

2022 full-year results

Strong business growth in 2022

Waga Energy achieved a strong performance in 2022 amid a volatile geopolitical and economic environment. The year was marked by upsizing, the adaptation of proprietary technology to international markets, team structuring to drive development, and operational excellence.

- Consolidated revenue up sharply (56%) to **€19.2m**
- **216 GWh** of Renewable Natural Gas (RNG) injected into the grid (up 49%)
- **35,700 tons** of CO₂ equivalent avoided¹
- **Seven new contracts** signed, bringing to 29 the number of WAGABOX® projects undertaken at the end of 2022, representing a total installed capacity of over **1 TWh/year**
- **€91.7m** in cash and cash equivalents versus financial debt of €52.6m

Positive outlook for 2023

Waga Energy is driven by the sharp acceleration in global demand for Renewable Natural Gas (RNG) and by the key challenge of reducing methane emissions. Underpinned by proven technology and recognized know-how, the Group is establishing itself as a key player in the production of RNG at landfills.

- **123 projects under development**, mainly abroad
- **Over 1.5 TWh of installed capacity** under exclusive negotiations in North America
- **First upward revisions (up 60%)** of the selling price of RNG produced by WAGABOX® units in operation or under construction
- **Eight commissionings planned for 2023** with an installed capacity of 800 GWh/year by the end of the year

Waga Energy CEO Mathieu Lefebvre said:

“The substantial and lasting increase in the commercial value of Renewable Natural Gas in the wake of the 2022 energy crisis provides Waga Energy with an opportunity to accelerate the rollout of its solution in support of the energy transition. Thanks to the structuring and organizational work carried out by our teams in recent months, the Group is now ideally placed to become a world leader in landfill gas upgrading into Renewable Natural Gas. 2023 will be marked by the commissioning of the first international units. The current climate emergency has strengthened our determination to make a robust and rapid contribution to reducing greenhouse gas emissions.”

¹ Estimate based on comparative non-renewable and renewable natural gas emission factors in France according to French energy agency ADEME's 2022 carbon database and factoring in direct and indirect emissions.

Waga Energy (Euronext Paris: FR0012532810, EPA: WAGA), a specialist in the production of Renewable Natural Gas (RNG) from landfill gas, today reports its results for the fiscal year ended December 31, 2022, as approved by the company's Board of Directors on April 25, 2023.

Waga Energy posted consolidated revenue of **€19.2 million** in 2022, up 56% versus 2021. During the year, the Group actively pursued the implementation of the roadmap presented at the time of the October 2021 IPO: structuring of the organization, geographic expansion, and shift towards larger-capacity WAGABOX® projects. The resources deployed to support growth had an impact on consolidated net income (-€9.7 million), without however affecting the financial capacities of the Group, which closed the year with **€91.7 million** in cash and cash equivalents.

Consolidated financial statement

€m	2022	2021	% change
Revenue	19.2	12.3	+56%
Operating expenses (excl. depr./amort./prov. & IFRS 2 expenses)	(22.4)	(12.1)	+85%
EBITDA*	(3.2)	0.2	
IFRS 2 expenses (share-based payment)	(2.2)	(1.4)	+64%
Depreciation, amortization and provisions	(2.7)	(1.8)	+50%
Recurring operating income (loss)	(8.2)	(3.0)	
Non-recurring operating income and expenses	0.0	(1.3)	-103%
Operating income (loss)	(8.1)	(4.2)	
Cost of financial debt	(1.2)	(3.2)	
Consolidated net income (loss)	(9.7)	(7.7)	
Net income (loss) (Group share)	(10.1)	(8.1)	
Capex	(40.9)	(13.1)	+213%
Cash and cash equivalents (Dec. 31)	91.7	122.9	-25%

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

Strong growth in Renewable Natural Gas (RNG) production and revenue

Out of consolidated revenue of €19.2 million, 79% was generated from sales of RNG and purification services invoiced to landfill operators. The 14 WAGABOX® units in operation as of December 31, 2022 injected 216 GWh of RNG into gas grids (up 49%), thanks to average uptime of over 95%² and the successful commissioning of four new units, including one large-capacity unit producing five times more than the previous ones, a major asset in addressing international markets.

Revenue also includes percentage-of-completion revenue recognized on the sale of two cryogenic distillation modules to Air Liquide in the United States, and a WAGABOX® unit to the Capital Regional District to equip the Hartland landfill in Vancouver (Canada). The Canada sale represents a total amount of CAD 30 million, which will be recognized as revenue on a percentage of completion basis in line with progress on construction of the unit, due to be commissioned in the second half of 2024.

² Excluding downtime attributable to the landfill site or gas grid operator

The Group currently estimates annual contractual and recurring revenue based on signed projects and projects in operation at around €46 million, compared to €40 million a year ago.³

As of December 31, 2022, the Group operated 14 WAGABOX® units in France, offering an installed capacity of 415 GWh per year, while 15 more units are under construction, representing an additional installed capacity of 650 GWh per year. Once operational, the 29 units will offer a total installed capacity of over 1 TWh per year.

