).

1.2 Business development

Biomethane production

At 30 June 2023, Waga Energy (the "**Company**") and its subsidiaries identified in the group structure chart in Section 2.1 (hereinafter the "**Group**") operated seventeen Wagabox® units, including fifteen in France, one in Canada and one in Spain. Three new units were commissioned in the first half of 2023 — the first of which at the Suez site in Montois-la-Montagne (Moselle, France), the second at the Enercycle site in Saint-Étienne-des-Grés (Quebec, Canada) and the third at the PreZero site in Els Hostalets de Pierola (Catalonia, Spain). With an installed capacity of 130 GWh/year, the Canadian unit represents the largest unit launched by the Group to date.

	H1 2023	H1 2022	Change
Number of Wagabox® units in operation (end of period)	17	13	+31%
Number of Wagabox® units in operation (average)	15	12	+25%
Biomethane produced (in GWh)	142	96	+48%

The fleet of Wagabox® units operated by the Group produced 142 GWh of biomethane in the first half of 2023, 48% more than in the first half of 2022 and 18% more than in the previous half.

Units in operation at 1 January 2023 maintained an availability of at least 95% (excluding downtime due to external causes), excluding one unit which had an availability of 92% during the period, which was due to exceptional maintenance work and for which a provision for unavailability was recognised at 30 June 2023.

1.3 Analysis of the income statement and 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 the IFRS measures, the Group presents a number of additional indicators such as EBITDA, average age of the treatment plant fleet and average residual term of 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.

Since the Group remains in a period of accelerated growth, the profitability of projects already in operation is insufficient to cover the development costs of ongoing projects**.**

Revenue

The following table shows the revenue for the first half of 2023 and the first half of 2022.

in EUR thousands	30 June 2023		30 June 2022	
Number of Wagabox® units in operation (average)	15		12	
Sale of gas / Treatment services	10,223	75%	6,514	93%
Sales of equipment	3,162	23%	241	3%
O&M and other	267	2%	242	3%
Revenue	**13,653**	**100%**	**6,997**	**100%**

In the first half of 2023, the Group generated consolidated revenue of €13.7 million, up €6.6 million, or +95%, compared to the first half of 2022.

Biomethane sales and purification services, which accounted for 75% of first-half revenue, saw a 57% increase compared to the first half of 2022. This increase is attributable mainly to a scope effect of €2.4 million—linked to the number of operating units increasing in the period—and to a price effect of €0.6 million related to annual tariff indexations.

A further €2.9 million of the increase in revenue was generated by the sale of Wagabox® equipment for the biomethane production units at the Winnebago (Illinois, United States) and Hartland (British Columbia, Canada) sites. These equipment sales totalled €3.2 million in the first half of 2023.

Most of the Waga Energy Group's revenues come from long-term contracts, guaranteed by a feed-in tariff.

Average age of Wagabox® fleet and residual term of biomethane sales agreements

In years (*)	30 June 2023	31 December 2022
Average age of the fleet	2.9	2.8
Residual term of biomethane sales agreements	11.8	11.9

**Data weighted according to production.*

The average age of the fleet is the length of time the units have been in operation since their commissioning date, weighted by the actual production of each Wagabox® unit. This indicator shows that at the end of the first half of 2023, the installations are still new compared to the duration 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 the actual production of each Wagabox® unit. As these are long-term agreements, this indicator enhances the average number of remaining years of secured revenue for the Group.

EBITDA

In the first half of 2023, the Group generated an EBITDA of €(3.1) million compared to €(2.0) million in the first half of 2022. This change is mainly due to the Group's international development and the ongoing recruitment drive to structure the Group and deploy its growth strategy.

At 30 June 2023, the Group had 175 employees, compared to 116 at 30 June 2022, *i.e.* an increase of 51%.

The table below provides a reconciliation of profit (loss) from recurring operations to EBITDA for the first half of 2023 and the first half of 2022.

Reconciliation of EBITDA/Profit (loss) from recurring operations (in thousands of euros)	30 June 2023	30 June 2022
Profit (loss) from recurring operations	-6,932	-4,407
Cancellation of the impact of depreciation and amortisation and provisions	1,806	1,270
Cancellation of the impact of IFRS 2 expenses	1,991	1,113
EBITDA	**-3,135**	**-2,024**

Profit (loss) from recurring operations

Loss from recurring operations amounted to €(6.9) million at 30 June 2023, compared with €(4.4) million at 30 June 2022. The change is explained by the factors mentioned above, as well as by the increase in depreciation, amortisation and provisions (€1.8 million in the first half of 2023 compared with €1.3 million in the first half of 2022), corresponding to the increased number of Wagabox® units in service, in addition to the increase in share-based compensation expenses (€2.0 million in the first half of 2023 compared with €1.1 million in the first half of 2022), due to the allocation of a new BSPCE and stock-option plan. This IFRS 2 expense has not generated any cash outflow for the Group to date.

Profit (loss) for the period

Taking into account the impact of the various factors described above, the financial income of €(0.6) million, compared with €(0.5) million for the first half of 2022, and a corporate income tax charge of €0.1 million, the same as for the first half of 2022, consolidated net income was €(7.6) million at 30 June 2023, compared with €(5.1) million at 30 June 2022.

1.4 Investments

In line with its strategy, the Group has accelerated the deployment of its Wagabox® units, investing €20.5 million in the first half of 2023, compared to €14.1 million in the first half of 2022, an increase of €6.4 million. This strong growth reflects the increase in the number and size of units under construction, particularly internationally. At 30 June 2023, the Group had 12 units under construction.

In the first half of the year, these investments were primarily financed by grants and the equity raised at the time of the Company's IPO in October 2021, pending their refinancing by debt.

2. Significant events of the first half of 2023

2.1 Significant events of the period

Business activity

Waga Energy launched three new Wagabox® units during the first half of 2023, including its first two international units:

- On 26 January, the Group launched a unit that can produce up to 25 GWh/year at the Suez site in Montois-la-Montagne (Moselle), as part of a contract for purification services. It supplies more than 3,000 homes and avoids the emission of 3,300 tonnes of CO2 eq per year. This is the sixth unit to be commissioned at a Suez site.
- On 24 May, the Group launched its first international unit at the site of the public operator Enercycle in Saint-Étienne-des-Grés (Quebec, Canada). This is the largest unit commissioned to date. It can produce 130 GWh/year of biomethane, equivalent to the consumption of around 8,000 Quebec households, thereby avoiding the emission of 21,500 tonnes of CO2 eq per year into the atmosphere. The biomethane produced is injected into the network of Canadian energy company Énergir, which is acquiring it as part of a 20-year contract. The Group received grants from the Quebec government totalling C$3.7 million for this project, of which C$1.8 million has already been received, and a loan of C$2.3 million from the public body Investissement Québec.
- On 20 June, the Group commissioned a 70 GWh/year unit at the PreZero Group site in Els Hostalets de Pierola, near Barcelona (Catalonia, Spain). Its production corresponds to the annual gas consumption of around 14,000 Spanish homes, or 200 buses. The biomethane is injected into the network of Spanish operator Nedgia, and resold by the Group under a long-term private purchase agreement (“biomethane purchase agreement”). This project received a European grant of €2.4 million as part of the Innovation Fund Small Scale programme, designed to support the deployment of innovative low-carbon technologies.

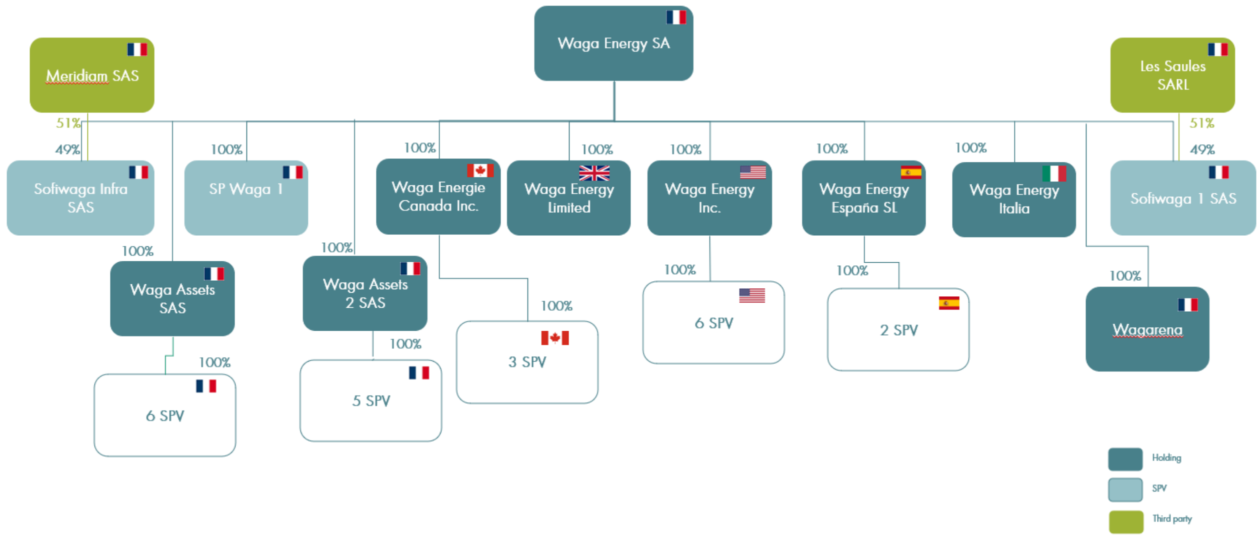
At 30 June 2023, the Group operated a fleet of 17 units in France, Canada and Spain, representing a total installed capacity of 640 GWh/year.

Share capital transactions and subsidiaries

Legal group structure chart

During the first half of 2023, seven new project companies were created, including five in the United States and two in Canada, to support new Wagabox® projects. These companies, wholly owned by Waga Energy or its subsidiaries, had no activity and generated no financial flows at 30 June 2023.

The simplified group structure chart below presents the legal organisation of the Group as at 30 June 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, entitling the holder to the subscription of 337,000 new company shares with a par value of €0.01 each, at an exercise price of €27.54, under the authority delegated by the Combined General Meeting of 30 June 2022. The same Board also decided to issue and allocate 196,000 options (Options.2023) free of charge to employees and/or executives, entitling the holder to the subscription of 196,000 new company shares with a par value of €0.01 each, at an exercise price of €27.54, under the authority delegated by the Combined General Meeting of 8 October 2021.

