# Anaergia Inc.

Condensed Consolidated Interim Financial Statements
(Unaudited)
(in thousands of Canadian dollars)

## ANAERGIA INC.

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2023 and December 31, 2022
All amounts in thousands of Canadian dollars, Unaudited

| | Notes | September 30, 2023 | December 31, 2022 |
|---|---|---|---|
| | | $ | $ |
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 28,240 | 55,378 |
| Restricted cash | | 23,774 | 23,402 |
| Trade receivables | | 34,586 | 39,410 |
| Contract assets | | 37,078 | 52,190 |
| Prepaid expenses | | 2,639 | 2,503 |
| Inventories | | 8,577 | 10,068 |
| Other current assets and sales tax recoverable | | 9,507 | 22,319 |
| **Total current assets** | | **144,401** | **205,270** |
| | | | |
| **Non-current assets** | | | |
| Restricted cash | 11 | 1,458 | 16,469 |
| Property, plant and equipment, net | 8 | 151,661 | 504,663 |
| Intangible assets, net | 8 | 2,595 | 19,428 |
| Equity-accounted investees | 7 | 12,158 | 21,771 |
| Deferred tax assets | | 1,090 | — |
| Long-term contract assets | | — | 33,707 |
| Loans and investments | 9 | 11,512 | 133,797 |
| **Total non-current assets** | | **180,474** | **729,835** |
| | | | |
| **Total assets** | | **324,875** | **935,105** |

*See notes to the condensed consolidated interim financial statements.*

## ANAERGIA INC.

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2023 and December 31, 2022
All amounts in thousands of Canadian dollars, Unaudited

| | Notes | September 30, 2023 | December 31, 2022 |
|---|---|---|---|
| | | $ | $ |
| **Current liabilities** | | | |
| Line of credit | 10 | — | 5,451 |
| Accounts payable | | 45,401 | 70,916 |
| Accrued liabilities and provisions | | 53,639 | 59,587 |
| Taxes payables | | 6,202 | 7,949 |
| Current portion of deferred government grants | | 3,090 | 3,090 |
| Current portion of contract liabilities | | 15,007 | 11,776 |
| Current portion of lease liabilities | | 1,362 | 1,157 |
| Current portion of long-term debt | 11 | 3,643 | 11,817 |
| **Total current liabilities** | | **128,344** | **171,743** |
| | | | |
| **Non-current liabilities** | | | |
| Long-term debt | 11 | 59,285 | 344,385 |
| Lease liabilities | | 9,269 | 14,836 |
| Deferred tax liabilities | | — | 6,541 |
| Long-term portion of deferred government grants | | 5,787 | 46,214 |
| Long-term portion of contract liabilities | | 3,934 | 3,427 |
| Asset retirement obligation | | 2,362 | 5,819 |
| **Total non-current liabilities** | | **80,637** | **421,222** |
| | | | |
| **Total liabilities** | | **208,981** | **592,965** |
| | | | |
| **SHAREHOLDERS' EQUITY** | | | |
| Non-controlling interests | 12 | 70,544 | 133,303 |
| | | | |
| Issued capital | | 397,256 | 397,246 |
| Preferred Capital in a subsidiary | | 67,389 | 47,678 |
| Contributed surplus | | 8,046 | 6,700 |
| Deficit | | (441,131) | (257,801) |
| Accumulated other comprehensive income | | 13,790 | 15,014 |
| **Total equity** | | **115,894** | **342,140** |
| | | | |
| **Total liabilities and equity** | | **324,875** | **935,105** |

Commitments and contingencies (Note 14)
Subsequent events (Note 18)

*See notes to the condensed consolidated interim financial statements.*

On behalf of the board:

/s/ Andrew Benedek Director /s/ Douglas Fridrik Parkhill Director

# ANAERGIA INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the three months and nine months ended September 30, 2023 and 2022

All amounts in thousands of Canadian dollars, except per share amounts, Unaudited

| | Notes | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 (restated - Note 2) | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 (restated - Note 2) |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| Revenue | 15 | 33,952 | 45,027 | 113,065 | 122,961 |
| Cost of sales | | 26,604 | 35,146 | 98,743 | 97,821 |
| **Gross profit** | | **7,348** | **9,881** | **14,322** | **25,140** |
| Selling and general administrative expenses | | 20,712 | 12,162 | 62,560 | 35,400 |
| Research and development expenses | | 98 | 392 | 1,676 | 1,472 |
| Grant income | | (135) | (54) | (439) | (219) |
| Operating expenses | | 20,675 | 12,500 | 63,797 | 36,653 |
| **Loss from operations** | | **(13,327)** | **(2,619)** | **(49,475)** | **(11,513)** |
| Gain / loss on embedded derivative | | — | 807 | (7,953) | (19,000) |
| Remeasurement of previously held interest in Bioener | 4 | — | — | — | 3,324 |
| Loss on deconsolidation of Rialto | 5 | (1,814) | — | (39,719) | — |
| Gain on disposal of ITA | 5 | 665 | — | 665 | — |
| Impairment of Fibracast | 7 | (6,648) | — | (6,648) | |
| Expected credit loss on loans receivable from related parties | 9 | (863) | — | (60,236) | — |
| (Loss) gain on sale of Tonder | 5 | (188) | — | 10,063 | — |
| Impairment loss | 8 | — | — | (3,391) | — |
| Share of loss in equity-accounted investees | 7 | (4,237) | (1,158) | (5,961) | (4,624) |
| Other (loss) gain | | (1,635) | 456 | (3,569) | 464 |
| Finance costs | | (3,736) | (170) | (2,585) | (177) |
| Foreign exchange (loss) gain | | (683) | 775 | 719 | 380 |
| | | (19,139) | 710 | (118,615) | (19,633) |
| **Loss before income taxes** | | **(32,466)** | **(1,909)** | **(168,090)** | **(31,146)** |
| Income tax benefit (expense) | | 1,898 | (2,362) | 6,480 | (5,912) |
| **Net loss** | | **(30,568)** | **(4,271)** | **(161,610)** | **(37,058)** |
| **Item that may be reclassified back to profit or loss in future periods** | | | | | |
| Exchange difference on translation of foreign operations | | 3,243 | 5,105 | (441) | (2,661) |
| **Total comprehensive (loss) income** | | **(27,325)** | **834** | **(162,051)** | **(39,719)** |
| **Net (loss) income attributable to:** | | | | | |
| Shareholders | | (31,970) | (4,246) | (156,324) | (26,818) |
| Non-controlling interests | | 1,402 | (25) | (5,286) | (10,240) |
| | | **(30,568)** | **(4,271)** | **(161,610)** | **(37,058)** |
| **Total comprehensive (loss) income attributable to:** | | | | | |
| Shareholders | | (28,996) | (1,121) | (156,438) | (31,682) |
| Non-controlling interests | | 1,671 | 1,955 | (5,613) | (8,037) |
| | | **(27,325)** | **834** | **(162,051)** | **(39,719)** |
| **Basic and diluted loss per share** | 16 | **(0.48)** | **(0.07)** | **(2.42)** | **(0.27)** |

*See notes to the condensed consolidated interim financial statements.*

## ANAERGIA INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2023 and 2022

All amounts in thousands of Canadian dollars, Unaudited

| | Issued Share Capital | Preferred Capital | Deficit | Accumulated Other Comprehensive Income (Loss) - Currency Translation Reserve | Contributed Surplus | Total | Non-controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **As at January 1, 2023** | 397,246 | 47,678 | (257,801) | 15,014 | 6,700 | 208,837 | 133,303 | 342,140 |
| Net loss | — | — | (156,324) | — | — | (156,324) | (5,286) | (161,610) |
| Other comprehensive loss | — | — | — | (114) | — | (114) | (327) | (441) |
| Total comprehensive loss | — | — | (156,324) | (114) | — | (156,438) | (5,613) | (162,051) |
| Other comprehensive income (loss) - Disposals (Note 5) | — | — | — | (846) | — | (846) | — | (846) |
| Bioener acquisition NCI (Note 4) | — | — | — | — | — | — | 1,592 | 1,592 |
| Issuance of preferred capital (Anaergia Bioenergy Facilities, Note 12) | — | 19,711 | — | — | — | 19,711 | — | 19,711 |
| Exercise of stock options (Note 13) | 10 | — | — | — | — | 10 | — | 10 |
| Profit sharing arrangement - (Anaergia Bioenergy Facilities, Note 12) | — | — | (22,158) | (898) | — | (23,056) | 23,056 | — |
| Profit sharing arrangement - (Rialto, Note 12) | — | — | (4,848) | 634 | — | (4,214) | 4,214 | — |
| Deconsolidation of Rialto (Note 5 and 12) | — | — | — | — | — | — | (79,632) | (79,632) |
| Disposal of ITA (Note 5) | — | — | — | — | — | — | (6,376) | (6,376) |
| Share based compensation (Note 13) | — | — | — | — | 1,346 | 1,346 | — | 1,346 |
| **As at September 30, 2023** | **397,256** | **67,389** | **(441,131)** | **13,790** | **8,046** | **45,350** | **70,544** | **115,894** |

