



ANAERGIA INC.

ANNUAL INFORMATION FORM

Fiscal year ended December 31, 2021

March 28, 2022

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MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, all references in this Annual Information Form (the “**Annual Information Form**”) to the “**Company**”, “**Anaergia**”, “**we**”, “**us**” or “**our**” refer to Anaergia Inc. and its subsidiary entities, on a consolidated basis, and UTS GmbH (“**UTS**”) prior to the formation of Anaergia Inc. in 2010.

Unless otherwise specified or the context otherwise requires, all information provided in this Annual Information Form is given as at March 28, 2022. All references to “\$” or “dollars” are to Canadian dollars and references to “US\$” or “U.S. dollars” are to United States dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this Annual Information Form may not reconcile due to rounding.

This Annual Information Form includes trademarks, such as “Anaergia”, “OREX”, “OPS” and “Omnivore”, which are protected under applicable intellectual property laws and are our property or are licensed for use by us. Solely for convenience, our trademarks and tradenames referred to in this Annual Information Form may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, its rights to these trademarks and tradenames. This Annual Information Form also includes the trademarks of other owners which have not been licensed for use by us.

NON-IFRS MEASURES

This Annual Information Form makes reference to certain non-IFRS measures and industry metrics. These measures are not recognized measures under International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board, and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures and industry metrics, including “Development Pipeline”, “EBITDA”, “EBITDA Build Cost Multiple”, “Revenue Backlog”, “Run-Rate EBITDA”, “Run-Rate Revenue” and “Selected Development Pipeline”, to provide investors with supplemental measures. Management also uses non-IFRS measures and industry metrics internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our future debt service, capital expenditure and working capital requirements. Management believes these non-IFRS measures and industry metrics are important supplemental measures of operating performance because they eliminate items that have less bearing on operating performance and highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS measures. Management believes such measures allow for assessment of our operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

See “Reconciliation of Non-IFRS Measures” in our management’s discussion and analysis (“**MD&A**”) for the fiscal year ended December 31, 2021 for a reconciliation of certain of the foregoing non-IFRS measures to their most directly comparable measures calculated in accordance with IFRS. A copy of the MD&A can be accessed under the Company’s profile on SEDAR at www.sedar.com.

“**Development Pipeline**” has the meaning ascribed thereto under “Our Business—Global Operations”.

“**EBITDA**” is defined as net earnings before finance costs, taxes and depreciation and amortization.

“**EBITDA Build Cost Multiple**” is defined as the total capital investment in a BOO asset divided by the Run-Rate EBITDA for the BOO asset.

“**Revenue Backlog**” is defined as the balance of unrecognized, undiscounted, consolidated revenues from signed contracts in our Capital Sales and Services segments and from our BOO assets that are operational, under construction or financially closed over their remaining useful life. We have conservatively modelled for only 20 years of revenue out of the useful life of the BOO assets.

“Run-Rate EBITDA” is defined as the expected EBITDA to be generated by a BOO asset corresponding to a full year of operations at full capacity. Our calculation of Run-Rate EBITDA is based on certain estimates and assumptions and should not be regarded as a representation by us or any other person that we will achieve such operating results. Prospective investors should not place undue reliance on our Run-Rate EBITDA and should make their own independent assessment of our future results or operations, cash flows and financial condition.

“Run-Rate Revenue” is defined as the expected consolidated revenue to be generated by a BOO asset corresponding to a full year of operations at full capacity. Our calculation of Run-Rate Revenue is based on certain estimates and assumptions and should not be regarded as a representation by us or any other person that we will achieve such operating results. Prospective investors should not place undue reliance on our Run-Rate Revenue and should make their own independent assessment of our future results of operations, cash flows and financial condition.

“Selected Development Pipeline” has the meaning ascribed thereto under “Our Business—Global Operations”.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information may relate to future plans, expectations and intentions, results, levels of activity, performance, goals or achievements, the future impact of the COVID-19 pandemic or other future events or developments and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives. Particularly, information regarding our future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indicates”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Discussions containing forward-looking information may be found, among other places, under “Our Business”, “Industry Overview”, “Dividend Policy” and “Risk Factors”.

These forward-looking statements include, among other things, statements relating to:

- the potential impact of the COVID-19 pandemic on our business, financial condition and results of operations;
- expectations regarding our revenue, expenses and operations;
- expectations regarding industry trends, overall market growth rates and our growth rate;
- the expected financial performance of the Rialto Bioenergy Facility (the “**RBF**”) following the commencement of operations;
- estimates of Run-Rate Revenue, Run-Rate EBITDA and Revenue Backlog;
- our business plans and growth strategies;
- our competitive position in our industry, including anticipated trends and challenges in our business and the markets in which we operate;
- our intentions regarding the declaration of dividends;
- the market price for the Subordinate Voting Shares (as defined below); and
- beliefs and intentions regarding the ownership of material patents, trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products and services.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of our ability to build our market share and our growth outlook; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to enter into feedstock, offtake arrangements and engineering, procurement and construction (“EPC”) contracts of acceptable terms; our ability to maintain good relationships with our customers and suppliers; our ability to execute on our expansion plans; our ability to execute on additional acquisition opportunities; our ability to obtain or maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; our estimated contracted revenue and revenue from our BOO assets operating at full capacity during their useful life; operations and maintenance cost estimates; conventional levels of contingency, start-up costs and reserves; capital costs remaining steady; the timely construction of facilities; and the continuation of legislation and regulation favouring landfill diversion and environmental attributes for renewable natural gas (“RNG”) are material factors underlying forward-looking information and management’s expectations.

The forward-looking information in this Annual Information Form is necessarily based on a number of opinions, assumptions and estimates that we considered appropriate and reasonable as of the date such statements were made. It is also subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following factors described in greater detail under the heading “Risk Factors”:

- the COVID-19 pandemic has had, and is expected to continue to have, an adverse effect on our business, financial condition and results of operations;
- our projects may not generate expected levels of output, including resulting from a reduced feedstock supply;
- we typically face a long and variable development cycle that requires significant resource commitments and a long lead time before we realize revenues;
- we may not realize the anticipated benefits from joint ventures, investments or acquisitions. Moreover, acquisition, financing and development of new projects and project expansions and conversions may not commence on anticipated timelines or at all;
- fluctuations in foreign currency exchange could affect our financial results;
- our revenues may be subject to the risk of fluctuations in commodity prices, LCFS credit prices and RIN credit prices;
- we depend on our key personnel and will need to recruit, train and retain key management and other qualified personnel to successfully expand our business;
- failure to successfully implement our growth strategy could result in reduced revenue and net income growth;
- we may experience negative cash flow from operations;
- although we are currently one of the market leaders in the organic waste-to-value industry, we might be unable to maintain our leadership position;
- our business relies on the development and protection of intellectual property;
- our operations are increasingly dependent upon technology. Failure of these technologies, failure to upgrade or innovate these technologies or failure to identify and develop new technologies could have an adverse impact on our results;
- continued commitment to the reduction of greenhouse gases and a favourable regulatory environment must be sustained;

- if demand for waste recovery fails to grow sufficiently, we may be unable to achieve our business goals;
- failure of third parties to supply quality equipment and components or provide reliable services in a timely manner could cause delays in developing and operating our projects, which could damage our reputation, adversely affect our partner relationships or adversely affect our growth;
- future conditions might require us to make substantial write-downs in our assets, which have adversely affected or would adversely affect our balance sheet and results of operations;
- certain of our power purchase agreements, fuel supply agreements and other customer and supplier agreements contain complex price adjustments, calculations and other terms based on gas price indices and other metrics, which may not adequately account for inflation and could result in disputes with counterparties that could affect our results of operations and customer relationships;
- we may be unable to secure additional financing;
- the reduction or elimination of government incentives for renewable energy projects or other related policies could adversely affect our business, financial condition and results of operations;
- we are subject to other risks with conducting business in international markets;
- our international operations subject us to potentially adverse tax consequences;
- damage to our reputation or our brand could adversely affect our business;
- a failure of our information technology (“IT”) and data security infrastructure could adversely affect our business and operations;
- the extensive environmental regulations to which we are subject may increase our costs and potential liabilities and limit our ability to expand our facilities;
- liability relating to contamination and other environmental conditions may require us to conduct investigations or remediation at the properties underlying our projects and may impact the value of properties that we may acquire;
- we may be involved in disputes, governmental and regulatory investigations and litigation;
- the loss of existing customers or the inability to obtain new contracts could adversely affect our business;
- natural disasters or other catastrophic events could negatively affect our business, financial condition and results of operations;
- wars, political instability, changes in government policy, or unfamiliar cultural factors could adversely impact the value of our investments;
- our insurance coverage and self-insurance reserves may be inadequate to cover all significant risk exposures, and increasing costs to maintain adequate coverage may significantly impact our financial condition and results of operations;
- if our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the price of our Subordinate Voting Shares;
- we may face challenges complying with anti-corruption, anti-bribery and sanctions laws;
- our business could be negatively affected by security threats, including cybersecurity threats and other disruptions;
- our use and enjoyment of real property rights for our facilities, including our BOOs, and projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to us;
- investing in the Subordinate Voting Shares is speculative, and investors could lose their entire investment;

- Dr. Andrew Benedek (the “**Principal Shareholder**”) has significant control over our business and significant transactions and investors may not have the same corporate governance protections they would have if the Company were not a majority-controlled company;
- the market price of the Subordinate Voting Shares may be volatile;
- the forward-looking statements contained in this Annual Information Form may prove to be incorrect;
- future secondary sales of a substantial amount of the Subordinate Voting Shares held by the Principal Shareholder or others may depress the price of the Subordinate Voting Shares;
- we may issue additional securities in the future;
- the Subordinate Voting Shares are equity interests and are subordinate to our existing and future indebtedness;
- we do not currently anticipate paying dividends on the Subordinate Voting Shares;
- failure of our internal or disclosure controls to satisfy our public company reporting obligations could have a material adverse impact on us;
- the limited voting rights of our Subordinate Voting Shares could negatively affect our attractiveness to investors and may adversely affect the market value of our Subordinate Voting Shares;
- our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts, which could cause our share price to decline;
- if securities or industry analysts do not publish or cease publishing research or reports about us, our business or market, or if they change their recommendations regarding the Subordinate Voting Shares adversely, the price and trading volume of the Subordinate Voting Shares could decline;
- shareholders will have limited control over our Company’s operations; and
- enforcement of judgments against foreign persons may not be possible.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect us. However, the opinions, estimates or assumptions referred to above and described in greater detail in “Risk Factors” should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause results to differ from those anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only to opinions, estimates and assumptions as of the date made. The forward-looking information contained in this Annual Information Form represents our expectations as of the date of this Annual Information Form (or as of the date they are otherwise stated to be made), and are subject to change after such date. We disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this Annual Information Form is expressly qualified by the foregoing cautionary statements. Investors should read this entire Annual Information Form and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Subordinate Voting Shares.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Annual Information Form was obtained from third-party sources, industry reports and publications, websites and other publicly available information, including the American Gas Association, Argus Media (as applicable to the RBF), the California Air Resources Board (“CARB”), the California Public Utilities Commission (“CPUC”), CalRecycle, the Emissions Database for Global Atmospheric Research, the European Biogas Association, the European Commission, the European Parliament, the Food and Agriculture Organization of the United Nations, the International Energy Association (the “IEA”), the U.K. Department for Business, Energy & Industrial Strategy, the U.S. Composting Council, the U.S. Department of Agriculture, the U.S. Department of Energy, the Union of Concerned Scientists, the United Nations, the United States Environmental Protection Agency (the “EPA”), the World Bank and the World Resource Institute, as well as industry and other data prepared by us or on our behalf on the basis of management’s knowledge of, and experience in, the markets in which we operate. We believe that the market and economic data presented throughout this Annual Information Form is accurate and, with respect to data prepared by us or on our behalf, that management’s opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Annual Information Form are not guaranteed and we do not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this Annual Information Form, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

CORPORATE STRUCTURE

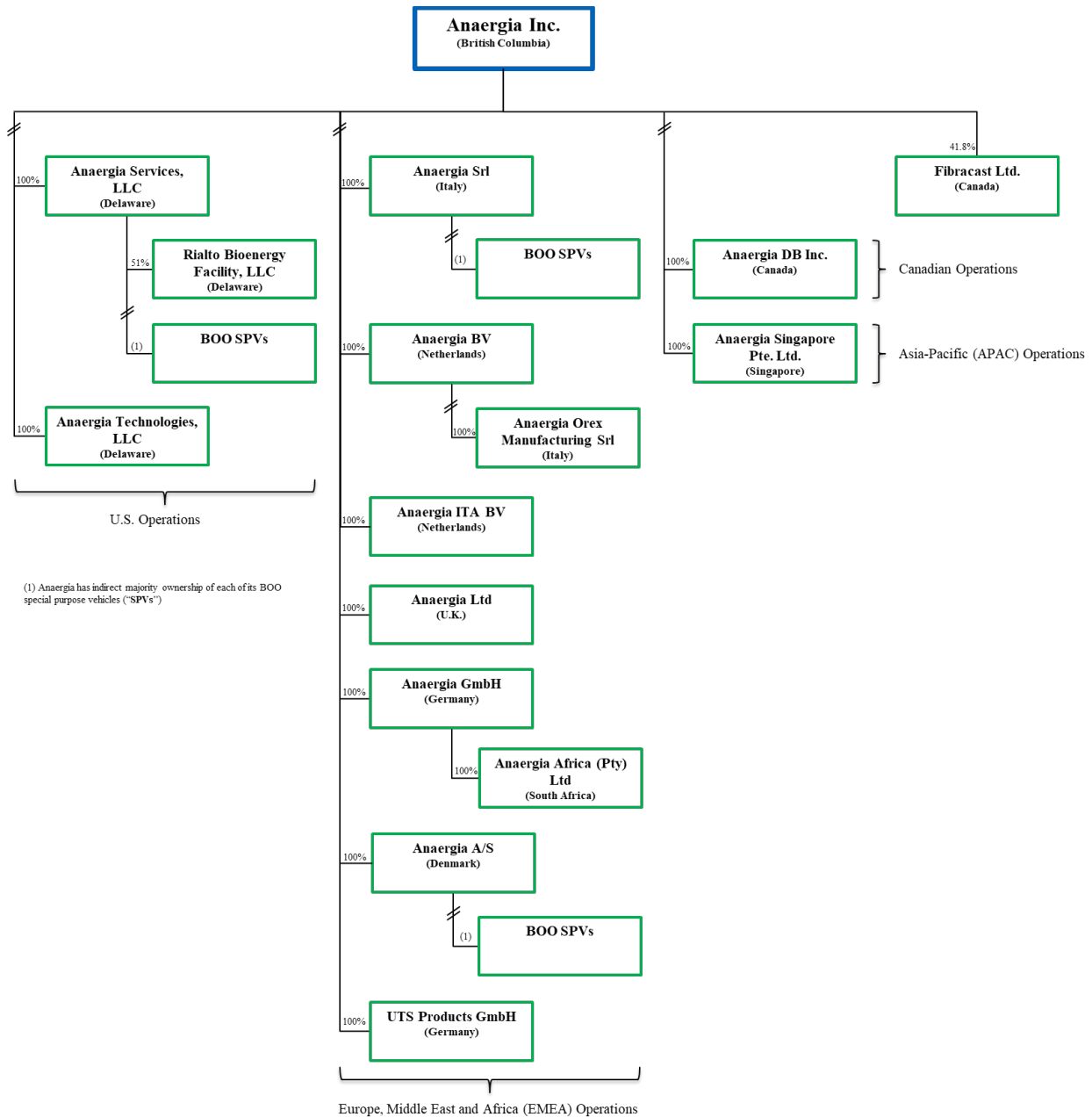
Incorporation and Head Office

Anaergia was formed in 2007 with the acquisition of UTS, a German pioneer in high solids digestion of agricultural waste and premier supplier to the German agricultural biogas market. Anaergia Inc. was incorporated under the Canada Business Corporations Act on September 3, 2010. The Company’s articles were amended on May 25, 2011, October 3, 2013 and November 8, 2018. On December 21, 2018, the Company was continued under the *Business Corporations Act* (British Columbia) (the “BCBCA”).

The Company’s registered office is located at 1600 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 and its head office is located at 4210 South Service Road, Burlington, Ontario, L7L 4X5, Canada.

Intercorporate Relationships

The following chart identifies our material subsidiaries and our associates, including jurisdiction of formation, incorporation or continuance of the various entities:



OUR BUSINESS

Our Purpose

Anaergia was created to eliminate a major source of greenhouse gases (“GHGs”) by cost effectively turning organic waste into RNG, fertilizer and water. Sustainability is core to our business purpose and we focus on serving municipalities and communities globally by protecting their water, air and soil.

Company Overview

Anaergia is an integrated waste-to-value platform. We are a global leader in converting organic waste into RNG, clean water and fertilizer, through the use of our proprietary technologies. Methane, a major contributor of GHG, is generated and released in landfills and in the treatment of wastewater. On a comparative weighted basis, methane has 84 times the impact on global warming compared to carbon dioxide (“CO₂”) and accounted for approximately 37% of global GHG emissions utilizing the 20-year global warming potential (“GWP”) for all GHGs. Our sustainable solutions allow for the diversion of organic waste from landfills and conversion into renewable fuel and fertilizer, meaningfully contributing to the reduction of GHGs and mitigating climate change.

Established in 2007, we were formed to bring world leading European resource recovery and high solids anaerobic digestion (“AD”) technologies to North America by building on the developments of acquired companies in Europe. As of December 31, 2021, we had 345 employees, including over 115 engineers, operating across nine regional project offices and two manufacturing plants over four continents.

We design and manufacture equipment for the processing and digestion of source separated organics and municipal solid wastes (“MSW”), including technology for the extraction and cleaning of organics from municipal and commercial solid waste streams to produce a clean organic feedstock for AD. Our technologies have been deployed at resource recovery facilities in over 17 countries worldwide, including at over 230 facilities since 2010. During the last two years, we have built or are in the process of building four of the largest biogas facilities in the world.

With a track record of delivering innovative projects, we are uniquely positioned to provide solutions to today’s most pressing resource recovery challenges using a broad portfolio of proven technologies and multiple project delivery methods. We are one of the world’s only companies with a proprietary portfolio of end-to-end solutions that integrates solid waste processing as well as wastewater treatment with organics recovery, high efficiency AD, RNG production and recovery of fertilizer and water from organic residuals under one roof. The combination of these technologies enhances carbon-negative biogas, clean water and natural fertilizer production, utilizes a minimized footprint and lowers waste and wastewater treatment costs and GHG emissions. Biogas and RNG produced from our technologies using diverted organic waste as feedstock is carbon negative because it captures fugitive methane emissions that would have otherwise been released into the atmosphere during the decomposition of this waste, which can then be used to displace carbon emitting fossil fuels.

Business Model Overview

Our business model involves the development of technologies and services used to design, build, own, operate and finance projects that process organic waste into valuable resources. We focus on the three largest sub-sectors of this market, principally solid waste, wastewater and agriculture, as these account for the largest reliable sources of waste creation and benefit from significant existing infrastructure.

We provide a full suite of integrated technologies, positioning ourselves as an attractive partner for key stakeholders as a technology solutions provider with in-house project development, project execution and O&M capabilities. We can either sell these turnkey systems and services to third parties for their projects or develop our own BOO facilities. These projects help municipalities and waste haulers divert organics from landfills and sustainably process sewage sludge, and the energy, water and fertilizer by-products produced translate into profitable and predictable recurring revenue streams for the Company. While we operate and maintain our own BOO facilities, we also provide O&M services to third parties at projects we have built, typically for periods of 5 to 10 years following construction. Our main business segments are summarized in the table below.



Capital Sales

- Sales of proprietary technology solutions, equipment and services to third party customers
- Variety of delivery methods
- Benefits from short sales cycle and quickly establishes references globally



O&M

- Third party O&M and service contracts, generally 5-10 years in length
- Customers utilizing Anaergia's technology solutions
- Provides stable, ongoing revenue stream, utilizing Anaergia's proprietary knowledge and expertise



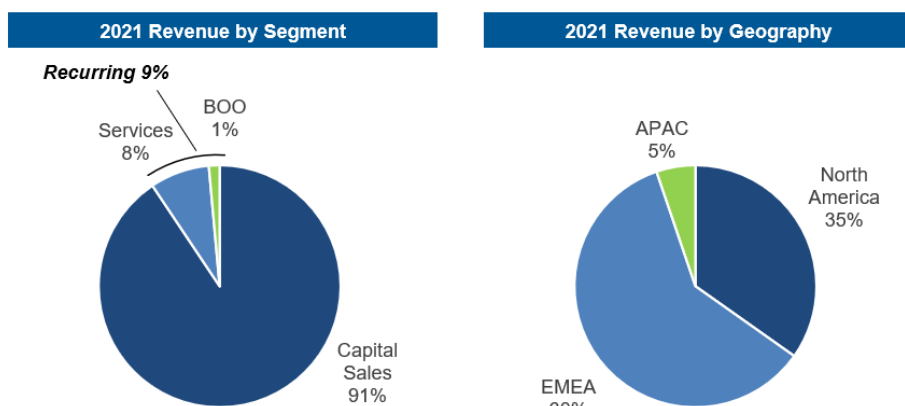
BOO

- Build, Own, and Operate greenfield or brownfield facilities
- Differentiated ability to acquire and retrofit existing infrastructure and bypass lengthy permitting process
- Provides significant, contracted, long-term revenue and high margins

Capital Sales comprise sales of integrated technology packaged solutions, equipment and services to third party customers, predominantly municipalities, private entities, and project developers. This segment provides our business with a technology focused asset-light model that generates cash, benefits from a relatively short sales cycle and provides numerous marketing benefits such as the establishment of references in the market as well as O&M contracts. The gross margin for this segment is typically between 20-25%. This segment generated \$139.1 million in revenue and \$27.0 million in gross profit for the year ended December 31, 2021.

Our Services business is typically comprised of long-term O&M and service contracts that provide a stable, recurring revenue stream. This segment typically generates a gross margin of between 20-30%. For the year ended December 31, 2021, this segment generated \$12.2 million in revenue and \$3.4 million in gross profit.

Our BOO assets generate long-term predictable cash flows, capture the infrastructure developer margin and the value created by our proprietary technologies as well as permit the recycling of cash flow into future BOO assets. Gross margins for our BOO assets are typically between 60-70%. The EBITDA Build Cost Multiple¹ for our BOO assets is typically between 4-6x. Our BOO segment delivered \$2.2 million in revenue and \$1.7 million in gross profit for the year ended December 31, 2021.



Source: Company

¹ "EBITDA Build Cost Multiple" is a non-IFRS measure. See "Non-IFRS Measures".

Our diversified business model and proprietary solutions have allowed us to meet the growing need for waste-to-resource solutions across the globe, with 35% of our revenue generated from North America, 60% of our revenue generated from the EMEA region, and 5% of our revenue generated from the APAC region for the year ended December 31, 2021.

History of Innovation

Since 2007, we have built a platform that offers completely integrated, cost competitive solutions to recover value from mixed waste, agri-food waste and sewage sludge. Throughout this process, we have evolved from being solely an equipment supplier to a developer of BOO facilities.

Anaergia was formed in 2007 with the acquisition of UTS, a German pioneer in high solids digestion of agricultural waste and premier supplier to the German agricultural biogas market. UTS was attractive to us because of its designs, equipment and patents for high throughput high solids digestion. Over time, we transformed this core technology into a robust, highly reliable digestion system for the municipal market with major cost and technical advantages over competing products and process technologies.

Since the acquisition of UTS, we have strategically invested in R&D and new product innovation in the following ways:

- UTS developed solid liquid separation systems for fiber separations, thickening or dewatering from 2008 to 2014. The research behind these pieces of equipment were led from a newly developed Canadian research facility which has continued to lead our corporate product development effort.
- In 2014, we closed acquisitions relating to two European companies in the waste sector to extend our capacities and offer advantageous solutions to municipalities. In the first instance, we acquired assets of VM Press, an Italian company that manufactured OREX™, a press capable of extracting organic waste from mixed solid waste. In the second instance, we acquired dbt, a Dutch company that manufactured equipment needed to complete an OREX™ line for extracting organics for digestion. Our subsidiary, Anaergia Orex Manufacturing Srl, is now a manufacturer of both the VM Press and dbt products.
- Since 2014, while improving the products acquired from VM Press and dbt, we continued to develop additional products to extend our offerings, particularly for grit and plastic removal, nutrient recovery, biochar production and RNG preparation from biogas. All of these products are developed and manufactured in Canada as an offshoot of our R&D department. During this time, we also entered the solid waste technology sector and started supplying integrated waste solutions around the globe.
- Our focus since 2018 has shifted to designing, building, owning and operating projects to capture value from profitable assets while offering complete, integrated solutions from organics extraction to residue treatment.

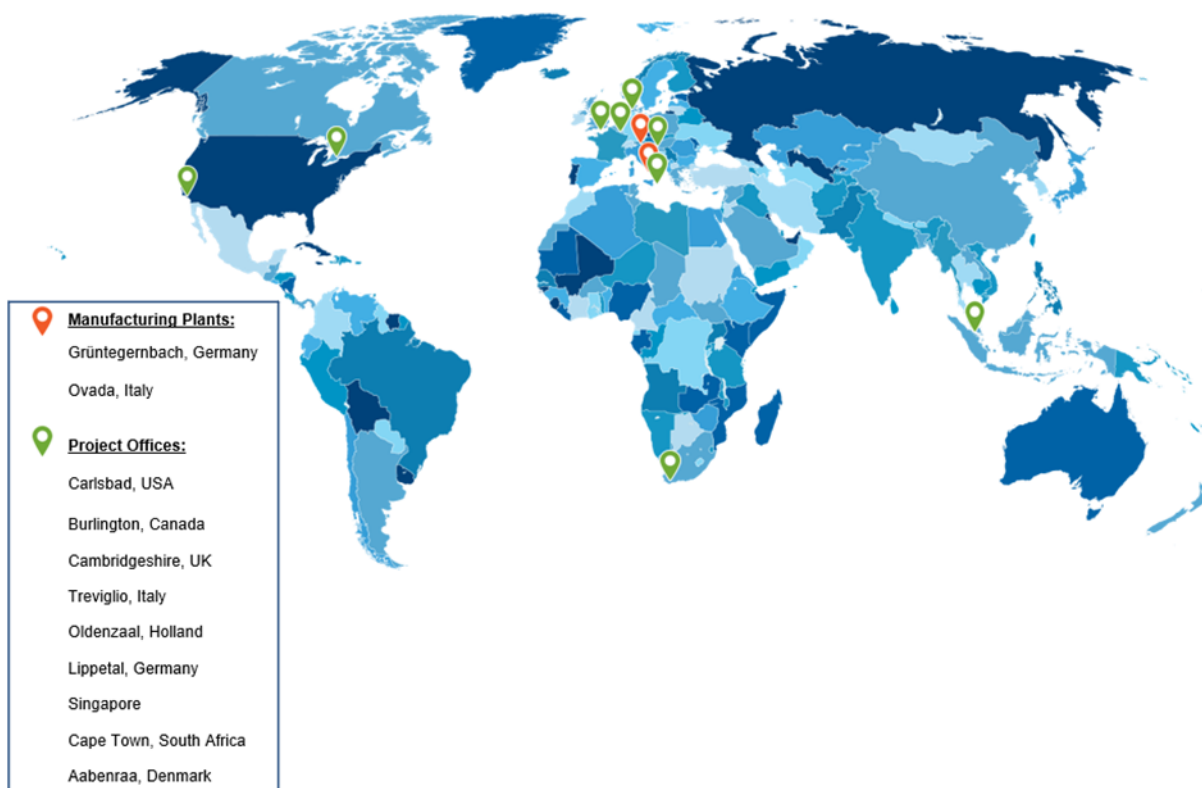
Global Operations

Globally, there are over 2 billion tons of waste sent to landfills each year, creating significant GHG emissions as organic materials decompose. A growing global awareness about landfill constraints and increased focus on mitigating climate change are driving governments and municipalities to adopt organics diversion regulations around the globe. With our differentiated set of solutions that divert organic waste with no requirement to change consumer behaviour, we are uniquely positioned to capitalize on this global opportunity. We are focused on serving markets that benefit from supportive regulatory regimes, readily available feedstock supplies and provide the ability to utilize existing infrastructure.

As of December 31, 2021, we had eleven offices and manufacturing plants worldwide, including two in North America, seven in Europe, one in Asia and one in South Africa. Our core markets are in North America and Europe where we take advantage of the opportunity created by regulations that encourage the use of AD to process organic

waste and produce RNG. In other markets, we sell integrated solutions to waste management companies where BOO assets are typically not as attractive. Partnerships with local operators are key in these markets.