On 29 June 2023, the Board of Directors decided to issue and allocate 15,000 founders' share warrants (BSPCE.2023.2) free of charge to employees and/or executives, entitling the holder to the subscription of 15,000 new company shares with a par value of €0.01 each, at an exercise price of €27.39, under the authority delegated by the Combined General Meeting of 30 June 2022. The same Board also decided to issue and allocate 3,000 options (Options.2023.2) free of charge to employees and/or executives, entitling the holder to the subscription of 3,000 new company shares with a par value of €0.01 each, at an exercise price of €27.39, under the authority delegated by the Combined General Meeting of 8 October 2021 to replace the 3,000 2023.BSPCE granted on 24 January 2023.

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.

Financing

Funding of Wagabox® projects

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 will refinance part of the equity contributions made by the Group during construction of the Can Mata project, which started operating in June 2023. At 30 June 2023, the amount of the loan had not yet been drawn down. The conclusion of this financing also made it possible to apply for the release of the first €1-million tranche of the European Union's EIC Innovation Fund grant obtained in 2022, totalling €2.5 million. The Company received this first tranche of the grant in August 2023.

In June 2023, the Group signed an amendment to the long-term financing agreement signed in July 2022, in order to extend the drawdown period by 12 months for Wagabox® units under construction.

During the first half of 2023, the Company received an amount of €0.45 million, corresponding to the balance of the two “Prospecting” repayable advances granted by Bpifrance in 2019 as part of BPI's international project developments in the United States and Canada (out of a total of €0.9 million). The repayment of these two advances is expected to be spread over the period between 2025 and 2028.

Grants

Waga Energy Canada received C$1.2 million in grants in the first half of 2023. These grants will appear as reversal entries in the income statement at the rate of depreciation of the Wagabox® units concerned, from the time at which they are brought into service.

2.2 Share capital and voting rights

At 30 June 2023, the Company’s share capital and voting rights were as follows:

- Number of shares making up the share capital: 20,488,550
- Number of treasury shares held by the Company: 20,553
- Number of shares making up the share capital, less treasury shares: 20,467,997
- Theoretical number of voting rights, including treasury shares: 20,488,550
- Theoretical number of voting rights, less treasury shares: 20,467,997

At 30 June 2023, the breakdown of the Company's share capital and voting rights was as follows:

Share capital at 30 June 2023 on a non-diluted basis			Share capital at 30 June 2023 on a diluted basis		
Shareholders	**Number of shares**	***Percentage of share capital and voting rights***	**Number of new shares to be issued upon exercise of the 2019 BSPCE/2021 BSPCE and 2021 OPTIONS/2023 BSPCE and 2023 OPTIONS.**	**Number of shares**	***Percentage of share capital and voting rights***
Mathieu LEFEBVRE**	1,730,000	*8.4%*	330,000	2,060,000	*8.8%*
Nicolas PAGET	990,000	*4.8%*	330,000	1,320,000	*5.6%*
Guenaël PRINCE**	829,900	*4.1%*	330,000	1,159,900	*5.0%*
HOLWEB*	2,513,495	*12.3%*	*7.*	2,513,495	*10.7%*
Total Corporate Officers	**6,063,395**	**29.6%**	**990,000**	**7,053,395**	**30.1%**
OTHER FOUNDERS	366,228	*1.8%*	*8.*	366,228	*1.6%*
Total other founders	**366,228**	**1.8%**	**9.**	**366,228**	**1.6%**
FPCI STARQUEST PUISSANCE 5**	1,510,800	*7.4%*	*10.*	1,510,800	*6.5%*
E SALE MARIS (STARQUEST management mandate)	369,400	*1.8%*	*11.*	369,400	*1.6%*
VOL V IMPULSION (STARQUEST management mandate)	150,698	*0.7%*	*12.*	150,698	*0.6%*
ALIAD SA**	2,848,729	*13.9%*	*13.*	2,848,729	*12.2%*
LES SAULES SARL**	1,785,654	*8.7%*	*14.*	1,785,654	*7.6%*
TERTIUM**	898,129	*4.4%*	*15.*	898,129	*3.8%*
NORIA INVEST SRL***	540,805	*2.6%*	*16.*	540,805	*2.3%*
SWIFT GAZ VERT**	304,001	*1.5%*	*17.*	304,001	*1.3%*
Total financial investors	**8,408,216**	**41.0%**	**18.**	**8,408,216**	**35.9%**
FLOATING	5,630,158	*27.5%*	*19.*	5,630,158	*24.0%*
Total Floating	**5,630,158**	**27.5%**	**20.**	**5,630,158**	**24.0%**
BSPCE/options allocated to Company/Subsidiary employees ("Employees")	20.1.	20.2.	1,922,862	1,922,862	*8.2%*
Total Employees	**20.3.**	20.4.	**1,922,862**	**1,922,862**	**8.2%**
Treasury shares****	20,553	*0.1%*	*21.*	20,553	*0.1%*
Total treasury shares	**20,553**	**0.1%**	**22.**	**20,553**	**0.1%**
Total	**20,488,550**	**100.0%**	**2,912,862**	**23,401,412**	**100.0%**

** Mathieu Lefebvre, Guénaël Prince and Nicolas Paget respectively hold 37.18%, 21.26% and 12.76% of Holweb*
*** Director or shareholder represented on the Board of Directors*
**** Non-voting member of the Board of Directors*
***** Under the liquidity agreement entered into on 2 November 2021 by the Company with Portzamparc.*

3. Change in net financial debt and cash flow

3.1 Cash flow

The net change in cash flow amounted to €(32.9) million in the first half of 2023, compared with €(22.8) million in the first half of 2022.

The changes in cash flow can be broken down into:

- **Cash flow from operating activities**, which amounted to €(7.3) million at 30 June 2023, compared with €(3.6) million at 30 June 2022; this change is mainly explained by the increase in expenses incurred for the growth and structuring of the Group in France and internationally (see the "EBITDA" section) and the accumulation of material inventories to manufacture Wagabox® units;

- **Cash flow from investing activities**, which amounted to €(21.9) million at 30 June 2023 compared with €(13.5) million at 30 June 2022; investing activities mainly concern the construction of Wagabox® units, the deployment of which gained pace during the first half of 2023;

- **Cash flow from financing activities**, which amounted to €(3.7) million at 30 June 2023, compared to €(5.5) million at 30 June 2022. This flow corresponds primarily to repayments on loans taken out at 31 December 2022 and the cost of debt.

Cash flows are presented in detail in the condensed consolidated financial statements at 30 June 2023.

3.2 Net financial debt

The Group's gross financial debt amounted to €50.5 million at 30 June 2023 compared to €52.6 million at 31 December 2022. The breakdown of debt is described in detail in Note 7.14 to the condensed consolidated financial statements at 30 June 2023.

Available cash amounted to €58.8 million at 30 June 2023, compared with €91.7 million at 31 December 2022.

As a result, net cash amounted to €8.3 million at 30 June 2023, compared with €39.1 million at 31 December 2022.

4. Subsequent events

Business development

Since 30 June 2023, the Group has signed four new contracts for sites in the United States:

- Three contracts with Casella Waste Systems, one of the country's leading waste treatment companies, to equip three sites with Wagabox® units, offering a total installed capacity of 586 GWh per year;
- A contract with Scott County (Iowa, United States) and Linwood to equip the Davenport site with a unit with an installed capacity of 60 GWh per year.

Share capital transactions and subsidiaries

On 20 July 2023, the Board of Directors decided to issue and allocate 25,000 options (Options.2023.3) free of charge to employees and/or executives, entitling the holder to the subscription of 25,000 new company shares with a par value of €0.01 each, at an exercise price of €27.39, under the authority delegated by the Combined General Meeting of 8 October 2021.

Financing and grants

The Group has secured an international project guarantee from Bpifrance to finance business development in Brazil.

The Group also received payment of the first tranche of the €1-million grant from the European Union's EIC Innovation Fund for the Can Mata project in Spain (out of a total of €2.5 million).

5. Significant events relating to ongoing litigation

None.

6. Transactions with related parties

Related-party transactions are described in Note 8.13 to the condensed consolidated financial statements at 30 June 2023.

7. Description of the main risks and uncertainties for the coming six months

7.1 Geopolitical backdrop of the conflict in Ukraine

The Group has no direct exposure in Eastern Europe, but it is indirectly impacted by the war in Ukraine in terms of increased energy costs, inflation and the slowdown in economic activity in Europe.

After peaking at unprecedented levels in the summer of 2022, energy prices have fallen sharply, while remaining higher than before Russia's invasion of Ukraine in February 2022.

In the long term, rising electricity prices in Europe have a limited impact on the operating costs of Wagabox® units, since the Group has multi-year electricity supply contracts and they are partly capped under the French government's Regulated Access to Historical Nuclear Electricity ("ARENH") scheme, which runs until December 2025. In addition, in most cases, this cost is shared with the storage site operator and offset by the annual indexation mechanism of the biomethane sale price in France. Nevertheless, the delay in ascertaining energy prices and compensatory measures (with the site operator or through biomethane sale price) may affect the profitability of certain projects in the short term.

In France and the United Kingdom, and to a lesser degree Spain, Italy and Portugal, high electricity prices have slowed the Group's business activity, leading to some operators with a generator on site adopting a wait-and-see attitude. Despite low energy yields, this equipment can be profitable in the short term. This situation has also led some operators to reduce the volume of biogas injected into their Wagabox® unit in favour of a generator already installed on the site. However, these strategic arbitrations have little impact on the Group's revenue insofar as the contracts always include a fixed compensation component.

More generally, the economic difficulties caused by the war in Europe led to a rise in procurement costs for parts used in the construction and maintenance of units. This increase is partially offset by contractual indexation clauses, and for future projects, will be passed on to customers to maintain an economic equilibrium for projects.

The economic situation has also led to longer delivery times. The Group reacted to this from the beginning of 2022 by anticipating its orders and increasing its inventories of critical parts to avoid delays in commissioning units under construction.

Lastly, rising interest rates mean higher financing costs for future projects, which will have to be taken into account to maintain the expected level of project profitability. This rise in rates however has a limited impact on the Group's financial expenses in the first half of 2023, insofar as the majority of current financing arrangements were concluded before the crisis or in the first half of 2022, at fixed rates or backed by interest rate swaps.

7.2 Other risks and uncertainties

The main other risks and uncertainties that the Group could face in the remaining six months of the financial year are identical to those presented in Chapter 3 "*Risk factors*" of the 2022 Universal Registration Document, filed with the French Financial Markets Authority — *Autorité des Marchés Financiers* ("**AMF**") on 16 June 2023 under number R.23-029.