*See notes to the condensed consolidated interim financial statements.*

## ANAERGIA INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2023 and 2022

All amounts in thousands of Canadian dollars, Unaudited

| | Issued Share Capital | Preferred Capital | Deficit (restated - Note 2) | Accumulated Other Comprehensive Income (Loss) - Currency Translation Reserve | Contributed Surplus | Total (restated - Note 2) | Non-controlling Interests (restated - Note 2) | Total Equity (restated - Note2) |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **As at January 1, 2022** | 340,567 | 23,679 | (175,885) | 9,800 | 5,365 | 203,526 | 119,870 | 323,396 |
| Net loss | — | — | (26,818) | — | — | (26,818) | (10,240) | (37,058) |
| Other comprehensive income (loss) | — | — | — | (4,865) | — | (4,865) | 2,204 | (2,661) |
| Total comprehensive loss | — | — | (26,818) | (4,865) | — | (31,683) | (8,036) | (39,719) |
| Transaction costs (Note 12) | — | — | (4,125) | — | — | (4,125) | — | (4,125) |
| Issuance of preferred capital (SoCal Biomethane, Note 12) | — | 888 | (938) | — | — | (50) | 938 | 888 |
| Issuance of preferred capital (Charlotte Bioenergy Facility, Note 12) | — | 13,628 | (12,888) | — | — | 740 | 12,888 | 13,628 |
| Issuance of non-controlling interest in Bioener (Note 4) | — | — | — | — | — | — | 4,837 | 4,837 |
| Exercise of stock options (Note 13) | 3 | — | — | — | — | 3 | — | 3 |
| Subordinate voting shares issued (Note 12), net of transaction costs | 56,675 | — | — | — | — | 56,675 | — | 56,675 |
| Profit sharing arrangement - Rialto (Note 12) | — | — | 12,140 | (2,294) | — | 9,846 | (9,846) | — |
| Share based compensation (Note 13) | — | — | — | — | 827 | 827 | — | 827 |
| **As at September 30, 2022** | **397,245** | **38,195** | **(208,514)** | **2,641** | **6,192** | **235,759** | **120,651** | **356,410** |

*See notes to the condensed consolidated interim financial statements.*

## ANAERGIA INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2023 and 2022
All amounts in thousands of Canadian dollars, Unaudited

| | Notes | Nine Months Ended September 30, 2023 | 2022 (restated - Note2) |
|---|---|---|---|
| | | $ | $ |
| **OPERATING ACTIVITIES** | | | |
| Net loss | | **(161,610)** | **(37,058)** |
| **Adjustments for the following non-cash items:** | | | |
| Depreciation and amortization | 8 | 4,782 | 2,687 |
| Income tax (benefit) expense | | (6,480) | 5,912 |
| Finance costs | | 2,585 | 177 |
| Share based compensation expense | 13 | 1,346 | 827 |
| Impairment of Fibracast | 7 | 6,648 | — |
| Remeasurement of previously held interest in Bioener | 4 | — | (3,324) |
| Loss on embedded derivative | 6 | 7,953 | 19,000 |
| Gain on disposition of Tonder | 5 | (10,063) | — |
| Loss on deconsolidation of Rialto | 5 | 39,719 | — |
| Gain on disposition of ITA | 5 | (665) | — |
| Expected credit loss on loans receivable from related parties | 9 | 60,236 | — |
| Impairment loss | 8 | 3,391 | — |
| Share of loss from equity-accounted investees | 7 | 5,961 | 4,624 |
| Government grant income | | (439) | (219) |
| Other losses | | 3,569 | — |
| Net change in operating assets and liabilities | 17 | (15,605) | (5,802) |
| Taxes paid | | (349) | (1,775) |
| **Cash used by operating activities** | | **(59,021)** | **(14,951)** |
| **INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | (63,530) | (87,854) |
| Borrowing costs paid for plant under construction | | — | (5,401) |
| Investment in intangible assets | | (295) | (807) |
| Investment in long term assets | | (33,291) | (40,170) |
| Proceeds from sale of Tonder, net of transaction costs | 5 | 70,659 | — |
| Payment for disposal of ITA | | (2,188) | — |
| Investment in equity accounted investees | | — | (2,154) |
| **Cash used by investing activities** | | **(28,645)** | **(136,386)** |
| **FINANCING ACTIVITIES** | | | |
| Restricted cash utilization / (funding) | | (7,251) | (9,676) |
| Proceeds from exercise of stock options | | 10 | — |
| Proceeds from issuance of share capital | | — | 55,928 |
| Proceeds from grant funding | | 4,405 | 4,324 |
| Proceeds from issuance of preferred capital in a subsidiary | 12 | 19,711 | 14,516 |
| Transaction costs | | — | (7,450) |
| Proceeds from borrowings | | 55,424 | 138,242 |
| Lease payments | | (1,575) | (1,465) |
| Payment of interest | | (1,168) | (6,164) |
| Repayment of debt | | (4,371) | (2,738) |
| Repayment of line of credit, net | | (4,694) | (21) |
| **Cash provided by financing activities** | | **60,491** | **185,496** |
| **Effect of exchange rate differences** | | **37** | **(3,568)** |
| **Net change in cash and cash equivalents during the period** | | **(27,138)** | **30,591** |
| **Cash and cash equivalents, beginning of period** | | **55,378** | **79,317** |
| **Cash and cash equivalents, end of period** | | **28,240** | **109,908** |

*See notes to the consolidated financial statements.*

### 1. Corporate information

Anaergia Inc. (the "Company" or "Anaergia") is domiciled in Canada. The Company's registered office and headquarters is at 4210 South Service Rd., Burlington, ON, L7L 4X5, Canada. The condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group has entities located throughout North America, Asia, South Africa, and Europe. The Group is primarily involved in the generation of renewable energy from bio-gas through advanced anaerobic digestion of organic residues from municipal, agricultural, and industrial sources.

The Company was incorporated on September 3, 2010, under the Canada Business Corporations Act. On December 21, 2018, the Company was continued under the Business Corporations Act (British Columbia). The Company is controlled by Dr. Andrew Benedek.

The condensed consolidated interim financial statements of the Company were authorized for issue on November 13, 2023, by the Board of Directors of the Company.

***Recent Developments***

As discussed further in Note 5, on February 22, 2023, the Company announced the sale of Envo Biogas, an anaerobic digestion facility in Tønder, Denmark. The disposition supports the strategic decision to increase investments in new and existing projects in other European countries, the "Tonder Transaction."

As discussed further in Note 5, on May 25, 2023, the Company's subsidiary Rialto Bioenergy Facility, LLC ("Rialto") filed for bankruptcy protection, a former controlled subsidiary of the Group. As previously disclosed, Rialto is an anaerobic digestion facility located in Rialto, California. The bankruptcy filing was entered into voluntarily to protect the cash reserves of the Company due to required interest payments and cash funding requirements of the former subsidiary.

During the second quarter and as announced in a press release dated July 17, 2023, the Company started the process of performing a strategic review and continues this process of evaluating the Company's Build-Own-Operate ("BOO") assets as part of the strategic review and determining if certain financing options are worth pursuing at this time to increase capital resources available to the remaining projects. The Company has determined, as part of its previously announced strategic review, in consultation with professional advisors, that certain projects have immediate requirements of additional capital to reach operations beyond amounts available to the Company under current lending facilities.

On July 3, 2023, the shareholders of WTE Holdings, S.r.L.("WTEH"), an equity method investee of the Company, met in a special meeting to remove the conditions that previously prevented the Company from having control of WTEH. WTEH wholly owns five BOO assets in Italy. On August 17, 2023, the Company entered into inter-related agreements with entities managed by Arjun Infrastructure Partners ("AIP") to immediately terminate its obligations relating to $144,830 in loan obligations owing to AIP, including with respect to a lender option to require purchase by the Company of associated loans for the six BOO assets in Italy (the "Projects") under conditions that include the failure to secure senior debt financing for particular Projects by a certain date, in exchange for the sale of approximately $55,000 in inter-company loans (as previously written off by the Company) and the equity interests in Anaergia ITA B.V.("ITA"), a former subsidiary of Anaergia that owns the Projects, to AIP (the "ITA Transaction").

***Liquidity***

These unaudited condensed consolidated interim financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the continuity of operations, realization of assets, and satisfaction of liabilities in the normal course of business. In connection with the preparation of the Company's unaudited condensed consolidated interim financial statements, the Company's management conducted an evaluation as to whether there were conditions and events, considered in the aggregate, that raised substantial doubt as to the Company's ability to continue as a going concern. As reflected in the Company's unaudited condensed consolidated interim financial statements, the Company had cash of $28,240 and an accumulated deficit of $441,131 as of September 30, 2023. The Company has generated a loss from operations of $49,475, negative operating cash flow of $59,021and a net loss of $161,610 for the nine months ended September 30, 2023.

The Company continues to institute its strategic review including the following plans, canceled loss-making revenue contracts, decreased headcount for discontinued projects and other non-essential positions, increased management's efforts to collect on older receivables, delayed payments and is limiting non-essential expenditures, among other plans. The Company's future strategy continues to rely on low upfront capital investment and refocusing of Company resources on the capital sales segment. The Company cannot guarantee that it will satisfactorily complete these plans, or that the plans will alleviate the need for additional cash funding of the business. As such, there remains substantial doubt about the Company's ability to continue as a going concern.

## 2. Basis of Preparation

### Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on the same basis, including accounting policies and methods of computation as the Group's consolidated financial statements as at and for the year-ended December 31, 2022. Under International Financial Reporting Standards ("IFRS"), additional disclosures are required in the annual financial statements and therefore, these condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements as at and for the year-ended December 31, 2022.