The following diagram summarizes our manufacturing facilities and offices around the globe as of December 31, 2021.



- In the United States, our core market is in the state of California, where we have nine reference projects. One of our references, the RBF, is the largest organic waste processing AD facility in North America.
- In Europe, we have largely been focused on the Italian market to date due to its strong regulatory support and robust natural gas infrastructure. Outside of Italy, we are currently focused on the UK, Germany, the Netherlands and Denmark, where we are in the process of substantially completing the construction of one of Europe's largest biogas plants for agricultural waste in Tønder, Denmark.
- In the APAC region, we have focused on the mature markets of Singapore, Australia, Korea and Japan. Our Asian headquarters in Singapore is currently executing projects in China, Taiwan, Singapore and Japan and has a robust incremental pipeline of key capital sales projects in the APAC region. We believe there is a significant opportunity for future capital sales in the APAC region due to the vast population coupled with a shortage of land and waste processing resources.

In total, we have delivered and executed projects in over 17 countries across the world, including over 230 projects since 2010. We have 33 projects currently contracted that are under execution or operation and maintenance across all global target markets. As of December 31, 2021, we had 13 BOO assets that have commenced operations or are under construction.

Using the US\$26 per mmbtu 2022 European gas price forecasted by the IEA, the BOO Assets in operation and under execution are expected to generate total Run-Rate Revenue² of approximately \$274 million and total proportionate Run-Rate EBITDA² of approximately \$130 million annually over their useful life which is estimated to be in excess of 20 years. Compared to \$128 million of approximate Run-Rate Revenue and \$52 million of approximate proportionate Run-Rate EBITDA from BOO assets in operation and under execution at the time of our initial public offering, this represents an increase of 114% and 150%, respectively. A majority of the total Run-Rate Revenue from the BOO assets in our Revenue Backlog is expected to be generated under long-term (10 to 20 years), fixed price contracts comprised of tipping fee arrangements and contracted RNG sales. The remaining portion of this Run-Rate Revenue is expected to be generated through sales of RNG at market prices. As demand for RNG is expected to grow significantly over the next 20 years under the IEA's forecasts, and tailwinds supporting renewable fuel programs in the U.S. continue to gain momentum, management expects that the spot price for RNG will increase over time or at least remain stable. In particular, as part of the State of California's drive to reduce GHG emissions, the state has mandated that the benchmark carbon intensity score for transportation fuel will be reduced by 20% by 2030 compared to 2010, up from a 10% reduction requirement by 2020. This has the effect of driving LCFS values upward over time as California's GHG emissions regulations become increasingly stringent. Additionally, the State of California has committed to a carbon neutrality goal by 2045, which will require increased use of low and carbon negative fuels. Finally, the EPA under the Biden administration issued a statement on February 22, 2021 that it will not be defending the previous administration's stance on issuing small refinery exemptions that put pressure on RIN pricing. Specifically, the EPA indicated that it supports the January 2020 decision of the U.S. Court of Appeals for the Tenth Circuit in Renewable Fuels Association et al. v. EPA, 948 F.3d 1206, which ruled that three small refinery exemptions granted under the previous administration were illegal.

The BOO assets in our Revenue Backlog are expected to generate long-term predictable cash flows and represent a revenue backlog as at December 31, 2021, of approximately \$4.4 billion (based on 20 years of commercial operations). When added to our backlog from signed contracts in our Capital Sales and Services segments, as at December 31, 2021, we had an aggregate Revenue Backlog of \$4.6 billion.

Established Backlog of BOOs with Near Term Expected COD and upside from Higher Gas Prices

STATUS	# of Projects	ANNUAL RNG OUTPUT ¹ (m mBTU)	CONSOLIDATED CAPEX ² (C\$ in millions)	ORIGINAL RUN-RATE EBITDA (C\$ in millions)	EXPECTED RUN-RATE EBITDA ³ (C\$ in millions)
Operating ^{4,6}	4	1,389,000	~\$262	~\$70	~\$70
In Execution ⁶	9	2,850,000	~\$420	~\$69	~\$107
Total (at 100% ownership)	13	4,239,000	~\$682M	~\$138M	~\$177M
Total at IPO	7	1,872,000	~\$368M	~\$7M	~\$7M
Change	+86%	+126%	+85%	+59%	+104%

\$4.4B
 BOO REVENUE
 BACKLOG⁵
 At IPO \$2.5B
 Change +76%

\$130M
 Proportionate Run-Rate
 EBITDA
 At IPO \$52M
 Change +150%

BACKLOG PROJECTS

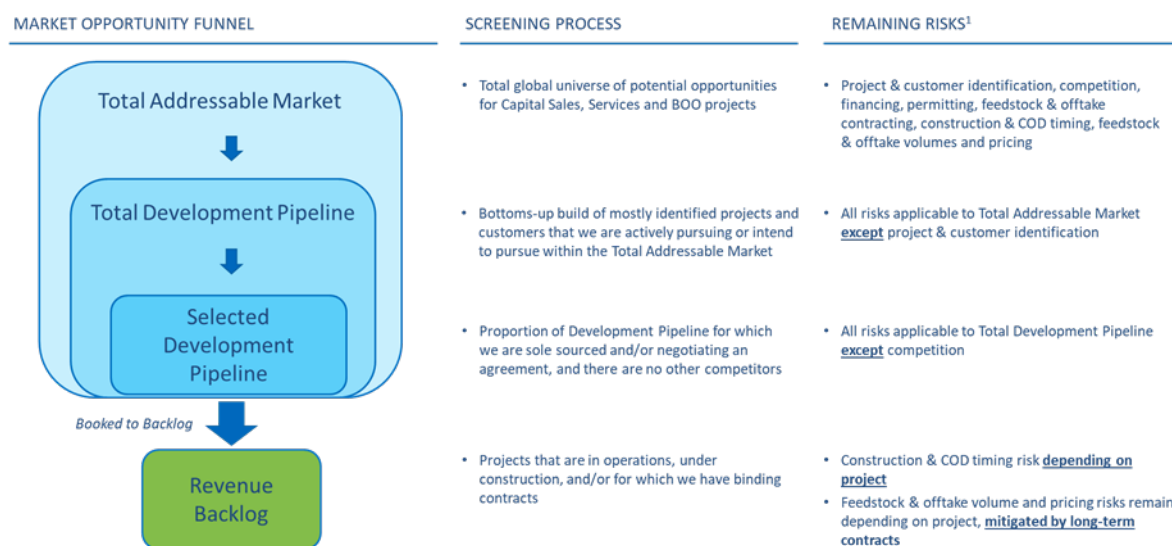
- (1) Includes the approximate mmbtu equivalent of power (MW) produced by some BOO facilities.
- (2) BOO projects are typically 70% debt funded and 30% equity funded.
- (3) European BOO revenues updated using IEA's 2022 gas price forecast of US\$26 per mmbtu
- (4) VVWRA (SoCal Biomethane) began operating in 2022.
- (5) As of December 31, 2021.
- (6) Includes projects with partial stakes sold.

² "Run-Rate Revenue" and "Run-Rate EBITDA" are non-IFRS measures. See "Non-IFRS Measures".

In addition to our Revenue Backlog, we also have visibility on an overall project development pipeline (the “**Development Pipeline**”). Based on management’s experience with our existing projects, we compile and track our Development Pipeline using a systematic approach to project opportunity identification and evaluation. Our Development Pipeline consists of future, global project opportunities in our Capital Sales, Services and BOO segments that we are pursuing or planning to pursue as of December 31, 2021, including over 50 potential BOO opportunities across the United States, Europe and Asia. The overall Development Pipeline includes our selected project opportunities (the “**Selected Development Pipeline**”) that management has higher confidence will be converted into Revenue Backlog. The Selected Development Pipeline consists of project opportunities for which we are the sole sourced provider, are negotiating a contract, have received a letter of intent or have executed a memorandum of understanding or there are no remaining competitors.

As illustrated below, our systematic sales and development process starts with the total addressable market and narrows to our Revenue Backlog.

Converting Market Opportunity into Backlog

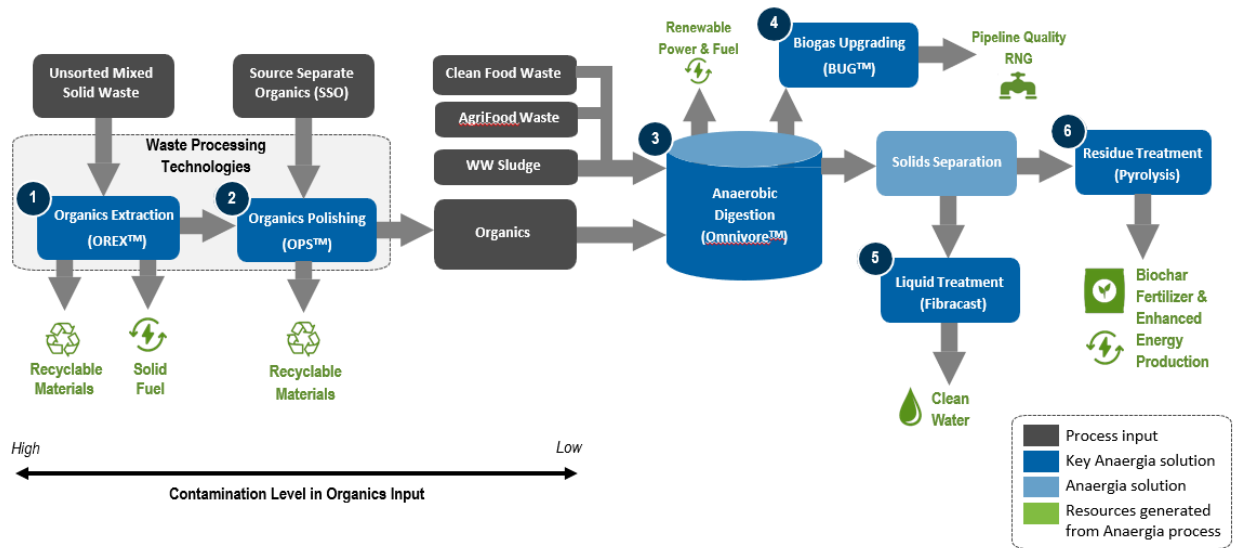


(1) Remaining risks highlighted are summary in nature. See “Risk Factors”.

Integrated Resource Recovery Solutions

Our core offerings utilize a proprietary suite of technologies to maximize resource recovery from municipal solid waste, wastewater and agri-food organics, creating value in the form of renewable energy, clean water, high-quality fertilizer and recyclables.

Our proprietary, end-to-end solution includes waste processing through the OREX™ solution, AD with our Omnivore^R solution, biogas conversion to RNG, liquid residue treatment with Fibracast Ltd. (“**Fibracast**”) membrane technology for clean water, fertilizer recovery with our AMR technology and residue treatment to create high value fertilizer with our unique pyrolysis process. These processes are protected by 227 active and pending patents, supporting our position as the leading provider of fully integrated organic waste solutions globally.



Waste Processing Solutions (OREX™)

We have developed a technological model that is able to capture and process organic waste contained within mixed MSW, eliminating the need for human behaviour change or costly source separation and collection of organic waste. Most organic food waste streams, whether unsorted MSW or source-separated organics (“SSO”), are highly contaminated with inorganic material and are not ready to be directly converted into renewable energy. The OREX™ machine is part of a solid waste processing line that can process unsorted MSW to extract clean organics for AD. In addition, the process recovers recyclable materials and rejects can be used for solid fuel generation. The OREX™ is unique as it can be integrated into existing transfer stations and materials recovery facilities processing thousands of tons of trash each day, bypassing the lengthy permit approval process and expediting the timeline to revenue creation.

The organic fraction output from the OREX™ or hauler-delivered SSO feedstock may still contain fine grit, glass or other small inorganic particles. The organics polishing system (OPS™) effectively removes these fine inorganic contaminants. This allows our digesters to function smoothly at full capacity, ensuring that the biogas facilities achieve maximum energy production and produce clean and high value fertilizer products.

Anaerobic Digestion (Omnivore^R)

Our Omnivore^R solution is a proprietary high throughput and high efficiency AD process. Source separated food waste, agri-food waste, wastewater sludge and organics extracted from MSW can be fed into the Omnivore^R digestion system to produce valuable biogas and a nutrient rich soil amendment byproduct. This process was specifically designed to maximize value creation as it runs continuously, not even requiring shut down while undergoing maintenance. Compared to competing technologies at wastewater treatment plants (“WWTPs”), our Omnivore^R solution requires 60% less capex and can increase capacity of existing digestion systems by approximately 300%.

Our Omnivore^R solution also creates synergy between wastewater sludge and organic food waste by enabling co-digestion, which yields many process advantages and more biogas. The ability of the Omnivore^R to expand capacity of existing digesters and increase organic processing capacity enables rapid project deployment by leveraging existing permits and infrastructure at WWTPs, converting them into sustainable resource recovery centers in the process.

Biogas Upgrading to Pipeline RNG

We produce a membrane-based system to upgrade biogas and create pipeline quality RNG. This system is customizable to our projects and complements our integrated solutions.

Liquid Treatment for Water Re-Use

We use MBR technology based on the membrane developed by an associated company, Fibracast. These membranes offer unique benefits by combining the advantages of hollow-fiber and flat-sheet membranes to deliver a reduced footprint requirement and increased operating efficiencies within WWTPs. The next stage of our integrated, waste-to-value process is liquid treatment for water re-use where the Fibracast membrane bioreactor technology solution recovers clean water after AD.

Liquid Treatment for Nutrient Recovery

The liquid treatment process for nutrient recovery also includes our AMR technology for the treatment of high ammonia laden liquid waste stream. Our innovative AMR systems recover up to 90% of ammonia in liquid waste streams to produce a valuable fertilizer product. It also increases digester throughput by removing ammonia that is otherwise toxic at high concentration and enables the use of existing digesters at wastewater treatment plants.

Residue Treatment

Our patented solid residue treatment process, known as pyrolysis, completes our end-to-end solution. The pyrolysis process converts residual solids after AD into renewable pyro-oil and a nutrient-rich biochar. The pyro-oil can be reused in AD to increase renewable natural gas production, while the biochar can be used as a high potency fertilizer that improves soil quality. The process also boosts the economic efficiency of digestion plants by reducing the amount of residual solids by up to eight times.

Key Anaergia Reference Projects

Our technology can be installed on a standalone basis at greenfield facilities or used to enhance existing waste infrastructure for solid waste collection at transfer stations and existing anaerobic digesters at WWTPs. We help WWTPs identify sources of organics feedstock and then work with them to upgrade or install new digestion capacity at the plant. Our RBF, Sterksel and Warsaw plant references are three of the largest biogas plants in the world that have been built or are in the process of being built.

Leading Global Footprint of Select Reference Installations



SALE & OPERATING CONTRACT

1. Nottingham, UK (2020)
2. Sterksel, Holland (2020)
3. Camden, NJ (2019)
4. Changi, Singapore (2019)
5. Toronto, Canada (2018)
6. Limassol, Cyprus (2017)
7. Ulu Pandan, Singapore (2016)

SALE

8. South San Francisco, CA (2021)
9. Dagenham, UK (2013, 2020)
10. Gerdemitz, Germany (2020)
11. Sun Valley, CA (2020)
12. San Carlos, CA (2020)
13. Warsaw, NC (2020)
14. Distell Worcester, South Africa (2019)
15. Yabu, Japan (2018)
16. Shenzhen, China (2018)
17. Venta De Banos, Spain (2018)
18. Goa, India (2016)
19. Viareggio, Italy (2016)
20. Victorville, CA (2015)

Rialto Bioenergy Facility

In the first quarter of 2021, we started operations at our flagship BOO asset, the RBF, in Rialto, California.³ The RBF services the Southern California region and is the largest organic waste diversion and energy recovery facility in North America. This facility serves as a model solution for the aggressive organics diversion targets California has set. At full capacity, it will process up to 310,000 tons of organic waste annually, which will be converted into up to 985,000 mmbtu per year of pipeline quality RNG and other valuable fertilizer by-products. The facility is expected to reduce greenhouse gas emissions by up to 220,000 metric tons of CO₂ equivalents (“CO₂e”) each year, equivalent to taking about 47,000 passenger vehicles off the road. The RBF project has received meaningful state and federal level support from entities such as the California Energy Commission, CalRecycle, South Coast Air Quality Management District and the U.S. Department of Energy. Approximately US\$185 million is being invested into this facility, which provides an unlevered internal rate of return of approximately 21% and a 4x EBITDA Build Cost Multiple. In 2020, we sold 49% of our ownership interest in the RBF and our equity partner has a preferred cash flow profile based on a prescriptive distribution waterfall.



The RBF’s diversified revenue stream includes long-term contracted tipping fees, long-term contracted and lucrative market RNG sales and fertilizer sales. The facility benefits from long term feedstock and offtake arrangements. Feedstock arrangements are with Waste Management, Republic Services, Universal Waste Systems, Orange County Sanitation District, Los Angeles County Sanitation District and the City of Los Angeles. Gas offtake arrangements are with Anaheim Public Utilities, Southwest Gas Corporation and the University of California. CalRecycle, the California agency developing and enforcing solid waste regulations, estimates that California will need 160 similar facilities to achieve the environmental objectives set by SB1383.

Victor Valley Wastewater Reclamation Authority (“VWRA”)

We upgraded the VWRA wastewater treatment plant in Victorville, California to convert organic feedstocks into carbon negative RNG, thereby directly aligning with the Clean Transportation Program’s funding initiatives including AB 32, SB 32, SB 535, AB 1550, and California’s 2017 Climate Change Scoping Plan. This upgrade and expansion project was commissioned in January 2022. At full capacity, the upgraded facility will convert an existing biogas stream derived from 110,000 gallons per day (gpd) of wastewater sludge from the VWRA and 60,000 gpd of energy-dense organic waste into 320,000 mmbtu per year of carbon negative RNG for use as transportation fuel by California regional fleets.

This facility expansion is a BOO asset for Anaergia that demonstrates the flexible and rapid deployment of our technology within existing infrastructure, one of our key competitive advantages. The facility required an investment

³ As of the end of Fiscal 2021, final completion had not yet occurred for the RBF as it is not yet fully capable of operating in the manner intended by management, mainly due to feedstock volumes not being sufficient for performance testing.

of approximately US\$21 million and is expected to generate an unlevered internal rate of return of approximately 15% and a 4x EBITDA Build Cost Multiple. We have an equity partner who holds a preferred ownership interest in this asset and has a cash flow profile based on a prescriptive distribution waterfall.

Envo Biogas Tønder (EBT)

We are building a biogas facility in Tønder, Denmark that will accept agricultural waste and is expected to produce approximately 1,400,000 mmbtu per year of RNG, making it one of the largest biogas facilities in the world. This BOO facility is being built in two phases, with the first phase of construction ongoing and scheduled for completion in late 2022, allowing the facility to start producing RNG and qualify for the Danish Energy Agency's subsidy program, and the second phase of construction scheduled for completion in 2023. EBT will benefit from both government subsidies and green certificates for RNG production, on top of the commodity price of natural gas.

Sun Valley Recycling Park

The Sun Valley Recycling Park, owned by Waste Management, is an organics recovery facility located in Sun Valley California. We designed and installed an OREX™ line for the facility to process up to 800 tons per day of MSW from the Southern California region to extract organics that are transported to the RBF for AD and RNG production.

Sterling Natural Resource Center

The Sterling Natural Resource Center is a state-of-the-art WWTP located in Highland, California, recovering clean water, energy, and nutrients from wastewater using our Omnivore^R, AMR and Fibracast technology, and turnkey digestion plant designed and supplied by Anaergia. This facility, which is currently under construction, will process up to 8 million gallons per day of wastewater and approximately 540 tons per day (130,000 gallons per day) of organic waste. It will also provide the community with opportunities for education and high-tech jobs.

Camden

We retrofitted existing sludge storage tanks with Omnivore^R high solids anaerobic digesters at the Camden County Municipal Utilities Authority's ("CCMUA") Delaware No. 1 Water Pollution Control Facility located in Camden, New Jersey, which has a design capacity of 80 million gallons per day and treats wastewater from 37 municipalities in the county. The project is helping the CCMUA to transform the facility into a resource recovery center by generating renewable energy from biogas and reducing the amount of biosolids leaving the facility. The biogas produced by the Omnivore^R anaerobic digesters provide biogas to an onsite 3.8 megawatts electric combined heat and power system that is designed, built and operated by Anaergia under a 20-year O&M contract. The facility is expected to reduce greenhouse gas emissions by 23,500 tons per year of CO₂e, which is equivalent to taking about 4,998 passenger vehicles off the road.

Ulu Pandan

We joined Singapore's Public Utilities Board (PUB) and National Environment Agency (NEA) to design, build and operate the first co-digestion facility in Singapore in 2016. This unique facility uses our robust and efficient OREX™ solution for food waste pre-treatment and our Omnivore^R solution for high-solids digestion. The plant processes up to 7,300 tons per annum of source segregated food waste collected from 23 premises, including schools, army camps, wholesale centers and food establishments in Singapore. The organic slurry recovered is then co-digested with up to 14,600 tons of wastewater sludge annually to produce biogas. This plant is part of a development to achieve the "Zero Waste Target" of Singapore and is a model for co-digestion in the APAC region.

With our proven suite of differentiated technologies, execution expertise and strong product validation through global references, we are well positioned to capitalize on the growing demand for sustainable waste-to-resources solutions in large markets.

EasyEnergia

We are in the process of completing one of our first Italian BOO reference projects in Pontinia, Italy. This facility will utilize our AD technologies to process up to 35,000 tons per year of SSO to produce approximately 138,000 mmbtu per year of RNG. The BOO asset is expected to benefit from long-term feedstock agreements and lucrative tariffs for RNG production based on fixed RNG credits for a 10-year period on top of the wholesale market gas price. We believe this facility, along with five additional BOO assets that we are currently executing in Italy, will serve as replicable models for other Italian opportunities in our Development Pipeline.

Our Customers

For our Capital Sales projects and our Services segment, our end customers typically include municipalities, developers, waste haulers, farms, EPC contractors and institutional customers. The composition of revenue from Capital Sales customers varies on a year to year basis. For the year ended December 31, 2021, our 10 largest customers accounted for approximately 66% of our total revenue.

In our BOO segment, we have customers for waste feedstock and RNG or electricity offtake. Our feedstock customers typically include waste management and processing companies under long-term franchise agreements for municipal solid waste, and municipal WWTPs for biosolids from sewage sludge treatment. Our RNG customers typically include utilities, municipalities, institutional customers and RNG brokers that purchase our RNG and resell it to customers that use RNG as a transportation fuel. The large size of our counterparties limits our credit risk. For our projects in California, for example, we have feedstock arrangements with Waste Management, Republic Services, Universal Waste Services, Orange County Sanitation District, the Los Angeles County Sanitation District and the City of Los Angeles. We are also contracted to sell RNG and associated environmental attributes at fixed prices to Southwest Gas Corporation, the City of Anaheim and the University of California. We also sell RNG and associated environmental attributes to numerous offtake parties under our agreement with Element Markets Renewable Energy. Our largest RNG off-taker as a percentage of revenue can vary year to year given the nature of the specific contracts. Our customers for electricity typically include municipal wastewater facilities or utilities. For example, one of our facilities sells electricity to the City of Escondido in California.

Our Suppliers and Equipment Vendors

Through a combination of proprietary technologies and strategically sourced industrial equipment, we deploy integrated solutions to the waste-to-energy and resource recovery marketplace. Our proprietary technologies have been acquired and developed to overcome technical hurdles and economic challenges when readily available industrial options do not exist. We continually advance our level of knowledge and performance through innovation and strategic research and development as well as the continuous application of lessons learned in project execution and plant service, operations and maintenance. Performance in our facilities is achieved using a combination of this proprietary equipment along with equipment procured from third-parties. When combined, this platform of technologies provides a significant competitive advantage and enables operations across multiple global markets.

We source third-party equipment and services globally through strategic procurement processes continually challenging and developing our supply chain applying the same principles that we apply to ourselves, including accountability, innovation, continuous improvement and commitment to the success of our projects. We avoid, where possible, monopolistic suppliers that corner a technology market. We acquire solids conveyance, pumping, tankage, process heating, biogas cleaning, instrumentation and controls along with multiple other plant components through a competitive bidding process. To ensure quality is preserved through the competitive bidding phase, detailed purchasing specifications are developed with rigor by project engineers, procurement agents and internal legal counsel. Vendors of processing equipment are held accountable to deliver on their obligations and to deliver products according to agreed-upon specifications. Through our global offices, we build relationships with suppliers and engage directly with their purchasing departments to lower unnecessary mark-up. As operators of multiple waste recovery plants, we have strong relationships with suppliers and consider total cost of ownership in our selection of third-party processing equipment.

Competition

There are a number of companies operating in the waste-to-value industry, ranging from equipment providers to project developers, operators and owners. Our primary competition is from other companies operating in our industry or alternative solutions for the processing of organic waste into RNG, clean water and fertilizer. We believe that our position as the leading, vertically integrated platform in the market with a proprietary portfolio of end-to-end solutions, our long-term track record of operating and developing projects, our ability to leverage existing infrastructure to process any type of feedstock, our flagship reference plants in California and Europe and our experience in developing RNG gives us a competitive advantage over our competitors operating in our space. We also believe we have a first mover advantage in these growing markets as the only global market participant with an end-to-end integrated technology platform of solutions for organic waste problems, including the processing of agricultural waste, wastewater sludge, food waste and mixed solid waste. This approach differentiates us from our competitors by providing our offerings with technological and economic advantages and making them more attractive to third-party customers, predominantly municipalities, private entities and project developers.

We are not currently aware of any direct competitors in the United States, or globally, that offer an end-to-end integrated technology platform for organic waste processing similar to ours, but there are numerous businesses that compete with us in our key verticals. In terms of technology to process agricultural waste, wastewater sludge and food waste, we compete with EnviTec Biogas AG (“**EnviTec**”), Hitachi Zosen Corporation, Suez Group and other smaller regional equipment companies. However, many of these competitors focus on a specific area of equipment and do not provide the broad offering or an integrated technology solution in a manner that is equivalent to Anaergia. With respect to project development, financing and operations, we compete with EnviTec, Hitachi Zosen, Suez, Ameresco, Inc. (“**Ameresco**”) and Montauk Renewables, Inc. (“**Montauk**”). Other competitors include project developers or financial institutions that generally do not provide the technology. Instead, they go to technology suppliers, like Anaergia or our other competitors. As such, we sometimes supply systems for developers, finance developers or develop or own projects in collaboration with another institution for partial financing. In general, we only compete with other entities when our role is limited to supplying equipment.

Notwithstanding our unique position within our industry, we expect the level of competition to increase over time with the global movement towards cleaner energy and disposal practices. We have demonstrated a track record of strategic flexibility across our history which has allowed us to pivot towards projects and markets that we believe deliver optimal returns and shareholder value in response to changes in market, regulatory and competitive pressures. We believe our size and our experience relative to many of our competitors and our capital structure has put us in a strong position to accelerate the development of our offerings, deliver new project development opportunities and acquire existing projects. Evolving consumer preferences, regulatory conditions, ongoing waste industry trends and project economics are expected to have a significant impact on the competitive landscape and our relative ability to continue to generate revenues and cash flows.

The following table illustrates certain advantages of the Company's business model as compared to other peer companies in the waste-to-value industry. The Company does not consider these companies direct competitors from a commercial operations perspective.

	Anaergia	Landfill Gas-to-Energy	Dairy RNG	Biofuels	Clean Tech	Renewable IPPs
Representative Companies		AMERESCO MONTAUK ARCHAEA ENERGY	AEMETIS CLEAN ENERGY	NESTE DARLING INGREDIENTS RENEWABLE ENERGY GROUP	XEBEC GREENLANE RENEWABLES	BROOKFIELD BORALEX INNERGEX
Proprietary Technology	●				●	
Diversified Revenue Model	●					
Paid for Feedstock	●					
Large, Diverse, Global Market Presence	●					
Long-Term Contracted Revenue	●	●				●
Long-Term Tailwinds	●		●		●	●
Carbon Negative Fuel Production	●		●			
Ability to Leverage Existing Infrastructure	●	●				

Source: Management estimates, public company filings.

Employees

As of December 31, 2021, we had 345 employees. We believe that our culture impacts our business performance and provides a meaningful experience to all of our employees. We care for and respect our employees and they, in turn, respect and are dedicated to Anaergia.

