



**ANAERGIA INC.**

**ANNUAL INFORMATION FORM**

Fiscal year ended December 31, 2025

March 25, 2026

## TABLE OF CONTENTS

<b>MEANING OF CERTAIN REFERENCES</b> .....	<b>1</b>
<b>FORWARD-LOOKING INFORMATION</b> .....	<b>1</b>
<b>MARKET AND INDUSTRY DATA</b> .....	<b>5</b>
<b>CORPORATE STRUCTURE</b> .....	<b>5</b>
<b>OUR BUSINESS</b> .....	<b>6</b>
<b>GENERAL DEVELOPMENT OF THE BUSINESS</b> .....	<b>18</b>
<b>INDUSTRY OVERVIEW</b> .....	<b>24</b>
<b>RISK FACTORS</b> .....	<b>31</b>
<b>DIVIDEND POLICY</b> .....	<b>51</b>
<b>DESCRIPTION OF SHARE CAPITAL</b> .....	<b>51</b>
<b>MARKET FOR SECURITIES</b> .....	<b>52</b>
<b>LEGAL PROCEEDINGS AND REGULATORY ACTIONS</b> .....	<b>60</b>
<b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</b> .....	<b>60</b>
<b>TRANSFER AGENT AND REGISTRAR</b> .....	<b>60</b>
<b>INTERESTS OF EXPERTS</b> .....	<b>61</b>
<b>MATERIAL CONTRACTS</b> .....	<b>61</b>
<b>ADDITIONAL INFORMATION</b> .....	<b>65</b>
<b>APPENDIX A: AUDIT COMMITTEE CHARTER</b> .....	<b>1</b>

## 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 of December 31, 2025. 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 “®” or “™” 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.

## 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, other future events or developments and may include, without limitation, information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, 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”, “future”, “plans”, “goals”, “intends”, “strategy”, “seek”, “trends”, “anticipates”, “believes”, “estimates”, “predicts”, “likely”, “potential”, “typically”, “continue”, or “pursue”, 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.

Forward-looking statements in this Annual Information Form include, among other things, statements relating to: 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; expectations regarding improving margins, reducing expenses and conserving cash; enhancing contractual requirements for margin protection and improving execution process and prudent cash management; expectations regarding our ability to grow the number and scope of operation and maintenance (“**O&M**”) contracts; expectations regarding additional consideration through performance incentives and an earn-out; the expected financial performance of our build-own-operate (“**BOO**”) assets; access to debt financing; the benefits of Investment Tax Credits (“**ITC**”) and Low Carbon Fuel Standards (“**LCFS**”) to our biogas facilities under development in the United States (the “**U.S.**”) and opportunities for set of projects; our business plans and growth strategies; access to a robust incremental pipeline of key Capital Sales projects; the near-term actions as part of the Company’s business reset, including the shift to a capital-light business model, and the associated benefits of such; intentions regarding the declaration of dividends; beliefs and intentions regarding the ownership of material patents, trademarks and domain names used in connection with our business; the market price for the common shares of the Company (“**Common Shares**”); our competitive position in our industry, including anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking information is 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 growth outlook; ability to meet our financing and

liquidity requirements on a continuing basis; 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 improve margins, improve execution processes, reduce expenses, conserve cash and ensure prudent cash management; our ability to meet the requirements and covenants under the Rhode Island Bioenergy Facility LLC (“RIBF”) US\$20 million term loan with East West Bank (the “RIBF Loan”); our ability to improve profitability of the existing business; 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; our ability to receive additional consideration through performance incentives and an earn-out on certain terms; the effects of changes in currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; the timely construction of facilities; the continuation of legislation and regulation favouring landfill diversion and environmental attributes for renewable natural gas (“RNG”); the anticipated monetary incentives for RNG to be provided by California’s LCFS and other initiatives; the expected incentivization for potential projects that use biogas or RNG as a result of LCFS; the benefits of the ITC; our ability to recognize development fees and generate third-party Capital Sales and O&M contracts associated with future BOO projects; and our ability of realizing the anticipated benefits of such are material factors underlying forward-looking information and management’s expectations.

The forward-looking information in this Annual Information Form is 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”:

#### **Risks Related to Our Business**

- we have an annual net loss;
- we may be unable to secure additional financing;
- 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;
- trade relations and tariffs;
- we may be involved in disputes, governmental and regulatory investigations and litigation;
- we may continue to have obligations after divestment of assets, businesses and/or interests in companies;
- we typically face a long and variable development cycle that requires significant resource commitments and a long lead time before we realize revenues;
- our revenues may be affected by the regulatory approvals that support carbon intensity (“CI”) scores for each of our applicable BOO assets;
- failure to successfully implement our growth strategy could result in reduced revenue and net income growth;
- our projects may not generate expected levels of output, including resulting from a reduced feedstock supply;
- 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;
- 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 Renewable Identification Numbers (“RIN”) credit prices;
- 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 might be unable to maintain our competitive 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;
- 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;
- 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;
- 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;
- if demand for waste recovery fails to grow sufficiently, we may be unable to achieve our business goals;
- continued commitment to the reduction of greenhouse gases and a favourable regulatory environment must be sustained;
- 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;
- 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;
- the extensive environmental regulations to which we are subject may increase our costs and potential liabilities and limit our ability to expand our facilities;
- 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 the Common Shares;
- we may face challenges complying with anti-corruption, anti-bribery and sanctions laws;
- governmental and regulatory investigations, regardless of their outcome, are generally costly, divert management attention, and have the potential to damage our reputation;
- our business could be negatively affected by security threats, including cybersecurity threats and other disruptions; and
- 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.

#### **Risks Related to Ownership of Our Shares**

- investing in the Common Shares is speculative, and investors could lose their entire investment;
- Marny S.A. is the principal shareholder of the Company, and 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 Common Shares may be volatile;
- the forward-looking information contained in this Annual Information Form may prove to be incorrect;
- future secondary sales of a substantial amount of the Common Shares held by Dr. Benedek or Marny S.A. or others may depress the price of the Common Shares;
- we may issue additional securities in the future;
- the Common Shares are equity interests and are subordinate to our existing and future indebtedness;
- we do not currently anticipate paying dividends on the Common Shares;
- failure of our internal or disclosure controls to satisfy our public company reporting obligations could have a material adverse impact on us;
- 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 Common Shares adversely, the price and trading volume of the Common 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 may 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.