### Immaterial Correction To Previously Issued Interim Financial Information For Timing Of Acquisition Of Control Of An Italian Subsidiary

The Company had previously concluded that it had acquired a controlling interest in Bioener, S.p.A. ("Bioener") on August 3, 2022 and therefore consolidated the entity from that date. During completion of the financial statements for the year ended December 31, 2022, it was determined that the acquisition of control occurred on May 30, 2022. Management had previously concluded that the registration of the acquired shares with the Italian Business Register on August 3, 2022 was determinative regarding the acquisition of control, but further evaluation concluded that the Company exercised control beginning on May 30, 2022, which is the date on which the transaction was paid for and the shares of Bioener were subscribed to by the Company.

The foregoing does not impact the Company's ongoing operations, cash position or future cash flows related to Bioener. The principal impact to the condensed consolidated interim statement of operations relates to the gain on derecognition of the Company's existing equity interest in Bioener which occurs under IFRS 3 when a controlling interest is acquired. The effect of such adjustments are as follows:

| | Three months ended September 30, 2022 | | | Nine months ended September 30, 2022 | | |
|---|---|---|---|---|---|---|
| | As previously reported | Adjustment | As adjusted | As previously reported | Adjustment | As adjusted |
| Revenue | $ 44,450 | $ 577 | $ 45,027 | $ 122,247 | $ 714 | $ 122,961 |
| Cost of sales | 34,409 | 737 | 35,146 | 96,880 | 941 | 97,821 |
| Gross profit | 10,041 | (160) | 9,881 | 25,367 | (227) | 25,140 |
| Loss from operations | (2,459) | (160) | (2,619) | (11,286) | (227) | (11,513) |
| Remeasurement of previously held interest in Bioener | 3,364 | (3,364) | - | 3,364 | (40) | 3,324 |
| Earnings (loss) before income taxes | 1,615 | (3,524) | (1,909) | (30,879) | (267) | (31,146) |
| **Net loss** | **(747)** | **(3,524)** | **(4,271)** | **(36,791)** | **(267)** | **(37,058)** |
| **Total comprehensive income (loss)** | **4,358** | **(3,524)** | **834** | **(39,452)** | **(267)** | **(39,719)** |
| Net loss attributable to shareholders | (722) | (3,524) | (4,246) | (26,551) | (267) | (26,818) |
| Net loss attributable to non-controlling interests | (25) | - | (25) | (10,240) | - | (10,240) |
| **Basic loss per share** | **$ (0.01)** | **$ (0.06)** | **$ (0.07)** | **$ (0.27)** | **$ (0.00)** | **$ (0.27)** |
| **Diluted loss per share** | **$ (0.01)** | **$ (0.06)** | **$ (0.07)** | **$ (0.27)** | **$ (0.00)** | **$ (0.27)** |

| Cash generated by (used in) | Nine months ended Sep 30, 2022 - as previously reported | Adjustment | Nine months ended Sep 30, 2022 - adjusted |
|---|---|---|---|
| **Operating Activities** | | | |
| Net loss | (36,790) | (268) | (37,058) |
| Remeasurement of previously held interest in Bioener | (3,364) | 40 | (3,324) |
| Net change in operating assets and liabilities | (5,802) | — | (5,802) |
| **Cash used by operating activities** | (14,724) | (228) | (14,952) |
| **Net change in cash and cash equivalents during the period** | 30,818 | (228) | 30,590 |
| Cash and short-term investments, end of year | **110,135** | **(228)** | **109,907** |

| Consolidated Statement of Changes in Equity | As at September 30, 2022 - as previously reported | Adjustment | As at September 30, 2022 - as adjusted |
|---|---|---|---|
| Total equity as at January 1, 2022 | 323,396 | — | 323,396 |
| Net loss | (36,790) | (268) | (37,058) |
| Other comprehensive loss | (2,661) | — | (2,661) |
| Total comprehensive loss | (39,451) | (268) | (39,719) |
| Non -controlling interests | 120,544 | 106 | 120,650 |
| Total equity as at September 30, 2022 | 356,572 | (162) | 356,410 |

**Adoption of New Accounting Standards**

The IASB and the International Financial Reporting Interpretations Committee have issued the following standards and amendments that have been applied in preparing these unaudited condensed consolidated interim financial statements as their effective dates falls in the current reporting period.

The Group has evaluated the potential implications of the following pronouncements:

*Amendments to IAS 8 - Accounting Policies, Changes to Accounting Estimates and Errors*

On 12 February 2021, the IASB issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of accounting estimates. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments become effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments did not have a material impact on the Group.

*Amendments to IAS 1 - Presentation of Financial Statements*

In February 2021, the IASB issued amendments to IAS 1 Presentation of Financial Statements in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The IASB also issued amendments to IFRS Practice Statement 2 Making Materiality Judgments (the PS) to support the amendments in IAS 1 by explaining and demonstrating the application of the four-step materiality process to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their significant accounting policies with a requirement to disclose their material accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023. The amendments did not have a material impact on the Group.

*Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

In May 2021, the IASB issued amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction, that clarify the accounting of deferred tax on transactions such as leases and decommissioning obligations. The main change in Deferred Tax related to Assets and Liabilities arising from a  Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition (this is also explained in the newly inserted paragraph IAS 12.22A). The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023. The amendments did not have a material impact on the Group.

**New and revised IFRS Standards in issue but not yet effective**

The IASB and the International Financial Reporting Interpretations Committee have issued the following standards and amendments that have not been applied in preparing these unaudited condensed consolidated interim financial statements as their effective dates fall in periods beginning subsequent to the current reporting period. The Group is evaluating the potential implications of the following pronouncements:

*Amendments to IAS 1 – Classifying liabilities as current or non-current*

Under the amendments to IAS 1 Presentation of Financial Statements the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants.

The amendments will apply from 1 January 2024. However, companies need to consider whether their upcoming annual financial statements will need to include disclosures under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors of the possible future impacts. Currently, the Group is evaluating the impact of this amendment to the Group's financial statements.

*Amendment to IFRS 16 - Lease liability in a sale-and-leaseback*

These amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.
- A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments will apply from 1 January 2024. Currently,  the Group is evaluating the impact of this amendment to the Group's financial statements.

## 3. Related Parties

The Group had the following related party balances as of September 30, 2023 and December 31, 2022.

| | Outstanding Balances at | | | |
|---|---|---|---|---|
| | September 30, 2023 | | December 31, 2022 | |
| Related party: | Contract assets | Accounts receivable | Contract assets | Accounts receivable |
| Fibracast Ltd. | — | 1,829 | — | 1,925 |
| WTEH and subsidiaries(1) | — | — | 22,819 | 10,807 |
| MD Limassol Waste Management Co. Ltd. | — | — | — | 999 |
| Bioenergy Pte. Ltd | — | 29 | 847 | 30 |
| Rialto | — | 482 | — | — |
| Total | — | 2,340 | 23,666 | 13,761 |

| | Accounts Payable | |
|---|---|---|
| | Outstanding Balances at | |
| Related party name: | September 30, 2023 | December 31, 2022 |
| Fibracast Ltd. | 63 | 383 |
| W.M. Lyles(2) | 3,987 | 2,840 |
| Bioenergy Pte Ltd | 92 | 2 |
| Total | 4,142 | 3,224 |

| | Loans receivable | |
|---|---|---|
| | Outstanding Balances at | |
| Related party name: | September 30, 2023 | December 31, 2022 |
| WTEH and subsidiaries(1) | — | 125,505 |
| Fibracast Ltd. | 460 | 546 |
| Loan to MD Waste Management Co Ltd., MD Limassol Waste Management Co Ltd., Medcon (JV partner) | 5,102 | 4,171 |
| Total | 5,562 | 130,222 |

The Group had the following related party transactions for the three and nine months ended September 30, 2023 and 2022.

| | Transactions for the Three Months Ended September 30, | | Transactions for the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Related party: | Revenue for goods and services | | Revenue for goods and services | |
| Fibracast Ltd. | 266 | 265 | 462 | 346 |
| WTEH and subsidiaries(1) | — | 16,662 | — | 33,945 |
| Bioener(1) | — | 3,730 | — | 4,087 |
| MD Limassol Waste Management Co. Ltd. | 5 | — | 5 | — |
| Bioenergy Pte. Ltd | — | 252 | — | 560 |
| Rialto | 1,072 | — | — | — |
| Total | 1,343 | 20,909 | 467 | 38,938 |
| Related party name: | Purchases of goods or services | | Purchases of goods or services | |
| Fibracast Ltd. | 10 | — | — | 136 |
| Bioenergy Pte Ltd | 56 | — | 86 | 61 |
| Rialto | — | — | — | — |
| W.M. Lyles(2) | 969 | 3,307 | 3,968 | 9,221 |
| Total | 1,035 | 3,307 | 4,054 | 9,418 |
| Related party name: | Interest charges | | Interest charges | |
| WTEH and subsidiaries* | — | 1,151 | — | 2,208 |
| Bioener* | — | 54 | — | 92 |
| Total | — | 1,205 | — | 2,300 |

Related party schedules footnotes:

(1) - As of August 17, 2023, WTEH and subsidiaries and Bioener are no longer related parties, as discussed further in Notes 4 and 5.

(2) - On April 10, 2023, the Company added Stan Simmons as a member to the Board of Directors, given Stan's position as President, Chief Executive Officer and Chairmen of the Board of W.M. Lyles, Inc., the Company determined that W.M. Lyles was a related party of the Company. W.M. Lyles, Inc. also owns a less than 5% equity interest in the Company. All purchases from W.M. Lyles are capitalized as part of BOO plant capital assets.