The success and growth of our business is significantly correlated with our ability to recruit, train, promote and retain talented individuals at all levels of our organization. To succeed in a competitive labour market, we have developed and maintain key recruitment and retention strategies. These include an annual bonus program, annual performance assessments and compensation reviews with opportunities for adjustment. We also conduct annual reviews of market data and full-time human resources and talent acquisition personnel to identify new candidates. Safety of our personnel is also one of our core values and maintaining a safe work environment is critical to an energy company's ability to attract and retain employees.

We are headquartered in Canada, but operate globally from nine regional project offices and two manufacturing plants over four continents. None of our employees are represented by a labour organization or party to a collective bargaining agreement.

Health and Safety

The health, safety and security of our employees and the protection of the environment are of the utmost importance in making our decisions and taking action. We have policies and procedures which formalize this commitment to our employees during the onboarding process. Our commitment to health and safety and the environment is also a key

component of our supplier and subcontractor qualification process that must be completed before a new vendor is able to join our approved supply chain. As a global company, we encounter many different approaches to health and safety and environmental protection around the world. Our project sites and manufacturing facilities operate according to our company standards regardless of local practices. We self-audit and self-report all non-conformities as part of our commitment to transparency and continuous improvement. We have had low rates of recordable incidents of 0.85 and 2.02 in 2020 and 2021, respectively, compared to the national average in the United States of 3.1 and the average in the waste treatment and disposal industry of 3.0 (ISCOUT/KPA website).

We continually strive to improve safety in the design of our equipment and systems, including by performing hazard and operability (HAZOP) studies as part of our plant design process. All of our products undergo project reviews monthly, including quality and safety performance checks as well as failure modes and effects analysis (FMEA) based risk analysis, which must be approved by the review committee each month.

Insurance

We carry various insurance policies to protect against certain risks of loss consistent with the exposures associated with the nature and scope of our operations. The most significant insurance policies that we carry include:

- commercial general liability insurance for liabilities to third parties for bodily injury and property damage resulting from our operations and our products;
- umbrella liability insurance providing excess coverage for certain operations;
- professional liability insurance covering liabilities arising under certain services provided by us;
- site pollution coverage covering accidental discharges relating to our operations;
- property insurance covering the replacement value of real and personal property, including from damages arising from business interruption;
- cargo insurance to protect against loss or damage to goods in transit;
- workers' compensation coverage in the United States up to the required statutory limits; and
- automobile liability insurance for owned, non-owned and hired vehicles covering liabilities to third parties for bodily injury and property damage.

All policies are subject to certain deductibles, limits or sub-limits and policy terms and conditions.

Intellectual Property

Intellectual property is an important component of our business strategy. We protect proprietary products, processes, technologies and content through a combination of patents, copyrights, trademarks, trade secrets and contractual terms in Canada, the United States, Europe, China, Singapore, South Africa and other jurisdictions in which we operate.

We also maintain an active intellectual property policy to protect novel and strategic elements of our products and processes as well as to improve our competitive positioning and branding. For example, we have an intellectual property committee made up of internal (and external, as needed) specialists and executives that meet periodically to align the patent and trademark portfolios to our business objectives. The committee also reviews new disclosures and inventions and considers issues such as competition and freedom to operate as they relate to product and process development to ensure that we do not infringe the patents of third parties.

Our patent portfolio comprises a combination of product patents and process patents and is segmented into five main market sectors: (i) organics extraction (including pre-treatment); (ii) organics polishing; (iii) AD; (iv) separation processes; and (v) residue treatment, including pyrolysis. These market segments are further divided into approximately 20 different technologies that protect our products, such as our OREXTM presses and Omnivore^R mixers, and processes, including degritting and ammonia removal. Overall, we have 227 granted and pending patents or patent applications in respect of over 60 distinct inventions.

Government Regulation

Each of our projects is subject to federal, state, provincial and local air quality, solid waste, and water quality regulations and permitting requirements. Specific construction and operating permit requirements may differ across jurisdictions. Specific permits we frequently must obtain when developing our projects include air permits, nonhazardous waste management permits, pollutant discharge elimination permits and beneficial use permits. Our existing projects must also comply with relevant federal, state, provincial and local environmental, health and safety requirements, including laws governing the generation, transportation, storage, treatment and disposal of solid and hazardous waste as well as the storage and handling of chemicals and regulated products. Some projects receive government funding, which may be subject to requirements with respect to tracking and reporting expenditures, including with respect to ensuring the availability of tax exemptions. Non-compliance with applicable laws may lead to default under commercial agreements supporting our projects, including with respect to financing.

Our Competitive Strengths

World Leading and Difficult to Replicate Platform for Producing Carbon Negative Fuel from any Organic Waste Stream

- Strong first mover advantage as the only global market participant with end-to-end solutions for organic waste problems, including processing of solid waste streams (MSW, SSO and commercial waste), wastewater sludge and agri-food waste (agriculture waste and food processing waste).
- Suite of proven, proprietary products and technologies that offer a more effective and economical solution for waste management.
- Designed, built, owns and operates the RBF, the largest organic waste diversion and energy recovery facility in North America.
- Ability to minimize permitting issues and accelerate project deployment by leveraging existing infrastructure at waste processing sites, including building at waste transfer stations and WWTPs, resulting in synergistic, low-cost municipal solutions.
- Offers an alternative and sustainable solution to the rising costs and environmental impact of traditional organic waste disposal methods, such as composting, landfilling, incineration and land application.

Proven, Proprietary and Integrated Technology Offering Creates Unique and Sustainable Competitive Advantages

- Over the last thirteen years, we have systematically acquired or developed proprietary and vertically integrated technologies that maximize the conversion of organic waste to high-value products at competitive costs.
- Our integrated technology offering is commercially proven and scalable globally, with our technologies having been deployed at resource recovery facilities in over 17 countries worldwide, including at over 230 facilities since 2010.
- Our portfolio of technologies includes the OREX™, Omnivore^R, biogas upgrading, Fibracast and pyrolysis systems which act together to maximize renewable resource output from mixed solid waste and other organic waste streams.
- Our OREX™ technology diverts organics from mixed solid waste at proportions exceeding even the most ambitious regulatory targets, and avoids the need for costly and inefficient separate organic waste collection.
- Compared to conventional digesters at WWTPs, our Omnivore^R solution requires 60% less capex, handles organic streams with significantly higher solid content and can increase capacity of existing digestion systems by approximately 300%.

- We have also developed a pyrolysis technology that converts solid residues into additional RNG and biochar that significantly increases soil health and carbon sequestration while also destroying constituents of concern in biosolids such as PFAS and hormones.
- We have 227 active and pending patent filings worldwide. Key patents for our OREX™ technology have recently been upheld in European court, supporting the strength of our competitive position.

Global Presence in Nine Countries Provides Strong Position to Take Advantage of Growing Regulatory Tailwinds Driving Global Opportunities for RNG Production and Waste Reduction

- Global demand for RNG is expected to grow considerably over the next two decades, reaching over 8 billion mmbtu of total demand according to the IEA's Sustainable Development Scenario, requiring over US\$500 billion of cumulative capital investment in infrastructure and technology.
- Increased global awareness of landfill constraints and the environmental impact of waste are driving organics diversion regulations. These regulations are dictating minimum organics diversion targets in many jurisdictions, providing line of sight to a growing global need for our proprietary waste solutions.
- Increasing regulatory and financial incentives for RNG production provide attractive economies for our projects across the world.
- Our well-established Italian and German project offices, as well as our new Denmark location, are primed to support EU countries in achieving increased RNG targets outlined in proposals to amend the European Union's renewable energy directive (RED II) and the new REPowerEU plan.

Significant, Diverse "Build-Own-Operate" Project Portfolio with Global Development Opportunities

- We believe we have one of the largest and most technologically diverse project portfolios in the organic waste-to-value industry, with approximately 95% of our \$4.4 billion Revenue Backlog consisting of BOO assets and over 50 potential BOO opportunities in our Development Pipeline.
- We have long-term relationships throughout the industry supply chain from technology and equipment providers to feedstock owners and RNG off-takers.
- We leverage our relationships to identify and execute new project opportunities. Typically, new development opportunities come from our existing relationships.

Attractive, Diversified and Low-Risk Cash Flow Model Generated from Multiple Sources

- Our high return BOO assets are underpinned by long-term feedstock and offtake agreements with high quality counterparties.
- There are significant regulatory incentives across the markets we serve that provide price upside.
- The Italian market offers feed-in-tariffs on RNG projects in operation prior to 2023 based on attractive, regulated returns.
- The UK market offers feed-in-tariffs on RNG or as transport fuels under the RTFC program.
- After a project we built is complete, we may operate, maintain and repair the customer's systems under a multi-year O&M contract, which provides us with recurring revenue.
- Regulated and contractually secured revenue streams support access to project-level debt financings on attractive terms. For example, financial institutions in Italy and California are familiar and supportive of RNG projects.

Large Global Project Backlog and Pipeline Underpinning Growth and Providing Strong Revenue Visibility

- Our business is characterized by significant revenue visibility through our healthy and actively managed backlog and pipeline of BOO, Services and Capital Sales opportunities. As of December 31, 2021, we had a Revenue Backlog of approximately \$4.4 billion and a Development Pipeline that included over 50 potential BOO opportunities.
- We have key references and experienced personnel in the world's most favourable markets. For example, in California we currently have four BOO references and this market will require approximately 160 more to meet current regulatory requirements. In Italy, we have built many plants and we are currently building our first three BOO references. This market will require at least 53 additional plants during the next three years to meet regulatory requirements.
- Multiple delivery models, including Capital Sales, Services and BOO assets, support rapid adoption of our technology and broad recognition for our superior service offerings and results.

Experienced Leadership with Proven Track Record Backed by High-Caliber Board of Directors

- Dr. Andrew Benedek is an iconic figure in the areas of circular economy, waste-to-value and water treatment solutions with a track record of commercializing new technology and executing on a long-term vision.
- Certain members of our executive team previously founded and grew ZENON, a leader in water treatment solutions founded in 1980, until its ultimate sale to General Electric Company in 2006 for approximately \$790 million.
- Our team includes the world's leading experts in digestion, solid waste and wastewater treatment and is complemented by exceptional financial and legal expertise.
- Our Board consists of individuals with significant experience in finance, the environmental industry and government.

Our Future Growth Strategy

Underpinned by robust market, regulatory and environmental tailwinds, we are uniquely positioned to benefit from the growing demand for sustainable waste solutions. Our products and services respond to regulatory and customer demand for sustainable waste management services that are superior to landfilling while providing carbon negative fuel, reducing GHG emissions and minimizing the waste that ends up in landfills. We are focused on providing cost effective and sustainable solutions that leverage our rich project development and execution experience and our growing network of owned infrastructure. Key elements of our growth strategy are set out below.

Pursue Organic Growth and Continue To Build Our BOO Segment

We plan to grow primarily by leveraging our core expertise in developing, building, selling, operating, maintaining, and owning waste-to-value integrated solutions, proprietary technology and infrastructure to reach additional customers in our target markets. To achieve this goal, we plan to open additional local offices in the regions we currently serve, as well as hire additional sales personnel. We also plan to expand geographically by opening offices in regions we do not currently serve in the United States, Europe and Asia.

In particular, we plan to focus on executing our \$4.4 billion Revenue Backlog consisting of mostly BOO assets and pursue and develop our Development Pipeline which includes over 50 potential BOO opportunities.

Meet Market Demand for Cost-Effective, Sustainable Solutions

We believe that addressing climate change will remain a global objective for governmental, institutional and commercial organizations. Through our products and services and our owned infrastructure, we maximize the diversion of organic waste from landfills and use the output to generate renewable energy and fertilizers, thereby

reducing GHG emissions and the cost of waste management. We plan to continue to focus on providing sustainable solutions that will address the growing demand for products and services that create environmental benefits for our customers and communities.

Expand Through Project Development in Selected Attractive Markets

We seek to grow through the development of new projects for customers or owned facilities where we believe that market opportunities will enable us to utilize our skills and invest our capital at attractive risk-adjusted rates of return. We focus these efforts in markets where we currently have projects in operation or under construction, and in other markets with strong economic fundamentals and predictable legal and policy support. These projects produce high-margin, recurring revenue.

We believe that our approach to these opportunities is highly disciplined, both with regard to our required rates of return on invested capital and the manner in which potential new projects will be structured and financed.

Increase Services Revenue

We intend to continue to seek opportunities to increase our sources of recurring revenue from O&M services, sales of spare parts to existing clients and the sale of non-strategic products and services to third parties. For many of our technology solutions projects, we enter into multi-year O&M contracts, and we intend to continue to grow both the number and scope of such contracts. In cases where we do not operate plants, our customers also provide opportunities to grow recurring revenue through our support of their operations.

Develop and Commercialize New Technology

We believe that our efforts to protect and expand our business will be enhanced by the development of additional technologies and the continuous improvement of existing technologies.

Grow through Select Strategic Acquisitions

We plan to accelerate the expansion of our product and service offering, customer base and geographic reach through targeted acquisitions. We will follow a disciplined approach in evaluating and valuing potential acquisition candidates. We plan to pursue complementary acquisitions that will enable us to expand geographically and broaden our capabilities to expand the size of our addressable market and to enhance our profitability.

Diversify Global Presence

We plan to continue expanding our presence in global markets at a level proportionate to the size of the business opportunities and stability of the jurisdiction, adjusting as necessary to changes in local conditions. Diversity in our global presence can help us better manage risks from geographically specific events, including changes in regulations, political instability and war.

GENERAL DEVELOPMENT OF THE BUSINESS

Initial Public Offering

On June 30, 2021, we successfully closed our initial public offering (the “**IPO**”) of our subordinate voting shares (the “**Subordinate Voting Shares**”) at a price of \$14.00 (the “**Offering Price**”) per Subordinate Voting Share pursuant to a supplemented PREP prospectus dated June 18, 2021 filed in each of the provinces and territories of Canada. The Company issued from treasury 12,500,000 Subordinate Voting Shares under the IPO for total gross proceeds of \$175 million. On July 20, 2021, we issued an additional 1,740,500 Subordinate Voting Shares at the Offering Price in connection with the partial exercise by the underwriters of their over-allotment option. The aggregate gross proceeds from the IPO, including the partial exercise of the over-allotment option, were approximately \$199 million.

The Subordinate Voting Shares are listed for trading on the Toronto Stock Exchange (“**TSX**”) under the symbol “**ANRG**”.

In connection with the IPO, the following capital changes were implemented (collectively, the “**IPO Reorganization**”):

- Each of our Class A common shares (including all Class C preferred shares exchanged for Class A common Shares) held by Neo International Investments Limited (“**NIIL**”) were exchanged immediately prior to closing of the IPO for one Multiple Voting Share pursuant to a share exchange agreement between the Company and NIIL and the special shares held by NIIL were cancelled immediately prior to closing of the IPO for nominal consideration pursuant to a share cancellation agreement between the Company and NIIL;
- the special shares held by the Benedek Anergia Family Trust (which owned 120 special shares) were be cancelled immediately prior to closing of the IPO for nominal consideration pursuant to a share cancellation agreement between the Company and the Benedek Anergia Family Trust;
- our share capital was amended to: (i) include an unlimited number of Multiple Voting Shares (by creating a new class of shares) and an unlimited number of Subordinate Voting Shares (by amending and re-designating the common shares) (see “—Authorized Share Capital” above); (ii) provide for the automatic exchange of the Class A common shares (including all Class C preferred shares which were exchanged for Class A common shares) upon closing of the IPO for Subordinate Voting Shares on the basis of one Subordinate Voting Share for every one Class A Common share; and (iii) provide for the automatic exchange of the special shares upon closing of the IPO for such number of Subordinate Voting Shares equal to one divided by the \$14.00; and
- the Class A common shares, the Class C preferred shares and the special shares were deleted from our notice of articles and articles as part of our share capital.

After giving effect to the IPO Reorganization, options to acquire Class A common shares became options to acquire Subordinate Voting Shares. All warrants and rights for Class C preferred shares and special shares expired on closing of the IPO. Holders who exercised their warrants or rights for Class C preferred shares and special shares received Subordinate Voting Shares.

On March 17, 2022, Dr. Andrew Benedek, our founder, Chair and Chief Executive Officer, acquired beneficial ownership of 32,222,369 Multiple Voting Shares, representing 100% of the issued and outstanding Multiple Voting Shares, for no cash consideration pursuant to a private agreement with NIIL.

Update on RBF

In California, during Fiscal 2021 we saw slower than previously anticipated escalation in the volumes of organic waste shipped to the RBF, due to the decrease in commercial activity resulting from government-mandated restrictions in response to the COVID-19 pandemic. Although these restrictions are receding, there is a sluggish recovery in the

commercial waste sector in California and, in order to assist struggling businesses, there has been some political sensitivity to ease in the implementation and enforcement of the required commercial organics collection program. However, the roll out of the new organics collection program in Los Angeles under the RecycLA franchise continues to gradually increase organic waste collection volumes, with an increase in subscriptions to the program by generators of organic waste. Participation in the RecycLA program is expected to accelerate with the implementation of a city-wide ordinance requiring all generators to participate which is required by state regulation SB1383. With SB1383 coming into effect in January 2022 and the adoption of a renewable gas standard requiring utilities to procure California-generated RNG under SB1440, which came into effect in February 2022, management has confidence in a turnaround in the commercial waste sector in Fiscal 2022.

Nevertheless, the RBF continues to ramp up with gradually increasing feedstock supply from the OREXTM line operated by Waste Management at the Sun Valley Recycling Park during Fiscal 2022. In addition, a second OREXTM line with Universal Waste Systems being installed this summer and a new third OREXTM line being manufactured with expected installation in late 2022 will further improve feedstock availability for the RBF. At full capacity, the three OREXTM lines would oversupply the RBF. The RBF continues to store the RNG produced in the gas grid and expects sales to commence during the fourth quarter of 2022 after final registration under the federal RIN and state LCFS programs.

The RBF's feedstock shortfall is unique to the RBF due to the roll out of a new organics collection program for the commercial and multifamily sectors in Los Angeles. Elsewhere, Anaergia's BOO assets rely on existing, readily available feedstock, such as sludge at wastewater plants or existing food waste collection, which are not tied to the enforcement of new regulations.

Legal

In October 2021, after a dispute had progressed concerning the EPC agreement for the biogas plant in Sterksel, Netherlands, Anaergia B.V. initiated an action in the District Court of Amsterdam to block a €3.58 million demand by Blue Sphere Brabant B.V. on a performance bond for alleged delay liquidated damages and costs. While Anaergia B.V. did not prevail in the court action, it has asserted claims before the Arbitration Board for the Construction Industry for the recovery of such payment and other damages. Resolution of the arbitration is anticipated during Fiscal 2022.

Project Financing

On November 11, 2021 we announced that we had signed a contract with Arjun Infrastructure Partners (“**Arjun**”) to provide financing for our BOO projects in Italy. Under the provisions of this new agreement, Arjun has committed to invest up to €100 million in mezzanine financings in respect of a portfolio of projects in Italy. The term of these financings is generally 10 years and we expected that additional new projects can be built with this commitment.

New Projects and BOO Assets

We expanded our footprint in the eastern United States and our capacity to address increasing demand for organic waste recycling through the acquisition of two under-performing biogas facilities:

- On August 3, 2021, we announced the acquisition of our indirect subsidiary, Rhode Island Bioenergy Facility, LLC (f/k/a Orbit Energy Rhode Island, LLC), which owns the largest industrial anaerobic digester for food and other solid organic waste recycling in New England, known as the Rhode Island Bioenergy Facility. The Rhode Island Bioenergy Facility can process over 100,000 tons of organic waste per year at its location in Johnston, Rhode Island. Such waste, that otherwise would have been landfilled or incinerated, is processed into clean energy, fertilizer, and water, while reducing GHG emissions. We intend to see the facility upgraded with industry leading technology and other improvements that will optimize operations and financial performance by converting organic waste into approximately 320,000 mmbtu of carbon negative RNG annually.

- We also acquired Orbit Energy Charlotte, LLC, (“**OEC**”), which owns a 5.2 megawatt anaerobic digestion facility located in Charlotte, North Carolina. OEC can process over 120,000 tons of organic waste per year and has its entire annual feedstock requirement under contract or in negotiations with suppliers. The facility also has an attractive long-term power purchase agreement (PPA) with Duke Energy extending to 2031, under which it sells both the electricity output and renewable energy credits (“**RECs**”) generated from waste. RECs from OEC include electricity RECs, thermal RECs and poultry RECs. Anaergia intends to upgrade the facility with industry leading technology and other improvements that will optimize operations and financial performance in converting organic waste into RNG.

On October 28, 2021, we announced that we had acquired two Danish subsidiaries that will build, own and operate a new AD facility in Tønder, Denmark, which will be one of the largest biogas plants in the world. The BOO facility is expected to produce approximately 40% more RNG than the RBF asset in Rialto, California. See “Key Anaergia Reference Projects” for more details. One of the acquired subsidiaries is also a project development company that will give the Company a footprint in Scandinavia and northern Europe for future Capital Sales and BOO operations.

Additional BOO assets in Italy (BS Green, Bionet, and Ambiente and Risorse) were acquired and officially closed during Fiscal 2021, with established permits, contracted organic feedstock and eligibility for long-term Italian fixed RNG incentives. These BOO facilities are currently under construction and expected to start operating in Fiscal 2022.

On January 20, 2022, we announced that we had signed a contract to supply our industry-leading organic waste treatment solutions to Società Agricola Agriferr ss di Zagni Matteo & C (“**Agriferr**”), an agricultural industry company based in Rivarolo del Re Ed Uniti, Cremona, Italy. Under the contract, Anaergia will build Agriferr’s new plant using a range of proprietary systems, including our first-ever renewable natural gas liquefaction system. Anaergia will also install its Triton™ digester, biogas upgrading system, and an on-site fueling station for end users. Under the terms of this agreement, Anaergia is to build and then operate this plant for a period of four years. This facility, which is expected to produce about 2,000 tons of liquid natural gas (LNG) annually, is slated to begin operations by the end of 2022.

On January 21, 2022, we announced that our subsidiary, SoCal Biomethane, will officially commission operations at the VVWRA facility in Victorville, California. The facility is the first wastewater treatment plant in California to inject renewable natural gas made from both wastewater solids and food waste into a utility pipeline. This plant will serve as a replicable co-digestions project model and assist local municipalities in complying with California’s Senate Bill 1383 regulations, which require every municipality to divert residents’ and businesses’ food and other organic waste from landfills, with the goal of reducing the amount of organic waste landfilled by 75% by 2025.

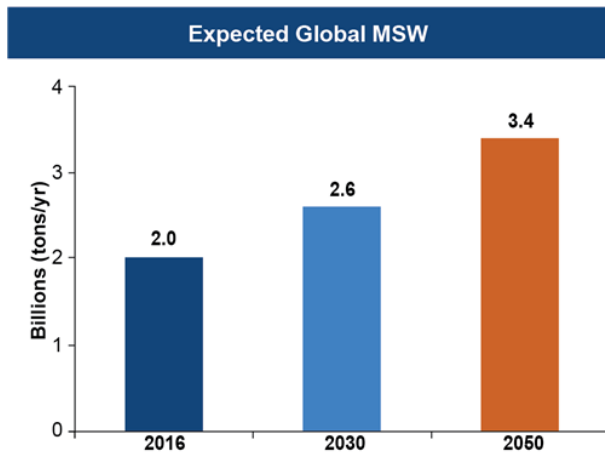
On January 25, 2022, we announced that we had signed a follow-up contract with Carbon Cycle North Carolina LLC (“**C2NC**”). Under the terms of this new agreement, the scope of our activities will be significantly expanded at C2NC’s facility that converts agricultural waste to renewable energy. The facility is located in Warsaw, North Carolina. This is our second major capital equipment sale to C2NC. In addition to providing additional equipment, the contract terms call for Anaergia to manage construction at the C2NC facility, and then operate the entire facility for a period of 10 years. When this first phase is completed, this facility will feature a total of three anaerobic digesters converting food industry and agricultural byproducts into utility-scale RNG.

On March 7, 2022, we announced that we and our partner, Continuous Materials, had signed a contract Project Development Agreement (“**PDA**”) with the Board of the Kent County Department of Public Works. Under the terms of the PDA, the parties agreed to terms for a potential project under which an approximately US\$280 million state-of-the-art material recovery facility (MRF) converting solid waste to products, fertilizer and RNG would be built by Anaergia and Continuous Materials. The initial term of the agreement is expected to be for a period of twenty-five years from the start of operations. The facility is expected to be a world-leading facility that will assist in achieving the county’s ambitious landfill diversion targets by processing 400,000 tons per year of MSW, while supporting its sustainability goals and creating economic stimulus in western Michigan.

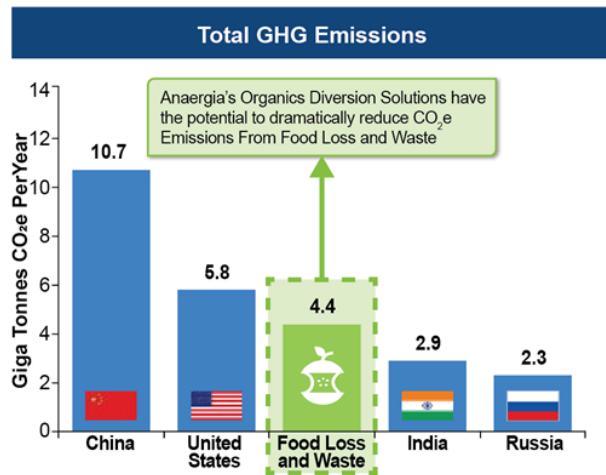
INDUSTRY OVERVIEW

Growing Global Waste Problem and Trend Towards GHG Emission Reduction Commitments

The generation of municipal solid waste is on the rise around the world and very few cost-effective solutions are available to address this growing problem. According to the World Bank, approximately 2.0 billion tons of MSW was generated globally in 2016. This figure is anticipated to grow to 2.6 billion tons by 2030 and 3.4 billion tons by 2050. Included in these totals, North America generated approximately 289 million tons of MSW in 2016 and is expected to generate 342 million tons by 2030 and 396 million tons by 2050.⁴ The largest portion of this waste is organic, or biodegradable waste, a natural refuse type that comes from plants or animals including food waste, yard waste and biologically produced waste. Methane emissions caused by the decomposition of organic waste in landfill sites are a major source of global GHG emissions and one of the leading contributors to climate change. According to the World Resource Institute, methane is a significant GHG and accounted for approximately 17% of global GHG emissions in 2018 on a CO₂ equivalent basis utilizing the 100-year GWP for all GHGs. However, when using the 20-year GWP, methane is 84 times more powerful than CO₂ and accounted for approximately 37% of global GHG emissions in 2018, or approximately 24.9 billion metric tons, on a CO₂ equivalent basis.⁵ Specifically, global food loss and waste are estimated to produce approximately 4.4 billion tons of CO₂e each year, which is more than that of India or Russia and is an approximately equivalent source of global GHG emissions as transportation.^{6, 7, 8}



Source: World Bank



Source: Food and Agriculture Organization of the United Nations

Increasingly, the public and private sectors are making ambitious GHG reduction goals, including a long and growing list of countries, municipalities, and corporations making net-zero emissions goals. In 2017, over 196 parties signed onto the Paris Agreement, committing to limit global warming to well below two degrees Celsius in this century compared to pre-industrial levels. In 2019, 77 countries and over 100 cities committed to net zero emissions by 2050 at the United Nations' 2019 Climate Action Summit. Additionally, over 1,200 companies have made net zero commitments. As a result, regulation, legislation and sustainability mandates around the world are increasingly creating financial incentives to reduce GHG emissions.

The production and capture of naturally emitted biogas and its conversion into RNG reduces GHG emissions in a number of ways, including by capturing methane that would otherwise be released into the atmosphere, using this methane to create energy and displace the use of carbon emitting fossil fuels and sequestering carbon through fertilizer

⁴ World Bank (2018), "What a Waste 2.0".

⁵ World Resource Institute (2018), "Climate Watch – CAIT Historical Emissions".

⁶ Food and Agriculture Organization of the United Nations (2015), "Food Wastage Footprint & Climate Change".

⁷ IPCC (2014), "Fifth Assessment Report Chapter 8: Transportation".

⁸ Emissions Database for Global Atmospheric Research version 4.2 (2012).

end products. Our technologies and service offerings are carbon negative and represent a significant improvement over other landfilling and composting alternatives.