8. Outlook for the next six months

Business outlook

- **Europe**

  In Europe, high energy prices and falling imports of Russian natural gas have boosted interest in biomethane, as a renewable alternative. In addition to its environmental benefits, biomethane can contribute to national energy independence. As part of the REPowerEU plan announced in May 2022, the European Commission announced €37 billion of investments in the biogas sector, with the aim of increasing biomethane production by 35 billion cubic metres by 2030.

  This situation, at a time when the spot price of natural gas remains higher than it was before the Ukrainian crisis, is helping to increase the commercial value of biomethane and is driving the signature of BPA-style ("Biomethane Purchase Agreement") private purchase agreements. These contracts, which are potentially more profitable for operators of waste storage facilities, are likely to boost the market appeal of the Wagabox® solution and, therefore, the Company's commercial activity.

  To increase the commercial value of its biomethane production, in the first half of 2023, the Group has undertaken to obtain "ISCC EU"[1] certification for all European Wagabox® units with a capacity in excess of 20 GWh.

  In France, the increase in the value of biomethane has no direct impact on the profitability of the units in operation, insofar as their production is now fully sold under the "feed-in tariff".

- **North America**

  At the end of June, the Group was in exclusive negotiations for several projects in Canada and the United States, representing a total installed capacity of 1.7 TWh/year. By July, some of these negotiations resulted in four new contracts being concluded in the United States, including one with a public-sector player, and the remaining three with a leading private-sector player (for further details, see Section 4

[1] The International Sustainability & Carbon Certification (ISCC) programme is a biomass and bioenergy certification scheme developed within the European Union. Its purpose is to ensure compliance with the sustainability and greenhouse gas emission reduction criteria defined by the European RED II Directive.

"*Subsequent events*" of this Half-Year Financial Report), accelerating the Group's breakthrough in the North American market.

These initial commercial successes confirm the credibility of Waga Energy's value proposition in the United States, and open up very favourable prospects in this market, which has around 2,700 waste storage sites that are significantly larger than the European sites, and which therefore produce much larger volumes of gas. The RIN (Renewable Identification Number) mechanism introduced in 2007 by the US Environmental Protection Agency (EPA) as part of the Renewable Fuel Standards (RFS) programme, by monetising the environmental value of the biomethane produced by these sites, enables the Group to negotiate BPAs in the United States with a biomethane price comparable to that in Europe, despite the lower price of natural gas.

- **Latin America**

The Group is stepping up its commercial activity in Latin America, particularly in Brazil, Mexico and Colombia.

The Group believes that since the price of biomethane has increased in recent months in both Europe and North America, the deployment of its technology is likely to be accelerated through BPAs being signed.

Business activity

In the second half of the year, the Group plans to commission three new Wagabox® units, including two in France and one in Canada, as well as the two cryogenic distillation modules sold to Air Liquide in the United States.

The Group's revenue should therefore continue to grow in the second half of the year, driven by the increased scope of Wagabox® operations and equipment sales in the United States and Canada.

At the same time, investments are set to ramp up as the manufacture of Wagabox® units begins for recently signed contracts in the United States.

Financing

At 30 June, the Group had cash and cash equivalents of €58.8 million and several secured bank loans scheduled to be drawn down over the next 12 months. In accordance with its strategy, the Group is pursuing its financing policy, seeking external financing tailored to the stage of completion and location of projects to be funded. The Group is confident in its ability to obtain the financing necessary to achieve its ambitions.

Waga Energy Group

Condensed Interim IFRS Financial Statements

For the six-month period ended 30 June 2023

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BALANCE SHEET

ASSETS (in EUR thousands)	Notes	30 June 2023	31 December 2022
Intangible assets	7.1	976	804
Property, plant & equipment	7.2	89,213	70,331
Non-current financial assets	7.4	2,497	2,137
Deferred tax assets	7.5	0	0
Autres actifs non courants	7.6	7,646	6,562
Non-current assets		**100,332**	**79,835**
Inventories	7.7	6,586	4,867
Trade and other receivables	7.8	5,369	4,143
Tax receivables	7.9	376	315
Other current assets	7.10	10,777	8,356
Cash and cash equivalents	7.11	58,805	91,659
Current assets		**81,913**	**109,339**
Total assets		**182,245**	**189,174**

EQUITY AND LIABILITIES (in EUR thousands)	Notes	30 June 2023	31 December 2022
Share capital		205	205
Share premium		150,106	150,090
Reserves		(40,009)	(31,119)
Foreign currency translation reserves		86	16
Profit (loss) attributable to owners of the Company		(7,856)	(10,076)
Shareholders' equity attributable to owners of the Company		102,532	109,115
Non-controlling interests		2,589	2,912
Equity	7.12	**105,121**	**112,028**
Non-current provisions	7.13	806	585
Non-current loans and borrowings	7.14	43,109	43,185
Other non-current liabilities	7.18.1	6,565	4,677
Deferred tax liabilities		0	1
Non-current liabilities		**50,480**	**48,448**
Current provisions		0	0
Current loans and borrowings	7.14	7,376	9,420
Trade and other payables	7.16	7,479	5,413
Tax liabilities	7.17	44	42
Other current liabilities	7.18.2	11,745	13,823
Current liabilities		**26,644**	**28,698**
Total equity and liabilities		**182,245**	**189,174**

INCOME STATEMENT

INCOME STATEMENT (in EUR thousands)	Notes	30 June 2023	30 June 2022
Revenue	8.1	13,653	6,997
Other income	8.2	385	155
Revenue		**14,038**	**7,152**
Cost of sales and change in inventory	8.3	(7,282)	(2,859)
External expenses	8.4	(4,600)	(2,487)
Taxes, duties and similar payments		(124)	(77)
Personnel expenses	8.5	(7,398)	(4,772)
Other recurring operating income and expenses	8.7	240	(94)
Depreciation, amortisation and provisions	7.1 & 7.2	(1,806)	(1,270)
Profit (loss) from recurring operations		**(6,932)**	**(4,407)**
Other non-recurring operating income and expenses	8.8	75	(53)
Impairment of non-current assets		0	0
Operating profit (loss)		**(6,856)**	**(4,460)**
Cost of net financial debt		(1,233)	(615)
Other financial income and expenses		669	122
Financial income (expense)	8.9	**(564)**	**(493)**
Profit (loss) before income tax		**(7,421)**	**(4,953)**
Income tax expense	8.10	(148)	(148)
Deferred taxes P&L		0	0
Total comprehensive income (loss)		**(7,569)**	**(5,101)**
Profit (loss) attributable to:			
Owners of the Company		(7,856)	(5,172)
Non-controlling interests		287	71
Basic earnings per share (in EUR)	8.11	(0.38)	(0.25)
Diluted earnings per share (in EUR)	8.11	(0.38)	(0.25)

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME (in EUR thousands)	Notes	30 June 2023	30 June 2022
Consolidated comprehensive income (loss)		**(7,569)**	**(5,101)**
Foreign currency translation differences		(199)	685
Interest rate swaps		(554)	
Items that may be reclassified to profit or loss		**(752)**	**685**
Actuarial gains (losses)		(2)	128
Items that may not be reclassified to profit or loss		**(2)**	**128**
Consolidated comprehensive income (loss)		**(8,323)**	**(4,288)**
Comprehensive income (loss) attributable to owners of the Group		(8,561)	(4,600)
Comprehensive income attributable to NCI		238	311

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 December 31 December 2021	**19,752**	**198**	**126,879**	**(11,109)**	**(53)**	**115,914**	**1,676**	**117,590**
Profit (loss) for the period				(5,172)		**(5,172)**	71	**(5,101)**
Foreign currency translation differences					172	**172**	11	**183**
Hedging instruments					273	**273**	229	**502**
Actuarial gains and losses					128	**128**		**128**
Total comprehensive income for the peri				(5,172)	572	**(4,600)**	311	**(4,288)**
Share capital increase	68	1	216			**216**		**216**
Acquisition of non-controlling interests	656	7	22,973	(23,393)		**(413)**	413	**(0)**
Cancellation of treasury shares								
Share-based payments				1,113		**1,113**		**1,113**
Dividends								
Other changes				(1)		**(1)**	7	**5**
Balance at December 30 June 2022	**20,476**	**205**	**150,067**	**(38,562)**	**519**	**112,230**	**2,407**	**114,636**
Balance at December 31 December 2022	**20,483**	**205**	**150,090**	**(42,337)**	**1,158**	**109,115**	**2,912**	**112,028**
Profit (loss) for the period				(7,856)		**(7,856)**	287	**(7,569)**
Foreign currency translation differences					(199)	**(199)**		**(199)**
Hedging instruments					(504)	**(504)**	(50)	**(554)**
Actuarial gains and losses					(2)	**(2)**		**(2)**
Total comprehensive income for the peri				(7,856)	(705)	**(8,561)**	238	**(8,323)**
Share capital increase	5	0	17			**17**		**17**
Acquisition of non-controlling interests								
Cancellation of treasury shares								
Share-based payments				1,991		**1,991**		**1,991**
Dividends							(561)	**(561)**
Other changes				(31)		**(31)**		**(31)**
Balance at December 30 June 2023	**20,489**	**205**	**150,106**	**(48,232)**	**453**	**102,532**	**2,589**	**105,121**

The main changes were:

- ⇨ Share-based payments of €1,991 thousand following the exercise of founders' share warrants (BSPCE).
- ⇨ A dividend payment of €1,100,000 at Sofiwaga 1, including €561,000 to non-controlling shareholders.

CASH FLOW STATEMENT

CASH FLOW STATEMENT (in EUR thousands)	Notes	30 June 2023	30 June 2022
Profit (loss) for the period		(7,569)	(5,101)
Adjustments for:			
Depreciation, amortisation and provisions	7.1, 7.2, 7.12	1,909	1,330
Gains or losses from the disposal of assets		1	0
Share-based payments	8.6	1,991	1,113
Other income and expense		(256)	261
Cost of financial debt	8.9	1,233	615
Tax expense (incl. deferred tax)	8.10	148	148
Operating cash flow before income tax and change in working capital		**(2,542)**	**(1,634)**
Income taxes paid		(207)	(357)
Effect of change in inventories		(1,715)	(1,037)
Effect of change in trade and other receivables		(2,566)	(804)
Effect of change in trade and other payables		(221)	215
Net cash from (used in) operating activities		**(7,251)**	**(3,617)**
Acquisition of property, plant and equipment and intangible assets	7.1, 7.2	(20,483)	(14,106)
Acquisition of financial assets	7.4	(343)	635
Effect of changes in payables to suppliers of fixed assets		(526)	635
Effect of changes in advances for fixed asset acquisitions	7.6	(1,458)	0
Disposals and transfers of fixed assets		9	(2,650)
Investment grants received	7.18.1	923	0
Net cash from (used in) investing activities		**(21,878)**	**(13,474)**
Effect of change in consolidation scope (NCI contributions)			
Share capital increase (net of capital increase costs)	7.12.1	17	216
Proceeds from borrowings & repayable advances	7.14	665	9,094
Repayment of borrowings & repayable advances (incl. Cost of debt)	7.14	(4,409)	(14,802)
Dividends paid			
Net cash from financing activities		**(3,728)**	**(5,492)**
Effect of change in exchange rates on cash held		3	(227)
Net increase in cash and cash equivalents		**(32,854)**	**(22,810)**
Cash and cash equivalents at 1 January		91,659	122,913
Cash and cash equivalents at 30 June		58,805	100,104

Increases in non-cash assets and liabilities are eliminated. Consequently, new leases are not included in investments for the period. The decrease in financial liabilities relating to leases is included in loan repayments for the period.