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 Common 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, EcoEngineers (as applicable to Anaergia), 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 Agency (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. Although we believe it to be reliable, we have not independently verified any of the market and industry 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 industry 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**

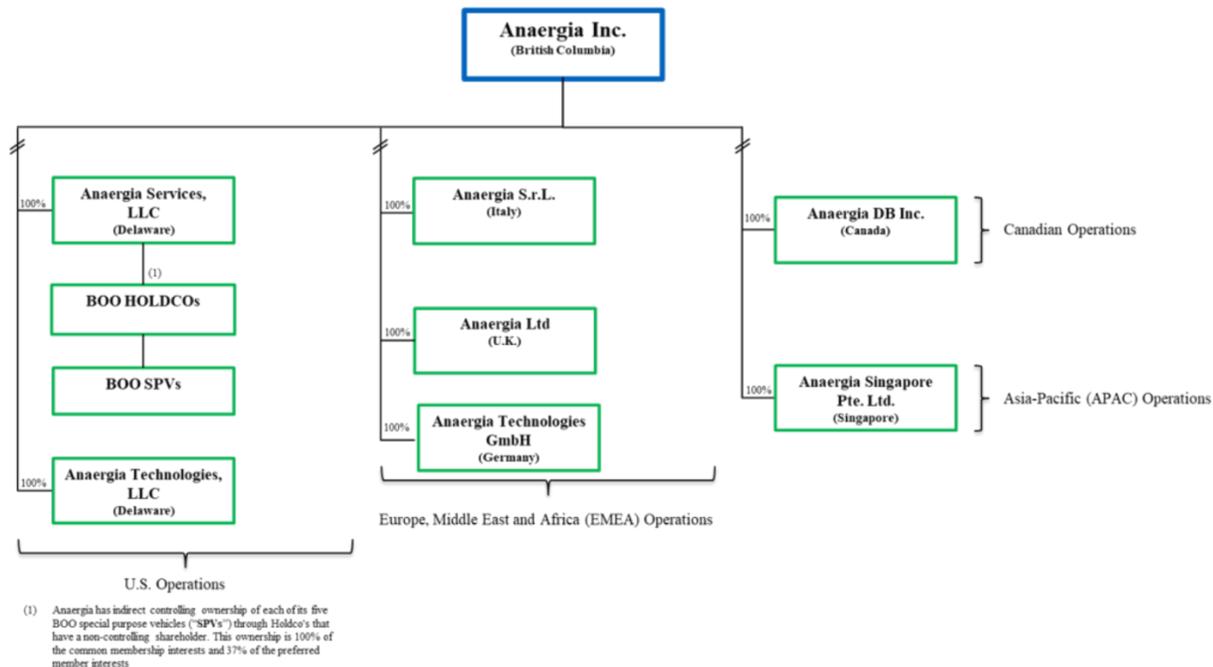
### **Incorporation and Head Office**

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. 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:



Source: the Company.

## 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 working to protect their water, air and soil.

### Company Overview

Anaergia is an integrated waste-to-value platform. Our focus is on 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, per the European Environment Agency, methane has 84 times the impact on global warming compared to carbon dioxide (“CO<sub>2</sub>”) 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 European resource recovery and high solids anaerobic digestion (“AD”) technologies to North America by building on the developments of acquired companies in Europe.

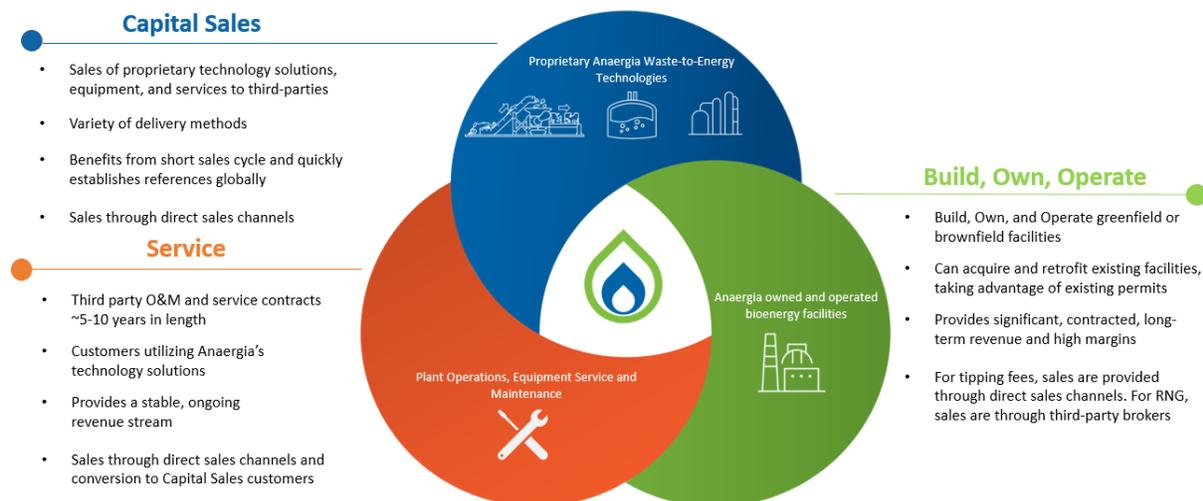
We design and manufacture equipment for the processing and digestion of source separated organics and municipal solid wastes (“MSW”), including technology for the extraction and cleaning of organics from municipal and commercial solid waste streams to produce a clean organic feedstock for AD. Our technologies have been deployed at resource recovery facilities in over 18 countries worldwide, including at over 235 facilities since 2010. During the last two years, we have built or are in the process of building among the largest AD facilities in the world. These include the RIBF (a current BOO asset), which is ramping up operations, the C2NC project in Warsaw, North Carolina, a former Capital Sale, and Singapore Integrated Waste Management Facility, a current Capital Sale.

We provide solutions to resource recovery challenges using a broad portfolio of proven technologies and multiple project delivery methods. Anaergia has 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, and operate 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 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 (developed with a financial partner(s) funding all or the majority of the capital in the projects). 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 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.



Our Capital Sales segment comprises sales of integrated technology packaged solutions, equipment and services to third party customers, predominantly municipalities, private entities, and project developers. Our Capital Sales segment provides our business with a technology focused asset-light model that generates cash, benefits from a relatively short sales cycle and provides marketing benefits such as the establishment of references in the market as well as a potential conversion to O&M contracts. Our Capital Sales segment typically generates a gross margin between 20-30%. For the year ended December 31, 2025, our Capital Sales segment generated \$148.5 million in revenue and \$39.9 million in gross profit. Our Capital Sales segment typically sells to third-party business customers through direct marketing channels in North America and Europe. Management uses sales and business development professionals to facilitate third-party sales. Some of our sales to third-party customers are generated from partnerships with construction contractors and other indirect referral sources for our technology offerings. For Capital Sales, we have two production facilities and use engineers to design and customize products for customer.