Trends in the Anaerobic Digestion Industry

The two main ways of diverting organic waste from landfill are AD and composting. AD is a series of biological processes in which micro-organisms digest organic material in sealed containers void of oxygen, producing biogas, which is a mixture of methane, CO₂ and other gases and valuable byproducts.

Captured biogas can be further upgraded by removing CO₂ and other impurities in order to meet pipeline-quality methane specifications. Separated digested solids can be applied to cropland as fertilizer or converted into other products. Nutrients in the liquid stream are used in agriculture as fertilizer.

AD is currently used to manage waste at more than 1,200 of the approximately 3,100 WWTPs in the United States, but only about 10% of facilities put collected biogas to use.^{9,10} Furthermore, the U.S. Department of Energy estimates that 77 million dry tons of food waste, animal manure, wastewater sludge, and fats, oils and grease are produced every year, of which only 27 million are beneficially used, leaving 50 million dry tons of feedstock potentially available for use.¹¹

Composting as an alternative for organic waste is inferior to AD for several reasons. First, composting is a significant net consumer of energy through the required use of machinery needed to rotate and aerate the organic waste, compared with AD which is a significant net producer of energy. Second, composting produces no biogas or RNG and leaves significantly more residual waste than AD. Finally, AD generates significantly more value through biogas, RNG and high value fertilizer products and is carbon-negative whereas composting is carbon-positive.¹²

Increasing Organic Diversion Regulations in Key Jurisdictions

Landfills are becoming increasingly scarce and unpopular, with regulations forcing the closure of existing landfills and making new landfills extremely difficult to permit in many regions. As a result, there is a growing need to separate organic waste from inorganic waste prior to landfilling due to space constraints as well as GHG emissions concerns.

United States

In 2015, the EPA set a goal to achieve a 50% reduction in food waste sent to landfills in the United States by 2030. The EPA estimated in 2018 that about 63 million tons of wasted food were generated in the commercial, institutional, and residential sectors, with approximately 46% being landfilled or combusted for energy recovery.¹³ More food reached landfills and combustion facilities than any other material in the waste stream.

In recent years, several U.S. states and cities, including California, Massachusetts, Rhode Island, Vermont, Connecticut, Seattle, Los Angeles and New York City, have instituted food waste bans. In 2019, the state of New York mandated that, by January 2022, any establishment that generates more than two tons of food waste per week must separate material for donation and arrange for inedible scraps to be taken to an organics recycler within 25 miles. Other U.S. states are also introducing ambitious waste diversion and recycling legislation which will result in growing demand for the solutions we offer.

⁹ U.S. Department of Agriculture, “*Biogas Opportunities Roadmap: Voluntary Actions to Reduce Methane Emissions and Increase Energy Independence*”.

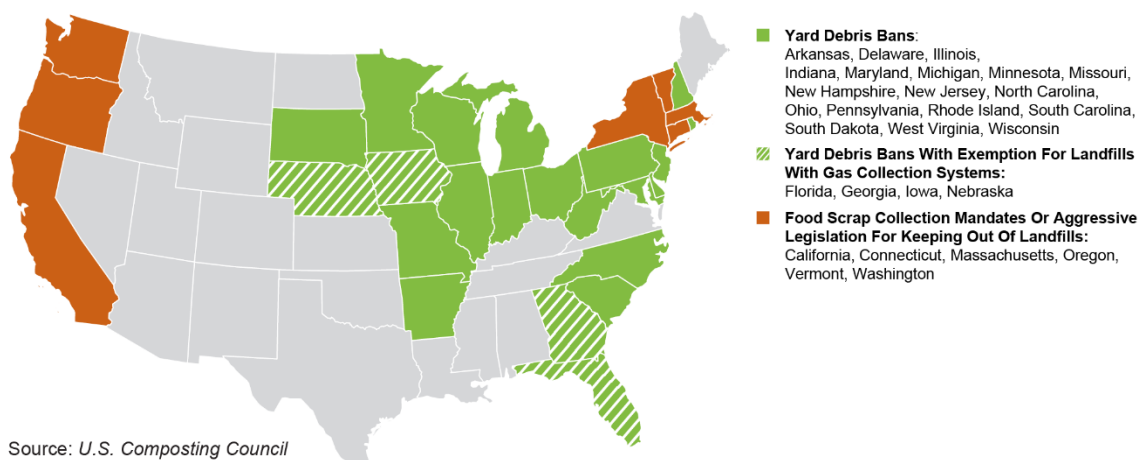
¹⁰ U.S. Department of Energy, “*2016 Billion-Ton Report: Advancing Domestic Resources for a Thriving Bioeconomy*”.

¹¹ U.S. Department of Energy, “*Biofuels and Biproducts from Wet and Gaseous Waste Streams: Challenges and Opportunities*”.

¹² Union of Concerned Scientists, “*Turning Trash into Low-Carbon Treasure*”.

¹³ EPA, “*Sustainable Management of Food*”, <https://www.epa.gov/sustainable-management-food/sustainable-management-food-basics>.

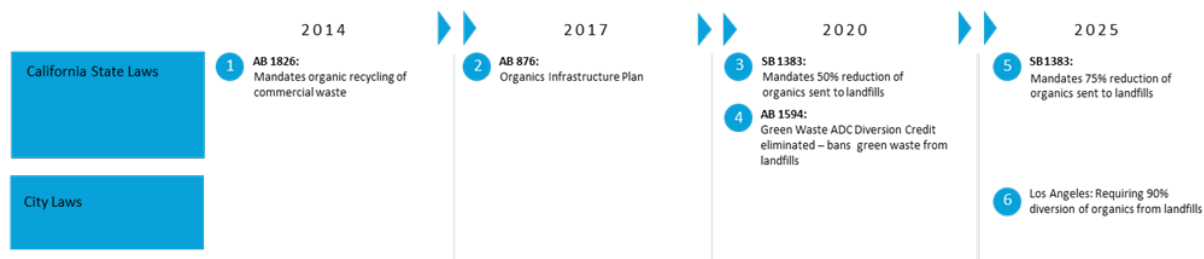
Organic Waste Diversion Programs in the U.S.



California

The state of California has several active and pending regulations that require diversion of organics from landfills. CalRecycle posits that the most important of these is SB1383, which went into effect in January 2022 and targets a 75% reduction in organics sent to landfills statewide by 2025, which is expected to translate into approximately 20 million tons per year that will need to be processed at compost, AD, chip-and-grind or other organic waste processing facilities.¹⁴ Several cities, including Los Angeles and San Francisco, have already taken action to meet or exceed the state's mandates and deadlines, with other cities following suit. Los Angeles will require 90% diversion by 2025 and San Francisco has developed a source separation program.^{15, 16} Failure to comply with SB1383 has material financial consequences for municipalities, with liquidated damages of up to US\$10,000 per day.¹⁷

A significant expansion in organics collection and processing infrastructure is necessary to provide the capacity needed to meet the SB1383 organics disposal reduction goals. CalRecycle estimates that at least 160 new or expanded AD and compost facilities will be required across California, in which there are only 14 AD facilities currently in operation.¹⁸ As part of this infrastructure expansion, an attractive solution from a cost and permitting perspective is to leverage existing AD capacity at WWTPs for co-digestion of wastewater sludge and food waste. Co-digestion is the process of transporting organic waste extracted from the MSW stream and adding it to sewage sludge at existing WWTPs such that the combined waste feedstock can be processed together. CalRecycle estimates that co-digestion at WWTPs could accommodate between 2.4 million and 8.6 million tons per year of food waste.



This backdrop provides us with a significant opportunity for several reasons. First, existing waste transfer stations can be retrofitted with our OREX™ solution to cost effectively remove organics from the MSW stream. Second, WWTPs

¹⁴ CalRecycle, “Analysis of the Progress Towards the SB 1383 Organic Waste Reduction Goals”.

¹⁵ City of Los Angeles, “Solid Waste Integrated Resources Plan”.

¹⁶ SF Environment, “C40 Advancing Towards Zero Waste Declaration”.

¹⁷ CalRecycle, “Short-lived Climate Pollutants: Organic Waste Reductions Final Regulation Text”.

¹⁸ CalRecycle, “An Overview of SB 1383's Organic Waste Reduction Requirements”.

with AD can be retrofitted with our Omnivore^R solution to significantly improve efficiency and capacity. Third, our expertise in biogas capture and RNG upgrading infrastructure can be leveraged to facilitate significant investments in existing WWTPs.

With the RBF now in service and additional local reference projects completed, we believe we have successfully proven the above model and are positioned to be a market leader in California.

Europe

The European Circular Economy Regulations of 2015 are expected to create opportunities for providers of organic waste diversion. Europe has a landfilling target of less than 10% by 2035,¹⁹ requiring the continent to reduce landfilled MSW by 18% on average. Additionally, the MSW recycling target is 65%, creating an opportunity for our waste processing solutions.

In Italy, approximately 61% of organic waste is source separated for diversion from landfill and is required by EU law to grow to a minimum of 65%.²⁰ There is a significant under investment in AD and compost facilities capable of processing this diverted organic waste stream, requiring that it be transported long distances in many areas of the country at significant cost. As a result, we expect that there will be a need for at least 53 new organics diversion facilities to treat over 2.3 million tons of organic waste in Italy to meet local regulatory requirements. Our Revenue Backlog of Italian projects as well as our expertise and relationships in this jurisdiction position us well to capture a significant share of this opportunity. France and, more recently, Spain have also introduced RNG incentives similar to those in Italy and we are active in these markets.

Additionally, we anticipate exciting opportunities in France, Romania, Greece, Slovakia, Hungary and the Czech Republic, as many of these countries still have landfill rates greater than 60%.²¹

Canada

Biogas production from food and organic waste has important potential in Canada for the transition of energy and the economy from fossil fuels. Indeed, many provinces such as British Columbia and Québec have banned or are planning to ban organics from landfills, which will provide a need for our technology solutions.²² Furthermore, the City of Calgary has approved a target of 70% waste diversion from landfills on average by 2025, including food waste.²³

Significant and Growing Demand for Biogas and Renewable Natural Gas

According to the IEA, biogas and RNG have a crucial role to play in decarbonizing the energy supply chain and ensuring access to clean, affordable energy for the world's population. As a result, demand for biogas and RNG is expected to grow on a significant scale, representing up to approximately 20% of worldwide gas demand at full utilization.²⁴

While low-carbon electricity is expected to grow as a percentage of worldwide energy consumption, electricity is not well suited to deliver all types of energy needs, including heating, shipping, aviation, heavy freight trucking and high heat industrial processes. As a result, the IEA expects more than two thirds of energy consumption will come from liquids and gases by 2040. Additionally, given RNG is chemically identical to natural gas, existing infrastructure can be used to transport and deliver it without the need for incremental, costly infrastructure, which is not the case for other alternative liquid and gas fuels, like hydrogen.

¹⁹ Policy Learning Platform on Environment and Resource Efficiency (2020), “Sustainable Waste in a Circular Economy”.

²⁰ Instituto Superiore per la Protezione e la Ricerca Ambientale (2020), “Rapporto Rifiuti Urbani”.

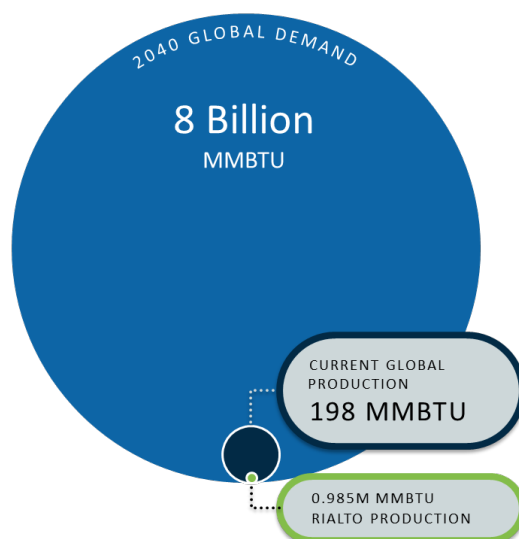
²¹ European Parliament, “Waste management in the EU: infographic with facts and figures”.

²² BioGas World, “The Canadian BioGas Association Releases the First National Anaerobic Digestion Guideline in Canada”, <https://www.biogasworld.com/news/canadian-biogas-association-first-national-anaerobic-digestion-guideline/>.

²³ The City of Calgary, “Leading Calgary to Zero Waste”, <https://www.calgary.ca/uep/wrs/about-wrs/calgary-waste-goals.html>.

²⁴ IEA, “Outlook for biogas and biomethane”.

RENEWABLE NATURAL GAS DEMAND 2040E¹



Source: IEA, “Outlook for biogas and biomethane”. Based on the IEA’s Sustainable Development Scenario (SDS). Mtoe converted to mmbtu for comparability purposes.

In order to meet growing demand, the IEA estimates that tens of thousands of large and medium scale anaerobic digesters and WWTPs with AD capabilities will be required worldwide, translating into tens of billions of U.S. dollars of capital investment per year. Between 2020 and 2040, the IEA estimates that cumulative capital investment totaling over US\$500 billion would be required to meet the RNG demand under its Sustainable Development Scenario (SDS).²⁵

North American Utilities

In February 2022, the CPUC established a renewable gas standard under which utilities will have to supply 3% RNG by 2025 and 12% RNG by 2030.²⁶ This requirement is the result of the passing of regulation SB1440, which required the CPUC to develop targets for the procurement of pipeline-grade biomethane by gas corporations. The utilities in California will have to procure 75,000,000 mmbtu of biomethane (RNG) annually by 2030 with 15-year fixed price offtake agreements, which is equivalent to approximately 75 biogas facilities the size of the RBF. The rule will prioritize RNG generated from landfill diverted organic waste and establish a floor price of \$26 per mmbtu. SB 1440 strongly supports Anaergia’s California deployment of BOO facilities, uniquely positioned to generate RNG from landfill-diverted organics and ideally suited for our technology offering and expertise with a European style long-term fixed price procedure.

Outside of California, many utilities across North America are increasing their supply of RNG.²⁷ This provides additional opportunities for Anaergia to target jurisdictions that are otherwise lacking major policy drivers.

Europe

Fiscal 2021 was characterized by a tight gas market as economic recoveries led to increasing demand, but lower than expected supply resulted in all time high natural gas prices. In addition, conflict in eastern Europe recently prompted the European Union to propose a plan known as “REPowerEU”, which will reduce reliance on Russian gas by two thirds in Fiscal 2022 and completely phase out its use by the year 2030.²⁸ This plan specifically mentions increasing

²⁵ IEA, “Outlook for biogas and biomethane”.

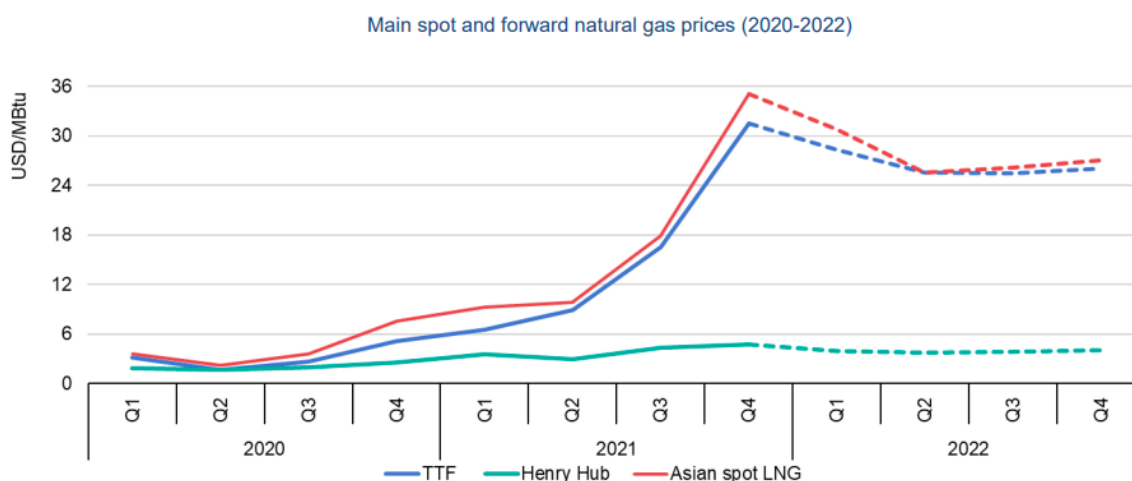
²⁶ California Public Utilities Commission, “CPUC Sets Biomethane Targets for Utilities”, <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-sets-biomethane-targets-for-utilities>.

²⁷ American Gas Association, “AGA RNG Activity Tracker”, https://www.aga.org/globalassets/rng-activity-tracker_nov2021.pdf.

²⁸ European Commission, “REPowerEU: Joint European action for more affordable, secure and sustainable energy”, https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1511.

supplies of RNG and sets a target for the EU to produce 1,260,000,000 mmbtu (35 billion cubic meters) of biomethane by 2030, which is two times the previously proposed target.²⁹ These initiatives call for long-term RNG supply increases and are expected to promote the development of new biogas facilities along with increasing opportunities for our Capital Sales business in Europe.

The above developments have all impacted the market price for natural gas. In the fourth quarter of 2021, natural gas prices in Europe were six times higher than their level during the same period of Fiscal 2020, ultimately increasing realized prices for RNG sales in the region. The conflict in eastern Europe has further escalated pricing with the price of natural gas reaching well above US\$60 per mmbtu. The IEA was already forecasting an all time high average price of US\$26 per mmbtu in Europe for 2022 before the start of the Ukraine-Russia conflict.³⁰ Prices may remain volatile in the short-term, however, given the current high levels and forecasts, our BOO assets in Italy, which are to begin production in Fiscal 2022 and Denmark, which is expected to begin production in Fiscal 2023, are anticipated to be more profitable than had been originally projected.



IEA. All rights reserved.

Sources: IEA analysis based on CME (2022), [Henry Hub Natural Gas Futures Quotes](#); [Dutch TTF Natural Gas Month Futures Settlements](#); CME Group (2022), [LNG Japan/Korea Marker \(Platts\) Futures Settlements](#); EIA (2022), [Henry Hub Natural Gas Spot Price](#); ICIS (2021), [ICIS LNG Edge](#); Powernext (2022), [Spot Market Data](#).

Regulatory and Financial Incentives for RNG Production

U.S. Federal Renewable Fuel Standard (“RFS”) Program

The EPA administers the RFS program, first implemented in 2007, which provides financial incentives for the production of renewable fuels in order to reduce GHG emissions and reduce U.S. reliance on imported oil. Obligated parties under the RFS program, including refiners or importers of gasoline and diesel fuel, are required to meet minimum renewable fuel volumes which can be achieved by blending renewable fuels or by obtaining Renewable Identification Numbers (“RINs”), which are credits generated by the production of renewable fuels and act as a financial incentive for renewable fuel projects.

California Low Carbon Fuel Standard (“LCFS”)

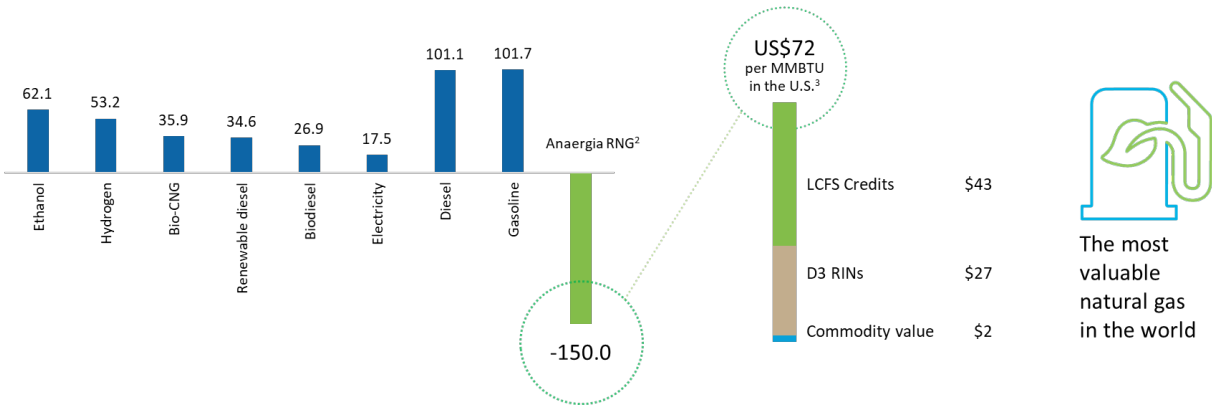
Established in 2009, California’s LCFS is the first and most developed U.S. state-level initiative aimed at encouraging the production of low-carbon fuels. The California LCFS requires producers of petroleum-based fuels to reduce the

²⁹ European Commission, “*Questions and Answers on REPowerEU: Joint European action for more affordable, secure and sustainable energy*” https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_1512.

³⁰ IEA, Gas Market Report, Q1 2022.

CI of their products over time and reach a minimum 20% reduction by 2030 relative to 2010 benchmark levels.³¹ Petroleum importers, refiners and wholesalers can either develop their own low-carbon fuel products or buy LCFS credits from other companies that develop and sell low-carbon alternative fuels, such as RNG, biofuels, electricity, natural gas or hydrogen. The RNG produced at the RBF is anticipated to have a negative CI score of up to -150gCO₂/MJ and generates significant LCFS credits.

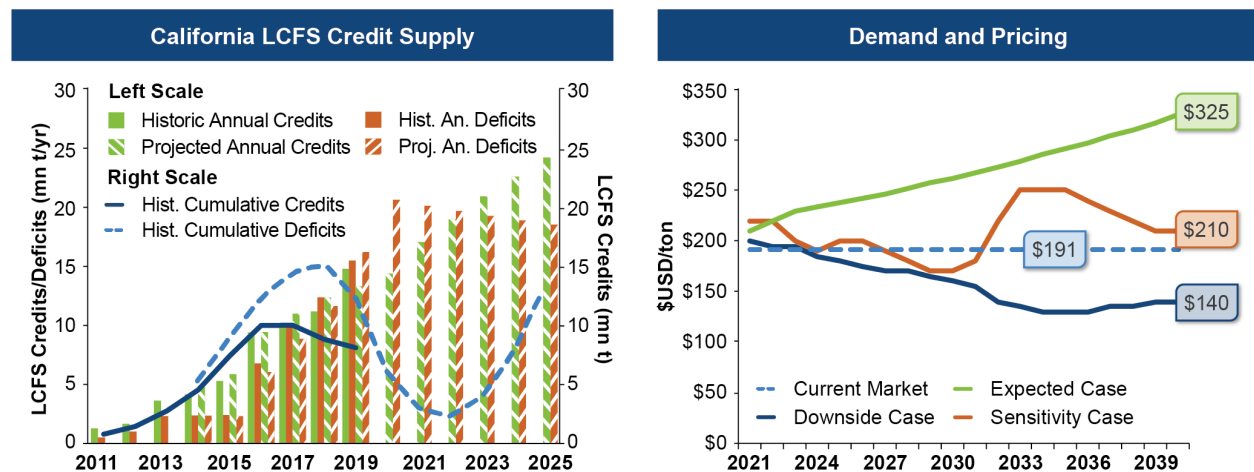
Weighted Average Carbon Intensity of Competing Transportation Fuels in 2019 (gCO₂e/MJ)¹



- (1) California Air Resources Board.
- (2) Represents the long-term expected carbon intensity of the RNG produced from the RBF only.
- (3) Expected 2022 figure based on the long-term carbon intensity score for the RBF. Pricing data from Argus Media, “RFS and LCFS Credit Price Forecasts for Transportation RNG, March 2021”, as applicable to the RBF.

Supply and Demand for RFS and LCFS Credits

Access to California markets allows biofuels producers with approved pathways and marketing agreements to gain value from LCFS credits in addition to the value from RINs. While the supply of physical biofuels and other low-carbon fuels may grow, the mandated volumetric requirements are projected to outstrip the estimated supply, enhancing the combined value of RINs and LCFS values.³² The LCFS program credits are forecast to become increasingly expensive under most scenarios, and the additional value provided by this market provides both revenue and diversification of policy risk to credit generation.

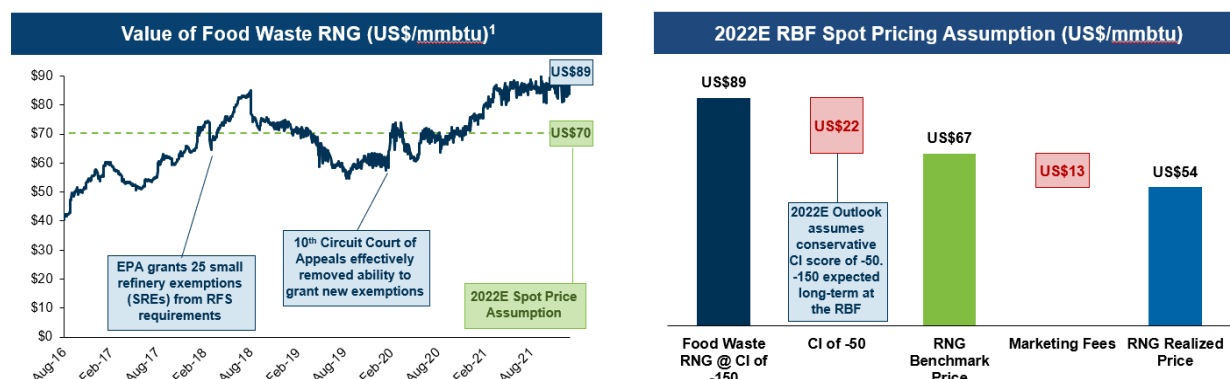


Source: CARB Quarterly LRT Reports, Appendix B and updates of ISOR

³¹ CARB, “LCFS 9/2020 Basics Presentation”.

³² Argus Media, “RFS and LCFS Credit Price Forecasts for Transportation RNG, March 2021”, as applicable to the RBF.

Together, the RFS program and the LCFS program provide combined financial incentives that result in highly valuable methane, trading at many multiples higher than the price of fossil gas in the U.S.



Sources: Argus Media, Bloomberg, California Air Resources Board, Capital IQ.

(1) Based on D3 RINs and a carbon intensity score under the LCFS program of -150 gCO₂e/MJ.

Italy

In the beginning of 2018, the Italian government published a decree that gives subsidies for RNG when it is used as a transport fuel. The decree has an approximate budget of €4.7 billion and is intended for plants beginning operations between 2018 and the end of 2022, up to a total of 1.1 billion cubic meters per year. This decree will provide lucrative tariffs on RNG production based on fixed RNG credits, known as Consumption Release Certificates (CICs), of €375 per CIC for a 10-year period. This equates to a total price of approximately €24.70 per mmbtu of RNG produced, including a commodity price estimated at €5.8 per mmbtu of RNG produced, which was used to originally model our BOO revenue projections (the commodity price of natural gas is significantly higher today). Management is expecting this incentive to be renewed sometime in Fiscal 2022, which is expected to result in additional BOO opportunities for the Company.

Most of the biogas facilities now producing electricity are likely to be upgraded to RNG because of the decrease in subsidies for electricity production. By the end of 2019, there were 1,710 biogas plants and 12 RNG plants operational in Italy. By the end of 2022, the number of RNG plants is expected to have increased to at least 35.³³

United Kingdom

The UK bioenergy industry is being stimulated by several factors, including the UK government's "Carbon Net Zero" targets by 2050.³⁴ As such, it now views both biogas production and the removal of food waste from landfill as cornerstones to meeting its decarbonization targets. In support of these aims, the UK government has extended the existing gas injection tariff support, the Renewable Heat Incentive, until 2022 while it develops a new green gas support tariff support mechanism intended to increase the amount of gas injected into the power grid.⁶⁶ At the same time, the UK government has developed a renewable transport fuels support mechanism which can also support the use of biogas by providing credits. In addition to the tariff support, the government has also indicated that it plans to encourage the reduction of food waste going to landfills.

Financial investors looking to participate in RNG opportunities in the UK are seeking technical management and operational expertise for waste-to-energy facilities. We believe we are ideally suited to partner with these parties and accelerate our growth in the UK.

³³ European Biogas Association (2020), "EBA Statistical Report 2020".

³⁴ U.K. Department for Business, Energy, & Industrial Strategy, "Future Support for Low Carbon Heat".

Additional Jurisdictions

Several countries and subnational jurisdictions have, or plan to implement, clean fuel programs, which will dictate maximum GHG reduction by fuel providers as part of their overall fuel mix. These programs will provide further financial incentives for RNG projects.