Advances and down payments on fixed assets and payables to suppliers of fixed assets are recognised under net cash used in investing activities, as they mainly concern Wagabox® units. Including changes in down payments and payables to suppliers of fixed assets, cash used for acquisitions of property, plant and equipment and intangible assets amounted to €22,467 thousand for the first half of 2023.

Details of changes in working capital

Change in working capital	31 December 2022	Change in consolidation scope	Foreign currency translation differences	30 June 2023	Change
Inventories	4,867		-5	6,586	1,715
Trade and other receivables	4,143		0	5,369	1,226
Other current assets	8,356		-27	9,662	1,279
Current tax receivable (tax credits)	315			376	61
					2,566
Trade and other payables	5,413		-3	7,479	-2,063
Other non-current liabilities	573		-14	783	-195
Other current liabilities	7,883		5	5,399	2,479
					221

Investment grants received by Waga Energie Canada and Waga Energy in the first half of 2023, classified under 'other non-current liabilities' in the balance sheet, are included in investing activities in the cash flow statement for €923 thousand.

The €980 thousand grant receivable for the Can Mata project in Spain has been deducted from 'other current assets' and 'other current liabilities'.

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 and 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 condensed interim financial statements for the six-month period ended 30 June 2023, prepared in accordance with International Financia Reporting Standards (IFRS), were approved by the Board of Directors on 26 September 2023.

2. Basis of preparation

2.1. Statement of compliance

The condensed interim financial statements of the Company for the six-month period ended 30 June 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

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 the accounting framework

The following new standards, amendments and interpretations were mandatory for the Group at 30 June 2023:

- Amendments to IFRS 3 – Updating a reference to the Conceptual Framework (effective for reporting periods beginning on or after 1 January 2023);
- Amendments to IAS 37 – Onerous Contracts: Costs of Fulfilling a Contract (effective for reporting periods beginning on or after 1 January 2023);
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (effective for reporting periods beginning on or after 1 January 2023);

- Annual improvements to IFRS – 2018-2020 (effective for reporting periods beginning on or after 1 January 2023).

The following new standards, amendments and interpretations have been issued but were not mandatory for the Group at 30 June 2023:

- Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023 subject to approval by the EU)
- Amendments to IAS 1 and Practice Statement 2 – Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023 subject to approval by the EU)
- Amendments to IAS 8 – Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023 subject to approval by the EU)
- Amendments to IAS 1 – Presentation of Financial Statements: Classifying Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2024 (a proposal to change this to a later date is currently underway) – subject to approval by the EU).
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective for annual reporting periods beginning on or after 1 January 2024 subject to approval by the EU)

The Company does not expect the new standards to have a significant impact on these condensed interim financial statements.

2.3. Use of estimates and judgements

The preparation of the consolidated financial statements requires Management to use judgements 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 they are reasonable 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 estimates due to changes in assumptions and economic circumstances. The effect of changes in estimates is recognised prospectively. Consequently, the actual amounts reported in the Group's future financial statements may differ from current estimates.

2.3.1. Judgements

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 7.3).

2.3.2. Assumptions and estimation uncertainties

Information on assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the carrying amounts of assets and liabilities at 30 June 2023 is included in the following notes:

- Measuring the fair value of founders' share warrants (BSPCE) (Notes 7.12.2 and 8.6): The fair value of share-based payments is determined using the Black & Scholes option pricing model, which factors in assumptions on complex and subjective variables. The variables include share price, expected volatility of share price over the life of the instrument and the current and future behaviour of the holders of the instruments.

- With regard to convertible bonds, estimates are made to:
  - Determine the fair value of conversion options (Note 7.14);
  - Determine the effective interest rate (EIR) of the debt component of conversion options, taking into account the most probable time horizon for conversion into shares or redemption (Note 7.14).
- Measuring interest rate swaps used to manage exposure to interest rate risk (Note 9.2).
- Measuring provisions, including for retirement benefits and site dismantlement (Note 7.13).
- Determining the discount rate and lease term when assessing lease liabilities in accordance with IFRS 16 "Leases" (Note 7.2).
- Measuring provisions for the impairment of trade receivables in accordance with IFRS 9 (Note 7.8).
- Assessing whether to capitalise deferred tax assets (Note 7.5).

Actual values may differ from estimates due to changes in assumptions 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 period ended 30 June 2022 have been prepared on a going concern basis for a minimum period of twelve months from the date of the financial statements, given net cash available and growth prospects reflected in the business plan.

2.5. Functional and presentation currency

The 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 effective at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the exchange rate effective at the reporting date.

Foreign exchange gains and 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 the first half of 2023

3.1.1. Biomethane production

At 30 June 2023, Waga Energy and its subsidiaries (hereinafter the "Group") were operating 17 Wagabox® units (15 in France, one in Canada and one in Spain). Three new units were commissioned during the first half of 2023: the first on the Suez site in Montois-la-Montagne (Moselle department, France), the second on the Enercycle site in Saint-Étienne-des-Grés (Quebec, Canada) and the third on the PreZero site in Els Hostalets de Pierola (Catalonia, Spain). The Canadian unit has the capacity to generate 130 GWh a year, making it the largest unit commissioned by the Group to date.

	H1 2023	H1 2022	Change
Number of Wagabox® units in operation (period-end)	17	13	+31%
Number of Wagabox® units in operation (average)	15	12	+25%
Biomethane produced (in GWh)	142	96	+48%

The installed base of Wagabox® units operated by the Group produced 142 GWh of biomethane in the first half of 2023, which was 48% more than in H1 of 2022 and 18% more than H2 of 2022.

The units operating at 1 January 2023 maintained at least 95% availability (except for downtime due to external causes). Only one unit had 92% availability in the first half of 2023 due to a maintenance operation, reflected in a provision for unavailability recognised at 30 June 2023.

3.1.2. Share capital transactions and subsidiaries

Legal organisation

In the first half of 2023, seven new special purpose vehicles (SPV) were created for new Wagabox® projects, five in the United States and two in Canada. These SPVs, 100% held by the Group, did not conduct any business or generate cash flows in the period ended 30 June 2023.

Founders' share warrants (BSPCE) and stock options

On 24 January 2023, the Board of Directors decided to issue and award 337,000 free founders' share warrants (BSPCE.2023) to employees and/or executives, conferring entitlement to 337,000 newly-issued Company shares with a par value of €0.01 and a strike price of €27.54, as authorised by the Shareholders at their Combined General Meeting of 30 June 2022. The Board of Directors also decided to issue and award 196,000 free stock options (Options.2023) to employees and/or executives, conferring entitlement to 196,000 newly-issued Company shares with a par value of €0.01 and a strike price of €27.54, as authorised by the Shareholders at their Combined General Meeting of 8 October 2021.

On 29 June 2023, the Board of Directors decided to issue and award an additional 15,000 free founders' share warrants (BSPCE.2023.2) to employees and/or executives, conferring entitlement to 15,000 newly-issued Company shares with a par value of €0.01 and a strike price of €27.39, as authorised by the Shareholders at their Combined General Meeting of 30 June 2022. The Board of Directors also decided to issue and award 3,000 free stock options (Options.2023.2) to employees and/or executives, conferring entitlement to 3,000 newly-issued Company shares with a par value of €0.01 and a strike price of €27.39, as authorised by the Shareholders at their Combined General Meeting of 8 October 2023, to replace the 3,000 BSPCE.2023 granted on 24 January 2023.

3.1.3. Other significant events

Transfer of the registered office

The Company acquired new premises in Eybens (Grenoble metropolitan area) and transferred its registered office and that of its subsidiaries there, with effect from 16 January 2023.

3.1.4. Financing

Funding of Wagabox® projects

In March 2023, the Group took out a new long-term bank loan for €6.6 million with Bpifrance for its subsidiary Sofiwaga España 1. The loan will enable the Group to refinance a portion of the contributions made during the construction phase of the Can Mata project, which became operational in June 2023. No drawdowns had been made at 30 June 2023. The loan also enabled the Group to request the release of the first tranche of the €2.5 million EU grant obtained in 2022 through the European Innovation Council (EIC) Fund. The Company received the first tranche of €1 million in August 2023.

In June 2023, the Group signed a rider to the long-term loan agreement entered into in July 2022, to extend the loan drawdown period by 12 months to fund Wagabox® unit construction projects in progress.

In the first half of 2023, the Company received €0.45 million (out of an aggregate €0.9 million) from Bpifrance, corresponding to the balance of two repayable advances granted in 2019 for prospecting activities in the United States and Canada under the BPI's international project development scheme. The advances will be repaid in instalments between 2025 and 2028.

Grants

Waga Energie Canada received C$1.2 million in grants in the first half of 2023. The grants will be recognised in the income statement to reflect depreciation of the associated Wagabox® units once they are commissioned.

3.2. Geopolitical backdrop of the conflict in Ukraine

Waga Energy has no direct exposure in Eastern Europe. However, the Group is indirectly impacted by the Russia-Ukraine war in terms of increased energy costs, inflation, higher interest rates and the slowdown in the European economy.

The increase in natural gas prices on the market has no direct impact on Group revenue, as practically all the biomethane it produces is currently sold in France under fixed purchase price agreements at a tariff set by the French government for a 15-year period, indexed annually to industrial and labour costs.

In the long term, the hike in electricity prices in Europe will only have a limited effect on Wagabox® operating costs as the Group's electricity supply contracts are multi-year and capped under the ARENH (Regulated Access to Historical Nuclear Power) scheme introduced by the French government until December 2025. Moreover, the power consumption costs of Wagabox® units are generally shared with the storage site operator and offset by annual indexing to the selling price of biomethane in France. However, as the accounting recognition of electricity costs and the implementation of offsetting measures (cost sharing or indexing) do not occur at the same time, the profitability of certain projects may be affected in the short term.