Our Services segment is comprised of long-term O&M and service contracts that provide a more stable, recurring revenue stream. Our Services segment typically generates a gross margin of between 20-40%. For the year ended December 31, 2025, the Services segment generated \$20.0 million in revenue and \$10.0 million in gross profit. Our Services segment sales are typically sourced through direct sales channels and conversion of Capital Sales customers to long-term service contracts. The Services segment typically enters into contracts with customers at cost plus margin for a term of five to ten years in length.

Our BOO segment requires significant capital investment but targets the generation of long-term and more predictable cash flows. Our BOO segment typically generates a gross margin between 30-50%. For the year ended December 31, 2025, our BOO segment delivered \$11.6 million in revenue and -\$3.2 million in gross profit, as our operating projects continue to ramp-up. Our BOO segment revenue is typically sourced through direct sales channels for tipping fees and through a broker that helps secure outside sales of RNG. Tipping fee contracts are entered into with waste haulers that typically specify a cost per ton of the waste delivered and typically range in terms of three to five years. RNG off-take agreements are priced at a set rate for the environmental attributes depending on the CI score of the facility and are priced at market rates for brown gas based on a variable amount of metric million British Thermal Units (“MMbtu”). Typically, RNG off-take agreements have a variable term based on the nature of the agreement. Management intends to enter into contracts that are longer term in nature.

Our diversified business model and proprietary solutions have allowed us to meet the growing need for waste-to-resource solutions across the globe, with 39% of our revenue generated from North America, 54% of our revenue generated from the Europe, Middle East and Africa region, and 7% of our revenue generated from the Asia-Pacific (“APAC”) region for the year ended December 31, 2025.

### **History of Innovation**

Since 2007, we have built a platform that offers 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. BOO facility development in the near future will be done primarily with the use of third-party funding.

Anaergia was formed in 2007 with the acquisition of UTS, a German pioneer in high solids digestion of agricultural waste and 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 believe that we have transformed this core technology into a robust, reliable digestion system for the municipal market with 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 dbTechnologies BV (“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 2023 has shifted to designing, building, and operating projects to capture value from assets while offering integrated solutions from organics extraction to residue treatment.

## Global Operations

Globally, there are over 2 billion tons of waste sent to landfills each year (according to the Landfill Methane Outreach Program Landfill and Project database), 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 set of solutions that divert organic waste with no requirement to change consumer behaviour, we are 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.

The Company’s global presence consists of twelve office locations and two manufacturing facilities that have helped deploy our technologies at resource recovery facilities worldwide. 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.

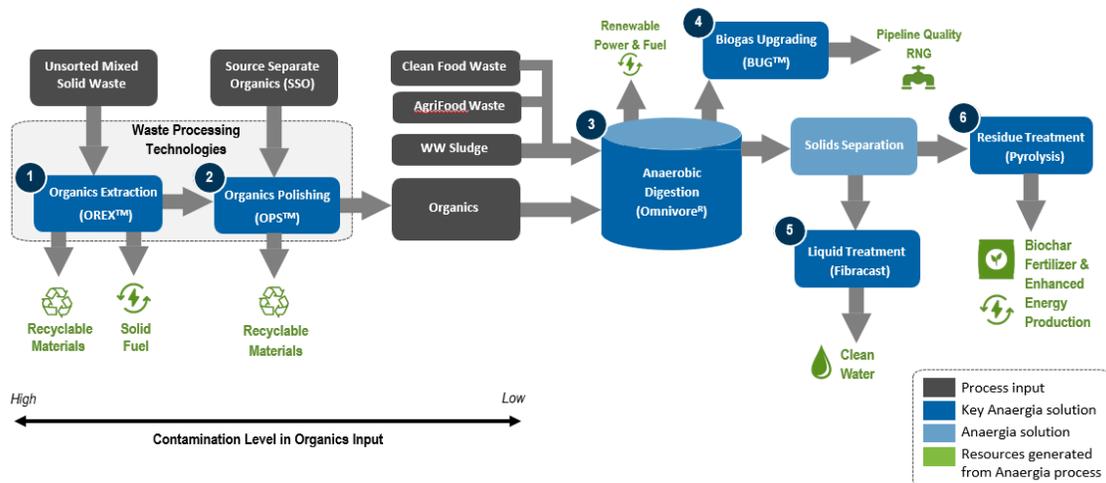
- In the United States, our core market is in the state of California, where we have fifteen projects that serve as technical reference projects.
- In Europe, we have largely been focused on the Italian market to date due to its strong regulatory support and robust natural gas infrastructure. Outside of Italy, we are focused on the United Kingdom, Germany, Spain, Portugal, and South Africa.
- In the APAC region, we have focused on the mature markets of Singapore, Japan, Australia, Vietnam, and South Korea, as well as exploring opportunities in other countries. Our APAC headquarters in Singapore is currently executing projects in China, Taiwan, Singapore, South Korea, 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 over 30 projects currently contracted that are under execution or operation and maintenance across all global target markets. As of December 31, 2025, we have four BOO assets in operation (SoCal Biomethane, Rhode Island, Mohave, Escondido), two BOO assets being readied for construction (Riverside Bioenergy and Charlotte AD facility), the former being developed for construction with a capital partner and the latter has been idled See “General Development of the Business – Update on BOO Assets, Capital Sales and Developments” for further information.

## Integrated Resource Recovery Solutions

Our core offerings utilize a proprietary suite of technologies to optimize resource recovery from MSW, 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® solution, biogas conversion to RNG, liquid residue treatment with Fibracast Ltd. (“Fibracast”) membrane technology for clean water, fertilizer recovery with our ammonia recovery (“AMR”) technology and residue treatment to create high-quality fertilizer with our unique pyrolysis process. These processes are protected by over 240 active and pending patents, supporting our position as a competitive 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 or source-separated organics (“SSO”), eliminating the need for human behaviour change or costly source separation and collection of organic waste. The OREX™ machine is part of a solid waste processing line that can process unsorted MSW to extract 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, minimizing the lengthy permit approval process and shortening 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 more smoothly at full capacity, providing the opportunity for the biogas facilities to achieve target energy production and produce clean and high value fertilizer products.