## 4. Business Combinations

***Bioener S.p.A.***

On May 30, 2022, the Group determined that it had obtained control of Bioener. IFRS 3, Business Combinations provides for a measurement period which shall not exceed one year from the acquisition date, during which the acquirer reports in its financial statements provisional amounts if the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs. As part of the Bioener transaction and during the nine months ended September 30, 2022, the Company recognized a gain on the interest previously held of $3,324 on the accompany condensed consolidated interim statements of operations. Prior to May 30, 2023, the end of the measurement period, the Company recognized additional goodwill on the Group's Bioener transaction due to a change in the non-controlling interest of the transaction of $1,592.

The below table summarizes the Group's final purchase price allocation of identifiable assets and liabilities of Bioener and its consolidated subsidiary, Bionet.

| **Consideration** | **CAD $** |
|---|---|
| Fair value of assets and liabilities settled, net | 7,692 |
| Total consideration transferred | 7,692 |
| Fair value of equity previously invested in Bioener | 6,127 |
| | 13,819 |
| **Recognised amounts of identifiable assets acquired and liabilities assumed** | |
| Value added tax receivable | 1,278 |
| Other financial assets | 1,571 |
| Non-financial assets | 1,096 |
| Contract asset | 16,842 |
| Intangible asset - customer contract | 12,214 |
| Accounts payable and accrued liabilities | (7,979) |
| Deferred tax liability | (1,732) |
| Assumed long-term debt | (5,800) |
| Total identifiable net assets | 17,490 |
| **Non-controlling interest** | (6,429) |
| **Goodwill** | 2,758 |
| | 13,819 |

### *WTEH*

On July 3, 2023, the shareholders of WTEH, an equity method investee of the Company, met in a special meeting to remove the conditions that previously prevented the Company from having control of WTEH. WTEH wholly owns five BOO assets in Italy. As part of the board meeting, the 45% shareholder of WTEH waived their right under the Italian corporations' code to subscribe to the additional amount to cover the losses of the entity. As a result of the meeting, the board of WTEH has been reconstituted with the Company, in sole control of WTEH. As discussed further in Note 5, WTEH was subsequently included in the sale of ITA to AIP. The below tables summarizes the assets and liabilities of WTEH as of July 3, 2023 which were recognized in the gain on disposal of ITA on August 17, 2023.

| | **CAD $** |
|---|---|
| **Recognised amounts of identifiable assets acquired and liabilities assumed** | |
| Assets acquired for resale | 188,522 |
| Liabilities acquired for resale | (33,675) |
| Deferred gain for uneliminated losses | (15,326) |
| Total identifiable net assets | 139,521 |
| Bargain purchase | (13,731) |
| **Fair value of investment in WTEH recorded on acquisition of control** | **125,790** |

## 5. Disposal and deconsolidation of subsidiaries

*Sale of Tønder*

On February 22, 2023, the Company announced the sale of Envo Biogas, an anaerobic digestion facility in Tønder, Denmark. The disposition supports the strategic decision to increase investments in new and existing projects in other European countries. The deferred consideration receivable by the Company is due in October 2024. Financial information relating to the disposal as well as the operations of the subsidiary for the period from January 1, 2023 to the date of disposal, is set out below.

| | **Period Ended February 22, 2023 $** | **Three Months Ended September 30, 2022 $** | **Nine Months Ended September 30, 2022 $** |
|---|---|---|---|
| **Financial performance** | | | |
| Revenue | $ 156 | $ 2 | $ 36 |
| Expenses | (1,214) | (170) | (1,059) |
| **Loss for the period** | **(1,058)** | **(168)** | **(1,023)** |

| | Nine Months Ended September 30, 2023 $ |
|---|---|
| **Details of sale** | |
| Cash net of transaction costs | $ 66,912 |
| Settlement of payables | 3,747 |
| Deferred consideration receivable | 3,343 |
| **Total consideration** | **74,002** |
| Carrying amount of net assets disposed | 63,751 |
| **Loss on sale before effect of OCI** | **10,251** |
| Other comprehensive income - foreign currency translation | (188) |
| **Loss on sale after effect of OCI** | **$ 10,063** |

*Deconsolidation of Rialto*

On May 25, 2023, the Company's subsidiary Rialto, filed a voluntary petition for Chapter 11 restructuring proceedings in the U.S. Bankruptcy Court for the Southern District of California. Rialto is 51% owned by the Company's wholly owned subsidiary, Anaergia Services, LLC. The Company, due to the bankruptcy court's ability to direct payments and oversee the pertinent activities of the subsidiary, has determined that the Group no longer controls Rialto, and thus the Company has deconsolidated the subsidiary as of May 25, 2023. The Company has determined that it will account for the Company's equity investment in Rialto as fair value through profit and loss (“FVTPL”) under IFRS 9. At May 25, 2023, the Company's preferred equity value was $1,129. At September 30, 2023, the Company determined based on the indications from the bankruptcy filing that the fair value of the Company's investment was $nil and a corresponding loss has been recognized in other losses on the accompanying condensed consolidated interim statements of operations. Financial information relating to the disposal as well as the operations of the subsidiary for the period from January 1, 2023 to the date of deconsolidation, is set out below. Information related to the disposal is preliminary pending the outcome of the bankruptcy proceeding and any changes that may arise.

| | January 1, 2023 to May 25, 2023 $ | Three Months Ended September 30, 2022 $ | Nine Months Ended September 30, 2022 $ |
|---|---|---|---|
| **Financial performance** | | | |
| Revenue | $ 611 | $ 916 | $ 3,111 |
| Expenses | (11,957) | (735) | (23,389) |
| | **(11,346)** | **181** | **(20,278)** |

| | Nine Months Ended September 30, 2023 $ |
|---|---|
| **Details of Deconsolidation** | |
| Carrying amount of non-controlling interest | 79,629 |
| Less carrying amount of net assets disposed | (114,099) |
| Less liabilities guaranteed by Anaergia Services | (6,975) |
| Plus equity value of Rialto | 1,129 |
| **Loss on deconsolidation before effect of OCI** | **(40,316)** |
| Other comprehensive income - foreign currency translation | 597 |
| **Loss on deconsolidation after effect of OCI** | **$ (39,719)** |

During the three months ended September 30, 2023, the Company, due to the bankruptcy filing, identified several liabilities estimates that required an adjustment to the loss on deconsolidation related to Rialto of $1,814 which is recognized on the accompany condensed consolidated interim statement of operations.

*Disposal of ITA, including WTE and related entities*

On August 17, 2023, the Company entered into an Shareholder Loan Transfer Deed, Deed of release and termination, Deed of acknowledgment, and a corresponding cooperation agreement with AIP. The effect of these agreements was to immediately terminate its obligations relating to $144,830 in loan obligations owing to AIP, including with respect to a lender option (the “Lender Option”) to require purchase by the Company of associated loans for Italian Projects under conditions that include the failure to secure senior debt financing for particular Projects by a certain date, in exchange for the sale of approximately $55,000 in inter-company loans (as previously written off by the Company) and the equity interests in ITA, a subsidiary of Anaergia that owns the Projects, to AIP. ITA, had the following subsidiaries, Anaergia Infrastructure S.r.L., WTEH, Easy Energia Ambiente, S.r.L., Recall Latina, S.p.A., Calimera S.r.L., BS Green S.r.L., Bioener and Ambiente & Risorse, S.r.L.

As a result of the ITA Transaction, Anaergia will receive de minimus cash consideration. As previously disclosed, the Company did not have the ability to purchase the associated loans in the event the Lender Option was duly exercised by AIP.

As a result of the ITA Transaction, AIP has acquired full ownership and control of the six Italian Projects which will provide it with the opportunity to fund the additional capital required for each Italian Project to reach commercial operations. Accordingly, the Company has no further requirements to provide additional capital with respect of the Italian Projects. The Company and AIP have also entered into a cooperation agreement to manage post-closing activities including, but not limited to, the Company’s continued participation in providing remaining Engineering Procurement Construction ("EPC") work on the Italian Projects, certain transition services, and the opportunity for the Company to receive additional consideration through performance incentives and an earn-out on terms to be negotiated in good faith. Due to the nature of the cooperation agreement and the Company's ongoing negotiations with AIP, the ITA transaction is not yet finalized as AIP is allowed to perform additional due diligence and the Company has determined that there can be changes made to the below gain and that the transaction will not be concluded until December 31, 2023. The Company has currently estimated that additional losses of $5,867 will have to be taken on several of the now third-party Italian projects receivables due to these negotiations.

The Company has elected to use the short-cut method as prescribed in IFRS 5, *Discontinued Operation*s and has classified WTEH as a subsidiary acquired exclusively with a view to resale. Accordingly, the Company has presented the gain on disposal of ITA inclusive of bargain purchase gains and fair value adjustments from the purchase price of WTEH, as described in Note 4.