Target or Mandate	Geography	Subsidy Mechanism
Reduce CI of transportation fuels by 20% by 2030	California	Low Carbon Fuel Standard
12% RNG by 2030	California	Mandated Target
20% RNG by 2030	Vermont, U.S.	Target
15% RNG by 2030, 30% by 2050	Oregon, U.S.	Target
Reduce CI of transportation fuels by 20% by 2030	British Columbia, Canada	Low Carbon Fuel Standard
5% RNG by 2025	Quebec, Canada	Mandated Based on Distribution Rate
Reduce CI of transportation fuels by 20% by 2038	Washington, U.S.	Clean Fuel Standard
€4.8 billion support scheme for RNG	Italy	Government Investment
10% Renewable gas by 2030, €800 million investment	France	Government Investment
10 billion cubic meters of RNG by 2025	China	Target
Reduce CI of liquid fuel by 12-14%	Canada	Clean Fuel Standard
32% of energy from renewables by 2030	Spain	Government Investment

Source: CARB, California Public Utilities Commission, Vermont Department of Public Service, Oregon Public Utility Commission, CleanBC, Québec Ministry of Energy and Natural Resources, The Ministry for Environment, Land and Sea Protection of Italy, L'Agence de l'environnement et de la maîtrise de l'énergie, The Ministry of Ecology and Environment, Environment, Climate Change Canada, Integrated National Energy and Climate Plan 2021-2030 (Spain).

RISK FACTORS

The following factors could materially adversely affect us and should be considered when deciding whether to make an investment in us and the Subordinate Voting Shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition or results of operations. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow, and consequently, the trading price of our Subordinate Voting Shares, could be materially and adversely affected. In all these cases, the trading price of the Subordinate Voting Shares could decline, and prospective investors could lose all or part of their investment.

Risks Related to Our Business

The COVID-19 pandemic has had, and is expected to continue to have, an adverse effect on our business, financial condition and results of operations.

In December 2019, a strain of novel coronavirus (now commonly known as COVID-19) (“COVID-19”) was reported to have surfaced in Wuhan, China. COVID-19 has since spread rapidly throughout the world and, on March 11, 2020, the World Health Organization declared COVID-19 to be a pandemic. In an effort to contain and mitigate the spread of COVID-19, many countries, including Canada, the United States and in Europe, imposed unprecedented restrictions on travel and there have been business closures and a substantial reduction in economic activity in countries that have had significant outbreaks of COVID-19. The continued spread of COVID-19 around the world and the responses of governmental authorities and corporate entities, including through mandated or voluntary shutdowns have led to disruptions in our work force and facilities, customers, sales and operations and supply chain and may lead to a general slow-down in the economy. In the first quarter of 2021, we saw these measures lifted or scaled back in many jurisdictions as vaccination campaigns progressed, resulting in an accelerated economic recovery. Subsequently in 2021, however, such measures were increased or re-introduced, along with new measures, in response to new variants of COVID-19 (including those labelled “Delta” and “Omicron”), resulting in economic slowdown.

Certain third parties with whom we conduct business, including our project partners, third-party customers, feedstock and other suppliers, and regulators with whom we engage have adjusted their operations and are assessing future operational and project needs in light of the COVID-19 pandemic. If these third parties experience continued risk of shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and adversely affected.

In response to the COVID-19 pandemic and related mitigation measures, we began implementing changes in our business in March 2020 to protect our employees and customers and to support appropriate health and safety protocols. For example, we:

- incorporated COVID-19 education and prevention training in our safety training programs globally;
- established COVID-19 prevention plans at each of our facilities;
- moved all of our office professionals to remote work while maintaining business continuity;
- restricted international travel and limited attendance at conferences and meetings to virtual participation;
- secured and issued sufficient quantities of appropriate personal protective equipment to all regional offices;
- established safe reopening plans for offices when and where permitted by local health protocols; and
- distributed regular communications regarding remote work and travel policies throughout 2020 and 2021, including notifications to our staff when vaccinations became available.

We continue to monitor local public health protocols and governmental restrictions in the jurisdictions in which we operate and have been adjusting the measures outlined above accordingly.

Our revenue is dependent on the organic waste industry, which has been resilient during the COVID-19 pandemic and is diversified across geographies and customers. However, during 2021, we experienced lower volumes of organic feedstock due to a decrease in commercial activity attributable to the COVID-19 pandemic. In particular, the RBF has seen a significant reduction in the processing of food waste as the state of California's COVID-19 restrictions have limited activity in the regional commercial sector, which contributes a large portion of the waste processed at the facility. Many restaurants in Southern California closed or primarily served take-out, resulting in a significantly lower volume of collected organic waste with less moisture. Under these circumstances, implementation and enforcement of the RecycLA organics diversion program by the City of Los Angeles was deferred to 2022, which further reduced forecasted feedstock volume. In addition to reducing revenues from anticipated tipping fees and RNG sales, the COVID-19 pandemic also caused manufacturing and delivery delays of key equipment, led to travel restrictions for vendor support staff and required onsite staffing restrictions due to exposure and mitigation measures. Collectively, these and other related impacts delayed the RBF construction schedule and added costs and may cause delays and add costs to the construction of our other current or anticipated projects. To mitigate these impacts, we coordinated with our vendors on force majeure delays, arranged for overtime work and contracted feedstock from other sources. As of December 31, 2021, final completion had not yet occurred for the RBF as it is not yet fully capable of operating in the manner intended by management. As such, the related assets have not yet been placed in service and depreciation has not yet commenced. It is estimated that the RBF will be completed by the end of Fiscal 2022 once the facility is fully installed and the volume of organic feedstock is sufficient for performance testing.

The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty. As the COVID-19 pandemic evolves, some economies around the world may experience or are already experiencing significantly diminished growth or a recession and other financial risks may materialize, including inflation or high levels of unemployment. A continuation or worsening of these trends could have an adverse effect on the Company's business, results of operations and financial condition, and on the market price of the Subordinate Voting Shares.

The COVID-19 pandemic could continue to adversely affect our business, financial condition and results of operations in the future. Such future effects may be material, and include, but are not limited to:

- new "shelter-in-place" orders, quarantines or similar orders, which may reduce our operating effectiveness or the availability of personnel necessary to conduct our business activities;
- disruptions in our supply chain due to transportation delays, travel restrictions, raw material cost increases and shortages, and closures of businesses or facilities;
- the continued effect of lock-down restrictions on restaurants and the supply of food waste to the RBF;
- delays in construction and construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, failures to properly estimate the cost of raw materials, components, equipment, labour or the inability to timely obtain them, unanticipated problems with project start-up, the performance of contractors, the insolvency of the head contractor, a major subcontractor and/or a key equipment supplier;
- delays in other capital expenditure projects, regulatory approvals and collections of our receivables for the services we perform;
- attempts by customers to cancel or delay projects or for customers or subcontractors to invoke force majeure clauses in certain contracts resulting in a decreased or delayed demand for our services;
- the inability of a significant portion of our workforce, including our management team, to work as a result of illness or government restrictions; and
- reduced ability to access capital and limited availability of credit or financing upon acceptable terms or at all.

It is not possible to predict the duration of the COVID-19 pandemic, including through new or existing variants, or the time that it will take for economic activity to return to prior levels. Accordingly, the extent of this potential disruption on our business cannot be assessed as the full extent of the COVID-19 pandemic and its impact on the global economy cannot be predicted. Should these conditions persist for a prolonged period, the COVID-19 pandemic, including any of the above factors and others that are currently unknown, could have a material adverse effect on our business, financial condition and results of operations. The impact of the COVID-19 pandemic may also exacerbate other risks discussed in these risk factors, any of which could have a material effect on our business and operations.

Our projects may not generate expected levels of output, including resulting from a reduced feedstock supply.

Our business is primarily focused on the processing of organic waste and wastewater into renewable energy, fertilizer, clean water and recyclables. Feedstock supply is of paramount importance to the successful execution of our BOO assets. We have entered into feedstock agreements with third parties to obtain what we believe to be an adequate supply of feedstock from multiple suppliers for our various projects. However, there can be no assurance that available feedstock for our various projects under these agreements will be of sufficient quality or quantity to produce the projected output. Furthermore, there can be no assurance that the counterparties to such feedstock agreements will elect to extend the agreements at the expiration of their respective initial term, or that we will be able to enter into a replacement agreement on similar terms or at all. Changes in the broader waste collection industry, including changes affecting the waste and effluent collection could impede the feedstock supply that we currently target for our projects. The level of output of our projects may be materially and adversely affected if suppliers of a material amount of our feedstock terminate, fail to extend or breach their contracts and we are unable to secure substitute contracts. There may also be a lapse in time between when a shortfall of contracted-for feedstock occurs and when alternative feedstock becomes available. Other related risks that could negatively impact output include a failure or wearing out of our customers' or utilities' equipment and an inability to find suitable replacement equipment or parts. Any extended interruption and or volume disruption in a project's operation, or failure of the project for any reason to generate the expected amount of output, thereby leading to failure to meet minimum delivery obligations under the applicable contracts, could adversely affect our business and operating results.

We typically face a long and variable development cycle that requires significant resource commitments and a long lead time before we realize revenues.

The development, design and construction process for our projects generally lasts from 24 to 48 months, on average. This development process requires the dedication of significant time and resources from our sales and management personnel, with no certainty of success or recovery of our expenses. Further, upon commencement of operations, it typically takes 12 months or longer for the project to ramp up to our expected production level. All of these factors, and in particular, increased spending that is not offset by increased revenues, can contribute to fluctuations in our quarterly financial performance and increase the likelihood that our operating results in a particular period will fall below investor expectations.

We may not realize the anticipated benefits from joint ventures, investments or acquisitions. Moreover, acquisition, financing and development of new projects and project expansions and conversions may not commence on anticipated timelines or at all.

We conduct certain of our operations through joint ventures under contractual arrangements under which we share some or all management responsibilities with one or more partners. Joint venture operations carry a range of risks, including those relating to: (a) failure of our joint venture partner(s) to satisfy contractual obligations, including failure to fund their share of required capital contributions; (b) strategic objectives of joint venture partner(s) that may differ from ours; (c) potential conflicts between us and our joint venture partner(s) that lead to delays in decision-making; (d) co-venturers might at any time have economic or other business interests or goals different from us; (e) additional complexity and limitations to implement some or all of our operational policies, Code of Conduct and controls, or control legal and regulatory compliance, within the joint venture(s); and (f) potential bankruptcy.

Our strategy is to continue to expand in the future, including through the acquisition of additional projects. From time to time, we enter into non-binding letters of intent for projects. However, until the negotiations are finalized and the parties have executed definitive documentation, we cannot assure you that we will be able to enter into any

development or acquisition transactions, or any other similar arrangements, on the terms in the applicable letter of intent or at all.

The acquisition, financing and development of new projects involves numerous risks, including those risks applicable to our business as well as risks relating to:

- failure to identify and correct operational or financial weaknesses in acquired businesses or to achieve the projected cost savings;
- entering into markets where we have less experience, including the APAC region;
- increases in the cost of labour, including as a result of labour disputes and work stoppages;
- the failure to discover potential liabilities, such as our failure to accurately assess all of the pre-existing liabilities of the operations acquired or sellers failing to comply with laws;
- the possibility that we may pay more than the acquired company or assets are worth;
- the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets;
- the difficulty of integrating the operations and employees of an acquired business resulting in a lack of synergy and cost saving;
- key personnel and customers of the acquired companies may terminate their relationships with the acquired companies as a result of or following the acquisition;
- the challenge of implementing uniform standards, controls, procedures and policies throughout an acquired business;
- additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;
- additional costs and expenses related to complying with additional laws, rules or regulations in new jurisdictions;
- our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically diverse enterprises;
- we may incur one-time write-offs or restructuring charges in connection with an acquisition;
- we may acquire goodwill and other intangible assets that are subject to amortization or impairment tests, which could result in future charges to earnings; and
- we may be unable to realize the cost savings or other financial benefits we anticipated.

A new project, given its lack of operating history, may be unable to fund principal and interest payments under its debt service obligations or may operate at a loss. These risks and difficulties, if they materialize, could disrupt our ongoing business, distract management, result in the loss of key human capital, increase expenses and otherwise have a material adverse effect on our business, results of operations and financial performance. Furthermore, unknown liabilities or other obligations may adversely affect our business, financial condition and results of operations.

Fluctuations in foreign currency exchange could affect our financial results.

The majority of our revenues are in U.S. dollars and Euros. Because our consolidated financial statements are presented in Canadian dollars, we must translate revenues, income and expenses as well as assets and liabilities into Canadian dollars at exchange rates in effect during or at the end of each reporting period. A large decline in the U.S.

dollar or the Euro relative to the Canadian dollar could impair revenues, margins, and other financial results. We have not entered into foreign exchange contracts to hedge against gains and losses from foreign currency fluctuations.

Our revenues may be subject to the risk of fluctuations in commodity prices, LCFS credit prices and RIN credit prices.

The operations and financial performance of projects in the renewable energy sectors may be affected by the prices of energy commodities, such as natural gas, wholesale electricity and other energy-related products, and raw materials used in the construction of facilities. For example, the price of renewable energy resources changes in relation to the market prices of natural gas and electricity and as a result of changes to regulations. In certain circumstances, we may rely on natural gas to power our facilities and the market price for natural gas is sensitive to cyclical demand and capacity supply, changes in weather patterns, natural gas storage levels, natural gas production levels, general economic conditions and the volume of natural gas imports and exports. Accordingly, the potential revenues and cash flows of these projects may be volatile and adversely affect the value of our investments. Furthermore, fluctuations in the price of raw materials used in the construction of facilities may adversely affect the costs associated with our BOO assets and the revenue derived from Capital Sales.

Volatility in the price of LCFS credits, RINs and other U.S. federal, state and local government incentives will have a direct impact on our revenues. A significant decline in the price of LCFS credits or RINs for a prolonged period could adversely affect our business, financial condition and results of operations.

We depend on our key personnel and will need to recruit, train and retain key management and other qualified personnel to successfully expand our business.

Our success depends significantly on the continued individual and collective contributions of our senior, regional and local management teams. The loss of the services of members of these management teams or the inability to hire and retain experienced replacement management personnel could have a material adverse effect on our business, results of operations and financial condition. Any departures of key personnel could also be viewed in a negative light by investors and research analysts, which could cause the price of the Subordinate Voting Shares to decline.

In addition, our ability to continue to grow and operate our facilities will depend in large part upon our ability to recruit and retain experienced research and development, engineering, manufacturing, operating, sales and marketing, customer service, technical, legal and managerial personnel. If we do not attract and retain such personnel, it could have a material adverse effect on our business and operating results. The market for skilled and experienced personnel is highly competitive. Even if we invest significant resources to recruit, train, and retain qualified personnel, we may be unsuccessful in our efforts. Our success also depends upon the continuing contribution of our key management, research, product development, engineering, marketing, technical and manufacturing personnel, many of whom would be difficult to replace. While we have entered into employment agreements and/or confidentiality and non-competition agreements with some of our key employees, we could be significantly adversely impacted if any of our key employees become unable or unwilling to continue their employment with us. The loss of key employees to a competitor and an inability to attract and retain experienced key employees could adversely affect our business, financial condition and results of operations.

New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. In addition, as we move into new jurisdictions, we will need to attract and recruit skilled employees in those areas.

In addition, certain of our subsidiaries may become parties to collective agreements in the future. In the event of a labour disruption such as a strike or lock-out, our ability to generate revenue may be impaired and our results from operations and cash flow could be adversely affected.

Failure to successfully implement our growth strategy could result in reduced revenue and net income growth.

Failure to successfully implement our growth strategy could reduce the growth of our revenue and net income and adversely affect our business, overall financial condition and results of operations. If we experience significant cost overruns in our operations, or if our growth strategy is more costly than we anticipate, certain product development activities may be delayed or eliminated, resulting in changes or delays to our commercialization plans, or we may be compelled to secure additional funding (which may or may not be available) to execute our growth strategy. We cannot predict with certainty our future revenues or results from our operations. If the assumptions on which our revenue or expenditure forecasts are based change, the benefits of our growth strategy may change as well.

Our growth has placed and may continue to place significant demands on our management and operational and financial infrastructure. The expansion of our infrastructure will require us to commit financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Unplanned growth could also strain our ability to maintain reliable service levels for our clients, develop and improve its operational, financial and management controls, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel.

We may experience negative cash flow from operations.

We cannot guarantee that we will have positive cash flow from operating activities in future periods. We cannot provide any assurance that we will achieve sufficient revenues from sales to achieve or maintain profitability or positive cash flow from operating activities. If we do not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on our business, financial condition and results of operation and we may need to deploy a portion of our working capital to fund such negative operating cash flows or seek additional sources of funding, of which there is no assurance that any required funding will be obtained.

In the event that contracted revenues do not materialize or are delayed and cash flow from operations does not adequately support our fixed costs, we will be required to re-evaluate our planned expenditures, reallocate our total resources and may require future financings in such a manner as the Board and management deem to be in our best interest. This may result in a substantial reduction of the scope of our existing and planned operations.

Although we are currently one of the market leaders in the organic waste-to-value industry, we might be unable to maintain our leadership position.

We are currently the only global market participant with an end-to-end solution for organic waste management and resource recovery, including the processing of solid waste streams, wastewater sludge, agriculture waste and food processing waste. However, components of our business are subject to competitive pressures and there is no guarantee that we will be able to maintain our status as the only market participant with a fully integrated technical solution. There are a number of other companies operating in the waste management and resource recovery market. These companies include service or equipment providers, consultants, managers and investors.

Our competition includes numerous companies located throughout the world, some of which may have advantages over us in terms of government incentives, personnel, managerial and financial resources, component costs and technology. We may not have the resources to compete with our existing competitors or with any new competitors, including in a competitive bidding process.

Our competitors may also offer services at prices below cost, devote significant sales forces to competing with us or attempt to recruit our key personnel by increasing compensation, any of which could improve their competitive positions. Each of these competitors has the potential to capture market share in our target markets, which could harm our lead position in the industry. If the demand for resource recovery from waste increases, new competitors may also emerge and entire product lines may be threatened by new technologies or market trends, which may reduce the commercial viability of our product lines. In addition, our customers could potentially become our competitors if they decide to develop and manufacture their own waste processing and resource recovery systems. As the markets for these systems develop, other large industrial companies may enter these fields and compete with us. These large industrial companies may have research and development, manufacturing, marketing, sales and other resources

necessary to deliver systems more quickly and effectively than we can. We may be unable to compete effectively with all of these competitors, and the increased level of competition could adversely affect our business, financial condition and results of operations.

Our business relies on the development and protection of intellectual property.

Our proprietary, end-to-end waste management and resource recovery solution includes waste processing through our Organics Extrusion Press (OREX™) solution, AD via the Omnivore^R solution, liquid treatment with Fibracast membrane technology and residue treatment through our unique pyrolysis process. Our integrated solution process is protected by a number of active and pending patents. We rely on our intellectual property and any failure to protect our intellectual property could adversely affect our future growth and success and may result in the loss of our ability to exclude others from using our technology or the loss of our own right to use these technologies. If we do not adequately protect our freedom to use our technology, we may have to pay others for rights to use intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such technology. Our patents do not guarantee our right to use our technologies if other parties own intellectual property rights that we need in order to use such technologies. Our patent position is subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. As is the case in many other industries, the web of intellectual property ownership in our industry is complicated and, in some cases, it is difficult to define with precision where one property begins and another ends. In any case, there can be no assurance that:

- any of our rights under our owned patents or other patents licensed to us by third parties will not be curtailed, for example, through invalidation, circumvention, challenge, being rendered unenforceable or by license to others;
- we were the first inventor of inventions covered by our issued patents or pending applications or that we were the first to file patent applications for such inventions;
- any of our pending or future patent applications will be issued with the breadth of claim coverage sought by us, or be issued at all;
- our competitors will not independently develop or patent technologies that are substantially equivalent or superior to our technologies;
- any of our trade secrets will not be learned independently by our competitors; or
- the steps we take to protect our intellectual property will be adequate.

In addition, effective patent, trademark, copyright and trade secret protection may be unavailable, limited or not applied for in certain foreign countries.

We also seek to protect our proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with our strategic partners and employees. There can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach or that such persons or institutions will not assert rights to intellectual property arising out of these relationships. Furthermore, our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to our industry or, in some cases, our proprietary technology. Any claims or litigation could cause us to incur significant expenses, and if successfully asserted against us, could require that we pay substantial damages or ongoing revenue share payments, indemnify our customers or distributors, obtain licenses, modify products, or refund fees, any of which would deplete our resources and adversely impact our business.

If necessary or desirable, we may seek licenses under the patents or other intellectual property rights of third parties. However, we can give no assurances that we will obtain such licenses or that the terms of any offered licenses will be

acceptable to us. Any failure to obtain or renew a license from a third party for intellectual property we wish to use could cause us to incur substantial costs.

Our operations are increasingly dependent upon technology. Failure of these technologies, failure to upgrade or innovate these technologies or failure to identify and develop new technologies could have an adverse impact on our results.

We rely heavily on technology to maximize resource recovery from municipal solid waste and wastewater. We have deployed such technologies at resource recovery facilities around the world, including at over 230 facilities since 2010. Accordingly, our success continues to depend upon market acceptance of our existing technologies and services, our ability to enhance those technologies and services and our ability to introduce new technologies and services to meet changing customer requirements.

Our products embody complex technology and are designed to be compatible with current and evolving industry standards and we invest significant resources in the development of products for the markets we serve. Although our products undergo rigorous testing, there is no guarantee that new technologies will perform as anticipated. The failure of a new technology to perform as anticipated may adversely affect the profitability of a particular development project or existing asset. Any delays in developing new products or enhancements or any failure by such products, technologies or services or enhancements to gain market acceptance could adversely affect the business, financial condition and results of operations.

Developments in technology may adversely affect the development or sale of some or all of our technologies or render our services and technologies uncompetitive or obsolete. Research and development of new technologies may require significant spending which may negatively impact our operating results. We seek to improve existing owned technology, develop new technology, acquire complementary technology or enter into partnerships with third party providers to allow us to access certain technology that may allow us to improve existing processes, as required by our business needs. There is no guarantee that the technology we purchase or access from third parties will perform as anticipated or will improve our existing processes. Moreover, failure to innovate and focus on new technologies that provide superior alternatives to traditional environmental services, waste disposal or re-refining service offerings may negatively impact the profitability of a particular development project or existing asset and our financial results.

Continued commitment to the reduction of greenhouse gases and a favourable regulatory environment must be sustained.

Methane emissions caused by the decomposition of organic waste in landfills are a major source of GHG emissions and one of the leading contributors to climate change. Increasingly, the public and private sectors are setting ambitious GHG reduction goals, including a growing list of countries, municipalities and corporations that have adopted net-zero emissions targets, and a number of countries have committed to reducing the amount of food waste and organics sent to landfills, including in North America and Europe. If these trends continue, we expect there will be opportunities for the development and expansion of our waste management projects, particularly our BOO assets, divert organic waste from landfills and contribute to the reduction of GHG emissions. However, there can be no assurance that the commitment to reduce GHG emissions by the public and private sector will be sustained in the long run or that regulatory support for the diversion of organic waste from landfills will continue.

If demand for waste recovery fails to grow sufficiently, we may be unable to achieve our business goals.

In addition, demand for our projects in the markets and geographic regions that we target may not develop or may develop more slowly than we anticipate. Many factors will influence the widespread adoption of waste recovery and the demand for our projects, including:

- cost-effectiveness and reliability of waste processing and resource recovery technologies as compared with conventional and competitive technologies;
- cost-effectiveness of producing renewable natural gas as opposed to natural gas, including as a result of changes to government incentives;

- supply costs of RNG and biogas;
- fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy, clean water, fertilizer, and/or recyclables sources; and
- availability or effectiveness of government subsidies and incentives for production of renewable fuels.

Any political changes in the jurisdictions in which we operate may impact the competitiveness of renewable energy, clean water, fertilizers or recyclables generally and the economic value of certain of our projects in particular. Waste management regulations are dynamic and subject to evolving interpretations which could require us to incur substantial costs associated with compliance or alter certain aspects of our business plan as it pertains to the need to manage waste sustainably with a focus on utilizing organic waste to generate high-value RNG, clean water and fertilizer products. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of our businesses. There is no guarantee that organic diversion rules will continue to be adopted globally or that regulations that encourage the use of AD to process organic waste and produce RNG will remain in place. We cannot predict the nature of any future laws, regulations, interpretations or applications towards waste management policies, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business. Compliance with any such legislation may have a material adverse effect on our business, financial condition, and results of operations.

Certain persons, associations and groups could oppose our projects in general or our projects specifically, citing, for example, misuse of water resources, landscape degradation, land use, food scarcity or price increase and harm to the environment. Moreover, regulation may restrict the development of our projects in certain areas. As a result, we cannot guarantee that the projects we currently plan to develop or, to the extent applicable, are developing, will ultimately be authorized or accepted by the local authorities or the local population. For example, we enter into various types of arrangements with communities, including in some cases, Indigenous peoples, for the development of projects. In some circumstances, we may be required to notify, consult, or obtain the consent of certain stakeholders, such as Indigenous peoples, landowners, and/or municipalities. In some jurisdictions, it may be possible to claim Indigenous rights to land and the existence or declaration of native title may affect the existing or future activities of our projects and impact their business, financial condition and results of operations.

Failure of third parties to supply quality equipment and components or provide reliable services in a timely manner could cause delays in developing and operating our projects, which could damage our reputation, adversely affect our partner relationships or adversely affect our growth.

Our success depends on our ability to develop and operate projects in a timely manner, which depends in part on the ability of third parties to provide us with timely and reliable products and services. In developing and operating our projects, we rely on products meeting our design specifications and components manufactured and supplied by third parties, and on services performed by subcontractors. We also rely on subcontractors to perform substantially all of the construction and installation work related to our projects, and we often need to engage subcontractors with whom we have no experience working with.

If any of our subcontractors are unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed. In addition, if we are unable to avail ourselves of warranties and other contractual protections with providers of products and services, we may incur liability to our customers or additional costs related to the affected products and services, which could adversely affect our business, financial condition and results of operations. Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services could adversely affect the quality and performance of our projects and require considerable expense to maintain and repair our projects. This could cause us to experience interruption in our production and distribution and generation of renewable energy, clean water, fertilizer, and

recyclables, difficulty retaining current relationships and attracting new relationships, or harm our brand, reputation or growth.

Future conditions might require us to make substantial write-downs in our assets, which have adversely affected or would adversely affect our balance sheet and results of operations.

We review our long-lived tangible and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. We also test our goodwill and indefinite-lived intangible assets for impairment at least annually on December 31, or when events or changes in the business environment indicate that the carrying value of a reporting unit or indefinite lived intangible may exceed its fair value. However, if conditions in any of the businesses in which we operate were to deteriorate, we could determine that certain of our assets are impaired and we would then be required to write off all or a portion of the value of such assets. Any significant write-offs would adversely affect our balance sheet and results of operations.

Certain of our power purchase agreements, fuel supply agreements and other customer and supplier agreements contain complex price adjustments, calculations and other terms based on gas price indices and other metrics, which may not adequately account for inflation and could result in disputes with counterparties that could affect our results of operations and customer relationships.

Certain of our power purchase agreements, fuel supply agreements, offtake agreements, feedstock agreements and other customer and supplier agreements require us to make payments or adjust prices to counterparties based on past or current changes in gas price indices, project productivity or other metrics and involve complex calculations. Any failure of these price adjustment mechanisms to adequately account for inflation could have a negative effect on our results of operations. Moreover, the underlying indices governing payments under these agreements are subject to change, may be discontinued or replaced. The interpretation of these price adjustments and calculations and the potential discontinuation or replacement of relevant indices or metrics could result in disputes with the counterparties with respect to these agreements. Any such disputes could adversely affect project revenues, expense margins, customer or supplier relationships, or lead to costly litigation, the outcome of which we would be unable to predict.

We may be unable to secure additional financing.

We expect to finance future acquisitions, the development and construction of new facilities and other capital expenditures out of cash generated from our operations, debt and possible future issuances of equity. Our ability to obtain debt or equity financing to fund our growth, and our ability to refinance existing indebtedness, is dependent on, among other factors, the overall state of capital markets (as well as local market conditions, particularly in the case of non-recourse financings), continued operating performance of our assets, future renewable natural gas prices, the level of future interest rates, lenders' and investors' assessment of our credit risk, capital markets conditions and investor appetite for investments in the waste management industry in general. The sequence of senior debt and mezzanine financing negotiations may impose conditions that could cause either to take longer to implement or fail to materialize. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our ability to fund acquisitions and make necessary capital investments to construct new or maintain existing facilities will be impaired and, as a result, our business, financial condition, results of operations and prospects may be adversely affected. If additional financing is raised by the issuance of Subordinate Voting Shares from treasury, shareholders may suffer additional dilution.