### ***Anaerobic Digestion (Omnivore®)***

Our Omnivore® 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® digestion system to produce valuable biogas and a nutrient rich soil amendment byproduct. This process was specifically designed to optimize value creation as it runs continuously, not requiring shut down while undergoing maintenance. Compared to competing technologies at wastewater treatment plants (“WWTPs”), our Omnivore® solution requires up to 60% less capex and has the potential to increase capacity of some existing digestion systems by approximately 300%.

Our Omnivore® solution also can create 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® to expand capacity of existing digesters and increase organic processing capacity may enable 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 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 high-quality 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.

### **Anaergia Technical Reference Projects Highlights**

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 technical reference projects are projects that we believe are representative of Anaergia’s component-driven, technical framework that categorizes the standards and technologies provided by the Company over time. See “General Development of the Business – Update on BOO Assets, Capital Sales and Developments” for a description of our current projects that we consider material to our business.



### ***SoCal Biomethane (Current BOO Asset)***

We upgraded the SoCal Biomethane wastewater treatment plant in Victorville, California to convert organic feedstocks into pipeline RNG. 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 and 60,000 gpd of energy-dense organic waste into approximately 320,000 MMbtu per year of

carbon negative RNG for use as transportation fuel by California regional fleets. The SoCal Biomethane project is a current operating BOO asset. See “General Development of the Business – Update on BOO Assets, Capital Sales and Developments” for further information.

#### ***Sun Valley Recycling Park (Former Capital Sale)***

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 Rialto Bioenergy Facility, LLC (“RBF”) for AD and RNG production. Sun Valley Recycling Park was a 2020 Capital Sales project and no longer contributes to the revenue of the Company

#### ***Sterling Natural Resource Center (Former Capital Sale/ Current O&M)***

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®, solid separation, and AMR technology, and turnkey digestion plant designed and supplied by Anaergia. Once fully operational, this facility will process up to 8 million gpd of wastewater and approximately 540 tons per day (130,000 gpd) of organic waste. It will also provide the community with opportunities for education and high-tech jobs. Sterling Natural Resource Center was a 2022 Capital Sales project and is now an O&M contract.

#### ***Camden (Former Capital Sale/ Current O&M)***

We retrofitted existing sludge storage tanks with Omnivore® 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 gpd 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® 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 10-year O&M contract. The facility is expected to reduce greenhouse gas emissions by 23,500 tons per year of CO<sub>2</sub> equivalent (“CO<sub>2e</sub>”), which is equivalent to taking about 4,998 passenger vehicles off the road. The CCMUA facility was a 2019 Capital Sales project and is now an O&M contract.

#### ***Ulu Pandan (Former Capital Sale)***

We joined Singapore’s Public Utilities Board (PUB) and National Environment Agency 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® 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 that has led to the Tuas Nexus project, which will be Singapore’s first integrated water and solid waste treatment facility to which Anaergia will supply organic waste treatment solutions. The Singapore plant was a 2016 Capital Sales project and no longer contributes to the revenue of the Company.

### **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. The term of the related Capital Sale contracts generally do not exceed 24 months.

For 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

MSW, 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 generally large size of our counterparties limits our credit risk.

### **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. Performance in our facilities is achieved using a combination of this proprietary equipment along with equipment procured from third parties.

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 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 an 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 various types of feedstock, and our experience in developing RNG gives us a competitive advantage over our competitors operating in our space.

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. With respect to project development, financing and operations, we compete with EnviTec, Hitachi Zosen Corporation, Suez, Ameresco, Inc. (“**Ameresco**”) and Montauk Renewables, Inc. 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.

Notwithstanding our 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. 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, 2025, we had 285 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. Safety of our personnel is also one of our core values and maintaining a safe work environment is critical to the Company's ability to attract and retain employees.

We are headquartered in Canada but operate globally from eleven 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 zero in 2023, one in 2024, and zero in 2025, 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.

## **Cycles**

Our Capital Sales segment is dependent on customers timing for execution of project deliverables and new customer signings. These typically manifest in revenue being recognized later in the year. Our BOO and Services segments are not seasonal. The revenue from the larger Services contracts are recognized ratably over the contract period, but field Service revenue is dependent on customers and the need for repairs on their capital equipment. Revenue from our BOO segment is dependent upon waste diversion and when waste is provided by haulers, which tends to be consistent.

## **Economic Dependence**

Our Capital Sales segment is largely made up of a diverse customer base. For the year ended December 31, 2025, there were several key customers that contributed to the year's revenues, including the Singapore Integrated Waste Management Facility ("IWMF"), PepsiCo, the Quercus Real Assets Projects "QGM Projects", East County, and the City of Riverside, CA. See "General Development of the Business - Update on BOO Assets, Capital Sales and Developments".

Our Services segment is made up of a few large customers where we are operating the plant for them. While these customers are material to the Services segment, they collectively provide less than 10% of our revenue.

Our BOO segment is primarily focused on the processing of organic waste and wastewater into renewable energy, fertilizer, clean water, and recyclables. Feedstock supply is therefore important to the successful execution of our BOO assets. Lack of sufficient quality or quantity, changes in waste and effluent collection, and termination or breach of contracts can all adversely affect the output from our BOO assets. Long-term feedstock contracts with multiple suppliers helps reduce these risks. Furthermore, Anaergia tries to secure fixed-price long-term offtake contracts for RNG sales to reduce or eliminate the impact of fluctuations on revenue.

## **Changes to Contracts**

We have unfulfilled contract obligations that represent the unrecognized revenue on our contract commitments with third parties. As of December 31, 2025, the unfulfilled contract obligations for Capital Sales contracts were \$217,090 based on contracts in-hand. As of December 31, 2025, the unfulfilled contract obligations for O&M and Service contracts were \$39,414, conservatively assuming only 3-years of contract value whereas several of our O&M contracts are 5-10 years in length. These may significantly vary from year to year based on the timing of major new contract commitments and may fluctuate with currency movements. In addition, our customers have the right, under specific circumstances, to terminate contracts or defer the timing of our services and their payments to us. The typical reasons for cancellation of revenue contracts are for default or non-performance under the contract and are considered standard in our industry. None of our contracts can be cancelled for convenience without commensurate remuneration. Our contracts are each customized to the specific customer with local waste management, municipalities, or third-party contractors. The contract negotiation and terms are highly dependent on the customers bargaining power.

## **Social and/or Environmental Policies**

We are committed to promoting environmental stewardship around the world. We comply with all applicable environmental laws associated with our business activities, as well as with our operating unit policies and procedures. We also insist that contractors, suppliers and others who work with us follow the appropriate laws.