In France, the United Kingdom and, to a lesser extent, Spain, Italy and Portugal, high electricity prices have resulted in slower sales for the Group due to the wait-and-see approach by some operators with cogeneration engines. Despite their low energy efficiency, such engines can be profitable in the short term. Some waste storage site operators have opted to use the cogeneration engine already installed on their site and reduce the volume of biogas sent to their Wagabox® unit. However, these opportunistic trade-offs have little impact on Group revenue as the Group's sales contracts always have a fixed remuneration component.

The economic difficulties caused by the war in Europe have led to higher prices for the Group when procuring parts for Wagabox® construction or maintenance. The overrun is partly offset by the indexation clauses in the Group's contracts and, for future projects, will be passed on to customers to maintain the projects' economic balance.

The economic situation has also resulted in longer delivery times. At the start of 2022, the Group responded by anticipating orders and stocking up on critical parts to avoid delays in the commissioning of units under construction.

Lastly, higher interest rates increase financing costs for future projects and will need to be factored in to maintain the expected levels of project profitability. Rising interest rates had little impact on the Group's financial expenses in the first half of 2023 as most current loans were entered into before the crisis or in the first half of 2022 and bear fixed-rate interest or are hedged by interest rate swaps.

3.3. Going concern

The going concern assumption was adopted by the Board of Directors considering the following factors:

- Available cash of €59 million at 30 June 2023,
- The Group's business plan, with investments scheduled for signed contracts with secured financing

Management and the Board of Directors expect that these factors will enable the Group to meet its requirement over the next twelve months, until the end of September 2024.

If needed, the Group has additional financing options, including postponing certain investments or negotiating additional external funding.

4. Subsequent events

4.1. Business development

Since 30 June 2023, the Group has signed four new contracts, for sites in the United States:

- Three contracts with Casella Waste Systems, one of the leading waste processing firms in the country, to equip three sites with Wagabox® units for a total capacity of 586 GWh per year;
- A contract with Scott County, Iowa and Linwood to equip the Davenport site with a unit offering capacity of 60 GWh per year.

4.2. Business development

In September 2023, the Group commissioned a standard unit (25 GWh/year) in the centre of France.

4.3. Share capital transactions and subsidiaries

Founders' share warrants (BSPCE) and stock options

On 20 July 2023, the Board of Directors decided to issue and award 25,000 free stock options (Options.2023.3) to employees and/or executives, conferring entitlement to 25,000 newly-issued Company shares with a par value of €0.01 and a strike price of €27.39, as authorised by the Shareholders at their Combined General Meeting of 8 October 2021.

4.4. Financing

Bpifrance has granted the Group an International Project guarantee to finance prospecting activities in Brazil.

The Group has also received the first tranche (€1 million) of the €2.5 million EU grant obtained through the EIC Fund for the Can Mata project in Spain.

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:

Compagny	Consolidation method		Percentage control		Percentage ownership interest	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
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	FC	100,00%	100,00%	100,00%	100,00%
WAGA ENERGY ITALIA	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS 2	FC	FC	100,00%	100,00%	100,00%	100,00%
SOFIWAGA 1	FC	FC	49,00%	49,00%	49,00%	49,00%
SOFIWAGA 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%
SOFIWAGA 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	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS VEHICULE 19	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS VEHICULE 18	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS VEHICULE 20	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS VEHICULE 21	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGA ASSETS VEHICULE 22	FC	FC	100,00%	100,00%	100,00%	100,00%
SOFIWAGA ESPANA 2	FC	FC	100,00%	100,00%	100,00%	100,00%
WAGARENA	FC	FC	100,00%	100,00%	100,00%	100,00%
HARTLAND RENEWABLE RESOURCES GROUP	FC	FC	100,00%	100,00%	100,00%	100,00%
CWAC INC	FC		100,00%		100,00%	
WBC2 SEC	FC		100,00%		100,00%	

(a) Fully consolidated

In the first half of 2023, seven new special purpose vehicles were created, including five in the United States and two in Canada. The companies were not included in the consolidation scope as they have not generated any cash flows to date.

Sofiwaga 1 and Sofiwaga Infra are special purpose vehicles for financing Wagabox® assets. The Company manages all the business and transactions relating to 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, as 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 has identified only one operating segment: biomethane production by landfill gas purification.

Revenue from our four main customers at 30 June 2023 amounted to €2.8 million (or 21% of total revenue), €2.4 million (18%), €2 million (15%) and €1.2 million (9%), respectively.

Since financial year 2019, the Group has expanded internationally by setting up subsidiaries in the United States, Canada, Spain, the United Kingdom and Italy. The geographical disclosures required under IFRS 8.33 are presented below.

6.1. Income Statement by geographical area - 30 June 2023

INCOME STATEMENT (in EUR thousands)	30 June 2023	North America	Europe	France	30 June 2022	North America	North America	France
Revenue	13,653	3,393	34	10,225	6,997	272		6,725
Other income	385	86		299	155	9		147
Income from recurring operations	**14,038**	**3,480**	**34**	**10,525**	**7,152**	**280**		**6,872**
Cost of sales and change in inventories	(7,282)	(682)	(121)	(6,480)	(2,859)	(177)	(1)	(2,682)
External expenses	(4,600)	(1,261)	(386)	(2,953)	(2,487)	(539)	(101)	(1,847)
Taxes, duties and similar payments	(124)	(2)	(1)	(121)	(77)	(3)	(0)	(74)
Personnel expenses	(7,398)	(805)	(196)	(6,396)	(4,772)	(728)	(85)	(3,958)
Other recurring operating income and expenses	240	(2,687)	(67)	2,994	(94)	(4)	1	(91)
Depreciation, amortisation and provisions	(1,806)	(166)	(25)	(1,614)	(1,270)	(13)	(1)	(1,256)
Intercompany reconciliation account								
Profit (loss) from recurring operations	**(6,932)**	**(2,124)**	**(763)**	**(4,045)**	**(4,407)**	**(1,184)**	**(187)**	**(3,036)**
Other non-recurring operating income and expenses	75	(9)		84	(53)			(53)
Amortisation & depreciation of non-current assets								
Operating profit (loss)	**(6,856)**	**(2,133)**	**(763)**	**(3,961)**	**(4,460)**	**(1,184)**	**(187)**	**(3,089)**
Cost of financial debt	(1,233)	(143)	(0)	(1,090)	(615)	(23)		(592)
Other financial income and expense	669	(160)	(4)	833	122	(77)		199
Financial profit (loss)	**(564)**	**(303)**	**(4)**	**(257)**	**(493)**	**(100)**	**0**	**(393)**
Profit (loss) before tax	**(7,421)**	**(2,436)**	**(767)**	**(4,218)**	**(4,953)**	**(1,284)**	**(187)**	**(3,482)**
Income tax expense	(148)	(1)	1	(148)	(148)	(0)		(148)
Consolidated profit (loss)	**(7,569)**	**(2,437)**	**(766)**	**(4,366)**	**(5,101)**	**(1,284)**	**(187)**	**(3,630)**

The income statement segmented by geographical area is based on the income statements of the entities comprising the scope. The balance of inter-company transactions is recorded under ‘other recurring operating income and expenses’.

6.2. Balance Sheet by geographical area - 30 June 2023

ASSETS (in EUR thousands)	30 June 2023	North America	Europe	France	31 December 2022	North America	Europe	France
Intangible assets	976	5		972	804	6		798
Property, plant and equipment	89,213	25,078	7,965	56,170	70,331	12,726	6,444	51,162
Non-current financial assets	2,497	(23,924)	(8,375)	34,796	2,137	(8,058)	(1,569)	11,765
Deferred tax assets								
Other non-current assets	7,646	1,899	481	5,266	6,562	1,487	16	5,059
Total non-current assets	**100,332**	**3,058**	**71**	**97,203**	**79,835**	**6,160**	**4,891**	**68,784**
Inventories	6,586	1,142		5,445	4,867	769	30	4,069
Trade and related receivables	5,369	734	34	4,601	4,143	628	0	3,515
Tax receivables	376		26	349	315			315
Other current assets	10,777	1,050	(1,987)	11,714	8,356	280	(5,996)	14,072
Cash and cash equivalents	58,805	5,195	605	53,005	91,659	2,465	369	88,826
Total current assets	**81,913**	**8,120**	**(1,321)**	**75,114**	**109,339**	**4,141**	**(5,597)**	**110,796**
Total assets	**182,245**	**11,178**	**(1,250)**	**172,317**	**189,174**	**10,302**	**(707)**	**179,580**

EQUITY AND LIABILITIES (in EUR thousands)	30 June 2023	North America	Europe	France	31 December 2022	North America	Europe	France
Share capital	205	0		205	205	(0)		205
Share premium	150,106			150,106	150,090			150,090
Reserves	(40,009)	(28,214)	(1,040)	(10,755)	(31,119)	(24,898)	(75)	(6,146)
Foreign currency translation differences	86	88	(3)		16	13	3	
Profit attributable to owners of the Group	(7,856)	(2,437)	(766)	(4,654)	(10,076)	(3,289)	(993)	(5,793)
Equity attributable to owners of the Group	102,532	(30,562)	(1,808)	134,902	109,115	(28,175)	(1,065)	138,355
Non-controlling interests	2,589			2,589	2,912	0		2,912
Equity	**105,121**	**(30,562)**	**(1,808)**	**137,491**	**112,028**	**(28,175)**	**(1,065)**	**141,268**
Non-current provisions	806	22	58	725	585			585
Non-current borrowings and financial liabi	43,109	2,763	138	40,208	43,185	2,520	144	40,521
Other non-current liabilities	6,565	4,061	0	2,503	4,677	3,220	1	1,457
Deferred tax liabilities					1			
Total non-current liabilities	**50,480**	**6,847**	**196**	**43,437**	**48,448**	**5,740**	**145**	**42,564**
Current provisions								
Curent borrowings and financial liabilities	7,376	2,650	11	4,715	9,420	2,577	6	6,837
Trade and related payables	7,479	1,538	97	5,844	5,413	1,022	44	4,347
Tax liabilities	44	24		19	42			42
Other current liabilities	11,745	5,801	183	5,761	13,823	4,256	92	9,475
Total current liabilities	**26,644**	**10,013**	**292**	**16,340**	**28,698**	**7,856**	**143**	**20,699**
Intercompany reconciliation account	0	24,881	70	(24,951)	0	24,881	70	(24,951)
Total equity and liabilities	**182,245**	**11,178**	**(1,250)**	**172,317**	**189,174**	**10,302**	**(707)**	**179,580**