The reduction or elimination of government incentives for renewable energy projects or other related policies could adversely affect our business, financial condition and results of operations.

We depend, in part, on federal, state, provincial and local government incentives in the jurisdictions in which we operate provided in the form of rebates, tax credits, carbon credits and other incentives to end users, distributors, system integrators and companies engaging in projects that promote waste management and therefore a reduction of greenhouse gas emissions. In particular, we depend on LCFS credits in respect of our BOO assets located in the state of California and the RBF in Rialto, California has received meaningful state and federal level support from entities such as the California Energy Commission, CalRecycle, and the US Department of Energy. These government economic incentives could be reduced or eliminated altogether, or the categories of renewable energy qualifying for such government economic incentives could be changed. These renewable energy program incentives are subject to

regulatory oversight and could be administratively or legislatively changed in a manner that could adversely affect our operations. Any reductions in, eliminations or expirations of or significant changes to the incentive structure in the jurisdictions in which we operate, particularly in California, could potentially have an adverse effect on the Company's operations.

We are subject to other risks with conducting business in international markets.

The majority of our revenues are derived from sales by our international subsidiaries. There are a number of risks inherent to our international business activities, including: (i) changes in government policies, including protectionist policies, or personnel; (ii) changes in general economic conditions; (iii) restrictions on currency transfer or convertibility; (iv) changes in labour relations; (v) regulatory or other changes in the local electricity market; (vi) less developed or efficient financial markets than in North America; (vii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; (viii) less government supervision and regulation; (ix) a less developed legal or regulatory environment; (x) heightened exposure to corruption risk; (xi) political hostility to investments by foreign investors; (xii) less publicly available information in respect of companies; (xiii) adversely higher or lower rates of inflation; (xiv) higher transaction costs; (xv) difficulty in enforcing contractual obligations, breach or repudiation of important contractual undertakings by governmental entities and expropriation and confiscation of assets and facilities for less than fair market value; (xvi) fewer investor protections; and (xv) effects of war and conflicts.

Although we generally choose to expand to new jurisdictions based on the favourable of local laws and regulations, foreign laws or regulations may not provide for the same type of legal certainty and rights in connection with our contractual relationships in such countries as are afforded to our projects in, for example, the United States, which may adversely affect our ability to receive revenues or enforce our rights in connection with our foreign operations. Moreover, certain activities conducted by us may be permissible under one regulatory regime while not under another.

Our international operations subject us to potentially adverse tax consequences.

We are subject to income taxes as well as non-income-based taxes, such as payroll, sales, use, value-added, property and goods and services taxes in the jurisdictions in which we operate. Our domestic and international tax liabilities are subject to various jurisdictional rules regarding the timing and allocation of revenue and expenses. Additionally, the amount of income taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we file and to changes in tax laws. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. From time to time, we may be subject to income and non-income tax audits. While we believe we have complied with all applicable income tax laws, there can be no assurance that a governing tax authority will not have a different interpretation of the law and assess us with additional taxes. Should we be assessed with additional taxes, there could be a material adverse effect on our business, results of operations and financial condition.

Our future effective tax rate may be affected by such factors as changes in tax laws, regulations, or rates, changing interpretation of existing laws or regulations, the impact of accounting for equity-based compensation, the impact of accounting for business combinations, changes in our international organization, and changes in overall levels of income before tax. In addition, in the ordinary course of our global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable, we cannot ensure that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accrual.

Damage to our reputation or our brand could adversely affect our business.

Developing and maintaining our reputation and brand as a provider of sustainable solutions for converting solid waste and wastewater into renewable energy, clean water, fertilizer and recyclables are important factors in our relationships with customers, suppliers and others. Our ability to address adverse publicity or other issues, including concerns about service quality, environmental compliance, efficacy or similar matters, real or perceived, could negatively impact sentiments towards us and our services, and our business and financial results could suffer. In addition, any lawsuits, regulatory inquiries or other legal proceedings brought against us, could create negative publicity, which could damage

our reputation and competitive position and adversely affect our business and financial condition, which could cause the price of our Subordinate Voting Shares to decline.

A failure of our IT and data security infrastructure could adversely affect our business and operations.

We rely upon the capacity, reliability and security of our IT and data security infrastructure and our ability to expand and continually update this infrastructure in response to the changing needs of our business. Our existing IT systems and any new IT systems may not perform as expected. We also face the challenge of supporting our older systems and implementing necessary upgrades. If we experience a problem with the functioning of an important IT system or a security breach of our IT systems, including during system upgrades or new system implementations, the resulting disruptions could adversely affect our business. A material network breach in the security of our IT systems could include the theft of our trade secrets, customer information, human resources information or other confidential data, including but not limited to personally identifiable information. Although past incidents have not had a material effect on our business operations or financial performance, to the extent that any disruptions or security breach results in a loss or damage to our data, or an inappropriate disclosure of confidential, proprietary or customer information, it could cause significant damage to our reputation, affect our relationships with our customers and strategic partners, lead to claims against us from governments and private plaintiffs, and ultimately harm our business. We cannot guarantee that future cyberattacks, if successful, will not have a material effect on our business or financial results.

Many governments have enacted laws requiring companies to provide notice of cyber incidents involving certain types of data, including personal data. If an actual or perceived cybersecurity breach or unauthorized access to our system or the systems of our third-party vendors, we may incur liability, costs, or damages, contract termination, our reputation may be compromised, our ability to attract new customers could be negatively affected, and our business, financial condition, and results of operations could be materially and adversely affected. Any compromise of our security could also result in a violation of applicable domestic and foreign security, privacy or data protection, consumer and other laws, regulatory or other governmental investigations, enforcement actions, and legal and financial exposure, including potential contractual liability. In addition, we may be required to incur significant costs to protect against and remediate damage caused by these disruptions or security breaches in the future.

The extensive environmental regulations to which we are subject may increase our costs and potential liabilities and limit our ability to expand our facilities.

All phases of our business are subject to environmental regulation pursuant to extensive supranational, federal, state, provincial and local environmental requirements specific to the jurisdictions in which we operate, including those relating to emissions, discharged wastewater, storage, treatment, transport and disposal of regulated materials and cleanup of soil and groundwater contamination. Our operations inherently risk incurring significant environmental costs and liabilities due to the need to carefully manage waste at processing facilities we operate. Spills or other releases of regulated substances, including spills and releases that occur in the future, could expose us to material losses, expenditures and liabilities under applicable environmental laws, rules and regulations.

In particular, if we fail to comply with government regulations governing hazardous materials, such failure could negatively impact our ability to collect, process and ultimately dispose of hazardous waste generated by our customers. Efforts to conduct our operations in compliance with all applicable laws and regulations, including environmental rules and regulations, require programs to promote compliance, such as training employees and customers, purchasing health and safety equipment and in some cases hiring outside consultants and lawyers. Even with these programs, companies in the environmental services industry are routinely faced with government enforcement proceedings, which can result in fines or other sanctions and require expenditures for remedial work on waste management facilities and contaminated sites. Certain of these laws impose strict and, under certain circumstances, joint and several liability on current and former owners and operators of facilities that release regulated materials or that generate those materials and arrange for their disposal or treatment at contaminated sites. Such liabilities can relate to required cleanup of releases of regulated materials and related natural resource damages. In addition, claims for damages to persons or property, including natural resources, may result from the environment, health and safety impacts of our operations.

The landscape of environmental regulation to which we are subject can change. While changes to environmental regulation often present new business opportunities for us, such changes may also result in increased operating and compliance costs or, in more significant cases, changes to how our facilities are able to operate and increased capital

expenditures and operating costs, which could have a material adverse effect on our existing business and target customers' ability to purchase our products. Although we constantly monitor the landscape of environmental regulations in the jurisdictions in which we operate, changes to such regulations may have a material and adverse impact on our business, financial condition, and results of operations. From time to time, we have been assessed fines or penalties in government environmental enforcement proceedings relating to our operations. Although none of these fines or penalties has had a material adverse effect upon us, we might in the future be required to make substantial expenditures as a result of government proceedings, which would have a negative impact on our business, financial condition, and results of operations. Furthermore, regulators have the power to suspend or revoke permits or licenses needed for operation of our plants and equipment, based on, among other factors, our compliance record, and customers may invoke contractual defences to performance because of concerns about our compliance record. Suspension or revocation of permits or licenses would have a material and adverse impact on our business, financial condition, and results of operations.

Liability relating to contamination and other environmental conditions may require us to conduct investigations or remediation at the properties underlying our projects and may impact the value of properties that we may acquire.

We may incur liabilities for the investigation and cleanup of any environmental contamination at the properties underlying or adjacent to our projects, or at off-site locations where we arrange for the disposal of hazardous substances or wastes. Under certain supranational, federal, state, provincial and local laws in the jurisdictions in which we operate, an owner or operator of a property may become liable for costs of investigation and remediation and for damages to natural resources. These laws may impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances or whether the conduct giving rise to the release was legal at the time when it occurred. In addition, liability under certain of these laws is joint and several.

We may be subject to related claims by private parties alleging property damage and personal injury due to exposure to hazardous or other materials at or from those properties. Past practices may have resulted in releases of regulated materials at and from certain of our facilities, or the disposal of regulated materials at third-party sites, which may require investigation and remediation, and potentially result in claims of personal injury, property damage and damages to natural resources. In addition, we occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities might trigger compliance requirements that are not applicable to operating facilities. While, based on available information, we believe these remedial activities will not result in a material effect upon our operations or financial condition, these activities or the discovery of previously unknown conditions could result in material costs. In addition to the costs of complying with environmental laws and regulations, we incur costs defending against environmental litigation brought by government agencies and private parties. We may in the future be a defendant in lawsuits brought by parties alleging environmental damage, personal injury and/or property damage, which may result in our payment of significant amounts. Environmental and land use laws also impact our ability to expand our facilities.

The presence of environmental contamination at a project with respect to one of our projects could adversely affect our ability to sell the affected project and we may incur substantial investigation costs, remediation costs or other damages, thus harming our business, financial condition and results of operations. To the extent that an owner of the real property underlying one of our projects becomes liable with respect to contamination at the real property, the ability of the owner to make payments to us may be adversely affected.

We may be involved in disputes, governmental and regulatory investigations and litigation.

From time to time, we may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business.

Governmental and regulatory investigations, regardless of their outcome, are generally costly, divert management attention, and have the potential to damage our reputation. The unfavourable resolution of any governmental or regulatory investigation could result in criminal liability, fines, penalties or other monetary or non-monetary remedies and could materially affect our business or results of operations. In addition, in the normal course of our operations, we are involved in various legal actions that could expose us to liability for damages and potential negative publicity

associated with such legal actions. The outcome with respect to outstanding, pending or future actions cannot be predicted with certainty and may be adverse to us and as a result could have an adverse effect on our assets, liabilities, business, financial condition, results of operations, cash flow and reputation. We evaluate our exposure to these legal and regulatory proceedings and establish reserves and insurance coverage as we deem appropriate. Assessing and predicting the outcome of these matters involves substantial uncertainties.

The loss of existing customers or the inability to obtain new contracts could adversely affect our business.

We leverage our relationships to identify and execute new project opportunities. Typically, new development opportunities come from our existing relationships. Accordingly, to date, a small number of customers have accounted for a majority of our revenues. As our business expands, we expect that revenue distribution will be over a larger number of different customers.

The loss of existing customers or the inability to obtain new contracts could adversely affect our business. If we are unable to maintain our existing customer contracts or obtain additional customer contracts or service agreements to replace lost customer revenue, our business, results of operations, cash flows and financial condition will be adversely affected, which could cause the price of our Subordinate Voting Shares to decline.

Moreover, timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding and permits. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. As a result, our revenue varies from quarter to quarter and these variations may result in our quarterly revenues not being as anticipated or as reflected in our guidance, if any. The loss of, or a reduction in, purchase orders or anticipated purchase orders from these customers could have a material adverse effect on our business, financial condition and results of operations.

Natural disasters or other catastrophic events could negatively affect our business, financial condition and results of operations.

Natural disasters, such as hurricanes, tornados or earthquakes, and other catastrophic events, including new pandemics, could negatively affect our operations and financial performance. Such events could result in physical damage to one or more of our projects or facilities, the temporary lack of an adequate workforce in a market and the temporary disruption in rail or truck transportation services upon which we rely. These events could prevent or delay shipments and reduce both volumes and revenue. Weather conditions and other event driven special projects also cause interim variations in our results. We may be required to suspend operations in some or all of our locations, which could have a material adverse effect on our business, financial condition and results of operations. If one or more of our projects or facilities were to be subject in the future to flooding, extreme weather conditions (including severe wind and droughts), fires, seismic events or other natural disasters, or if unexpected geological or other adverse physical conditions were to develop at any of our facilities, the generation capacity of that facility could be significantly reduced or eliminated.

Climate change may increase the frequency and severity of severe weather conditions and may have the long-term effect of changing weather patterns, which could result in more frequent and severe disruptions to our facilities. In addition, customers' requirements for our outputs and services may vary with changing weather conditions, which could adversely affect our business, results of operations and cash flows.

Wars, political instability, changes in government policy, or unfamiliar cultural factors could adversely impact the value of our investments.

We are subject to the risk of geopolitical uncertainties in all jurisdictions in which we operate. We operate globally and we may pursue investments in new, non-core markets, which can expose us to additional risks. We may not properly adjust to the local culture and business practices in such markets, and there exists the possibility that we may hire personnel or partner with local persons who might not comply with our culture and ethical business practices. Either scenario could result in the failure of our initiatives in new markets and lead to financial losses for us and our managed entities. Although we tend to target markets in developed countries with favourable regulatory conditions, there are risks of political instability in some of the jurisdictions in which we conduct business, including, for example,

from factors such as wars, political conflict, tariffs, income inequality, refugee migration, terrorism, the potential break-up of political economic unions or the departure of a union member and political corruption. The U.K.'s withdrawal from the European Union may contribute to further global economic uncertainty and could significantly disrupt the free movement of goods, services, and people between the U.K. and the European Union, which could result in increased legal and regulatory complexities, as well as potential higher costs of conducting business in Europe. The materialization of one or more of these risks could negatively affect our financial performance.

Furthermore, events such as wars and occupations, terrorism, refugee migration and related geopolitical risks may lead to increased market volatility, including securities and commodity markets, and may have adverse short-term and long-term effects on world economies and markets generally, including Canadian, U.S., European and other economies. For example, in response to the current conflict between Russia and Ukraine, countries in which the Company operates have implemented economic sanctions against Russia and/or certain Russian individuals or organizations and may impose further sanctions or other restrictive actions against governmental or other individuals or organizations in Russia or elsewhere. The effects of disruptive events could affect the economies and markets of countries in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks. Such events could also cause substantial market volatility, exchange trading suspensions and closures and affect the Company's performance, the price of its securities and its ability to successfully raise capital at reasonable rates or at all.

Our insurance coverage and self-insurance reserves may be inadequate to cover all significant risk exposures, and increasing costs to maintain adequate coverage may significantly impact our financial condition and results of operations.

Our operations are subject to risks inherent to the waste processing and resource recovery sector and specific to the jurisdictions in which we operate. We subscribe for insurance in amounts which we consider appropriate in the circumstances and having regard to industry norms. We may become liable in relation to risks in respect of which we cannot obtain insurance or for which we choose not to obtain insurance as a result of high premiums or for other reasons, or for damages which exceed the maximum coverage provided for in our insurance policies. Such liability claims could adversely affect our business, financial condition and results of operations.

While we endeavor to purchase insurance coverage appropriate to our risk assessment, we are unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages, and as a result our insurance program may not fully cover us for losses we may incur. In addition, as a result of a number of catastrophic weather and other events, insurance companies have incurred substantial losses and in many cases they have substantially reduced the nature and amount of insurance coverage available to the market, have broadened exclusions and/or have substantially increased the cost of such coverage. If this trend continues, we may be unable to maintain insurance of the types and coverage we desire at reasonable rates or at all. A partially or completely uninsured claim against us (including liabilities associated with cleanup or remediation at our facilities), if successful and of sufficient magnitude, could have a material adverse effect on our business, financial condition and results of operations. Any future difficulty in obtaining insurance could also impair our ability to secure future contracts, which may be conditioned upon the availability of adequate insurance coverage. In addition, claims associated with risks for which we are self-insured or may self-insure (workers' compensation, employee medical, comprehensive general liability, director and officer liability and vehicle liability) may exceed our recorded reserves, which could negatively impact future earnings.

Any future difficulty in obtaining insurance also could impair our ability to secure future contracts that are conditional upon the contractor having adequate insurance coverage. Certain of our collection contracts, municipal contracts and infrastructure contracts may also require performance or surety bonds, letters of credit or other financial assurance to secure contractual performance or comply with supranational, federal, state, provincial or local environmental laws or regulations. If we are unable to obtain insurance, performance or surety bonds or additional letters of credit in sufficient amounts or at acceptable rates, we could be precluded from entering into additional contracts or obtaining or retaining operating permits for our various permitted facilities. Such a failure could limit our operations or violate

federal, state, provincial, or local requirements, which could have a materially adverse effect on our business, financial condition and results of operations.

If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the price of our Subordinate Voting Shares.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Subordinate Voting Shares. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include, those related to revenue recognition, equity-based compensation expense, sales commissions costs, long-lived assets, and accounting for income taxes including deferred tax assets and liabilities.

We may face challenges complying with anti-corruption, anti-bribery and sanctions laws.

We are subject to various laws and regulations relating to bribery and corruption in the jurisdictions in which we operate. Although we have procedures and controls in place to monitor internal and external compliance, if we are found to be liable for anti-corruption or anti-bribery law violations (either due to our own acts or inadvertence, or due to the acts or inadvertence of others, including actions taken by our agents), we could suffer from severe civil and criminal penalties or other sanctions, which could adversely affect our business, financial condition and results of operations. The U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), among other things, prohibits companies and their officers, directors, employees and third-party agents acting on their behalf from corruptly offering, promising, authorizing or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favourable treatment. We and our officers, directors, employees and third-party agents regularly deal with government bodies and government owned and controlled businesses, the employees and representatives of which may be considered foreign officials for purposes of the FCPA. Also, as we make acquisitions, we may expose ourselves to FCPA or other corruption related risks if our due diligence processes are unable to uncover or detect violations of applicable anti-corruption laws.

In addition, we operate or may operate in some parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-corruption or anti-bribery laws may conflict with local customs and practices. Our compliance program and internal monitoring may not always protect us from reckless or negligent acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our business and operations. We may be subject to competitive disadvantages to the extent that our competitors are able to secure business, licenses or other preferential treatment by making payments to government officials and others in positions of influence or using other methods that are prohibited by international laws and regulations to which we are subject. Furthermore, customers may cease doing business with us if we decide to stop using certain agents’ services.

The U.S. Department of the Treasury’s Office of Foreign Assets Control administers a series of laws that impose economic sanctions against hostile targets to further U.S. foreign policy and national security objectives. These laws restrict U.S. persons and, in some instances, non-U.S. persons from conducting activities, transacting business with or making investments in certain countries, governments, entities, and individuals subject to U.S. economic sanctions. As we execute our growth strategy, our activities may subject us to elevated levels of scrutiny under applicable sanctions laws. If such activities or transactions, whether or not material, are found to violate applicable sanctions or

other trade controls, we may be subject to potential fines or other sanctions and reputational risk, any of which could have a material adverse effect on our business and results of operations.

Our business could be negatively affected by security threats, including cybersecurity threats and other disruptions.

We face various security threats, including among others, computer viruses, malware, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the internet, attachments to emails, persons with access to systems inside our organization, cybersecurity threats to gain unauthorized access to sensitive information or to expose, exfiltrate, alter, delete or render our data or systems unusable, threats to the security of our projects and infrastructure or third-party facilities and infrastructure, such as processing projects and pipelines, natural disasters, threats from terrorist acts and war.

Our implementation of various procedures and controls to monitor and mitigate these security threats, and to increase security for our information projects and infrastructure, may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to the loss of sensitive information, critical infrastructure or capabilities essential to our operations, and could adversely affect our reputation, financial position, results of operations or cash flows. Cybersecurity attacks, in particular, are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could lead to financial losses from remedial actions, loss of business or potential liability.

Our use and enjoyment of real property rights for our facilities, including our BOOs, and projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to us.

Our various facilities, including our BOOs, and projects generally are and are likely to be located on land that may be subject mechanics liens, easements, leases and rights-of-way. As a result, the facility's rights under these easements or leases may be subject, and subordinate, to the rights of third parties. Although we take certain measures to protect ourselves against these risks, such measures may be inadequate to protect us against all risks of loss of our rights to use the land on which our facilities are located, which could have an adverse effect on our business, financial condition and results of operations.

Risks Related to Ownership of Our Shares

Investing in the Subordinate Voting Shares is speculative, and investors could lose their entire investment.

An investment in the Subordinate Voting Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Subordinate Voting Shares.

The Principal Shareholder has significant control over our business and significant transactions and investors may not have the same corporate governance protections they would have if the Company were not a majority-controlled company.

The Multiple Voting Shares (as defined below) have four votes per share and the Subordinate Voting Shares have one vote per share. The Principal Shareholder holds all of the issued and outstanding Multiple Voting Shares, which represent approximately 55% of our total issued and outstanding shares and approximately 83% of the voting power attached to all of the shares.

As a result, for so long as the Principal Shareholder either directly or indirectly maintains a significant voting interest in the Company, it will have the ability to exert substantial influence over many matters affecting our business, policies and affairs, including:

- the composition of the Board and, through the Board, any determination with respect to the business plans and policies, including the appointment and removal of its officers;
- determinations with respect to acquisitions of businesses, mergers or other business combinations; and
- our capital structure, including financing activities.

Each of our directors and officers owes a fiduciary duty to us and must act honestly and in good faith with a view to the best interests of the Company. However, any director and/or officer that is a shareholder, even a controlling shareholder, is entitled to vote its shares in its own interests, which may not always be in the interests of our shareholders generally. The concentration of voting power may have the effect of delaying, deferring or preventing a change in control of the Company, impeding a merger, consolidation, takeover or other business combination involving the Company or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the market price of the Subordinate Voting Shares. The issuance of stock options and other convertible securities could lead to greater concentration of Subordinate Voting Share ownership among insiders and could lead to dilution of Subordinate Voting Share ownership which could lead to depressed Subordinate Voting Share prices. Furthermore, the conversion of Multiple Voting Shares to Subordinate Voting Shares could lead to dilution of Subordinate Voting Share ownership. We may also take actions that the other shareholders do not view as beneficial, which may adversely affect our results of operations and financial condition and cause the value of your investment to decline.

The market price of the Subordinate Voting Shares may be volatile.

The market price for the Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly financial performance;
- changes in estimates of our future financial performance;
- changes in forecasts, estimates or recommendations of industry or securities research analysts regarding our future financial performance or financial performance;
- changes in the economic operating, performance or market valuations of other companies in the industry in which we operate or of other companies that investors deem comparable to us;
- additions to or departures from our senior management team or other key employees;
- release or expiration of lock-up or other transfer restrictions on outstanding Subordinate Voting Shares or securities convertible into Subordinate Voting Shares;
- sales or perceived sales of additional Subordinate Voting Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have in the past experienced significant price and volume fluctuations that have particularly affected the market prices of companies' equity securities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if our business, financial condition, financial performance or prospects have not changed. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Subordinate Voting Shares by those institutions, which could materially adversely affect the trading price of the Subordinate Voting Shares.

In addition, broad market and industry factors may harm the market price of our Subordinate Voting Shares. Therefore, the price of our Subordinate Voting Shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Subordinate Voting Shares regardless of our operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs, our management's attention and resources could be diverted and it could harm our business, operating results and financial condition.

There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil occur, our business, financial condition and performance could be materially adversely impacted and the trading price of our Subordinate Voting Shares could also be materially adversely affected.

The forward-looking statements contained in this Annual Information Form and our other public disclosure documents may prove to be incorrect.

The forward-looking statements relating to, among other things, future results, performance, achievements, prospects or opportunities of the Company included in this Annual Information Form and our other public disclosure documents are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Actual results of the Company in the future may vary significantly from the historical and estimated results and those variations may be material. There is no representation by the Company that actual results achieved by the Company in the future will be the same, in whole or in part, as those included in this Annual Information Form and our other public disclosure documents.

Future secondary sales of a substantial amount of the Subordinate Voting Shares held by the Principal Shareholder or others may depress the price of the Subordinate Voting Shares.

If our Principal Shareholder sells substantial amounts of the Subordinate Voting Shares in the public market, the market price of the Subordinate Voting Shares could decline. These sales also might make it more difficult for us to sell our equity or equity-related securities in the future at a time and price that we deem appropriate. As of December 31, 2021, we had 26,528,995 outstanding Subordinate Voting Shares and 32,222,369 outstanding Multiple Voting Shares that are convertible into an additional 32,222,369 Subordinate Voting Shares.

We may issue additional securities in the future.

Our articles provide that we may issue an unlimited number of Subordinate Voting Shares and Multiple Voting Shares, subject to the rules of any stock exchange on which our securities may be listed from time to time and the Principal Shareholders Agreement (as defined below). If we were to issue any additional Subordinate Voting Shares or Multiple Voting Shares or such other classes of authorized shares that are convertible or exchangeable for Subordinate Voting Shares, the percentage ownership of existing shareholders may be reduced and diluted. We cannot foresee the terms and conditions of any future offerings of its securities nor the effect of such offerings on the market price of the Subordinate Voting Shares. Any issuance of a significant percentage of our securities, or the perception that such issuances may occur, could have a material adverse effect on the market price of Subordinate Voting Shares and limit our ability to fund our operations through capital raising transactions in the future.

The Subordinate Voting Shares are equity interests and are subordinate to our existing and future indebtedness.

The Subordinate Voting Shares are equity interests and do not constitute indebtedness. As such, the Subordinate Voting Shares will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in a liquidation. Upon liquidation, lenders and holders of our debt securities would receive distributions of our available assets prior to holders of Subordinate Voting Shares.

We do not currently anticipate paying dividends on the Subordinate Voting Shares.

We currently intend to retain any future earnings to fund the development and growth of our business and do not currently anticipate paying dividends on the Subordinate Voting Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. Until the time that we do pay dividends, which we might never do, our shareholders will not be able to receive a return on their Subordinate Voting Shares unless they sell such Subordinate Voting Shares for a price greater than their acquisition price, and such appreciation may never occur. See "Dividend Policy".

Failure of our internal or disclosure controls to satisfy our public company reporting obligations could have a material adverse impact on us.

We are not currently required to comply with NI 52-109 and our auditor has previously communicated to management some deficiencies in respect of our financial reporting which are under remediation. As a publicly traded company, we will become subject to reporting and other obligations under applicable Canadian securities laws, including NI 52-109, and the rules of the TSX. These reporting and other obligations will place significant demands on our management, administrative, operational and accounting resources. In order to meet such requirements, we will, among other things, establish systems, implement financial and management controls, reporting systems and procedures and, if necessary, hire qualified accounting and finance staff. However, if we are unable to accomplish any such necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the market price of our Subordinate Voting Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

The limited voting rights of our Subordinate Voting Shares could negatively affect our attractiveness to investors and may adversely affect the market value of our Subordinate Voting Shares.

The holders of our Subordinate Voting Shares and Multiple Voting Shares will generally have similar voting rights, except that holders of our Subordinate Voting Shares will be entitled to one vote per share and holders of our Multiple Voting Shares will be entitled to four votes per share. In addition, the holders of our Multiple Voting Shares will have various additional rights, including pre-emptive, registration, nomination and conversion rights attached to the Multiple Voting Shares. The different rights afforded to our Subordinate Voting Shares and Multiple Voting Shares could diminish the value of our Subordinate Voting Shares to the extent that investors or any potential future purchasers of our Subordinate Voting Shares attribute value to the superior voting or other rights of its Multiple Voting Shares. See "Description of Share Capital—Subordinate Voting Shares and Multiple Voting Shares".

Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts, which could cause our share price to decline.

Our quarterly revenue and results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly revenue or results of operations fall below the expectations of investors or

securities analysts, the price of our Subordinate Voting Shares could decline substantially. Fluctuations in our results of operations may be due to a number of factors, including:

- demand for and market acceptance of our services;
- the mix of services sold during a period;
- our ability to retain and increase sales to customers and attract new customers;
- the timing of product deployment which determines when we can recognize the associated revenue;
- the timing and success of introductions of new services or upgrades by us or our competitors;
- changes in global economic conditions;
- changes in our pricing policies or those of our competitors;
- competition, including entry into the industry by new competitors and new offerings by existing competitors; and
- the amount and timing of expenditures related to expanding our operations, research and development or introducing new solutions.