	2022	2021
Units in operation	14	10
<i>Installed capacity (GWh/year)</i>	415	220
Units under construction	15	12
<i>Installed capacity (GWh/year)</i>	650	590
Total installed capacity (GWh/year)	1,065	810

EBITDA impacted by Group structuring

In 2022 in line with its strategic plan, Waga Energy worked on structuring its organization in order to accelerate growth in France and abroad. As a result, EBITDA fell from +€0.2 million in 2021 to -€3.2 million, mainly reflecting business development initiatives in the United States.

Tripling of capital expenditure

Capital expenditure (capex) tripled to €41 million, driven by the Group's international expansion and the rollout of larger units. Nearly half of Group capex was assigned to the construction of three units in Spain, Canada and the United States, which will provide a combined installed capacity of 260 GWh per year.

The Group has also invested in a new headquarters, which is set to become an international center of expertise in the fields of RNG, cryogenics and renewable gases.

Robust financial capacity, with €91.7 million in cash and cash equivalents

In 2022, the Group continued to finance its business under favorable conditions, enabling it to secure long-term debt while reducing the average cost of debt. The Group drew €3 million and €4.9 million respectively under loans granted by Bpifrance and Canadian bank Caisse Desjardins, concluded non-recourse financing in the amount of €23 million with CIC and Crédit Mutuel Arkea, and obtained an €8 million loan from its longstanding bank partners to finance the purchase of the new head office and related works.

Taking into account cash flows related to investments (€37 million outflow net of subsidies), operations (€7 million outflow) and debt (€13 million inflow), the net change in cash was a €31 million outflow.

As of December 31, 2022, the Group posted equity of €112 million, cash and cash equivalents of €91.7 million and financial debt of €52.6 million. This puts the Group in a strong position to continue financing its growth.

³ Annual contractual and recurring revenue corresponds to the revenue the Company expects to generate over a period of 10 to 20 years from long-term RNG sales contracts and purification service contracts. It is not a forecast and is intended to represent the current potential of the installed base of WAGABOX® units: the calculation is based on the assumption of an EUR/USD exchange rate of 1.1, an EUR/CAD exchange rate of 1.4, and a RIN price of \$3.

Confirmation of 2026 targets

The Group benefited from the dramatic rise in the commercial value of RNG on all markets, as evidenced by a 60% increase in the production sale price for its first Spanish unit. Other RNG sale agreements are currently under renegotiation.

At time of release, Waga Energy has entered into exclusive negotiations on several projects in North America, representing a total installed capacity of over 1.5 TWh per year.

In this propitious environment, Waga Energy forecasts another year of strong growth in 2023 and confirms its 2026 targets.

Increase in amount allocated to liquidity contract

On April 26, 2023, Waga Energy signed an amendment to the liquidity contract concluded with Portzamparc-BNP Paribas on November 19, 2021 in order to allocate an additional €500,000 to the contract. This arrangement, which falls within the framework of AMF decision 2021-01 of June 22, 2021 on the establishment of liquidity contracts on equity securities consistent with accepted market practice, is intended to improve share liquidity and trading conditions for investors.

As such, the liquidity contract position after allocation of these new funds as of April 25, 2023 is:

- 11,740 shares
- €685,044.93.

Next release: September 27, 2023, after close of trading

About Waga Energy

Waga Energy (EPA: WAGA) produces competitively priced Renewable Natural Gas (also known as "biomethane") by upgrading landfill gas using a patented purification technology called WAGABOX®. The RNG produced is injected directly into the gas grids to supply individuals and businesses, providing a substitute for natural gas. Waga Energy finances, builds and operates its WAGABOX® units under long-term contracts with landfill operators for the supply of raw gas, and generates income by selling the RNG it generated or by offering upgrading service. At the date of this press release, Waga Energy operates fifteen WAGABOX® units in France, representing an installed capacity of 440 GWh/year. Fourteen units are under construction in France, Spain, Canada and the US. Each project initiated by Waga Energy contributes to the fight against global warming and helps the energy transition. Waga Energy has been listed since October 27, 2021, on Euronext Paris. waga-energy.com / Follow us on [LinkedIn](#) and [Twitter](#); Subscribe to the [newsletter](#)

Forward-Looking Statements

Certain information contained in this press release is forward looking statements and not historical data. These forward looking statements are based on opinions, projections and current assumptions including, but not limited to, assumptions concerning the group's current and future strategy and the environment in which the group is developing. They imply known or unknown risks, uncertainties and other factors, which could result in actual results, performances or achievements, or the results of the sector or other events, differing significantly from those described or suggested by these forward looking statements. These risks and uncertainties include those that are indicated and detailed in Chapter 3 "Risk factors" in the Waga Energy's registration document, which was approved by the AMF on 14 June 2022 under number R.22-025. These forward looking statements are given only on the date of this press release and the group expressly declines any obligation or commitment to publish updates or corrections of the forward looking statements included in this press release in order to reflect any change affecting the forecasts or events, conditions or circumstances on which these forward-looking statements are based. The forward looking statements and information do not constitute guarantees of future performances, and are subject to various risks and uncertainties, a large number of which are difficult to predict and generally outside the control of the group. Actual results may differ significantly from those described, suggested or projected by the forward looking information and statements.

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