7. Notes to the consolidated balance sheet

7.1. Intangible assets

The main categories of intangible assets and Group amortisation schedule are as follows:

GROSS VALUE *(in EUR thousands)*	Research and development expenses	Concessions, patents, licences and software	Other intangible assets	Total
Balance at 31 December 2022	**434**	**370**	**509**	**1,313**
Acquisitions		34	253	287
Disposals				
Reclassifications and other	31	626	(656)	0
Effect of change in consolidation scope				
Currency translation differences		0		0
Balance at 30 June 2023	**465**	**1,029**	**106**	**1,600**

AMORTISATION AND IMPAIRMENT *(in EUR thousands)*	Research and development expenses	Concessions, patents, licences and software	Other intangible assets	Total
Balance at 31 December 2022	**(187)**	**(308)**	**(15)**	**(509)**
Impairment loss	(36)	(78)		(114)
Reversal of impairment loss				
Reclassifications and other		(15)	15	(0)
Effect of change in consolidation scope				
Currency translation differences		(0)		(0)
Balance at 30 June 2023	**(223)**	**(401)**		**(623)**

NET VALUE *(in EUR thousands)*	Research and development expenses	Concessions, patents, licences and software	Other intangible assets	Total
Balance at 31 December 2022	**248**	**62**	**494**	**804**
Balance at 30 June 2023	**242**	**629**	**106**	**976**

The balance of 'other intangible assets and intangible assets in progress' at 30 June 2023 of €106 thousand corresponds to R&D work for the standardisation of Wagabox® units. The reclassification of €656 thousand primarily corresponds to the reclassification of expenses for a new ERP system to 'concessions, patents, licences and software', following its deployment in the first half of 2023.

7.2. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost in accordance with IAS 16 "Property, plant and equipment", which includes:

GROSS VALUE (*in EUR thousands*)	Lands 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 2022	**806**	**4,574**	**877**	**46,298**	**3,761**	**959**	**99**	**20,871**	**78,246**	**267**
Acquisitions		4	287	2,547	53	174		17,472	20,536	98
Disposals			-299			-3		-7	-309	
Reclassifications and other		172		9,625				-9,798		
Effect of change in consolidation scop										
Currency translation differences			3	37	1	-1		6	46	
Balance at 30 June 2023	**806**	**4,750**	**868**	**58,507**	**3,815**	**1,129**	**99**	**28,544**	**98,519**	**365**

AMORTISATION & DEPRECIATION (*in EUR thousands*)	Lands 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 2022		**-56**	**-447**	**-6,033**	**-990**	**-355**	**-34**		**-7,914**	**-41**
Depreciation		-96	-68	-1,250	-127	-138	-13		-1,692	-20
Reversal of impairment loss			299			1			301	
Reclassifications and other										
Effect of change in consolidation scop										
Currency translation differences			0	-1	0	0			-1	
Balance at 30 June 2023		**-152**	**-216**	**-7,284**	**-1,116**	**-491**	**-47**		**-9,306**	**-61**

NET VALUE (*in EUR thousands*)	Lands 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 2022	**806**	**4,518**	**430**	**40,264**	**2,771**	**605**	**65**	**20,871**	**70,331**	**226**
Balance at 30 June 2023	**806**	**4,598**	**652**	**51,223**	**2,699**	**638**	**52**	**28,544**	**89,213**	**304**

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.

Assets in progress primarily comprise Wagabox® units under construction.

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 reporting period. Given 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 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 tests are reviewed by comparing actual results and forecasts. The 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 and operating incidents, or any event that could call into question the profitability of the Wagabox® units, are also taken into account.

At 30 June 2023, the Group had not identified any impairment losses as a result of the Russia-Ukraine war.

7.4. Non-current financial assets

Non-current financial assets comprise security deposits for 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.

The resulting impairment loss is recognised in the income statement.

NON-CURRENT FINANCIAL ASSETS (in EUR thousands)	30 June 2023	31 December 2022
Security deposits	1,917	1,960
Other non-current receivables	467	160
Other financial assets	113	17
Gross value	**2,497**	**2,137**
Impairment		
Net value	**2,497**	**2,137**

The change in other non-current receivables was primarily due to the increase in the cash balance of the liquidity contract, whose overall ceiling was increased in the first half of 2023, from €500 thousand to €1,000 thousand.

7.5. Deferred tax assets

Current tax assets and liabilities from the current and prior reporting periods are measured at the amount that the Company expects to recover or pay to the tax authorities.

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 30 June 2023, the aggregate amount of tax loss carryforwards for which no corresponding deferred tax assets were recognised was €18.5 million, including €10.9 million (€3.1 million generated in the period) for French companies and €7.6 million (€1.5 million generated in the period) for foreign companies.

7.6. Other non-current assets

OTHER NON-CURRENT ASSETS (in EUR thousands)	30 June 2023	31 December 2022
Unpaid capital		14
Trade payables, advances on fixed assets	6,250	4,791
Financial instruments - non-current assets	1,396	1,757
Total net other non-current assets	**7,646**	**6,562**

Financial instruments comprise interest rate swaps set up to hedge project funding. Changes in the value of swaps are recognised in other comprehensive income (Note 7.15).

Changes in the down payments made to suppliers of fixed assets are recognised in investing activities in the cash flow statement.

7.7. Inventories

Inventories are measured using the weighted average cost (WAC) method, which uses a weighted average cost of units held and purchased in the period to measure the cost of goods sold.

Provisions for impairment are made on a case-by-case basis when the net realisable value is lower than the inventory carrying amount.

When there is an indication of impairment, the impairment loss is recognised in profit or loss under 'depreciation, amortisation and impairment'.

INVENTORIES (in EUR thousands)	30 June 2023	31 December 2022
Inventories of spare parts	6,370	4,731
Nitrogen and coal inventories	216	136
Gross value	**6,586**	**4,867**
Impairment		
Net value	**6,586**	**4,867**

The Group reviews the value of inventories at each reporting date. The Group did not recognise any impairment losses on inventories at 30 June 2023.

7.8. Trade receivables and related accounts

TRADE RECEIVABLES AND RELATED ACCOUNTS (in EUR thousands)	Gross value	Overdue	Not yet due	Impairment	Net value
Position at 30 June 2023	5,369	1,476	3,894		5,369
Position at 31 December 2022	4,143	608	3,535		4,143

As 71% of trade receivables due were overdue by less than 60 days, no impairment was recognised.

7.9. Tax receivables

TAX RECEIVABLES (in EUR thousands)	30 June 2023	31 December 2022
Research tax credit	285	285
Innovation tax credit	29	29
Corporate income tax receivable	61	
Tax receivables	**376**	**315**

7.10. Other current assets

OTHER CURRENT ASSETS (in EUR thousands)	30 June 2023	31 December 2022
Trade receivables, advances and down payments, credit notes	2,097	
Personnel and social security	1	4
State, VAT	6,028	6,237
Receivables from the sale of assets	1	
Prepaid expenses	1,049	1,681
Financial instruments - current assets		
Other current assets and accrued income	1,601	434
Total net other current assets	**10,777**	**8,356**

Other current assets and receivables include €980 thousand corresponding to the grant receivable through the EIC Fund for the Can Mata project in Spain.

Prepaid expenses mainly comprise annual insurance costs, lease expenses and annualised services. Lease expenses relating to low-value assets have not been restated in accordance with IFRS 16.

7.11. Cash and cash equivalents

Cash and cash equivalents includes cash and short-term investments that are considered to be liquid, convertible into a known amount of cash and subject to an insignificant risk of change in value based on the criteria set out in IAS 7 "Statement of Cash Flows".

Overdrafts are excluded from cash and cash equivalents. They are recognised as current financial liabilities.

CASH AND CASH EQUIVALENTS (in EUR thousands)	30 June 2023	31 December 2022
Cash equivalents	34,713	24,235
Cash	24,091	67,424
Total cash and cash equivalents	**58,805**	**91,659**

There are no cash restrictions for any of the periods presented.

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 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.

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 2022	**20,483,350**
Capital increase BSPCE 29/06/2023	5,200
At 30 June 2023	**20,488,550**

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 using 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 share price used for plans subsequent to the Company's listing is specified in the table in section 8.6;
- 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 grant date of the instruments and over a period equivalent to the life of the option;
- The expected term of the instruments has been estimated at 4.9 years;
- No dividend payments are expected over this term;
- Employee turnover was not taken into account, as it was considered low for the beneficiaries of the instruments.

The value of the options was recognised in the income statement under personnel expenses between the grant date and the maturity date, with an offset to equity. The expense was 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.

PROVISIONS (in EUR thousands)	Decommissioning	Pensions and retirement benefits	Guarantees	Other	Total
Balance at 31 December 2022	**340**	**200**		**45**	**585**
Increase in the financial year	116	103			219
Reversal of used provisions					
Reversal of unused provisions					
Actuarial (gains) / losses		2			2
Balance at 30 June 2023	**456**	**305**		**45**	**806**
Less than one year at 30 June 2023					
More than one year at 30 June 2023	456	305		45	806

7.14. Borrowings and financial liabilities

BORROWINGS AND FINANCIAL LIABILITIES (in EUR thousands)	31 December 2022	Issuance	Repayment	New contracts IFRS 16	Accrued interest and reclassifications	30 June 2023
Bank loans	38,029		(1,855)		7	36,181
BPI loans	2,695				22	2,717
Shareholder loans	380		(218)			162
Repayable advances	604	456			(34)	1,026
Sofiwaga 1 bonds	2,578				132	2,710
Waga Asset 2 convertible bonds	5,265		(750)		(14)	4,500
IFRS 16 financial liabilities	3,049		(242)	344	3	3,154
Other financial liabilities	6	35	(6)			35
Total	**52,605**	**491**	**(3,071)**	**344**	**115**	**50,485**

In the first half of 2023, Waga Energy received €455 thousand corresponding to the balance of the repayable advances granted by Bpifrance for prospecting activities in the United States and Canada.

BORROWINGS AND FINANCIAL LIABILITIES (in EUR thousands)	30 June 2023	Less than 1 year	1-5 years	More than 5 years
Bank loans	36,181	5,840	15,573	14,768
BPI loans	2,717		2,445	272
Shareholder loans	162	162		
Repayable advances	1,026	34	992	
Sofiwaga 1 bonds	2,710	125	985	1,600
Waga Asset 2 convertible bonds	4,500	750	3,750	
IFRS 16 financial liabilities	3,154	465	1,926	764
Other financial liabilities	35	1		34
Total	**50,485**	**7,376**	**25,672**	**17,438**

7.15. 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.