Financial information relating to the disposal as well as the operations of ITA and subsidiaries for the period to the date of disposal, is set out below.

| | July 1, 2023 to August 17, 2023 $ | January 1, 2023 to August 17, 2023 $ | Three Months Ended September 30, 2022 $ | Nine Months Ended September 30, 2022 $ |
|---|---|---|---|---|
| **Financial performance** | | | | |
| Revenue | $ 3,815 | $ 14,674 | $ 1,890 | $ 2,027 |
| Expenses | (4,336) | (15,443) | (2,397) | (3,327) |
| | **(521)** | **(769)** | **(507)** | **(1,300)** |

| | Three And Nine Months Ended September 30, 2023 $ |
|---|---|
| **Details of Disposal** | |
| Net assets disposed | (10,609) |
| Carrying amount of non-controlling interest | 6,376 |
| Bargain purchase on acquisition of WTEH | 13,731 |
| Less provision for other on-going transactions | (5,867) |
| Less other expenses/losses associated with the sale | (3,403) |
| **Gain on disposal before effect of OCI** | **228** |
| Other comprehensive income - foreign currency translation | 437 |
| **Gain on disposal after effect of OCI** | **$ 665** |

### 6. Financial instruments – Fair values and risk management

*Fair values*

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value, such as short-term trade receivables and payables.

| **At September 30, 2023** | **Carrying amount** | **Fair Value Level 2** |
|---|---|---|
| **Financial (liabilities)** | | |
| Long-term debt | (62,928) | (64,971) |
| | **(62,928)** | **(64,971)** |

| **At December 31, 2022** | **Carrying amount** | **Fair Value Level 2** |
|---|---|---|
| **Financial assets** | | |
| Embedded derivative | 8,669 | 8,669 |
| | **8,669** | **8,669** |
| **Financial (liabilities)** | | |
| Rialto bonds | (148,964) | (140,168) |
| Other debt | (207,238) | (194,815) |
| | **(356,202)** | **(334,983)** |

*Measurement of fair values*

The fair value of the Rialto bonds and Live Oak loan prepayment embedded derivative was determined using a discounted cash flow model based on prevailing interest rates for a similar instrument. As of September 30, 2023, the embedded derivative asset related to the Rialto bonds is no longer on the Company's condensed consolidated interim statements of financial position due to the deconsolidation of Rialto discussed in Note 5.

The Company used the yield to maturity discounted cash flow analysis to estimate the fair value of the other debt at September 30, 2023 and December 31, 2022. This method involves using national bank treasury yield rates and an option adjusted spread to determine the discounted cash flow for the loans to date of maturity.

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments in the condensed consolidated interim statements of financial position, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| Embedded derivatives - bond and loan early redemption option.................................. | Binomial option pricing model | Not applicable | Not applicable |

*Credit risk*

Credit risk is the risk of financial loss to the Group if a customer, borrower, or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Customer credit risk is managed by each business unit subject to the Group's established policies, procedures, and controls relating to customer credit risk management.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers. The carrying amounts of financial assets, including accounts receivable, and contract assets represent the maximum credit exposure. The Company records a provision for estimated credit losses on loans receivable, accounts receivable and contract assets. Each provision for such losses is specific to the regions past collection history.

*Interest rate risk*

The Company's exposure to interest rate fluctuations relates to the Company's Rhode Island Project Financing Term Loan (Note 11) which bears interest at a floating rate of Prime plus 1.25%. Subsequent to quarter-end, the Company also entered an interest rate swap arrangement for its loan facility (Note 18) to manage the exposure to changes in the Prime rate based interest rate.

## 7. Equity-accounted investees

The Group has the following equity-accounted investees:

| | Percent Ownership | | Carrying Amount | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | | | $ | $ |
| Fibracast Ltd. | 45.7% | 45.7% | 12,158 | 21,771 |
| Medcon & db Technologies JV | 40.0% | 40.0% | — | — |
| WTE Holdings S.r.l. | * | 55.0% | — | — |
| Total | | | 12,158 | 21,771 |

* - As of September 30, 2023, the entity had completed the purchase and sale of WTEH as part of ITA, see Notes 4 and 5.

### a) Fibracast

Fibracast Ltd. ("Fibracast") is a manufacturer of water treatment membranes domiciled in Ontario, Canada.

The following table reconciles the financial information to the carrying amount of the Group's interest in Fibracast.

| Investment in Fibracast | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|
| Beginning balance | 21,771 | 27,391 |
| Impairment based on fair value of investment | (6,648) | — |
| Share of Fibracast net loss | (2,965) | (4,386) |
| Ending balance | 12,158 | 23,005 |

During the three months ended September 30, 2023 and 2022, the Company had losses from Fibracast of $1,241 and $1,158, respectively.

The table summarizes the financial information as included in Fibracast's own financial statements.

| | September 30, 2023 | September 30, 2022 |
|---|---|---|
| Percentage ownership interest | 45.7% | 45.7% |
| Current assets | 10,807 | 10,182 |
| Non-current assets | 23,736 | 18,345 |
| Current liabilities | 22,002 | 10,012 |
| Non-current liabilities | 22,421 | 19,096 |
| Net assets (100%) | (9,880) | (581) |
| Company's share of net assets | (4,512) | (265) |
| Fair value increment, less accumulated losses and adjustments | 16,670 | 23,270 |
| Carrying amount of investment in Fibracast | 12,158 | 23,005 |

| | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|
| Revenue (100%) | 6,488 | 2,484 |
| Net loss (100%) | (6,492) | (7,682) |
| Other comprehensive loss (100%) | — | — |
| Total comprehensive loss (100%) | (6,492) | (7,682) |
| Company's share of net loss | (2,965) | (4,386) |

On October 25, 2023, Fibracast completed a private placement offering with a third-party which valued the Company's equity method investee at $63,000 and diluted the Company's ownership to 19.3%. As a result of the transaction, the Company recognized an impairment loss of $6,648 on the accompanying condensed consolidated interim statements of operations and comprehensive income for the three and nine months ended September 30, 2023.

b) **WTEH**

The Group, through its capital sales segment sold equipment to WTEH's subsidiaries, which would typically be eliminated against unrealized profits of the equity method-investee, but due to the recurring losses of the equity method investee, the Group has been unable to eliminate these losses. The Company has made an accounting election allowed under IFRS to not recognize these loss until an income is generated. At June 30, 2023, the Group had total uneliminated share of profit of $11,249. At June 30, 2023, WTEH has retained losses of $6,907 which had not been eliminated due to the value of the investment being nil. Due to the transaction of July 3, 2023, as discussed above in Note 4, the Company recognized an additional loss of $2,996 (2022 - $nil) for the previously unrecognized uneliminated profit related to WTEH. As of August 17, 2023, WTEH's remaining uneliminated profit of $15,326 was recognized as part of the gain on disposal of ITA.

## 8. Non-financial assets

*Property, plant and equipment*

The following table presents the summary of property, plant and equipment and related accumulated depreciation for the nine months ended September 30, 2023:

| | Property $ | Building and leasehold improvements $ | Office furniture and equipment $ | Equipment and machinery $ | Construction work-in-progress $ | Other assets and vehicles $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Balance at January 1, 2023 | 17,455 | 11,290 | 6,010 | 16,118 | 474,331 | 1,723 | 526,927 |
| Additions | 71 | 364 | 78 | 42,301 | 7,238 | 240 | 50,292 |
| Assets placed in service | — | — | — | 39,834 | (39,834) | — | — |
| Disposals | (100) | — | (280) | (12) | (57,338) | (319) | (58,049) |
| Deconsolidated assets | (4,268) | (2,030) | (64) | (73) | (328,112) | (10) | (334,557) |
| Exchange adjustment | (89) | 48 | (22) | 397 | (6,708) | (9) | (6,383) |
| **Balance at September 30, 2023** | **13,069** | **9,672** | **5,722** | **98,565** | **49,577** | **1,625** | **178,230** |
| **Accumulated depreciation, amortization and impairment** | | | | | | | |
| Balance at January 1, 2023 | 2,979 | 2,767 | 4,757 | 10,631 | — | 1,130 | 22,264 |
| Depreciation and amortization | 1,069 | 433 | 469 | 2,414 | — | 149 | 4,534 |
| Disposals | (642) | (636) | (133) | (80) | — | (233) | (1,724) |
| Impairment of assets | 385 | 93 | 421 | 259 | — | 352 | 1,510 |
| Exchange adjustment | (10) | 11 | (31) | 22 | — | (7) | (15) |
| **Balance at September 30, 2023** | **3,781** | **2,668** | **5,483** | **13,246** | **—** | **1,391** | **26,569** |
| **Carrying amounts** | | | | | | | |
| **At January 1, 2023** | **14,476** | **8,523** | **1,253** | **5,487** | **474,331** | **593** | **504,663** |
| **At September 30, 2023** | **9,288** | **7,004** | **239** | **85,319** | **49,577** | **234** | **151,661** |
| **Of which: Net book value of right of use assets included in property, plant and equipment at September 30, 2023** | **9,288** | **—** | **—** | **38** | **—** | **11** | **9,337** |

*Intangible Assets*

The following table presents the summary of intangible assets and related accumulated amortization for the nine months ended September 30, 2023:

| | Patents<br>$ | Computer Software and Licenses<br>$ | Other Intangible Assets<br>$ | Goodwill<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As of January 1, 2023 | 3,956 | 2,195 | 15,570 | 3,687 | 25,408 |
| Additions | 161 | — | 144 | 1,592 | 1,897 |
| Disposals | — | (7) | (12,892) | (3,530) | (16,429) |
| Exchange adjustment | (9) | (1) | (212) | (68) | (290) |
| As of September 30, 2023 | 4,108 | 2,187 | 2,610 | 1,681 | 10,586 |
| | | | | | |
| **Accumulated amortization and impairment** | | | | | |
| As of January 1, 2023 | 1,781 | 2,037 | 2,162 | — | 5,980 |
| Amortization | 134 | 58 | 56 | — | 248 |
| Disposal | — | (64) | (19) | — | (83) |
| Impairment of assets | 17 | 7 | 176 | 1,681 | 1,881 |
| Exchange adjustment | (9) | (1) | (25) | — | (35) |
| As of September 30, 2023 | 1,923 | 2,037 | 2,350 | 1,681 | 7,991 |
| | | | | | |
| **Carrying amount** | | | | | |
| At January 1, 2023 | 2,175 | 158 | 13,408 | 3,687 | 19,428 |
| At September 30, 2023 | 2,185 | 150 | 260 | — | 2,595 |

### Impairment

Based on potential impairment triggers including delays in commercial operations and a decrease in operating cash flow, the Group tested the recoverable amount of one BOO asset in North America based on its value in use at March 31, 2023. That calculation used run-out cash flow projections over the remaining lease life of the project of 25 years, and a discount rate of 10.2 per cent which is derived based on the Company's assessment of weighted average cost of capital. These cash flow projections were derived from management approved financial budgets and forecasts. The Company believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause their carrying amount to exceed its recoverable amount. As discussed in Note 5, on May 25, 2023, the Company deconsolidated this BOO operation and as a result recognized a loss on deconsolidation.