As part of our commitment to our global community, we uphold individual human rights. Although governments have the primary responsibility for protecting human rights, Anaergia believes business has a constructive role to play to advance respect for human rights throughout the world. Anaergia recognizes the dignity of all human beings, and our core values embrace these inalienable rights for all people to live their lives free from social, political or economic discrimination or abuse.

Anaergia does not tolerate acts of discrimination based on age, ancestry, colour, race, citizenship, ethnic origin, creed, disability, family status, marital status, gender, sex, sexual orientation or any other ground of discrimination prohibited by law. Anaergia does not tolerate harassment or violence. Our policies against such behaviour extends to inappropriate use of social media, as well as to activities outside of the workplace if there is any connection to Anaergia.

## **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. We also review new disclosures and inventions and consider 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® mixers, and processes, including degritting and ammonia removal. Overall, we have over 240 patents dedicated to converting organic waste into sustainable solutions such as RNG, fertilizer, and water.

## **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 Growth Strategy**

Anaergia is driven to innovate. Our mission is clear: to accelerate the clean energy transition by transforming waste into renewable fuel, clean water, and fertilizer. Underpinned by robust market, regulatory and environmental tailwinds, we are 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 project development and execution experience and our network of owned infrastructure. Key elements of our growth strategy are set out below.

### ***Shift to a Capital-Light Business Model***

For all new BOO opportunities in the development pipeline, we plan to develop future projects with a financial partner(s) who will fund all or the majority of the capital in the projects. Anaergia intends to recognize revenue from a development fee, Capital Sale and long-term O&M contract with each future BOO opportunity. With this approach, Anaergia expects to reduce the capital burden and leverage its development, technical and operational skills to improve short-term cashflow.

### ***Meet Market Demand for Cost-Effective, Sustainable Solutions using our Proven Technologies***

Anaergia has taken a proactive approach to improving its impact on the environment. We believe that addressing climate change will remain a global objective for government, institutions and commercial organizations. Through our products and services and our owned infrastructure, we optimize 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.

### ***Focus on Profitability***

Anaergia is focusing its efforts on improving margins, reducing expenses, and conserving cash. We are taking actions to enhance contractual requirements to de-risk margin erosion, improve execution processes, and ensure prudent cash management, including SG&A. Anaergia plans to continue leveraging its proven technologies to increase sales and optimize value extraction.

### ***Increase Services Revenue***

We intend to continue to seek opportunities to increase our sources of recurring revenue from services, sales of spare parts to existing clients and the sale of non-strategic products and services to third parties. For some 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.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Business Reset

#### *Strategic Shift to a Capital-Light Business Model*

- For all new BOO opportunities in the development pipeline, we plan to develop future projects with a financial partner who will fund all or the majority of the equity in the projects.

#### *Margin Improvement*

- Enhance contractual requirements for margin protection in proforma reviews of business opportunities.
- Improve discipline in contracting and execution processes, including incorporation of enhanced third-party due diligence and improvements from past experience.

#### *SG&A Reduction*

- Management will target reducing the SG&A.

#### *Prudent Cash Management and Conservation*

- Management will target retaining a 12-month cash runway to eliminate liquidity concerns.

As part of the business reset, Anaergia, among other actions, terminated certain loss-making contracts, decreased headcount for certain positions, increased management's efforts to collect on older receivables, delayed payments and is limiting non-essential expenditures.

As of December 31, 2025, the Company's cash reserves have increased from \$30,220 as of December 31, 2024 to \$33,798 primarily driven by higher revenues across the business and the resulting cash flow generated from operating activities.

We are continuing to evaluate our BOO assets and are determining if certain financing options are worth pursuing at this time to increase capital resources available to the remaining projects. We will continue to seek equity partners and debt financing on our current BOO projects.

The continued operations of the Company depend upon its ability to meet its financing and liquidity requirements on a continuing basis, by continuing to have access to financing, by selling assets, and by generating positive operating results. There can be no assurance, however, that the Company can reach profitability, secure adequate debt or equity financing, or implement assets sales on desirable terms, within the necessary timeframes or at all.

Further, the Company through the RIBF entered into the RIBF Loan, which is subject to customary financial covenants. The Company has determined that due to certain performance delays at the RIBF, it expects that RIBF will not satisfy certain covenant requirements, including for the March 31, 2026 testing period. On May 30, 2025, the Company entered into the Second Amendment to the Term Loan Agreement and the Second Amendment to the Blocked Account and Depository Agreement with East West Bank, which extended the interest-only period through December 31, 2026 and modified the production and EBITDA covenants applicable to RIBF. RIBF did not satisfy the MMBtu production covenant for the period ended December 31, 2025; however, subsequent to year-end, East West Bank provided a limited waiver in respect of that specific covenant default.

The Company, through its subsidiary, SoCal Organics Recycling Facility, LLC ("SCORF"), has the California Department of Resources Recycling and Recovery US\$10,000 term loan (the "SCORF Loan"), which, due to filings as part of the RBF bankruptcy filing and Royal Bank of Scotland's rejection of the Fee Agreement, a portion of the collateral for the loan has been cancelled and as such the Loan could be considered in default as of the date of the rejection of the Fee Agreement by the RBF bankruptcy court. We have entered negotiations with the lender and are

continuing to make payments on the SCORF Loan. As of December 31, 2024, CalRecycle has provided the Company with an estoppel certificate declaring that it is not considering the status of the Fee Agreement, as impacted by the RBF bankruptcy, to be an event of default under the Loan Agreement.

### **Strategic Investment**

On December 18, 2023, the Company announced a \$40.8 million equity investment by Marny by way of an arm's-length, multi-tranche, non-brokered private placement (the "**Strategic Investment**"), pursuant to a subscription agreement dated December 17, 2023, as amended on December 29, 2023, February 2, 2024, and April 1, 2024 (the "**Subscription Agreement**").

Marny Investissement SA ("**Marny**"), through its wholly owned subsidiary Marny Holdco, Inc. ("**Marny Holdco**"), agreed to subscribe for an aggregate of 102,000,000 units of the Company ("**Units**") at a price of C\$0.40 per Unit with each Unit consisting of one subordinate voting share of the Company ("**Subordinate Voting Share**") and 1/5 of one Subordinate Voting Share purchase warrant of the Company (each a "**Warrant**"). Each Warrant entitles Marny to purchase one additional Subordinate Voting Share at an exercise price of C\$0.80 until February 2, 2027. The Unit subscription price of C\$0.40 represented a 57% premium to the 10-day volume weighted average price of the Subordinate Voting Shares on the Toronto Stock Exchange ("**TSX**") as of December 15, 2023.