Due to the foregoing factors, and the other risks discussed in this Annual Information Form, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or market, or if they change their recommendations regarding the Subordinate Voting Shares adversely, the price and trading volume of the Subordinate Voting Shares could decline.

The trading market for the Subordinate Voting Shares is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us or may cover us in the future change their recommendation regarding the Subordinate Voting Shares adversely, or provide more favourable relative recommendations about our competitors, the price of the Subordinate Voting Shares would likely decline. If any analyst who covers us or may cover us in the future were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of the Subordinate Voting Shares to decline.

Shareholders will have limited control over our Company's operations.

Holders of Subordinate Voting Shares will have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in our Company. The Board will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders. Generally, the Board may amend or revise these and other policies without a vote of the holders of Subordinate Voting Shares. Holders of Subordinate Voting Shares will only have a right to vote in the circumstances described under "Description of Share Capital—Subordinate Voting Shares". The Board's broad discretion in setting policies and the limited ability of holders of Shares to exert control over those policies increases the uncertainty and risks of an investment in our Company.

Enforcement of judgments against foreign persons may not be possible.

The majority of our directors reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect the service of process within Canada upon such persons. There is some doubt as to the enforceability in the United States or other foreign courts by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws.

DIVIDEND POLICY

We currently intend to retain any future earnings to fund the development and growth of our business and do not currently anticipate paying dividends on the Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. Holders of Multiple Voting Shares and Subordinate Voting Shares will be entitled to receive dividends out of the assets of the Company legally available for the payment of dividends at such times and in such amount and form as the Board may determine. We will pay dividends thereon on a *pari passu* basis, if, as and when declared by the Board.

We have not declared any dividends on the Shares or on any predecessor securities during the three most recently completed financial years or during our current financial year.

DESCRIPTION OF SHARE CAPITAL

The following describes the material terms of our share capital as set forth in our articles. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our articles.

The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws.

Authorized Share Capital

Our authorized share capital consists of (i) an unlimited number of multiple voting shares (the “**Multiple Voting Shares**” and, together with the Subordinate Voting Shares, the “**Shares**”) and (ii) an unlimited number of Subordinate Voting Shares. As of December 31, 2021, there were 32,222,369 Multiple Voting Shares and 26,528,995 Subordinate Voting Shares issued and outstanding.

Multiple Voting Shares and Subordinate Voting Shares

Except as described herein, the Subordinate Voting Shares and Multiple Voting Shares have the same rights, are equal in all respects and are treated by us as if they were one class of shares. Holders of Subordinate Voting Shares will have no pre-emptive rights. Holders of Multiple Voting Shares have pre-emptive rights to acquire additional Subordinate Voting Shares or securities convertible into Subordinate Voting Shares to maintain the holder’s pro rata voting interest in the event the Company issues additional Subordinate Voting Shares or securities convertible into Subordinate Voting Shares, as described below under “—Pre-emptive Rights”. Holders of Shares have no conversion or exchange rights or other subscription rights, except that each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share and our Multiple Voting Shares will automatically convert into Subordinate Voting Shares upon certain transfers and other events, as described below under “—Conversion”. There are no redemption, retraction, purchase for cancellation or surrender provisions or sinking or purchase fund provisions applicable to our Shares. There is no provision in our articles requiring holders of Shares to contribute additional capital, or permitting or restricting the issuance of additional securities or any other material restrictions.

Pre-emptive Rights

In the event that we decide to issue additional Subordinate Voting Shares or securities convertible into or exchangeable for Subordinate Voting Shares (other than Multiple Voting Shares) or an option or other right to acquire any such securities (the “**Issued Securities**”), our articles will provide the Permitted Holder(s) (as defined below), for as long as it owns, in the aggregate, at least 5% of our outstanding Shares (on a fully diluted basis), with pre-emptive rights to purchase that number of Issued Securities as is necessary to maintain, after such issuance of Issued Securities, the Permitted Holder’s effective pro rata voting interest prior to the issuance of the Issued Securities.

The pre-emptive right will not apply to the issuance of Subordinate Voting Shares in certain circumstances, including: (i) in respect of the exercise of options, warrants, rights or other securities issued under our Legacy Option Plan, our omnibus equity incentive plan or any other security-based compensation plan of the Company; (ii) in connection with a subdivision of then-outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares, provided that an equivalent change is made to the Multiple Voting Shares; (iii) the issuance of equity securities of the Company in lieu of cash dividends, if any; (iv) the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which the Permitted Holder(s) did not exercise, failed to exercise, or waived its pre-emptive right or in respect of which the pre-emptive right did not apply; (v) pursuant to a shareholders' rights plan of the Company, if any; (vi) any issuance of Class A common shares or Subordinate Voting Shares upon automatic conversion resulting from the completion of the IPO; and (vii) any issuance of Subordinate Voting Shares to any subsidiary of the Company or an affiliate of any of them.

If we propose to offer for sale any Issued Securities, we will deliver a written notice to the Permitted Holder(s) offering the opportunity to subscribe for Issued Securities pursuant to the pre-emptive rights described above. In order to exercise such rights, the Permitted Holder(s) must respond within the applicable time period provided in our articles. The Permitted Holder(s) will be entitled to subscribe for Issued Securities pursuant to the exercise of such pre-emptive rights at the same price and on the most favourable terms as such Issued Securities are to be offered to any party, excluding commissions and other transaction expenses paid by the Company.

Rank

The Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of our liquidation, dissolution or winding up. In the event of our liquidation, dissolution or winding-up or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs, whether voluntarily or involuntarily, the holders of Subordinate Voting Shares and the holders of Multiple Voting Shares are entitled to participate equally in our remaining property and assets available for distribution to the holders of shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares.

Dividends

The holders of Shares are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine. We are permitted to pay dividends unless there are reasonable grounds for believing that: we are, or would after such payment be, unable to pay our liabilities as they become due in the ordinary course of business. In the event of a payment of a dividend in the form of shares and subject to compliance with the rules of the TSX, Subordinate Voting Shares shall be distributed with respect to outstanding Subordinate Voting Shares and Multiple Voting Shares shall be distributed with respect to outstanding Multiple Voting Shares, unless otherwise determined by our Board.

Voting Rights

The holders of outstanding Subordinate Voting Shares are entitled to one vote per Subordinate Voting Share and the holders of Multiple Voting Shares are entitled to four votes per Multiple Voting Share on all matters upon which holders of Shares are entitled to vote.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that a Multiple Voting Share shall be held by a Person other than a Permitted Holder (each such term as defined herein), the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Multiple Voting Share into a fully paid and non-assessable Subordinate Voting Share.

In addition, all Multiple Voting Shares held by Permitted Holders will convert automatically into Subordinate Voting Shares at such time that is the earlier to occur of the following (i) Permitted Holders that hold Multiple Voting Shares

no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 15% of the issued and outstanding Subordinate Voting Shares and Multiple Voting Shares (on a non-diluted basis), and (ii) Dr. Andrew Benedek is no longer serving as a director, officer or employee of the Company.

For the purposes of the foregoing:

“Permitted Holders” means (a) the Principal Shareholder, (b) The Benedek Trust, (c) any trust created solely for the benefit of Dr. Andrew Benedek, his spouse, his children (including any step-child) and their more remote descendants (whether by birth or adoption) and/or one or more charities and (d) any Person controlled, directly or indirectly, by one or more of the Persons referred to in clauses (b) or (c) above;

“Person” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company; and

A Person is **“controlled”** by another Person or other Persons if: (a) in the case of a company or other body corporate wherever or however incorporated: (i) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only directly or indirectly, by or solely for the benefit of the other Person or Persons; and (ii) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (b) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

Certain Important Provisions of our Articles and the BCBCA

The following is a summary of certain important provisions of our articles and certain related sections of the BCBCA. Please note that this is only a summary and is not intended to be exhaustive. This summary is subject to, and is qualified in its entirety by reference to, the provisions of our articles and the BCBCA.

Directors

Power to vote on matters in which a director is materially interested. Under the BCBCA a director who has a material interest in a contract or transaction, whether made or proposed, that is material to us, must disclose such interest to us, subject to certain exceptions such as if the contract or transaction: (i) is an arrangement by way of security granted by us for money loaned to, or obligations undertaken by, the director for our benefit or for one of our affiliates’ benefit; (ii) relates to an indemnity or insurance permitted under the BCBCA; (iii) relates to the remuneration of the director in his or her capacity as director, officer, employee or agent of our company or of one of our affiliates; (iv) relates to a loan to our company while the director is the guarantor of some or all of the loan; or (v) is with a corporation that is affiliated to us while the director is also a director or senior officer of that corporation or an affiliate of that corporation.

A director who holds such disclosable interest in respect of any material contract or transaction into which we have entered or propose to enter may be required to recuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with certain other relevant provisions of the BCBCA regarding conflicts of interest.

Directors’ power to determine the remuneration of directors. The remuneration of our directors, if any, may be determined by our directors subject to our articles. The remuneration may be in addition to any salary or other remuneration paid to any of our employees (including executive officers) who are also directors.

Number of shares required to be owned by a director. Neither our articles nor the BCBCA provide that a director is required to hold any of our Shares as a qualification for holding his or her office. The Board has discretion to prescribe minimum share ownership requirements for directors.

Subdivision or Consolidation

No subdivision or consolidation of the Shares may occur unless the shares of both classes are concurrently subdivided or consolidated and in the same manner and proportion or otherwise adjusted so as to maintain and preserve the relative rights of the holders of Shares of each of the said classes. Other than as described in this Annual Information Form, no new rights to acquire additional shares or other securities or property of ours will be issued to holders of Shares unless the same rights are concurrently issued to the holders of shares of both classes.

Certain Amendments and Change of Control

In addition to any other voting right or power to which the holders of Subordinate Voting Shares shall be entitled by law or regulation or other provisions of our articles from time to time in effect, but subject to the provisions of our articles, holders of Subordinate Voting Shares shall be entitled to vote separately as a class, in addition to any other vote of our shareholders that may be required, in respect of any alteration, repeal or amendment of our articles which would adversely affect the rights or special rights of the holders of Subordinate Voting Shares or affect the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis. Pursuant to our articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class. We will also enter into the Coattail Agreement (as defined below) in accordance with applicable regulatory requirements designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares. See “Principal Shareholder—Coattail Agreement”.

Shareholder Meetings

Subject to applicable stock exchange requirements, we must hold a general meeting of our shareholders at least once every year at a time and place determined by our Board, provided that the meeting must not be held later than 15 months after the preceding annual general meeting. A meeting of our shareholders may be held anywhere in or outside British Columbia. A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium.

A notice to convene a meeting, specifying the date, time and location of the meeting, and, where a meeting is to consider special business, the general nature of the special business must be sent to each shareholder entitled to attend the meeting and to each director not less than 21 days and no more than 60 days prior to the meeting, although, as a result of applicable securities laws, the minimum time for notice is effectively longer in most circumstances. Under the BCBCA, shareholders entitled to notice of a meeting may waive or reduce the period of notice for that meeting, provided applicable securities laws are met. The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any person entitled to notice does not invalidate any proceedings at that meeting.

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders will be two persons present and each entitled to vote at the meeting who, together, hold or represent by proxy not less than 40% of the votes attaching to the outstanding voting shares of the Company entitled to vote at the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders entitled to vote at the meeting who are present, in person or by proxy, at the meeting may adjourn the meeting to a set time and place.

Holders of our Shares are entitled to attend and vote at meetings of our shareholders except meetings at which only holders of a particular class are entitled to vote. Our directors, our secretary (if any), our auditor and any other persons invited by our chairman or directors or with the consent of those at the meeting are entitled to attend any meeting of our shareholders but will not be counted in the quorum or be entitled to vote at the meeting unless he or she is a shareholder or proxyholder entitled to vote at the meeting.

Advance Notice Provisions

We have included certain advance notice provisions with respect to the election of our directors in our articles (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Provisions.

Forum Selection

We have included a forum selection provision in our articles that provides that, unless we consent in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or our articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. The forum selection provision also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of British Columbia and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

To the fullest extent permitted by law, our forum selection provision applies to claims arising under U.S. federal securities laws. In addition, investors cannot waive compliance with U.S. federal securities laws and the rules and regulations thereunder.

MARKET FOR SECURITIES

Trading Price and Volume

The Shares are listed on the TSX and are traded under the symbol “ANRG”. The high and low reported trading price and volumes of Subordinate Voting Shares on the TSX from June 23, 2021, the date of closing of the IPO, to December 31, 2021 were as follows:

Month	High	Low	Volume
December	\$21.55	\$18.40	617,010
November	\$26.77	\$18.46	1,750,650
October	\$26.00	\$19.87	1,035,700
September	\$26.25	\$19.52	1,743,102
August	\$25.66	\$17.82	989,856

July	\$20.30	\$13.60	4,010,462
June (23 to 30)	\$13.94	\$13.03	2,225,582

DIRECTORS AND EXECUTIVE OFFICERS

The names and jurisdiction of residence of the directors and executive officers of the Company, their respective positions and offices held with the Company and their principal occupation for the last five or more years are shown below as at the date hereof. Directors are elected to serve until the next annual meeting or until their successors are elected or appointed, unless their office is earlier vacated.

Name, Province or State and Country of Residence	Position/Title	Director Since	Principal Occupation
Dr. Andrew Benedek ⁽³⁾ <i>California, United States</i>	Director (Chair) and Chief Executive Officer	2011	Chief Executive Officer of the Company
Dr. Diana Mourato Benedek ⁽³⁾ <i>California, United States</i>	Director	2011	Chief Executive Officer of Fibracast
Peter Gross ⁽²⁾⁽⁴⁾ <i>Minnesota, United States</i>	Director	2018	Chief Executive Officer of SURGE International, LLC
Francis J. McKenna ⁽²⁾⁽³⁾⁽⁴⁾ <i>New Brunswick, Canada</i>	Director	2020	Deputy Chair, Wholesale of TD Bank Group
Douglas Fridrik Parkhill ⁽¹⁾⁽³⁾⁽⁴⁾ <i>Ontario, Canada</i>	Director	2019	Managing Director & Head, Strategic Advisory of Clarity Strategic Advisors Inc.
Alan Viterbi ⁽¹⁾⁽²⁾⁽⁴⁾ <i>California, United States</i>	Director	2019	Managing Partner, Elm Grove Strategies LLC
Richard Chow ⁽²⁾⁽⁴⁾ <i>California, United States</i>	Director	2021	Advisor to Inclusive Capital Partners
Hani El-Kaissi <i>Ontario, Canada</i>	Chief Financial Officer	N/A	Chief Financial Officer of the Company
Dr. Yaniv Scherson <i>California, United States</i>	Chief Operating Officer	N/A	Chief Operating Officer of the Company
Juan Josse <i>California, United States</i>	Chief Engineer	N/A	Chief Engineer of the Company
Thor Erickson <i>California, United States</i>	General Counsel	N/A	General Counsel of the Company
Ashwani Kumar <i>Ontario, Canada</i>	Vice President, Global Operations	N/A	Vice President, Global Operations of the Company
Robert Murray <i>Ontario, Canada</i>	Vice President, Global Project Execution	N/A	Vice President, Project Execution of the Company
Sasha Rollings-Scattergood <i>Ontario, Canada</i>	Vice President, Technology	N/A	Vice President, Technology of the Company
Arun Sharma <i>California, United States</i>	Global Leader, Build-Own-Operate Financing	N/A	Global Leader, Build-Own-Operate Financing for the Company

Notes:

- (1) Member of our Audit Committee.
- (2) Member of our Governance, Compensation and Nominating Committee (the “GCN Committee”).
- (3) Nominee of the Principal Shareholder
- (4) Independent director for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.

Biographical Information Regarding the Directors and Executive Officers

Dr. Andrew Benedek – Dr. Benedek is the Chair and Chief Executive Officer of the Company, a position he has held since founding the Company in 2007. Dr. Benedek received his engineering degree (chemical) from McGill University in Montreal, Québec in 1966. By 1970, Dr. Benedek had obtained a Ph.D. in chemical engineering from the University

of Washington in Seattle, Washington with a focus on wastewater treatment. He then accepted a professorship at McMaster University in Hamilton, Ontario where he taught and conducted research to find ways of improving water quality. In 1980, Dr. Benedek founded ZENON with the purpose of developing cost effective membrane technologies for recycling wastewater. Under his leadership, ZENON invented, developed and commercialized many of the key membrane technologies used for water and wastewater treatment and became a global leader in this field. Dr. Benedek continued to be the Chairman and Chief Executive Officer of ZENON until its June 2006 sale to General Electric Company for \$790 million. At the time of the sale, the company employed over 1,500 people. After the sale of ZENON, Dr. Benedek worked at the Scripps Institute of Technology (“Scripps”) in San Diego, California where he became interested in helping to find solutions to climate change. In furtherance of this new interest, he left Scripps and founded Anaergia. Dr. Benedek has received many awards, including honorary doctorates from universities and awards for entrepreneurship and for his contributions toward solving global environmental problems. In 2008, he was chosen as the inaugural recipient of the Lee Kwan Yew Prize, a prestigious award for contributions to solving water problems.

Dr. Diana Mourato Benedek – Dr. Mourato Benedek is a director of the Company, a position she has held since the Company was founded in 2007. Dr. Mourato Benedek has a PhD and a Master’s of Science degree in Civil Engineering from McGill University in Montreal, Québec. Dr. Mourato Benedek is a pioneer in the development and commercialization of immersed membranes and membrane bioreactors in the field of municipal wastewater and drinking water treatment. She was formerly a Senior Vice President at ZENON, responsible for North and South American and international operations. She has extensive experience in environmental sciences as head of the ZENON municipal business, which she founded and grew in five years to be the largest commercial division of ZENON while maintaining profitability year after year. Dr. Mourato Benedek is also a former Vice President, Site Remediation at SNC Lavalin. Dr. Mourato Benedek is currently the Chief Executive Officer of Fibracast and is directly responsible for research and development and the continuous improvement of technology within the company. She was formerly the Chief Operating Officer of Anaergia and is currently a Managing Director of many of its international subsidiaries.

Peter Gross – Mr. Gross is a director of the Company, a position he has held since 2019. Mr. Gross is a three-time water entrepreneur, having started and grown domestic and international companies, a water/wastewater technology inventor with 10 patents covering treatment technologies, a board member on various water/wastewater companies, consultant and investor. Mr. Gross brings his experience doing business with enterprises ranging from small local entities to large governmental organizations in 88 countries around the world. His experience also includes supporting the U.S. Department of Defense and the U.S. State Department with water/wastewater treatment systems in some of the most challenging areas of the world. Since July 2016, Mr. Gross has been Chief Executive Officer of SURGE International, LLC where he guides start-up water/wastewater technology companies to achieve global success. As a consultant to Emerson Collective, LLC, Mr. Gross provides strategic water guidance while providing governance to portfolio companies through board participation.

Francis J. McKenna – Mr. McKenna is a director of the Company, a position he has held since 2020. Mr. McKenna is currently the Deputy Chair, Wholesale of TD Bank Group, a financial institution, a position he has held since 2006. Mr. McKenna is also the Chair of the board of directors of Brookfield Asset Management Inc., a global asset manager with approximately US\$600 billion of assets under management, and the Chair of the compensation committee of the board of the directors of Canadian Natural Resources Limited. Mr. McKenna is a former Ambassador of Canada to the United States and was elected as Premier of the Province of New Brunswick from 1987 until 1997. Mr. McKenna is a Queen’s Counsel, a Member of the Queen’s Privy Council, a Member of the Order of New Brunswick and a Member of the Order of Canada. Mr. McKenna is a graduate of St. Francis Xavier University, Queen’s University and the University of New Brunswick Law School and is also the recipient of 15 honorary degrees.

Douglas Fridrik Parkhill – Mr. Parkhill is a director of the Company, a position he has held since 2019. Mr. Parkhill serves as a non-executive director on corporate boards and provides advisory services to corporations and institutional investors. He is currently the Managing Director & Head, Strategic Advisory of Clariti Strategic Advisors Inc. and he was the Managing Director of Parkhill Advisory from February 2016 until December 2019. Mr. Parkhill was previously the Chief Executive Officer of CIBC FirstCaribbean International Bank from September 2011 to December 2015. During this period, Mr. Parkhill was responsible for the development and execution of a multi-faceted plan that resulted in the turnaround of the bank’s operating and financial performance. He joined Canadian Imperial Bank of Commerce (“CIBC”) in 2008 as Managing Director, Head of Cash Equities. During his tenure, CIBC became recognized as a Canadian leader in equity trading and equity capital markets. Prior to joining CIBC, Mr. Parkhill held

several senior executive positions with the TMX Group Limited, including President and Interim Co-Chief Executive Officer. He was instrumental in the successful expansion of TSX Group's business outside of Canada. Mr. Parkhill has over 30 years of experience in the financial services industry, including managing banks, brokerage firms and exchanges. He is a graduate of Queen's University in Kingston, Ontario.

Alan Viterbi – Mr. Viterbi is a director of the Company, a position he has held since 2019. Mr. Viterbi was previously the Chief Executive Officer of Liquid Environmental Solutions ("LES") in 2002, serving as Chief Executive Officer from inception through 2019, as Chief Financial Officer from inception through 2009 and as Executive Chairman from 2019 through 2020. With 54 collection branches and 24 wastewater recycling plants servicing customers in all 50 states, LES collects, treats and beneficially recovers materials from a wide variety of wastewater sources, including grease traps, oil water separators, industrial and manufacturing processes and used cooking oil. Mr. Viterbi was previously a co-founder, Chief Executive Officer and Chief Financial Officer of U.S. Public Technologies, a North American market leader in traffic photo enforcement, from its inception through to the sale of the business to Lockheed Martin, where he then served as Vice President of Photo Enforcement. Prior to entering the private sector, Mr. Viterbi was the Mayor of West Hollywood, California and a member of the first city council after incorporation from 1984 to 1988. He has also served on various public agency boards, including as a member of the California Export Finance Board, and in a number of leadership roles in various community organizations. His education includes a Bachelor of Arts degree in History and a Master's degree in Business Administration, including graduate coursework in accounting, from the University of California, Los Angeles and a Fellowship with the Coro Foundation.

Richard Chow – Mr. Chow is a director of the Company, a position he has held since 2021. Mr. Chow is an advisor to Inclusive Capital Partners, a San Francisco-based investment firm. Mr. Chow has close to 25 years of experience in the energy industry, having served as CEO, president, and/or board member for several companies. Most recently, he has been a Distinguished Careers Institute Fellow at Stanford University, where he continues to serve as an advisor to the TomKat Center for Sustainable Energy. Previously, Mr. Chow founded Ridge Energy Services in 2016, an oilfield services company focused on geothermal energy, and sold the company's assets to Iceland Drilling in 2020. For close to ten years, Mr. Chow was a portfolio CEO for a group of institutional investors, including Riverstone Holdings, a \$30 billion private equity firm investing across the entire energy value chain globally. In this capacity, he served as the CEO and Board member for ThermaSource (geothermal) and President of US Biodiesel (biofuels). In the 1990s, Mr. Chow served as the President of a Bechtel Enterprises joint venture with PacifiCorp (EnergyWorks) that developed renewable energy and on-site generation projects in Southeast Asia. Mr. Chow began his career in energy developing coal and natural gas power projects before transitioning to focus on the development of renewable energy projects, such as wind, solar, biomass, geothermal and, now, renewable natural gas.

Hani El-Kaissi – Mr. El-Kaissi is the Chief Financial Officer of the Company, a position he has held since 2019. Mr. El-Kaissi joined Anaergia in 2010 and has over 25 years' experience in the water and waste industries. He started his career with the engineering and project management of large-scale infrastructure projects, and has held senior operations, strategy, corporate development, M&A, and finance positions at ZENON and General Electric Company. Mr. El-Kaissi has a unique expertise in integrating operations, finance and strategy. He is a past board member of Anaergia and currently serves on the Board of Directors of several of Anaergia's subsidiaries. Mr. El-Kaissi has a Bachelor of Engineering degree from the American University of Beirut and a Master's degree in Business Administration from McGill University.

Dr. Yaniv Scherson – Dr. Scherson is the Chief Operating Officer of the Company, a position he has held since 2021. Dr. Scherson joined the Company in 2014 and was previously the Managing Director for the Western United States region of the Company and managed applications and process engineering for the Company globally developing technical tools, modeling and standards while supporting global projects in concept, financial modeling and process design. As Chief Operating Officer, Dr. Scherson is responsible for overseeing all business line sales, project development, contracting and negotiation, project execution and operations and project financing. He also spearheads the Company's market outreach and regulatory engagement strategy in California. Dr. Scherson holds a Ph.D. and a Master's of Science degree in Mechanical Engineering from Stanford University, where he was also a Postdoctoral Scholar in Civil and Environmental Engineering, and holds a Bachelor's of Science degree in Mechanical Engineering and Materials Science from the University of California, Berkeley. He is a licensed Professional Civil Engineer and holds a Contractors A license in California. Dr. Scherson was listed as a rising star in the energy sector in Forbes 30 Under 30 in 2012.

Juan Josse – Mr. Josse is the Chief Engineer of the Company, a position he has held since 2012. As Chief Engineer, Mr. Josse is responsible for process design for all Anaergia installations globally. He leads a global team of engineers and works closely with other functions within the Company, including research and development, applications engineering, process engineering and project execution, to deliver world-class solutions converting waste into resources. Mr. Josse has over 25 years of engineering experience in municipal and industrial wastewater treatment, AD and biogas handling and utilization. His expertise includes biological and chemical nutrient removal and recovery, anaerobic treatment of high-strength waste streams, solids separation, solids digestion, digestate handling, biogas treatment and handling, thermal processing of sludge and heat and power generation. Mr. Josse holds more than 50 U.S. and international patents on innovative waste to resources processes and equipment, most of them associated with AD, municipal and industrial wastewater treatment, nutrient recovery and digestate handling. Mr. Josse joined UTS Bioenergy LLC in August 2010 as Vice President of Engineering. His previous engineering experience includes a ten-year tenure as Senior Project Manager and Professional Associate with HDR Engineering Inc. and eight years as a University Research Engineer. Mr. Josse holds a Master of Science Degree in Environmental Engineering and has been published in numerous North American and international wastewater engineering and biogas journals.

Thor Erickson – Mr. Erickson is the General Counsel of the Company, a position he has held since 2018. Prior to joining the Company, Mr. Erickson delivered strategic guidance and legal solutions for private-equity-controlled portfolio companies engaged in the development of critical water, energy and telecommunications infrastructure in the U.S. and abroad for government and multinational clients. He was most recently the Vice President, General Counsel of FDH Velocitel, Inc. Mr. Erickson has over 25 years of legal and project management experience and is a Certified Compliance and Ethics Professional – International (CCEP-I). He holds a Bachelor of Arts degree from Yale University and a Juris Doctor degree from the University of Maine School of Law.

Ashwani Kumar – Mr. Kumar is the Vice President, Global Operations of the Company, a position he has held since 2017. Mr. Kumar joined Anaergia in 2011 and subsequently held a number of management positions within the Company, including Global Director of Process Engineering and Director of Engineering and Operations. Prior to joining Anaergia, Mr. Kumar was the Vice President, Engineering at Harvest Power, Inc. Mr. Kumar is a licensed professional engineer in Ontario and holds a Bachelor of Engineering degree from Gulbarga University and a Diploma in Industrial Safety from Annamalai University. Mr. Kumar has over 25 years of management, design engineering and operation experience in the municipal, industrial and agricultural sectors. His design and operational experience equips him with the skills to accurately design projects and deliver robust solutions. Mr. Kumar also holds several patents in the U.S. and Europe and, in 2003, he authored a handbook on waste management in sugar mills and distilleries.

Robert Murray – Mr. Murray is the Vice President, Global Project Execution for Anaergia. He is responsible for global project delivery including project management, procurement, construction and commissioning for all Anaergia projects worldwide. Mr. Murray studied mechanical engineering at the University of British Columbia and Rotating Machinery at the Technical University of Nova Scotia. Mr. Murray served in the Canadian Navy and has more than 20 years of experience in the water/wastewater and power industries. He has held senior technical and management positions with industry leaders including Andritz, General Electric Company and ZENON.