Based on potential impairment indicators including decreased performance from the CGU for decreased revenue and cash flows, the Group tested the recoverable amount of the European operations of the Company's Capital Sales CGU based on its value in use at June 30, 2023. That calculation used five year discounted cash flow, a terminal year value, and a discount rate of 12.5 per cent which is derived based on the Company's assessment of the CGUs weighted average cost of capital. These cash flow projections were derived from management's best estimate. As a result of the Company's testing during the nine months ended September 30, 2023, management determined that an impairment had occurred and recognized an impairment loss of $3,391 on the accompanying condensed consolidated interim statement of operations, which included an impairment of goodwill of $1,681.

## 9. Loans and investments

The following table presents the summary of loans and investments as at September 30, 2023 and December 31, 2022:

| | Interest | Year of maturity | Note | September 30, 2023<br>$ | December 31, 2022<br>$ |
|---|---|---|---|---|---|
| Shareholder loans receivable from WTEH - Non-AIP | 5.5% | On-demand | (a) | — | 52,036 |
| Shareholder loans receivable from WTEH - AIP | 8.0% | 2036 | (b) | — | 73,469 |
| Investments FVTPL | | | | 1,211 | 1,289 |
| Long-term deposits and prepaids | | | | 2,212 | — |
| Deferred consideration for Tonder sale, see Note 5 | | | | 2,692 | — |
| Other loans and receivables | 0.0% - 7.0% | Various (2025 to 2032) | | 5,397 | 7,003 |
| **Total other long-term assets** | | | | **11,512** | **133,797** |

***(a) Shareholder loans receivable from WTEH***
The notes were unsecured and due on demand. The Group was accruing interest using a 5.5% interest rate. During the six months ended June 30, 2023, as part of the Company's ongoing strategic review, including discussions with lenders, management became aware that these loans would probably not be collectible and thus determined that a full provision was necessary in order to adequately reflect the balance, this resulted an additional loss provision and expense on the accompany condensed consolidated interim statement of operations of $54,635.

***(b) Shareholder loans receivable from WTEH - AIP***
In conjunction with the AIP master note purchase agreement, the Group had loaned $95,287 (December 31, 2022 - $73,469) to WTEH which was backed by individual loans to WTEH and its subsidiaries that accrued interest at 8% and were due to mature in 2036 at the same time as the loan with AIP would. As discussed in Note 5, on August 17, 2023, the Company entered into several agreements with AIP as part of the ITA Transaction which resulted in the transfer of these assets to AIP. The Group had recorded an estimated credit loss on these loans of $3,555 (December 31, 2022 - $3,300).

**10. Revolving line of credit**

The Group maintained a line of credit facility of US$4,000. When drawn, advances under the facility carried interest at rate per annum of 1.10% above the Daily Simple SOFR rate with interest payments due the first of every month. The line of credit had a maturity date of June 1, 2023, and the line of credit was not renewed or extended. The balance of the credit line on December 31, 2022 was $5,451 (US$4,000). The line of credit was collateralized by the Group's cash balances held by the lender.

On January 5, 2023, the Company entered into a line of credit agreement with a third-party bank in Canada for $20,000 or up to a maximum 1.10 of the cash collateral balance, whichever is greater. This line of credit matures on April 1, 2024, bears interest at the base index rate plus 2% per annum (6.45% as of the date of the loan). The line of credit is guaranteed by Dr. Andrew Benedek and his wife, Dr. Mourato Benedek, a board member for the Company. The line of credit is secured by a first priority security interest in the Company's assets. The line of credit requires collateral be deposited with the bank by the Company's Executive Chairman and controlling shareholder. The line of credit's collateral was withdrawn during the three months ended June 30, 2023 and thus the available balance of the credit line is nil. In order to use the line of credit, the collateral need only be deposited with the bank. The line of credit has certain non-financial affirmative and negative covenants. The balance of the credit line on September 30, 2023 is nil.

**11. Long-term debt**

*Terms and repayment schedule*

The terms and conditions of outstanding loans and borrowings are as follows:

| | Nominal interest rate | Year of maturity | Note | September 30, 2023 Carrying amount | December 31, 2022 Carrying amount |
|---|---|---|---|---|---|
| Rialto bonds | 6.75% - 7.50% | 2028 and 2040 | (a) | — | 150,855 |
| AIP - Bridge financing and Fixed Rate Notes | 8% | 2024 and 2036 | (b) | — | 141,271 |
| GDIF Loans | 11% | 2030 - 2031 | (a) | — | 34,247 |
| Rhode Island Project Financing Term Loan | Prime plus 1.25% | 2030 | (c) | 27,155 | - |
| Live Oak Indenture | 5.96% | 2032 | | 15,522 | 17,214 |
| SoCal Organics Recycling Facility | 4.00% | 2033 | (d) | 13,588 | — |
| Caterpillar Financial Services Term Loans | 5.70% - 6.69% | 2025 - 2028 | | 5,585 | 6,210 |
| Bioener Loans | 2.57% - 9.27% | 2024 - 2027 | | — | 5,240 |
| Other | 0% - 11.4% | 2023 - 2027 | | 1,903 | 6,375 |
| | | | | 63,753 | 361,412 |
| Less: issuance costs | | | | (825) | (5,210) |
| Total long-term debt | | | | 62,928 | 356,202 |
| Of which: | | | | | |
| Current | | | | 3,643 | 11,817 |
| Long term | | | | **59,285** | **344,385** |

**(a) Rialto bonds and GDIF loans**

As discussed in note 5, the Company has deconsolidated Rialto and thus removed the long-term debt associated with the Rialto bonds and GDIF loans where the US Bankruptcy court has suspended payments. As of May 25, 2023, Rialto's bonds had a balance of $152,723 and the member loans with GDIF had a balance of approximately $35,374. In addition, the restricted cash of $22,291 associated with Rialto's bonds has been deconsolidated.

**(b) AIP - Bridge financing and fixed rate notes**

The AIP - Bridge financing and fixed rate notes (the "AIP Loan") had associated obligations that included an option for AIP to require the Company to purchase the previously outstanding loans relating to BOO projects for which senior debt financing is not secured by a set time, the Lender option. The lender option has since been terminated due to the transaction as discussed in Note 5.

As discussed in Note 5, on August 17, 2023, the Company entered into several agreements with AIP as part of the ITA Transaction which resulted in the extinguishment of these liabilities.

**(c) Rhode Island Project Financing Term Loan**

On September 28, 2023, the Company through its subsidiary Rhode Island Bioenergy Facility, LLC ("RIBF") closed a US$20 million term loan (the "Term Loan") with East West Bank, a California Corporation, to finance remaining construction and commissioning of the RIBF project in the Town of Johnston, Rhode Island, USA and working capital. This financing has a seven-year term, and bears interest on US dollar denominated drawn funds at an annual rate equal to the prime rate as published in the Wall Street Journal (or another similar publication selected by the lender) plus 1.25%, subject to adjustment based on a swap agreement to be entered into within ten days after closing, and a floor of 7.5%. The loan is subject to certain positive and negative covenants that are customary for transactions of this nature, including liens and security interests in assets of RIBF. As discussed more fully in Note 18, on October 13, 2023, the Company executed an interest rate swap agreement with East West Bank which effectively fixes the interest on the Loan at 9.04%.

**(d) SoCal Organics Recycling Facility Loan**

On February 2, 2023, the Company's newly formed subsidiary SoCal Organics Recycling Facility, LLC entered into a US$10.0 million loan and security with the State of California, Department of Resources Recycling and Recovery. The loan matures on February 1, 2033 and bears interest 4.0% per annum. The loan is secured by a piece of equipment that is being leased to a third-party for US$3.0 million over 10 years. The equipment is currently in the process of being installed in Santa Fe Springs, California. The loan is guaranteed by the Company's subsidiary, UTS Bioenergy Holdings, LLC and has certain affirmative covenants, which the Company was in compliance with at September 30, 2023. The loan requires interest only payments until March 1, 2024 and then the loan amortizes over the remaining term with a monthly payment of US$110.