30 June 2023

In EUR thousands	Carrying amount at 30 June 2023	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	2,497	3	2,497			2,497
Other non-current assets	7,646		7,646		1,396	6,250
Trade receivables and related accounts	5,369	2	5,369			5,369
Other current assets	4,749	2	4,749			4,749
Cash and cash equivalents	58,805	2	58,805			58,805
Total financial assets	**79,065**		**79,065**		**1,396**	**77,669**
Non-current borrowings and financial liabilities	43,109	2	43,109			43,109
Other non-current liabilities	6,565	2	6,565			6,565
Current borrowings and financial liabilities	7,376	2	7,376			7,376
Trade payables and related accounts	7,479	2	7,479			7,479
Other current liabilities	9,015	2	9,015			9,015
Total financial liabilities	**73,545**		**73,545**			**73,545**

30 June 2022

in EUR thousands	Carrying amount 30 June 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	511	3	511	0	0	511
Other non-current assets	6,006	2	6,006	0	0	6,006
Trade receivables and related accounts	3,841	2	3,841	0	0	3,841
Other current assets	1,414	2	1,414	0	0	1,414
Cash and cash equivalents	100,104	2	100,104	0	0	100,104
Total financial assets	**111,877**		**111,877**	**0**	**0**	**111,877**
Non-current borrowings and financial liabilities	22,972	2	22,972	0	0	22,972
Other non-current liabilities	4,107	2	4,107	0	0	4,107
Current borrowings and financial liabilities	9,439	2	9,439	0	(487)	9,926
Trade payables and related accounts	6,428	2	6,428	0	0	6,428
Other current liabilities	3,229	2	3,229	0	0	3,229
Total financial liabilities	**46,175**		**46,175**	**0**	**(487)**	**46,662**

7.16. Trade payables and related accounts

TRADE PAYABLES AND RELATED ACCOUNTS (in EUR thousands)	30 June 2023	31 December 2022
Trade payables and related accounts	7,479	5,413
Total trade payables	**7,479**	**5,413**

7.17. Tax liabilities

TAX LIABILITIES (in EUR thousands)	30 June 2023	31 December 2022
Income tax	44	42
Tax liabilities	**44**	**42**

Tax liabilities correspond to taxes payable at the reporting date for all Group entities.

7.18. Other liabilities

7.18.1. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES (in EUR thousands)	30 June 2023	31 December 2022
Accrued liabilities	296	
Deferred income - non-current	6,269	4,677
TOTAL	**6,565**	**4,677**

At 30 June 2023, deferred income to be earned in more than one year corresponded to investment grants for €5,782 thousand and additional premiums for €204 thousand. The line item also includes the reclassification of €283 thousand following application of the effective interest rate to a BPI advance of €3,000 thousand, in accordance with IAS 20.

Investment grants received by subsidiary Waga Energie Canada and Waga Energy over the first half of 2023, classified under other non-current liabilities in the balance sheet, are included in investing activities in the cash flow statement for €923 thousand.

7.18.2. Other current liabilities

OTHER CURRENT LIABILITIES (in EUR thousands)	30 June 2023	31 December 2022
Social security liabilities	1,216	1,447
Tax liabilities	1,514	2,347
Advances and dow n payments received, credit note	173	17
Deferred income - current	2,726	2,791
Amounts due relating to assets acquired - current	5,414	7,042
Other liabilities	703	180
TOTAL	**11,745**	**13,823**

At 30 June 2023, deferred income to be earned in less than one year mainly comprised investment grants for €1,191 thousand and revenue for €1,521 thousand, primarily from 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 Non-Hazardous Waste Storage Facilities, commonly known as landfills. 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 operator of the Non-Hazardous Waste Storage Facility (commonly known as a landfill), 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 NHWSF operators, provides biogas purification services and guarantees fixed remuneration in return for the service. NHWSF operators, which are biomethane producers in the regulatory sense, enter into biomethane sales contracts with energy companies. In accordance with IFRS 15, revenue from purification services is recognised in Group revenue.

For biomethane sales, the Group enters into (i) biogas purchase contracts with NHWSF 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 plus an additional premium. The biomethane sales model enables the Company to choose energy companies and freely negotiate additional premiums, which are 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 network. 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:

- Waga chooses the energy provider, mainly based on 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 the margin for negotiation is limited in France);
- The additional premiums (described above) represent a significant portion 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's work is limited to providing the purification service. 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. 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 (EPC) contracts), (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 revenue is recognised if there is significant uncertainty of collection of payment.

REVENUE (in EUR thousands)	30 June 2023		30 June 2022	
Biomethane sales	10,223	75%	6,514	93%
Equipment sales	3,162	23%	241	3%
O&M	223	2%	189	3%
Other	44	0%	53	1%
Total revenue	**13,653**	**100%**	**6,997**	**100%**

Equipment sales correspond to the sale of cryogenic equipment to Air Liquide by subsidiary Waga Energy Inc and a portion of equipment sales by subsidiary HRRG in Canada under the Hartland contract signed in 2022. The O&M service is primarily performed for the Wagabox® unit in Lorient Agglomération (Brittany, France).

8.2. Other operating income

Other operating income includes grants, the Research Tax Credit (CIR) and the Innovation Tax Credit (CII).

OTHER OPERATING INCOME (in EUR thousands)	30 June 2023		30 June 2022	
Research tax credit	121	31%	123	79%
Innovation tax credit	13	3%	15	9%
Grants	252	65%	18	11%
Total other operating income	**385**	**100%**	**155**	**100%**

8.3. Purchases of goods and changes in inventories

GOODS PURCHASED (en milliers d'euros)	30 June 2023		30 June 2022	
Raw materials and spare parts	4 376	60%	2 123	74%
Change in inventories	(642)	-9%	(982)	-34%
Sub-contracting	924	13%	454	16%
Equipment and material	2 296	32%	1 164	41%
Other purchases	327	4%	100	4%
Total goods purchased	**7 282**	**100%**	**2 859**	**100%**

8.4. External expenses

EXTERNAL EXPENSES (in EUR thousands)	30 June 2023		30 June 2022	
General subcontracting	283	6%	44	2%
Leases and lease expenses	635	14%	289	12%
Maintenance and repairs	272	6%	119	5%
Insurance premiums	532	12%	260	10%
Seconded personnel	107	2%	45	2%
Professional fees	1,837	40%	1,060	43%
Advertising	79	2%	77	3%
Travel and assignment expenses	493	11%	357	14%
Postal & telecom costs	153	3%	91	4%
Banking services	99	2%	61	2%
Other external expenses	112	2%	84	3%
Total external expenses	**4,600**	**100%**	**2,487**	**100%**

Leases and lease expenses correspond to expenses recognised in the income statement under the IFRS 16 exemption, and property taxes.

Professional and other fees rose, reflecting greater use of external service providers to implement the Group's growth strategy, in particular abroad, and the overheads involved in meeting the regulatory requirements applicable to listed companies.

The increase in other external expenses was mainly due to the growth of business activities abroad.

8.5. Personnel expenses

Personnel expenses allocated for project development were recorded under assets if the projects met the criteria for capitalisation under IAS 16 "Property, Plant and Equipment" (Note 7.2).

Other personnel expenses, including the service cost of retirement benefit provisions (Note 7.13) and the cost of equity-settled transactions (Note 7.12), were recorded in the income statement.

Personnel expenses break down as follows:

PERSONNEL EXPENSES (in EUR thousands)	30 June 2023		30 June 2022	
Personnel remuneration	3,430	46%	2,380	50%
IFRS 2 expenses	1,991	27%	1,113	23%
Social security contributions	1,784	24%	1,211	25%
Other personnel expenses	89	1%	8	0%
Net provision for retirement benefit obligatior	103	1%	60	1%
Total personnel expenses	**7,398**	**100%**	**4,772**	**100%**

NUMBER OF EMPLOYEES	30 June 2023		30 June 2022	
Management	113	72%	54	66%
Other employees	43	28%	28	34%
Total number of employees	**156**	**100%**	**82**	**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 plans are presented in the table below:

Type of financial investment	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
Exercice 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 December 31, 2022	10,000	12,500	1,300	850
Number of warrants granted at June 30, 2023	10,000	12,500	1,300	850
Maximum number of new shares that may be subscribed at 30 June 2023	**0**	**0**	**0**	**0**

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
Exercice 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**

Type of financial investment	BSPCE 2023	OPTIONS 2023	BSPCE 2023.2	OPTIONS 2023.2
AGM warrant grant date	24/01/2023	24/01/2023	29/06/2023	29/06/2023
Vesting date	24/01/2027	24/01/2027	29/06/2027	29/06/2027
Exercice price per new share subscribed	€ 27.54	€ 27.54	€ 27.39	€ 27.39
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	24/01/2033	24/01/2033	29/06/2033	29/06/2033
Number of warrants granted at December 31, 2022	0	0	0	0
Number of warrants granted at June 30, 2023	337,000	196,000	15,000	3,000
Maximum number of new shares that may be subscribed at 30 June 2023	**0**	**0**	**0**	**0**

Key data and assumptions	BSPCE 2023	OPTIONS 2023	BSPCE 2023.2	OPTIONS 2023.2
Maturity	10 years	10 years	10 years	10 years
Risk-free rate	2.98%	2.98%	3.19%	3.19%
Volatility	43.30%	43.30%	46.70%	46.70%
Underlying price	€ 28.50	€ 28.50	€ 27.55	€ 27.55
Exercice price	€ 27.54	€ 27.54	€ 27.39	€ 27.39
Fair value of the option	**€ 11.99**	**€ 12.10**	**€ 12.20**	**€ 12.20**

Share-based payments amounted to €1,113 thousand and €1,991 thousand for the first half of 2022 and 2023, respectively.

8.7. Other recurring operating income and expenses

OTHER RECURRING OPERATING INCOME AND EXPENSES (in EUR thousands)	30 June 2023	30 June 2022
Other recurring operating income	450	0
Other recurring operating expenses	(210)	(94)
Total other recurring operating income (expense)	**240**	**(94)**

Other recurring operating income includes €260 thousand from managing Wagabox® units and €109 thousand from leasing part of the registered office premises.

Other recurring operating expenses, amounting to €210 thousand, mainly comprised fee payments and various day-to-day management expenses.

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)	30 June 2023	30 June 2022
Other non-recurring operating income	236	98
Other non-recurring operating expenses	(161)	(151)
Total other non-recurring operating income (expense)	**75**	**(53)**

Other non-recurring income and the share of grants recognised in the income statement were recognised under other non-recurring income for €154 thousand and €77 thousand, respectively.