Sasha Rollings-Scattergood – Mr. Rollings-Scattergood is the Vice President, Technology for Anaergia, a position he has held since 2019. Mr. Rollings-Scattergood held various positions within Anaergia since joining the company in 2012, including Global Director of Product Management and Technology Development, Director of Research and Development, Product Manager and Lead Research Engineer. During international tenures in Europe, Africa and Asia, he was responsible for restructuring product groups and leading the commissioning of premiere resource recovery facilities. Mr. Rollings-Scattergood holds a Bachelor of Engineering degree and a Master of Applied Science degree in Environmental Engineering from the University of Guelph. He was recognized in 2015 by the Forbes 30 Under 30 list in the energy sector.

Arun Sharma – Mr. Sharma is the Global Leader, Build-Own-Operate Financing for the Company, a position he has held since 2016. In this position, Mr. Sharma has raised approximately US\$250 million in debt and equity financing for acquisition, development and execution of various Anaergia-owned assets, including the RBF. Previously, Mr. Sharma held the position of President, North America, from 2013 to 2016 and was Vice President, Business Development from 2009 to 2014. Having joined the Company in 2009, Mr. Sharma helped establish Anaergia's North American business by developing key relationships in the municipal and industrial sectors, hiring engineering, legal and development resources and making strategic acquisitions. Prior to joining Anaergia, Mr. Sharma worked for

Sempra Energy Utilities from 2005 to 2009 in the strategic planning and development of renewable resources. In that role, Mr. Sharma advised Sempra Energy Utilities' leadership on bioenergy development, development of tariffs for biomethane and driving California energy policy through active participation with the Public Utilities Commission and the California Energy Commission. Prior to joining Sempra Energy Utilities, Mr. Sharma worked for General Motors Corporation in various engineering roles and subsequently in product development finance. Mr. Sharma holds a Master of Business Administration degree from the University of Michigan (Ross) and an advanced degree in engineering from the Indian Institute of Technology, New Delhi.

Ownership Interest

As of March 28, 2022, directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, 495,223 Subordinate Voting Shares, representing 1.9% of the issued and outstanding Subordinate Voting Shares and 32,222,369 Multiple Voting Shares, representing 100% of the issued and outstanding Multiple Voting Shares. Accordingly, our directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, approximately 56% of our total issued and outstanding Shares and approximately 83% of the voting power attached to all of the Shares.

Penalties or Sanctions

None of our directors or executive officers, and to the best of our knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of our directors or executive officers, and to the best of our knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company, has, within the 10 years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Corporate Cease Trade Orders and Bankruptcies

None of our directors or executive officers, and to the best of our knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Audit Committee

Our Audit Committee consists of three directors, each of whom are persons determined by the Board to be both "independent" and "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("NI

52-110”). The Audit Committee is comprised of Douglas Fridrik Parkhill, who acts as chair of this committee, Alan Viterbi and Peter Gross. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see “Directors and Executive Officers—Biographical Information Regarding the Directors and Executive Officers”.

The Board has adopted a written charter in the form set forth in Appendix B, setting forth the purpose, composition, authority and responsibility of the Audit Committee, consistent with NI 52-110. The Audit Committee assists the Board in discharging its oversight of:

- the quality and integrity of our financial statements and related information;
- the independence, qualifications and appointment of our external auditor;
- disclosure controls and procedures, internal control over financial reporting and management’s responsibility for assessing and reporting on the effectiveness of such controls;
- risk management processes;
- monitoring and periodically reviewing our whistleblower policy; and
- transactions with related parties.

The Audit Committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority, in its sole discretion and at our expense, to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and responsibilities. The Audit Committee also has direct communication channels with the Chief Financial Officer and our external auditors to discuss and review such issues as the Audit Committee may deem appropriate.

External Auditor Service Fee

We incurred the following fees by our external auditor, KPMG LLP, during the periods provided below:

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2020
	(in thousands of Canadian dollars)	
Audit Fees ⁽¹⁾	\$ 2,334	\$ 2,084
Audit Related Fees ⁽²⁾	174	-
Tax Fees ⁽³⁾	19	33
All Other Fees ⁽⁴⁾	406	-
Total Fees Paid	\$ 2,933	\$ 2,117

- (1) Fees for audit service, interim reviews and fees related to the IPO. In addition, KPMG LLP has performed statutory audit and review engagements for certain of the Company’s subsidiaries as well as advised the Company on the implications of certain accounting pronouncements.
- (2) Audit-related fees are primarily fees and costs related to internal controls over financial reporting.
- (3) Fees for tax compliance, tax advice, including transfer pricing assistance, and tax planning.
- (4) All other fees not included above.

The Audit Committee Charter provides that the Audit Committee must pre-approve the retaining of the auditors for any non-audit service. The Audit Committee may delegate to one or more members the authority to pre-approve the retaining of the auditors for any non-audit service to the extent permitted by law, but pre-approval by such member or members so delegated must be presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

We are not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against us, nor have we entered into any settlement agreements before a court or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Annual Information Form, there are no material interests, direct or indirect, of any of our directors or executive officers, any person or company that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

PROMOTER

Dr. Andrew Benedek and Dr. Diana Mourato Benedek have each been considered a promoter of the Company in accordance with applicable securities legislation within the two most recently completed financial years of the Company. As of December 31, 2021, Dr. Andrew Benedek, the Principal Shareholder, owned or controlled 100% of the issued and outstanding Multiple Voting Shares, which represented approximately 55% of our total issued and outstanding Shares and 83% of the voting power attached to all of the Shares. The Principal Shareholder also benefits from the rights afforded under the Principal Shareholder Agreement as set out in this Annual Information Form under the heading “Material Contracts—Principal Shareholder Agreement”.

AUDITOR, TRANSFER AGENT AND REGISTRAR

KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 115 King Street South, Suite 200, Waterloo, Ontario N2J 5A3, is our auditor and has confirmed that it is independent of us within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

The transfer agent and registrar for the Shares is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts of the Company that are in effect (other than certain agreements entered into in the ordinary course of business). The summaries describe the material attributes of each of the material contracts and are subject to, and qualified in their entirety by reference to, the provisions of that agreement, which contains a complete statement of those attributes and characteristics, copies of which have been filed with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com, under our profile. Investors are encouraged to read the full text of such material agreements.

- (a) the Coattail Agreement; and
- (b) the Principal Shareholders Agreement.

Coattail Agreement

The Principal Shareholder is party to a customary coattail agreement with the Company and TSX Trust Company (the “Coattail Agreement”) designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting

Shares will be entitled to participate on an equal footing with the holder of Multiple Voting Shares. The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement will not apply to prevent a sale by the Principal Shareholder or a Permitted Holder of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- (a) offers a price per Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Multiple Voting Shares;
- (b) provides that the percentage of issued and outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- (d) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares by the Principal Shareholder to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would constitute an exempt take-over bid (as defined in applicable securities legislation). The conversion of Multiple Voting Shares into Subordinate Voting Shares, whether or not such Subordinate Voting Shares are subsequently sold, would not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement is conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on the Company or holders of Subordinate Voting Shares providing such funds and indemnity as the trustee may reasonably require. No holder of Subordinate Voting Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the issued and outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of Subordinate Voting Shares, the Coattail Agreement provides that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held by the Principal Shareholder or their affiliates and any persons who have an agreement to purchase Multiple Voting Shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby. Non-material amendments and waivers that do not adversely affect the interests of holders of Subordinate Voting Shares are subject to the approval of the TSX, but shall not require approval of holders of Subordinate Voting Shares.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Principal Shareholders Agreement

The Company has entered into an agreement (the “**Principal Shareholders Agreement**”) with the Principal Shareholder and Emerson Collective Investments, LLC (“**Emerson**”).

Governance Provisions

The Principal Shareholders Agreement provides that the Principal Shareholder (including its permitted transferees) is initially be entitled to nominate the greater of 50% of our directors (rounded up to the next whole member) and four nominees (provided that at least two nominees must be independent within the meaning of section 1.4 of NI 52-110) and will continue to be entitled to nominate such number of our directors for so long as the Principal Shareholder (including its permitted transferees) owns, controls or directs at least 40% of the voting power attached to all of our outstanding Shares (on a non-diluted basis), provided that this number of nominees will be reduced:

- (a) to the greater of 40% of our directors (rounded up to the next whole member) and three nominees (provided that at least two nominees must be independent within the meaning of section 1.4 of NI 52-110) once the Principal Shareholder (including its permitted transferees) owns, controls or directs at least 30% of the voting power attached to all of our outstanding Shares (on a non-diluted basis);
- (b) to the greater of 30% of our directors (rounded up to the next whole member) and two nominees (provided that at least one nominee must be independent within the meaning of section 1.4 of NI 52-110) once the Principal Shareholder (including its permitted transferees) owns, controls or directs at least 20% of the voting power attached to all of our outstanding Shares (on a non-diluted basis);
- (c) to the greater of 20% of our directors (rounded up to the next whole member) and one nominee once the Principal Shareholder (including its permitted transferees) owns, controls or directs at least 10% of the voting power attached to all of our outstanding Shares (on a non-diluted basis); and
- (d) to none of our directors once the Principal Shareholder (including its permitted transferees) owns, controls or directs less than 10% of the voting power attached to our outstanding Shares (on a non-diluted basis).

The Principal Shareholder will provide the names and biographical and other prescribed information concerning its Board nominees to us at least 75 days prior to a meeting of shareholders at which directors are to be elected. The GCN Committee and the incumbent Board will review the information provided and meet with a nominee, as required, and will consider the nomination based upon the same criteria that are applied generally to all other nominees. If either the GCN Committee or the Board does not approve a nominee, which approval shall not be unreasonably conditioned, withheld or delayed, that decision will be communicated to the Principal Shareholder at least 50 days prior to the meeting, and the Principal Shareholder will then have the right to, at least 40 days before the shareholders meeting, designate an alternative nominee in accordance with the foregoing procedures.

A quorum at a meeting of the Board consists of a majority of the directors then holding office, including at least one director nominated by the Principal Shareholder. If a meeting of the Board is adjourned for lack of quorum, it will be reconvened one week later (or at such other date, time and place as the directors in attendance determine), and the directors then present at the reconvened meeting will constitute a quorum.

The Board may establish committees, which shall initially be the Audit Committee and the GCN Committee. Subject to the independence requirements of applicable securities laws, each committee shall include at least one director nominated by the Principal Shareholder, and quorum at committee meetings will consist of a majority of the committee’s members, including at least one director nominated by the Principal Shareholder.

Principal Shareholder Registration Rights

The Principal Shareholders Agreement provides the Principal Shareholder (including its permitted transferees) with the right (the “**Principal Shareholder Piggy-Back Registration Right**”) to require Anaergia to include Subordinate Voting Shares (including those issuable upon the conversion of any Multiple Voting Shares) held by the Principal Shareholder (including its permitted transferees) in any future public offering undertaken by Anaergia by way of

prospectus that it may file with applicable Canadian securities regulatory authorities (a “**Principal Shareholder Piggy-Back Distribution**”). Anaergia will be required to use reasonable commercial efforts to cause to be included in the distribution all of the Subordinate Voting Shares (including those issuable upon the conversion of any Multiple Voting Shares) that the Principal Shareholder requests to be sold, provided that if the distribution involves an underwriting and the lead underwriter determines that the total number of Subordinate Voting Shares to be included in such distribution should be limited for certain prescribed reasons, the Subordinate Voting Shares to be included in the distribution will be first allocated to Anaergia.

In addition, the Principal Shareholders Agreement provides the Principal Shareholder (including its permitted transferees) with the right (the “**Demand Registration Right**”) to require Anaergia to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities qualifying Subordinate Voting Shares (including those issuable upon the conversion of any Multiple Voting Shares) held or controlled by the Principal Shareholder for public distribution (a “**Demand Distribution**”). The Principal Shareholder will be entitled to request not more than one Demand Distribution in any six month period and each Demand Distribution must be comprised of such number of Subordinate Voting Shares that would reasonably be expected to result in aggregate gross proceeds of at least \$20 million. Anaergia may also distribute its Subordinate Voting Shares in connection with a Demand Distribution; provided that, if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Subordinate Voting Shares to be included in such Demand Distribution should be limited for certain prescribed reasons, the Subordinate Voting Shares to be included in the Demand Distribution will be first allocated to the Principal Shareholder in full. Any distribution contemplated by a Demand Distribution will be through underwriters selected by the Principal Shareholder in consultation with Anaergia.

Each of the Principal Shareholder Piggy-Back Registration Right and the Demand Registration Right is exercisable at any time, provided that the Principal Shareholder (including its permitted transferees), owns, controls or directs, in the aggregate, at least 5% of our outstanding Shares (on a fully diluted basis) at the time of exercise. The Principal Shareholder Piggy-Back Registration Right and the Demand Registration Right are subject to customary conditions and limitations, and Anaergia is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. All expenses in respect of a Principal Shareholder Piggy-Back Distribution or a Demand Distribution will be borne by Anaergia, except that any underwriting fee on the sale of Subordinate Voting Shares by the Principal Shareholder (including its permitted transferees), the fees and disbursements of counsel for the Principal Shareholder (including its permitted transferees) and any other all out of pocket expenses incidental of the Principal Shareholder (including its permitted transferees) will be borne by Principal Shareholder. The Principal Shareholders Agreement provides that Anaergia will indemnify the Principal Shareholder (including its permitted transferees) for any misrepresentation in a prospectus under which Subordinate Voting Shares held by the Principal Shareholder are distributed (other than in respect of any information provided by the Principal Shareholder, in respect of the Principal Shareholder, for inclusion in the prospectus) and the Principal Shareholder will indemnify Anaergia for any information provided by the Principal Shareholder, in respect of the Principal Shareholder, for inclusion in the prospectus. These registration rights do not, in any circumstance, require Anaergia to register Shares under the U.S. Securities Act.

Emerson Registration Rights

The Principal Shareholders Agreement provides Emerson (including its permitted transferees) with the right (the “**Emerson Piggy-Back Registration Right**”) to require Anaergia to include Subordinate Voting Shares held by Emerson (including its permitted transferees) in any future public offering undertaken by Anaergia (either on its own behalf or as a result of a Demand Distribution initiated by the Principal Shareholder) by way of prospectus that it may file with applicable Canadian securities regulatory authorities (an “**Emerson Piggy-Back Distribution**”). Anaergia is required to use reasonable commercial efforts to cause to be included in the distribution all of the Subordinate Voting Shares that Emerson requests to be sold, provided that if the distribution (i) does not originate from a Demand Distribution initiated by the Principal Shareholder, and (ii) involves an underwriting and the lead underwriter determines that the total number of Subordinate Voting Shares to be included in such distribution should be limited for certain prescribed reasons, the Subordinate Voting Shares to be included in the distribution will be allocated first to Anaergia in full, and second (A) if the Principal Shareholder Piggy-Back Registration Right was also exercised in connection with the same distribution, then the remaining number of Subordinate Voting Shares that may be included in the distribution shall be allocated among the Principal Shareholder and Emerson on a *pro rata* basis or in such other proportion as shall be mutually agreed to by all such selling parties, or (B) if no Principal Shareholder Piggy-Back

Registration Right was exercised by a Principal Shareholder in connection with the same distribution, then the remaining number of Subordinate Voting Shares that may be included in the distribution shall be allocated to Emerson. If, however, Emerson exercises a Emerson Piggy-Back Registration Right in respect of a distribution that originated from a Demand Distribution initiated by the Principal Shareholder, and such distribution involves an underwriting and the lead underwriter determines that the total number of Subordinate Voting Shares to be included in such distribution should be limited for certain prescribed reasons, the Subordinate Voting Shares to be included in the distribution will be first allocated among the Principal Shareholder and Emerson on a *pro rata* basis, or in such other proportion as shall be mutually agreed to by such parties and Anaergia shall not be entitled to participate in the distribution unless the total number of Subordinate Voting Shares to be included in the distribution would satisfy, in full, the Subordinate Voting Shares of the Principal Shareholder and Emerson requested to be included in the distribution, in which case Anaergia shall be entitled to participate in the distribution in an amount not to exceed the difference between (i) the aggregate number of Subordinate Voting Shares to be sold by the Principal Shareholder and Emerson in the distribution, and (ii) the maximum number of Shares that the lead underwriter has determined should be included in such distribution.

The Emerson Piggy-Back Registration is exercisable at any time, provided that Emerson (including its permitted transferees) owns, controls or directs at least 5% of our outstanding Shares (on a fully diluted basis) at the time of exercise. All expenses in respect of a Emerson Piggy-Back Distribution in respect of a public offering initiated by the Principal Shareholder or Anaergia, as the case may be, including, without limitation, expenses payable in connection with the qualification of the Shares, the fees and expenses of counsel and auditors and all costs incurred in connection with the preparation, translation, printing and delivery, will be borne by Anaergia (except for any underwriting fee on the sale of Subordinate Voting Shares by the Principal Shareholder (including its permitted transferees) and Emerson (including its permitted transferees) which shall be borne by the Principal Shareholder and Emerson on a *pro rata* basis based on the proportion of Subordinate Voting Shares sold by each and the fees and disbursements of counsel for the Principal Shareholder (including its permitted transferees) and Emerson (including its permitted transferees) and any other all out of pocket expenses incidental of the Principal Shareholder (including its permitted transferees) and Emerson (including its permitted transferees), as the case may be, shall be borne by the Principal Shareholder or Emerson, as applicable). The Principal Shareholders Agreement provides that Anaergia will indemnify Emerson (including its permitted transferees) for any misrepresentation in a prospectus under which Subordinate Voting Shares held by Emerson are distributed (other than in respect of any information provided by Emerson, in respect of Emerson, for inclusion in the prospectus) and Emerson will indemnify Anaergia for any information provided by Emerson, in respect of Emerson, for inclusion in the prospectus. In the event that the Principal Shareholder is also participating in the distribution, the Principal Shareholder and Emerson will indemnify one another for any misrepresentation in the applicable prospectus with respect to information related solely to the applicable party and furnished to Anaergia for use in the prospectus. These registration rights do not, in any circumstance, require Anaergia to register Shares under the U.S. Securities Act.

Term

The rights to be afforded to the Principal Shareholder and Emerson under the Principal Shareholders Agreement will terminate in respect of the particular shareholder as of the first date upon which such shareholder (including its permitted transferees) ceases to own, control or direct at least 5% of our issued and outstanding Shares (on a fully diluted basis). In addition, the Principal Shareholders Agreement will terminate on the earlier of: (a) the date on which the Principal Shareholders Agreement is terminated by written agreement of the Principal Shareholder, Emerson and us; and (b) our dissolution or liquidation.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's management information circular for the 2022 annual meeting of our shareholders. Additional financial information is also provided in the Company's audited annual consolidated financial statements and management's discussion and analysis of our financial condition and results of operations for our most recently completed fiscal year ended December 31, 2021. Such documentation, as well as additional information relating to the Company, may be found under the Company's profile on SEDAR at www.sedar.com.

APPENDIX A: AUDIT COMMITTEE CHARTER

1. Statement of Purpose

The Audit Committee (the “**Committee**”) of Anaergia Inc. (“**Anaergia**”) has been established by the Board of Directors of Anaergia (the “**Board**”) for the purpose of overseeing the accounting and financial reporting processes of Anaergia, including the audit of the financial statements of Anaergia.

The Committee is responsible for assisting with the Board’s oversight of (1) the quality and integrity of Anaergia’s financial statements and related disclosure, (2) Anaergia’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications, performance and independence and (4) the integrity of the internal controls at Anaergia.

2. Committee Membership

Members

The Committee will consist of as many members of the Board as the Board may determine but, in any event, not less than three members, a majority of whom shall be resident Canadians. Members of the Committee will be appointed by the Board, taking into account any recommendation that may be made by the GCN Committee. Any member of the Committee may be removed and replaced at any time by the Board, and will automatically cease to be a member if he or she ceases to meet the qualifications set out below. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board, taking into account any recommendation that may be made by the GCN Committee. If a vacancy exists, the remaining members of the Committee may exercise all of its powers so long as there is a quorum and subject to any legal requirements regarding the minimum number of members of the Committee.

Chair

Each year, the Board will designate one of the members of the Committee to be the Chair of the Committee, taking into account any recommendation that may be made by the GCN Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. The Board will adopt and approve a position description for the Chair which sets out his or her role and responsibilities.

Qualifications

All of the members of the Committee shall be selected based upon the following, to the extent that the following are required under the applicable law: (i) each member shall be an independent Director; and (ii) each member shall be financially literate. For the purpose of this Charter, the terms “independent” and “financially literate” shall have the meanings attributed thereto in National Instrument 52-110 – *Audit Committees*, as the same may be amended from time to time.

Tenure

Each member of the Committee shall hold office until his or her term as a member of the Committee expires or is terminated.

Ex Officio Members and Management Attendance

The Committee may invite, at its discretion, members of management to attend any meetings of the Committee. Any member of management will attend a Committee meeting if invited by the Committee. The Chair, if not already a member of the Committee, will be entitled to attend each meeting of the Committee as an observer.

3. Committee Operations

Frequency of Meetings

The Chair, in consultation with the other members of the Committee, will determine the schedule and frequency of meetings of the Committee, provided that the Committee will meet at least once per quarter.

Agenda and Reporting to the Board

The Chair will establish the agenda for meetings in consultation with the other members of the Committee and the Chair of the Board. To the maximum extent possible, the agenda and meeting materials will be circulated to the members in advance to ensure sufficient time for study prior to the meeting. The Committee will report to the Board at the next meeting of the Board following each Committee meeting.

Minutes

Regular minutes of Committee proceedings will be kept and will be circulated to all Committee members and the Chair of the Board (and to any other director that requests that they be sent to him or her) on a timely basis for review and approval.

Quorum

A quorum at any meeting will be a simple majority.

Procedure

The procedure at meetings will be determined by the Committee.

Transaction of Business

The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all members of the Committee.

Absence of Chair

In the absence of the Chair, the Committee may appoint one of its other members to act as Chair of that meeting.

Exercise of Power Between Meetings

Between meetings, and subject to any applicable law, the Chair of the Committee, or any member of the Committee designated for this purpose, may, if required in the circumstance, exercise any power delegated by the Committee. The Chair or other designated member will promptly report to the other Committee members in any case in which this interim power is exercised.

4. Committee Duties and Responsibilities

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board and performing any other functions that may be necessary or appropriate for the performance of its duties.

Independent Auditor's Qualifications and Independence

- (a) The Committee must recommend to the Board at all appropriate times the independent auditor to be nominated or appointed for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Anaergia and approve the compensation to be paid to the independent auditor.

- (b) The Committee is directly responsible for overseeing the work of the independent auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Anaergia, including the resolution of disagreements between management and the independent auditor regarding financial reporting. The independent auditor will report directly to the Committee and the Committee will evaluate and be responsible for Anaergia's relationship with the independent auditor.
- (c) The Committee must pre-approve any permitted non-audit services to be provided by the independent auditor to Anaergia or its subsidiaries, provided that no approval will be provided for any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. The Committee may delegate to one or more of its members the authority to pre-approve those permitted non-audit services provided that any such pre-approval must be presented to the Committee at its next meeting and that the Committee may not delegate pre-approval of any non-audit internal control related services. The Committee may also adopt specific policies and procedures relating to pre-approval of permitted non-audit services to satisfy the pre-approval requirement provided that the procedures are detailed as to the specific service, the Committee is informed of each non-audit service and the procedures do not include the delegation of the Committee's responsibilities to management or pre-approval of non-audit internal control related services. The Committee will review with the lead audit partner whether any of the audit team members receive any discretionary compensation from the audit firm with respect to non-audit services performed by the independent auditor.
- (d) The Committee will obtain and review with the lead audit partner and a more senior representative of the independent auditor, annually or more frequently as the Committee considers appropriate, a report by the independent auditor describing: (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry, review or investigation by governmental, professional or other regulatory authorities, within the preceding five years, respecting independent audits carried out by the independent auditor, and any steps taken to deal with these issues; and (c) in order to assess the independent auditor's independence, all relationships between the independent auditor and Anaergia and the independent auditor's objectivity and independence in accordance with the rules, policies and standards applicable to auditors.
- (e) After reviewing the report referred to above and the independent auditor's performance throughout the year, the Committee will evaluate the independent auditor's qualifications, performance and independence. The evaluation will include a review and evaluation of the lead partner of the independent auditor. In making its evaluation, the Committee will take into account the opinions of management and Anaergia's internal auditors (or other personnel responsible for the internal audit function). The Committee will also consider whether, in order to assure continuing auditor independence, there should be a rotation of the audit firm itself. The Committee will present its conclusions to the Board.
- (f) The Committee will review with the Board any issues that arise with respect to the performance and independence of the independent auditor and, where issues arise, make recommendations about whether Anaergia should continue with that independent auditor.
- (g) The Committee has the responsibility for approving the independent auditor's fees. In approving the independent auditor's fees, the Committee should consider, among other things, the number and nature of reports issued by the independent auditor, the quality of the internal controls, the impact of the size, complexity and financial condition of Anaergia on the audit work plan, and the extent of internal audit and other support provided by Anaergia to the independent auditor.
- (h) The Committee will ensure the regular rotation of members of the independent auditor's team as required by law.

- (i) The Committee will establish hiring policies for employees and former employees of its independent auditor.

Financial Statements and Financial Review

- (a) The Committee will review the annual audited financial statements and quarterly financial statements with management and the independent auditor, including MD&A, before their release and their filing with securities regulatory authorities. The Committee will also review all news releases relating to annual and interim financial results prior to their public release. The Committee will also consider, establish, and periodically review policies with respect to the release or distribution of any other financial information, including earnings guidance and any financial information provided to ratings agencies and analysts, and review that information prior to its release.
- (b) The Committee will review all other financial statements of Anaergia that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities. The Committee will review the Annual Information Form and Management Proxy Circular of Anaergia prior to its filing.
- (c) The Committee will meet separately and periodically with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditor.
- (d) The Committee will oversee management's design and implementation of an adequate and effective system of internal controls at Anaergia, including ensuring adequate internal audit functions. The Committee will review the processes for complying with internal control reporting and certification requirements and for evaluating the adequacy and effectiveness of specified controls. The Committee will review the annual and interim conclusions of the effectiveness of Anaergia's disclosure controls and procedures and internal controls and procedures (including the independent auditor's attestation that is required to be filed with securities regulators).
- (e) The Committee will review with management and the independent auditor: (A) major issues regarding accounting principles and financial statement presentations, including critical accounting principles and practices used and any significant changes to Anaergia's selection or application of accounting principles, and major issues as to the adequacy of Anaergia's internal controls and any special audit steps adopted in light of material control deficiencies; (B) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative IFRS methods on the financial statements of Anaergia and the treatment preferred by the independent auditor; (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of Anaergia; and (D) the type and presentation of information to be included in earnings press releases (including any use of "pro forma" or "adjusted" non-IFRS information).
- (f) The Committee will regularly review with the independent auditor any difficulties the auditor encountered in the course of its audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. The Committee will also review with the independent auditor any material communications with the independent auditor, including any management letter or schedule of unadjusted differences.
- (g) The Committee will review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on Anaergia's financial statements.

- (h) The Committee will review with management and the independent auditor the scope, planning and staffing of the proposed audit for the current year. The Committee will also review the organization, responsibilities, plans, results, budget and staffing of the internal audit departments. In addition, management of Anaergia's subsidiaries will consult with the Committee, on the appointment, replacement, reassignment or dismissal of personnel in the respective internal audit departments.
- (i) The Committee will meet with management to discuss guidelines and policies governing the process by which Anaergia and its subsidiaries assess and manage exposure to risk and to discuss Anaergia's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (j) The Committee will review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on Anaergia and any material reports or inquiries from regulatory or governmental agencies.
- (k) The Committee will review with the Board any issues that arise with respect to the quality or integrity of Anaergia's financial statements, compliance with legal or regulatory requirements, or the performance of the internal audit function.

Additional Oversight

- (a) The Committee will establish procedures for (a) the receipt, retention and treatment of complaints received by Anaergia regarding accounting, internal accounting controls, auditing matters or potential violations of law and (b) the confidential, anonymous submission by employees of Anaergia of concerns regarding questionable accounting, internal accounting controls or auditing matters or potential violations of law. This will include the establishment of a whistleblower policy.
- (b) The Committee will annually review the expenses of the CEO and the CFO.

5. Access to Advisors

The Committee may, in its sole discretion, retain counsel, auditors or other advisors in connection with the execution of its duties and responsibilities and may determine the fees of any advisors so retained. Anaergia will provide the Committee with appropriate funding for payment of compensation to such counsel, auditors or other advisors and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6. The Committee Chair

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for monitoring developments with respect to financial reporting in general, and reporting to the Committee on any significant developments.

7. Committee Evaluation

The performance of the Committee will be evaluated by the GCN Committee as part of its annual evaluation of the Board committee.