*Repayment of Principal and Interest*

The repayment of principal and interest on the outstanding loans and borrowings is as follows:

| Year | Principal | Interest | Total Repayment |
|---|---|---|---|
| 12 months after period end | 3,596 | 1,899 | 5,495 |
| 13-24 months after period end | 5,048 | 1,693 | 6,741 |
| 25-36 months after period end | 4,903 | 1,485 | 6,388 |
| 37-48 months after period end | 6,448 | 1,294 | 7,742 |
| 49-60 months after period end | 6,997 | 1,096 | 8,093 |
| Thereafter | 36,761 | 6,369 | 43,130 |
| | 63,753 | 13,836 | 77,589 |

*Reconciliation of movements of liabilities to cash flows arising from financing activities*

The following is a reconciliation between the opening and closing balances for liabilities arising from financing activities:

| | Liabilities | | | | |
|---|---|---|---|---|---|
| | Line of credit | Rialto bonds | AIP Loans | Other long-term debt | Total |
| Balance at January 1, 2023 | 5,451 | 148,964 | 138,661 | 68,577 | 361,653 |
| Loan advances | — | 4,471 | 6,153 | 44,800 | 55,424 |
| Repayment of debt | (4,694) | — | (777) | (3,594) | (9,065) |
| Interest paid | — | — | (28) | (1,140) | (1,168) |
| Foreign exchange adjustments | (757) | (3,323) | (1,497) | (468) | (6,045) |
| Non-cash adjustments | — | (150,112) | (142,512) | (45,247) | (337,871) |
| Balance at September 30, 2023 | — | — | — | 62,928 | 62,928 |

**12. Equity**

*Issued Share Capital*

On April 19, 2022, the Company completed the closing of its bought deal offering of 4,800,000 shares of subordinate voting shares priced at $12.50 per share for gross proceeds of approximately $60,000. Of these amounts, in connection with the offering, Dr. Andrew Benedek, our founder, Chair and former Chief Executive Officer, has exercised his preemptive right in connection with this offering and purchased 400,000 of the offered shares at the offering price of $12.50 per share. As part of the bought deal, Dr. Benedek and the Company agreed to convert a related party loan of $4,075 towards his $5,000 purchase of shares in the offering.

*Preferred Capital*

As part of the Company's capital management strategy, the Company will solicit equity membership interests from third-parties for investments into the Company's individual projects. The Company treats these investments as equity in the underlying subsidiary.

***Anaergia Bioenergy Facility, LLC***

On August 3, 2022, the Company's subsidiary, Anaergia Services LLC ("AS") entered into a Contribution and Investment Agreement ("CIA") with IIF Anaergia Holdco, LLC, and with Anaergia Bioenergy Facilities, LLC ("ABF"), a wholly-owned subsidiary of the Group. The CIA provides for the transfer and contribution of the interests of AS in SoCal Biomethane Holdco, LLC ("SCH") and Charlotte Bioenergy Facility Holdco, LLC ("CBFH") into ABF. On November 18, 2022, AS contributed its ownership interests in Rhode Island Bioenergy Facility Holdco, LLC ("RIBFH") into ABF. The non-controlling interest exchanged its existing preferred interest in SCH for its preferred interest in ABF, in addition to making additional investments in ABF preferred units in the prior year.

The Company's subsidiary, ABF has issued preferred member interests to an unrelated third-party. The preferred capital is treated as equity on the Company's accompanying statement of changes in equity. The Company as part of the members, participates in the preferred capital, but the Company's preferred capital is eliminated in consolidation. During the nine months ended September 30, 2023, the Company's subsidiary, ABF received preferred member contributions from a third-party of $19,711. During the nine months ended September 30, 2022, the Company's subsidiaries SoCal Biomethane and Charlotte Bioenergy Facility received preferred member contributions from a third-party of $888 and $13,628, respectively, for a total of $14,516.

*Non-controlling interests*

Non-controlling interests consisted of the following amounts by entity at:

| **Non-controlling interest** | **September 30, 2023** | **December 31, 2022** |
|---|---|---|
| Rialto Bioenergy Facility LLC | — | 81,588 |
| Bioener SpA | — | 4,489 |
| Anaergia Bioenergy Facility, LLC | 71,921 | 48,603 |
| Other entities | (1,377) | (1,377) |
| | 70,544 | 133,303 |

***Rialto Bioenergy Facility, LLC***

During the first quarter of 2022, the Company agreed to a commission of $4,125 relating to sales proceeds from our sale of non-controlling interest in Rialto. This accrued payment was recognized in accumulated deficit, corresponding to the recognition of the initial gain on the sale of the non-controlling interest of Rialto, which had been recognized within equity due to the fact that the Company did not lose control of Rialto. On April 3, 2022, the Company paid the commission.

The Group is a party to a profit sharing arrangement in which following the acquisition of the interest in Rialto, the first USD $80 million of profit in Rialto are distributable to parties other than to the Group. The effects of this profit sharing arrangement are reflected as adjustments between non-controlling interest and deficit in the condensed consolidated interim statements of changes in equity. For income and loss, the Group has elected to reflect 49% as the non-controlling interest considering the economic interests over the life of the project are split 51% and 49% to the Group and to the holder of such non-controlling interest respectively. During the period from January 1, 2023 to May 25, 2023, the Group recognized a decrease in its deficit in the amount of $4,848 with a corresponding increase in the non-controlling interest after accounting for cumulative translation adjustments in connection with the profit sharing arrangement. During the nine months ended September 30, 2022, the Group recognized an increase in its deficit in the amount of $12,140 with a corresponding decrease in the non-controlling interest after accounting for cumulative translation adjustments in connection with the profit sharing arrangement.

As discussed in note 5, on May 25, the Company's subsidiary filed for bankruptcy protection and as a result the effects of the Rialto profit-sharing arrangement on our accumulated deficit and non-controlling interest were reversed as part of the deconsolidation, which resulted in an decrease to non-controlling interest of $79,629.

***Anaergia Bioenergy Facility, LLC***

The Group is a party to a profit sharing arrangement in ABF, the distributable cash flow is first distributed to the preferred members based on the contributed capital that they have contributed to ABF or previously to SoCal Biomethane. The effects of this profit sharing arrangement are reflected as adjustments between non-controlling interest and deficit in the consolidated statements of changes in equity. During the nine months ended September 30, 2023, the Group recognized an increase in its deficit in the amount of $22,158 (2022 - $13,826) with a corresponding increase in the non-controlling interest after accounting for cumulative translation adjustments in connection with the profit sharing arrangement.

## 13. Share-based payment plans

***2021 Omnibus Equity Incentive Plan***

On June 16, 2021, the Group adopted the Omnibus Equity Incentive Plan (the "2021 Plan") that allows the Company to grant equity awards including restricted stock units, performance share units, dividend share units and stock options to employees, directors, and consultants of the Company, that if converted would be exercised into subordinate voting shares of the Company. The amount available under the 2021 Plan is limited to 10% of the issued and outstanding shares of the combined subordinate voting shares and multiple voting shares less any amount for outstanding Legacy Options or outstanding under the 2021 plan. The equity awards under the 2021 Plan are subject to three year service based vesting.

*Share Issuance Plans(equity-settled)*

At September 30, 2023, the Company had two share-based payment arrangements, which are described below.

| **Type of arrangement** | **Awards granted** | **Type of Awards** | **Contractual life** | **Vesting conditions** |
|---|---|---|---|---|
| Employee Stock Option Plan ("ESOP") | 2,627,391 | Stock options | Earlier of 15 years or December 31, 2025 | Four years' service |
| 2021 Omnibus Equity Incentive Plan ("2021 Plan") | 3,594,469 | Restricted stock units | Indefinite | Three years' service |

Further details and activity of the share option and restricted stock unit plans for the nine months ended September 30, 2023 and 2022:

| | ESOP Number of Options | ESOP Weighted Average Exercise Price | ESOP Weighted Average Fair Value | 2021 Plan Number of Awards | 2021 Plan Weighted Average Fair Value | Total Number of Awards |
|---|---|---|---|---|---|---|
| Outstanding at January 1, 2023 | 2,543,237 | $ 0.01 | $ 2.72 | 342,701 | $ 10.14 | 2,885,938 |
| Granted | — | $ — | $ — | 3,530,922 | $ 1.19 | 3,530,922 |
| Cancelled/forfeited | — | — | — | (249,735) | $ 1.85 | (249,735) |
| Vested | — | — | — | (29,419) | $ 3.90 | (29,419) |
| Exercised | (937,563) | $ 0.01 | $ 2.72 | — | — | (937,563) |
| Outstanding at September 30, 2023 | 1,605,674 | $ 0.01 | $ 2.72 | 3,594,469 | $ 1.98 | 5,200,143 |
| Exercisable/Vested at September 30, 2023 | 1,555,674 | $ 0.01 | $ 2.72 | 3,868 | $ 1.04 | 1,559,542 |

| | ESOP Number of Options | ESOP Weighted Average Exercise Price | ESOP Weighted Average Fair Value | 2021 Plan Number of Awards | 2021 Plan Weighted Average Fair Value | Total Number of Awards |
|---|---|---|---|---|---|---|
| Outstanding at January 1, 2022 | 3,426,395 | $ 0.01 | $ 2.72 | 81,993 | 20.25 | 3,508,388 |
| Granted | — | — | — | 229,271 | 7.36 | 229,271 |
| Exercised | (858,970) | 0.01 | 2.72 | — | — | (858,970) |
| Outstanding at September 30, 2022 | 2,567,425 | $ 0.01 | $ 2.72 | 311,264 | $ 11.01 | 2,878,689 |
| Exercisable at September 30, 2022 | 2,517,425 | $ 0.01 | $ 2.72 | — | $ — | 2,517,425 |

For the nine months ended September 30, 2023 and 2022, the weighted average share price at the date of exercise for share options exercised during the period was $1.21 and $12.28, respectively. For the three months ended September 30, 2023 and 2022, the weighted average share price at the date of exercise for share options exercised during the period was $0.34 and $6.62, respectively. The options outstanding at September 30, 2023 had an exercise price of $0.01, and a weighted average remaining contractual life of 2.25 years . For the nine months ended September 30, 2023, the weighted average share price at the date of exercise for restricted stock units is $0.57. At September 30, 2023, the weighted average remaining recognition period for the restricted stock units issued under the 2021 plan was 2.35 years.