Other non-recurring expenses of €159 thousand primarily concerned prior periods.

8.9. Net financial income and expense

Net financial income and expense includes all expenses incurred due to the Company's financing (interest paid, accrued interest, finance lease expenses, the unwinding of non-recurring liabilities, the financial impact of fair value) as well as foreign exchange gains and losses. Other financial income includes interest received by the Company on its cash investments.

NET FINANCIAL INCOME (EXPENSE) (in EUR thousands)	30 June 2023	30 June 2022
Foreign exchange gains	84	217
Other financial income	735	29
Financial income	**819**	**246**
Interest on loans and conditional advances	1,233	615
Accretion expense	18	15
Foreign exchange losses	73	10
Financial provisions	0	
Other financial expenses	59	99
Financial expenses	**1,383**	**739**
Net financial income (expense)	**(564)**	**(493)**

8.10. Income tax

Income tax 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.

The table below shows the reconciliation of theoretical tax and effective tax:

In EUR thousands	30 June 2023	30 June 2022
Current taxes	(149)	(149)
Deferred taxes		
Total income tax	**(149)**	**(149)**

In EUR thousands	30 June 2023	30 June 2022
Profit (loss) for the period	**(7,569)**	**(5,101)**
Consolidated tax	(149)	(149)
Research tax credit	134	138
Theoretical pre-tax profit (loss)	**(7,554)**	**(5,089)**
Income tax rate applicable to the parent company	25.0%	25.0%
Theoretical income tax expense at the current rate	1,889	1,272
Increase/decrease in income tax expense due to:		
Deferred tax assets on unrecognised tax loss carryforw ards	(878)	(815)
Other unrecognised deferred tax assets	(638)	(234)
Share-based payments	(498)	(278)
Permanent differences	45	(91)
Other (taxes w ithout a base, effect of tax rate decreases, etc.)	(68)	(2)
ACTUAL TAX EXPENSE	**(149)**	**(149)**
Effective tax rate	2%	3%

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	30 June 2023	30 June 2022
Net income attributable to holders of ordinary shares	(7,856,107)	(5,172,190)
Number of ordinary shares	20,488,550	20,476,312
Weighted average number of ordinary shares outstanding	20,483,379	19,752,417
Weighted average number of ordinary and potential shares	20,483,379	14,479,400
Earnings per share in euros	**(0.38)**	**(0.25)**
Diluted earnings per share in euros	**(0.38)**	**(0.25)**

8.12. Off-balance sheet commitments

The Group monitors off-balance sheet commitments for the following commitments given and received:

- Personal sureties (endorsements, securities and guarantees),
- Collateral (mortgages, pledges, guarantees),
- Operating leases, purchase and investment obligations,
- Other commitments.

The financial commitments received correspond to guarantees granted by the French government or BPI France to lenders of bank loans.

Pledges given correspond mainly to guarantees granted in connection with the financing of Wagabox® units, in particular the bank refinancing in 2021 and 2022. Pledges also include the mortgage on the premises acquired by subsidiary Wagarena in 2022 with the banks that granted the loan for the purchase.

FINANCIAL COMMITMENTS (in EUR thousands)	30 June 2023	31 December 2022
Commitments given		
Endorsements, securities and guarantees given	(2,370)	(2,423)
Pledges	(28,827)	(29,206)
Other commitments	(1,030)	(1,030)
Commitments given	**(32,227)**	**(32,658)**
Commitments received		
Endorsements, securities and guarantees received	4,557	5,267
Pledges		
Other commitments		
Commitments received	**4,557**	**5,267**
Total commitments	**(27,670)**	**(27,392)**

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 recognised in accordance with IAS 24 and their impact on the Group's consolidated financial statements is as follows, by type and related party:

30 June 2023

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	Les Saules	*Shareholder*	Support services agreement		11
Waga Energy SA	Société Europénne de Gestion de l'Energie (SEGE)	*Company in the same group as a shareholder with more than 10% of the shares*	Biomethane sales contract	215	782
Waga Energy Inc	ALATUS	*Company in the same group as a shareholder with more than 10% of the shares*	EPC agreement	101	2,344
Waga Energy Inc	ALATUS	*Company in the same group as a shareholder with more than 10% of the shares*	O&M agreement		25
Waga Energy SA	ALATUS	*Company in the same group as a shareholder with more than 10% of the shares*	Patent licence	100	
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	31	151
Waga Energy SA	Ornalys SPRL	*Company employing a director*	Strategic consulting services agreement		12
Sofiwaga 1	Les Saules	*Shareholder*	Mandatory contract	2,600	130
Sofiwaga Infra	Meridiam	*Shareholder*	Shareholder current account	162	10

KEY MANAGEMENT PERSONNEL COMPENSATION (in EUR thousands)	Total at 30 June 2023	Short-term remuneration (1)	Share-based payments (2)
Nicolas PAGET	223	80	143
Mathieu LEFEBVRE	225	82	143
Guenaël PRINCE	275	132	143
Anna CRETI			
Anne LAPIERRE			
Christilla DE MOUSTIER			
Dominique GRUSON			
Key management personnel compensation	**591**	**161**	**430**

(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

30 June 2023

(In EUR thousands)	EY		BM&A		KPMG		June 30, 2023	
Waga Energy SA								
Statutory audit and opinion, review of separate parent company and IFRS financial statements	120	83%	120	86%			240	84%
Services other than statutory audit of financial statements	2	1%	6	4%			8	3%
Subsidiaries								
Statutory audit and opinion, review of separate parent company and IFRS financial statements	23	16%	14	10%	1	100%	39	13%
Services other than statutory audit of financial statements								
Total	**145**	**100%**	**140**	**100%**	**1**	**100%**	**286**	**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 risks

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 or “stressed” conditions, without having to incur unacceptable losses or damage the Company’s reputation.

Since its formation, the Group has financed growth through successive capital increases, bond issues, repayable advances, bank loans, State-guaranteed loans and Research Tax Credit receivables. The €124 million capital increase performed at the time of the initial public offering significantly reduced the Group’s liquidity risk.

Cash and cash equivalents amounted to €58.8 million at 30 June 2023 and financial liabilities amounted to €50.5 million (including €3.2 million relating to leaseholds and finance leases). Current financial liabilities amounted to €7.4 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.

In EUR thousands	< 1 year	Between 1 and 5 years	< 5 years	Total contractual flows	Total at 30 June 2023
Financial liabilities (excluding IFRS 16 lease liabilities)	8,552	29,863	19,709	58,124	47,331
IFRS 16 lease liabilities	645	2,344	994	3,984	3,154
Total	**9,198**	**32,208**	**20,703**	**62,108**	**50,485**

Some agreements have restrictions on the use of capital:

Bpifrance Financing loan

The debt contracted by the Group with Bpifrance Financement on 3 October 2019 is subject to mandatory full early repayment if certain events occur, such as a change of 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 3.3 on going concern provides more information on the Group’s liquidity horizon at the reporting date of 30 June 2023.

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 at floating rates hedged to a fixed rate 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 future cash flows.

At 30 June 2023, the Group held the following derivative instruments:

No.	Characteristics									Value (in €)
	Counter party	Value date	Maturity date	Financing	Initial principal amount	Closing principal amount	Fixed rate	Floating rate	Floor	Bank calculation
1	BNP	13/10/2021	30/12/2033	Belledonne	1,618,807	1,410,313	0.26%	EURIBOR3M	-1.75%	199,653
2	BPGO	13/10/2021	30/12/2033	Belledonne	693,775	604,420	0.26%	EURIBOR3M	-1.75%	85,786
3	BNP	24/12/2021	30/12/2033	Belledonne	1,873,703	1,632,050	0.2475%	EURIBOR3M	-1.75%	231,986
4	BPGO	24/12/2021	30/12/2033	Belledonne	803,015	699,450	0.2475%	EURIBOR3M	-1.75%	99,679
5	BNP	28/04/2022	30/06/2034	Belledonne	1,570,800	1,438,298	1.57%	EURIBOR3M	-1.75%	115,116
6	BPGO	28/04/2022	30/06/2034	Belledonne	673,200	616,413	1.57%	EURIBOR3M	-1.75%	49,365
7	BNP	03/10/2022	30/06/2036	Belledonne	1,817,200	1,742,411	2.54%	EURIBOR3M	-1.75%	55,352
8	BPGO	01/10/2022	30/06/2036	Belledonne	778,800	746,747	2.54%	EURIBOR3M	-1.75%	23,452
9	CIC	30/09/2022	31/12/2036	Ariane	9,542,525	10,001,802	2.343%	EURIBOR3M	N/A	414,225
10	Arkea	30/09/2022	31/12/2036	Ariane	4,915,846	5,152,443	2.343%	EURIBOR3M	N/A	208,401
11	CIC	31/03/2023	31/12/2036	Ariane	1,813,505	1,860,453	3.295%	EURIBOR3M	N/A	(57,058)
12	Arkea	31/03/2023	31/12/2036	Ariane	909,475	933,020	3.295%	EURIBOR3M	N/A	(29,848)
	Total				27,010,652	26,837,820				1,396,110

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 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 this stage of its 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 into three levels in terms of hierarchy, depending on the inputs used in the valuation technique.

- Level 1: fair value measured on the basis of (unadjusted) prices observed in active markets for identical assets or liabilities;
- Level 2: fair value measured using inputs other than the listed prices included in level 1, that are observable for the asset or liability, either directly (in the form of prices) or indirectly (determined from prices);
- Level 3: fair value for the asset or liability measured using inputs that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability can be classified 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 to fixed rate liabilities.

Statutory auditors' review report on the half-yearly financial information

Waga Energy

Period from January 1st to June 30th ,2023

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your general assembly and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying (condensed) half-yearly consolidated financial statements of Waga Energy, for the period from January 1st to June 30th, 2023,

- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, on September 28th, 2023

The Statutory Auditors
French original signed by

BM&A	ERNST & YOUNG et Autres
Pierre-Emmanuel Passelègue	Cédric Garcia

ATTESTATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR ACTIVITY REPORT

"I certify that to my knowledge, the condensed consolidated interim financial statements for the six months ended June 30, 2023, have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the net assets, financial position and financial performance of the Company and of all companies included in the scope of consolidation. I equally certify that to my knowledge, the attached half-year activity report faithfully represents the significant events that have occurred during the first six months of the financial year and their impact on the consolidated financial statements, as well as the main transactions that have taken place with related parties, and provide a description of the principal risks and uncertainties associated with the remaining six months of the financial year".

Mathieu Lefebvre

Chairman and Chief Executive Officer of the Company