Pursuant to the Subscription Agreement, Marny Holdco was provided with a right, in its sole discretion, to allocate an aggregate of 10,200,000 Subordinate Voting Shares for which it has subscribed to certain individual investors (the "**Marny Individual Investors**"), on a pro rata basis for each tranche, and any such Marny Individual Investor is required to grant an irrevocable proxy to Marny Holdco in respect of the voting right for such Subordinate Voting Shares.

On February 2, 2024, the Company announced that the first tranche of the Strategic Investment had closed with the issuance of 31,250,000 Units for gross proceeds of C\$12.5 million. In connection with the closing of the first tranche of the Strategic Investment, Ronen Kantor, a nominee of Marny, was appointed to the board of directors of the Company (the "**Board**") to fill the vacancy created by the resignation of Alan Viterbi. On April 1, 2024, the Company announced that the second tranche of the Strategic Investment had closed with the issuance of 34,000,000 Units for gross proceeds to C\$13.6 million. In connection with the closing of the second tranche of the Strategic Investment, Assaf Onn, a nominee of Marny, was appointed to the Board to fill the vacancy created by the resignation of Douglas Fridrik Parkhill. The closing of the third tranche of 36,750,000 Units for gross proceeds of C\$14.7 million cannot occur until the cease trade order issued by the Ontario Securities Commission against the Company for its failure to file its annual information form for the year ended December 31, 2023, audited annual consolidated financial statements for the year ended December 31, 2023, the related management's discussion and analysis of financial condition and results of operations, and the CEO and CFO certificates relating to the audited annual financial statements is lifted.

In connection with the Strategic Investment, Dr. Benedek agreed to convert 31%, 33% and 36% of the multiple voting shares of the Company ("**Multiple Voting Shares**", together with Subordinate Voting Shares, the "**Shares**") held by him into Subordinate Voting Shares on a 1-for-1 basis in accordance with the Company's constating documents, with the closing of each tranche of the Strategic Investment (the "**Conversion**"). Accordingly, Dr. Benedek, on February 2, 2024, converted 9,872,049 Multiple Voting Shares into 9,872,049 Subordinate Voting Shares with the closing of the first tranche of the Strategic Investment and on April 1, 2024, converted 10,740,790 Multiple Voting Shares into 10,740,790 Subordinate Voting Shares with the closing of the second tranche of the Strategic Investment.

In connection with the Strategic Investment, the Company provided an undertaking to the TSX to reclassify the Subordinate Voting Shares as "common shares" and to eliminate the Multiple Voting Shares from the Company's authorized capital within 60 days from the closing of the third tranche of the Strategic Investment (the "**Reclassification**"). On August 19, 2024, the Company completed the Reclassification.

On December 29, 2023, the Company, Marny, Marny Holdco and Dr. Benedek entered into an investor rights agreement, as amended and restated on February 2, 2024 (the "**Investor Rights Agreement**") providing for, among other things, customary registration rights and participation rights, and certain information and director nomination rights, including, from the closing of the second tranche to the third tranche of the Strategic Investment, as long as

Marny Holdco owns or controls or directs at least 10% of the voting power attached to all of the issued and outstanding Shares (on a non-diluted basis) it shall be entitled to designate two nominees to the Board. The Investor Rights Agreement became effective as of the closing of the first tranche of the Strategic Investment. The Investor Rights Agreement superseded and replaced the Company's existing principal shareholders agreement with Dr. Andrew Benedek. See "Material Contracts – Investor Rights Agreement".

Following the completion of the Strategic Investment, Marny Holdco owned approximately 60.9% of the issued and outstanding Common Shares (on a non-diluted basis) and 65.2% of the issued and Common Shares (on a partially diluted basis) assuming the exercise in full of the Warrants. On May 28, 2025, Marny Holdco transferred its Common Shares and Warrants to Marny S.A.

## **Update on BOO Assets, Capital Sales and Developments**

### ***The RIBF (Current BOO asset)***

The RIBF, located near Rhode Island's central landfill in Johnston, is designed to divert over 100,000 tons per year of waste from landfills and it is the largest anaerobic digester processing organic waste in New England. This facility converts food scraps plus some other organic wastes, into fertilizer, recycled water and RNG.

On January 29, 2024, Rhode Island Bioenergy Facility Holdco, LLC completed the sale of \$21,679 of the Inflation Reduction Act of 2022 ("IRA") investment tax credits (the "ITC Transaction") generated by qualified investments of RIBF in RNG generating capital expenditures and generated \$21,679 in cash during Q1 2024, which was offset by distributions to our partner of \$7,973, and we recognized expenses on the ITC Transaction of \$2,416.

On April 17, 2024, the RIBF entered into a consent agreement with Rhode Island Department of Environmental Management ("RIDEM") acknowledging the payment of US\$15 and resolving a previous notice of violation. RIBF continues to monitor our compliance on the consent agreement with RIDEM.

On September 30th, 2024, the Company executed an amendment to the RIBF loan, extending its interest-only period through year-end 2025, and restructuring covenant terms and timing.

On May 30, 2025, the Company signed the Second Amendment to Term Loan Agreement and Second Amendment to Blocked Account and Depository Agreement with East West Bank. The Amendment modified the financial covenants of the loan to extend the interest-only period through the end of 2026, reduce the production covenants regarding minimum gas production per day, as well as EBITDA requirements for the subsidiary.

### ***SoCal Biomethane (Current BOO asset)***

Anaergia upgraded the existing digester system at this 12 MGD (million gpd) facility providing enough additional capacity to enable co-digestion of food scraps with wastewater solids. We also installed two of our 800-kW dual-fuel combined heat and power modules. In Phase 2 of this project these modules began using conventional natural gas so that facility's biogas can be upgraded to RNG (biomethane) for injection into the regional gas utility pipeline system. The plant can produce more than 340,000 MMbtu of renewable natural gas per year. On January 1, 2023, SoCal Biomethane was placed into service, and depreciation was started on the plant.

On May 2, 2023, we announced a 2-year contract with our SoCal Biomethane plant to supply RNG as facilitated by renewable fuels marketer Anew Climate to FuelCell Energy's (Nasdaq: FCEL) Tri-gen system to produce carbon-negative hydrogen and electricity for Toyota Logistics Services Center at the Port of Long Beach in California. The facility is Toyota's largest port operation handling import/exports for North America and processes about 200,000 vehicles per year. FuelCell Energy's Tri-gen system is expected to produce approximately 1.3 tons of renewable hydrogen per day which will fuel Toyota Mirai vehicles. The fuel cells are expected to produce a net 2.3 megawatts of electricity—enough to power Toyota Logistics Services Center—and will add renewable electricity to the grid, as well as produce roughly 1,400 gallons of water a day that will be used for car-washing operations.