*Expense recognized in profit and loss*

Share-based payment expenses by plan for the three months ended September 30, 2023 and 2022 were as follows:

| | **Three Months Ended September 30, 2023** | | | **Nine Months Ended September 30, 2023** | | |
|---|---|---|---|---|---|---|
| | ESOP $ | 2021 Plan $ | Total $ | ESOP $ | 2021 Plan $ | Total $ |
| Expense arising from RSUs | — | 561 | 561 | — | 1,244 | 1,244 |
| Expense arising from Stock Options | 34 | — | 34 | 102 | — | 102 |
| Total expense | 34 | 561 | 595 | 102 | 1,244 | 1,346 |

| | **Three Months Ended September 30, 2022** | | | **Nine Months Ended September 30, 2022** | | |
|---|---|---|---|---|---|---|
| | ESOP $ | 2021 Plan $ | Total $ | ESOP $ | 2021 Plan $ | Total $ |
| Expense arising from RSUs | — | 204 | 204 | — | 590 | 590 |
| Expense arising from Stock Options | 42 | — | 42 | 237 | — | 237 |
| Total expense | 42 | 204 | 246 | 237 | 590 | 827 |

## 14. Commitments and Contingencies

*Legal claims*

On March 27, 2023 a statement of claim was issued (under the Class Proceedings Act, 1992) in the Ontario Superior Court of Justice against the Company and others, involving an order for leave to proceed under the Securities Act (Ontario), certifying the proceeding as a class proceeding and appointing a representative plaintiff who claims damages and other relief pertaining to primary and secondary market financial disclosures relating to proposed class period from June 7, 2021 to November 8, 2022. The Company intends to vigorously defend against the claim. At this time, the Company has recorded as a provision the amount of the Company's insurance deductible.

The Company's management believes that adequate provisions for legal claims have been recorded in the financial statements where required. The Group also maintains comprehensive insurance coverage which may be available to reimburse actual expenditures in certain circumstances.

## 15. Segment reporting

The Group determines its reportable segments based on the nature of operations and includes three operating segments: Capital Sales, Services, and Build, Own, and Operate Projects.

Capital Sales consists of the sales of proprietary technology solutions and services to third party customers, predominantly municipalities, private entities, and project developers.

Services consist of third-party recurring services contracts to operate and maintain the technology solutions.

Build, Own, and Operate Projects consist of greenfield or brownfield facilities that the Group builds and operates to fulfill long-term contracts to supply energy to third parties.

The financial results of the business segments are included below. Performance is measured based on gross profit as reported to the Group's Chief Executive Officer, who acts as the Chief Operating Decision Maker. Information on segment-level capital expenditures, net income, or liabilities is not provided to or used by the Chief Operating Decision Maker in evaluating performance or determining resource allocation.

***Segment revenues and profits***

The following is an analysis of the Group's revenue and gross profit (loss) by reportable segment for the three and nine months ended September 30, 2023 and 2022:

| | Revenue | | | | Gross Profit | | | |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Capital Sales | 20,493 | 36,654 | 73,388 | 101,077 | 3,406 | 10,008 | 7,369 | 22,317 |
| Services | 6,040 | 4,249 | 14,874 | 12,673 | 1,575 | (1,114) | 325 | (837) |
| Build, Own, and Operate | 7,419 | 4,124 | 24,803 | 9,211 | 2,367 | 987 | 6,628 | 3,660 |
| Total | 33,952 | 45,027 | 113,065 | 122,961 | 7,348 | 9,881 | 14,322 | 25,140 |

The following is an analysis of the Group's total assets by reportable segment at September 30, 2023 and December 31, 2022:

| | Capital Sales $ | Services $ | Build, Own, and Operate $ | Other Corporate $ | Total $ |
|---|---|---|---|---|---|
| At September 30, 2023 | 105,422 | 25,812 | 171,232 | 22,409 | 324,875 |
| At December 31, 2022 | 120,250 | 29,135 | 747,613 | 38,107 | 935,105 |

**Geographical information**

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets, and other financial assets) by geographical location are detailed below (comparative information has been amended to reflect the change in composition of certain of the components of the Company's segments):

| | Revenue | | | |
|---|---|---|---|---|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| Geographic Region | 2023 | 2022 | 2023 | 2022 |
| Italy | 11,870 | 26,507 | 55,310 | 73,066 |
| North America | 14,535 | 14,039 | 37,361 | 31,957 |
| Other EMEA | 4,356 | 3,111 | 13,454 | 14,425 |
| APAC | 3,191 | 1,370 | 6,940 | 3,513 |
| Total | 33,952 | 45,027 | 113,065 | 122,961 |

| | Non-current Assets | |
|---|---|---|
| Geographic Region | At September 30, 2023 | At December 31, 2022 (as restated, note 2) |
| Italy | 1,828 | 179,616 |
| North America | 167,060 | 464,705 |
| Other EMEA | 7,005 | 68,292 |
| APAC | 1,665 | 753 |
| Total | 177,558 | 713,366 |

**16. Earnings per share**

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted-average number of common shares outstanding during the year. Diluted earnings per share are calculated by using the treasury stock method. The treasury stock method assumes that any proceeds obtained on exercise of equity-based compensation arrangements would be used to purchase common shares at the average market price during the period. The weighted-average number of shares outstanding is then adjusted by the difference between the number of shares issued from the exercise of equity-based compensation arrangements and shares repurchased from the related proceeds.

The below profit sharing adjustment to net loss attributable to shareholders is the adjustment for profit sharing arrangement with the Company's preferred equity interest holders at the Group's subsidiaries, as these instruments are deemed to be participating securities. See Note 12 for additional information on the profit sharing arrangements.

| | **Three Months Ended September 30,** | | **Nine Months Ended September 30,** | |
|---|---|---|---|---|
| **In thousands of Canadian dollars except share amounts** | **2023** | **2022** | **2023** | **2022** |
| Net loss attributable to shareholders | (31,970) | (4,246) | (156,324) | (26,818) |
| Less: profit sharing arrangement | 542 | (96) | (556) | 9,846 |
| Loss available for ordinary shareholders - basic | (31,428) | (4,342) | (156,880) | (16,972) |
| | | | | |
| Weighted average Multiple and Subordinate Voting Shares | 65,006,976 | 64,398,588 | 64,716,549 | 62,230,435 |
| Total ordinary shares | **65,006,976** | **64,398,588** | **64,716,549** | **62,230,435** |

| | **Three Months Ended September 30,** | | **Nine Months Ended September 30,** | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Basic and diluted loss per share | $ (0.48) | $ (0.07) | $ (2.42) | $ (0.27) |

Instruments excluded because they are considered anti-dilutive:

| | **Three Months Ended September 30,** | | **Nine Months Ended September 30,** | |
|---|---|---|---|---|
| Instruments: | **2023** | **2022** | **2023** | **2022** |
| Restricted stock units | 3,594,469 | 311,264 | 3,594,469 | 311,264 |
| Subordinate voting shares stock options outstanding | 1,605,674 | 2,567,425 | 1,605,674 | 2,567,425 |
| | **5,200,143** | **2,878,689** | **5,200,143** | **2,878,689** |

**17. Net change in operating assets and liabilities**

The table below reconciles the change in current assets and liabilities as shown in the condensed consolidated interim statements of cash flows.

| | **Nine Months Ended September 30,** | |
|---|---|---|
| | **2023** | **2022** |
| **Net change in operating assets and liabilities** | **$** | **$** |
| Decrease/(increase) in accounts receivable | (590) | (898) |
| Decrease/(increase) in contract assets | 811 | (28,530) |
| Decrease/(increase) in government grants receivable | (5,536) | 1,780 |
| Decrease/(increase) in prepaid expenses | (1,236) | (130) |
| Decrease/(increase) in inventory | 384 | (2,492) |
| Decrease/(increase) in other current assets | 898 | (2,938) |
| Increase/(decrease) in accounts payable | (5,181) | 22,758 |
| Increase/(decrease) in accrued liabilities and provisions | (8,538) | (470) |
| Increase/(decrease) in contract liabilities | 8,561 | 957 |
| Increase/(decrease) in accrued interest | (9,155) | 5,987 |
| Increase/(decrease) in property, plant and equipment included in accounts payable | 2,548 | (1,663) |
| Others | 1,430 | (163) |
| | **(15,605)** | **(5,802)** |

**18. Subsequent events**

On October 13, 2023, the Company executed an International Swaps and Derivatives Association ("ISDA") schedule and master agreement effective October 4, 2023 with East West Bank. These agreements and other associated required agreements (collectively, the "Interest Rate Swap Agreements") effectively constitute an interest rate swap agreement with East West Bank which effectively fixes the interest on the Rhode Island Project Financing Term Loan at 9.04%. The Interest Rate Swap Agreements have a notional amount of US$ 20 million and a maturity of seven years, the same as the Rhode Island Project Financing Term Loan. It is the Company's intention to designate the interest rate swap as effective hedge.

On October 25, 2023, the Company entered into a settlement agreement with WSN Construction, Inc (formerly W.S. Nicholls Construction, Inc. or "WSN") related to letters of credit issued on the City of Toronto's expanded Dufferin Organics Processing Facility ("DOPF") which settle disputes between the parties including amounts drawn on the Company's letter of credit of $8,900 and requires WSN to pay the Company $2,200. WSN will have to further pay on the amount of the letter of credit drawn, if that amount was not fully utilized by the City of Toronto, up to a max of $6,900.