We upgraded the wastewater treatment plant in Victorville, California to convert organic feedstocks into carbon negative RNG, thereby directly aligning with the California Energy Commission's 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 VVWRA and 60,000 gpd of energy-dense organic waste into approximately 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 of approximately US\$28 million. 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.

As of December 31, 2025, the plant was operating profitably while continuing to ramp further to full production capacity.

#### ***Charlotte (Current BOO asset)***

Charlotte, a 5.2-megawatt AD facility located in Charlotte, North Carolina, 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 a long-term power purchase agreement with Duke Energy extending to 2031, under which it sells both the electricity output and renewable energy credits generated from waste.

On February 1, 2024, the facility was idled to minimize operating losses while preparing the site for construction. .

#### ***Riverside (Future potential BOO asset, currently in development)***

Riverside is a brownfield project in California with feedstock derived from organic fraction of MSW and biosolids. Anaergia has finalized a facility lease and energy services agreement with the city council. On September 8, 2025, Anaergia announced an agreement for the sale of its development-stage Riverside Bioenergy Facility, LLC to a developer with institutional investor funding. Anaergia Technologies, LLC will provide EPC services for the City of Riverside's Water Quality Control Plant, and Anaergia Services, LLC will provide long-term O&M services once construction is complete. The Company expects to recognize approximately \$39 million in EPC revenue, with most activity occurring in 2026 and 2027.

#### ***Singapore IWMF (Current Capital Sale Project)***

During Fiscal 2025, we recognized revenue of \$11,747 for this project. The project had an original contract value of SGD 35,017 and was approximately 73% complete as of December 31, 2025. While the project is currently generating less than 10% of our revenue, the overall contract value is deemed to be significant. The project is designed to process 5,800 tonnes per day of incinerable waste, 250 tonnes per day of household recyclables, 400 tonnes per day of source separated food waste, and 800 tonnes per day of dewatered sludge. The plant is located at the Tuas View Basin Site and will be completed in phases, with the first phase targeted for completion by 2026.

#### ***Quakertown (Current Capital Sale Project)***

The project had an original contract value of \$18,444 (US\$13,631) and was approximately 81% complete as of December 31, 2025. This project is designed to refurbish and install new AD facilities at the Borough of Quakertown WWTP in Quakertown, Pennsylvania using our Omnivore™ technology.

#### **Major Capital Sale Awards**

Anaergia has continued to secure and execute new sales/project orders in 2025, including the numerous awards described in the "Recent Developments" section of the Fiscal 2025 MD&A.

- On January 14, 2025, Anaergia entered into a binding agreement with Techbau S.p.A. to construct five new biomethane production facilities across Southern Italy. Anaergia will supply proprietary AD technologies and state-of-the-art equipment for the biomethane production process, while Techbau will oversee the EPC of the facilities.. The total investment in the projects is expected to be approximately €100,000, with Anaergia expecting to recognize revenues of approximately \$25,000.
- On February 5, 2025, the Company entered into an agreement securing a new \$13,900 line of credit with the Royal Bank of Canada ("**RBC**"), guaranteed by Export Development Canada ("**EDC**"). This line of credit is valid through January 31, 2027 and can be utilized as collateral for Letters of Credit required on certain Capital Sales projects at the time of executing a contract. On November 10, 2025, the Company entered into an agreement increasing the Company's guarantee by EDC on our line of credit from \$13,900 to \$27,800. This line of credit is valid through January 31, 2027 and has utilized \$12,604 as collateral for Letters of Credit required on certain Capital Sales projects as of December 31, 2025.
- On February 20, 2025, Anaergia's subsidiary, Anaergia Singapore Pte Ltd., signed a Letter of Intent with JGC Holdings Corporation to supply technology and equipment for a renewable natural gas project in Japan. The facility is expected to process approximately 61,000 tonnes of combined agricultural and food waste annually, converting these organic waste streams into approximately 1.7 million cubic meters of biomethane equivalent of renewable natural gas per year, as well as fertilizer.
- On February 24, 2025, Anaergia Inc. commenced trading on the OTCQX Best Market under the ticker symbol "ANRGF." This upgrade enhances the company's visibility and accessibility to U.S. investors and reflects Anaergia's commitment to strong financial reporting and corporate governance standards. Anaergia's common shares continue to trade on the Toronto Stock Exchange under the symbol "ANRG."
- On March 4, 2025, Anaergia announced agreements to upgrade the Renewable Energy Anaerobic Digester (READ) facility at the University of California, Davis. Supported by a grant from CalRecycle, the upgrades will enhance facility efficiency and reliability, which is expected to generate over \$7,000 in revenue for Anaergia. The improvements will support greater food waste recycling and renewable energy generation, helping California meet SB 1383 climate action goals.
- On March 28, 2025, Anaergia announced it had received formal notice to proceed from the City of Fermo, Italy, for the construction of a new waste treatment plant including an AD facility. The plant will process more than 35,000 tonnes of source-separated organics annually, producing approximately 31,400 MWh of biomethane per year for conversion into compressed natural gas ("CNG") to be used for vehicle fueling. Total project investment is estimated at \$45,500, with Anaergia expecting to recognize revenues exceeding \$9,000.
- On March 31, 2025, Anaergia announced contracts with entities owned by QGM S.à.r.l. to build two new biomethane production plants in Copparo and Derovere, Northern Italy. Anaergia S.r.l. will act as the EPC contractor, providing state-of-the-art equipment for biomethane production. Each facility will process over 50,000 tonnes of agricultural waste annually, with both plants expected to be operational by mid-2026. The total contracted value for these projects exceeds \$46,000.
- On April 2, 2025, Anaergia announced that its subsidiary, Anaergia S.r.l., signed a contract with Techbau S.p.A. ("Techbau") to supply equipment for the biomethane production process at five new facilities across southern Italy. As previously disclosed in January 2025, Anaergia will provide its proprietary AD technologies and advanced equipment, while Techbau will oversee the EPC of the plants. These facilities are scheduled to be fully operational and connected to Italy's gas pipeline grid. The company anticipates recognizing approximately \$27 million in revenue from this contract. On June 11, 2025, Anaergia announced expansion of the scope of this contract, increasing the number of facilities from five to seven and raising the expected revenue to over \$36 million.
- On April 21, 2025, Anaergia announced that its subsidiary, Anaergia S.r.l., entered a binding Letter of Intent with Capwatt Biomethane Unipessoal, Lda. ("Capwatt") to design and build nine state-of-the-art biomethane facilities from agro-industry waste in Portugal, Spain, and Italy. The projects are targeted for completion before the end of

2026 and are expected to generate over \$60 million in revenue for Anaergia during this period. Subsequently, on May 20, 2025, Anaergia announced a contract for the first project, Metanext, located in central Italy. This contract is for approximately \$7.3 million.

- On April 28, 2025, Anaergia announced that its subsidiary, Anaergia Technologies LLC, secured a change order to expand engineering services and equipment supply as part of an ongoing project with the East County Advanced Water Purification Joint Powers Authority (“JPA”) in East San Diego County. This builds upon a contract announced in July 2023. The change order is to increase Anaergia’s revenue from this project by approximately \$8.6 million.
- On July 2, 2025, Anaergia S.r.L. entered into a binding agreement with RDR S.p.A., the engineering and construction firm awarded the ASA Livorno wastewater treatment plant modernization project. Anaergia will supply capital equipment to enable co-digestion of source-separated organics and wastewater sludge, the first installation in Italy to integrate these streams for biomethane production. Total project value is approximately \$25 million, with Anaergia expected to recognize \$3.2 million in revenue.
- On July 7, 2025, Anaergia S.r.L. signed an agreement with PreZero International, the general contractor selected to upgrade a materials recycling facility near Bilbao. Anaergia will supply its proprietary CleanREX™ and GritREX™ systems to process up to 50,000 tons of source-separated organics annually and convert them into biomethane through AD. This project represents Anaergia’s first source-separated organics-to-biomethane contract in Spain. The Company expects to recognize approximately \$7.6 million in revenue.
- On August 1, 2025, Anaergia S.r.L. signed an agreement with a subsidiary of Bioenerys, a Snam Group company, to expand and upgrade Bioenerys’ Moglia AD facility in northern Italy. The project will more than double the plant’s biogas output by increasing capacity to process agricultural residues and produce biomethane. Work is expected to be completed by the end of 2026, with Anaergia anticipating revenues of approximately \$11 million.
- On August 6, 2025, Anaergia S.r.L. signed a third contract with QGM S.à r.l., a partnership between Quercus Real Assets and Elionia, to provide advanced AD technologies for a new biomethane production plant in Ostellato, northern Italy. The facility will process approximately 47,000 tonnes of agricultural biomass and by-products annually to produce more than 4 million cubic metres of renewable methane. The total contracted value for this project exceeds \$22 million.
- On August 19, 2025, Anaergia S.r.L. signed a binding agreement with a leading Spanish renewable gas infrastructure company to provide advanced technologies and equipment for more than 15 new biomethane production plants across Spain. Anaergia will supply its proprietary Triton™ digesters, mixing systems, and other critical infrastructure to enhance process efficiency and reliability. Work on the first facility began in August, with all plants expected to be operational and connected to Spain’s gas pipeline network within four years. The agreement represents Anaergia’s largest capital sale to date, with anticipated total revenue of approximately \$184 million.
- On August 26, 2025, Anaergia S.r.L. signed a contract with Nortegas Renovables, a subsidiary of Nortegas Group, to provide infrastructure and technology for a new AD facility that will convert agricultural residues into renewable biomethane. The project forms part of a broader development plan previously announced by Anaergia in Spain. Activities commenced in August, with completion expected within two years. Anaergia anticipates approximately \$18 million in revenue from this contract.
- On September 2, 2025, Anaergia S.r.L. signed a second agreement with a subsidiary of Bioenerys to expand and upgrade Bioenerys’ AD facility in Ariano nel Polesine, northern Italy. Building on Anaergia’s previously announced project in Moglia, the new contract will more than double the plant’s biomethane output by increasing its capacity to process agricultural residues. The project is expected to be completed by the end of 2026 and to generate approximately \$11 million in revenue.
- On September 8, 2025, Anaergia announced an agreement for the sale of its development-stage project, Riverside Bioenergy Facility, LLC, to a developer with institutional investor funding. Under the agreement, Anaergia

Technologies, LLC, will provide EPC services for the City of Riverside’s Water Quality Control Plant, installing Anaergia’s advanced biogas upgrading and feedstock processing systems. Anaergia Services, LLC, will also provide long-term O&M services once construction is complete. The Company expects to recognize approximately \$39 million in EPC revenue, with most activity occurring in 2026 and 2027. This transaction advances Anaergia’s capital-light strategy by transferring ownership while maintaining ongoing revenue streams through EPC and O&M contracts.

- On October 1, 2025, Anaergia S.r.l. entered into a contractual agreement with Società Agricola Zilio to repower its existing AD facility in Veneto, Italy, which was originally built by Anaergia in 2011. The project will nearly double the facility’s agricultural feedstock processing capacity and increase renewable natural gas production, with output injected into Italy’s national gas grid. The upgraded facility is expected to resume operations by mid-2026, with projected revenues exceeding \$4.7 million.
- On October 31, 2025, Anaergia S.r.l. entered into a joint venture with Tozzi Sud and Isolmec Group to build a new AD facility for BioHold in Basilicata, southern Italy. The Ora Biogas facility will process agricultural residues to produce biomethane, which will be injected into Italy’s gas distribution network. The facility is expected to begin operations by June 2026. The joint venture’s total contract value is approximately \$22 million, representing Anaergia’s first project for BioHold.
- On November 21, 2025, Anaergia Technologies LLC was awarded a \$43.8 million design-build contract by the East County Advanced Water Purification Joint Powers Authority in San Diego County, California, extending Anaergia’s existing partnership with the JPA. Under the amended agreement, Anaergia will design, construct, commission, and start up a renewable power generation facility that converts organic waste into renewable energy using AD and combined heat and power technologies. Construction of the facility is expected to be completed within two years.
- On December 9, 2025, Anaergia Technologies, LLC signed a contract with Sabritas S. de R.L. de C.V., a subsidiary of PepsiCo Mexico Foods, to deliver an integrated renewable energy solution at a food production facility in Mexico. Anaergia will supply high-efficiency digestion technology and integrated biogas conditioning and upgrading systems to convert organic residuals into biomethane for on-site use. The project is expected to be operational before the end of 2026 and represents Anaergia’s first project in Mexico.

## INDUSTRY OVERVIEW

### Growing Global Waste Problem and Trend Towards GHG Emission Reduction Commitments

The generation of MSW 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.<sup>1</sup> 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 contributors to climate change. Of the 1.1 degrees Celsius that human activity has warmed the earth, about 0.5 degrees Celsius of this warming is attributed to methane.<sup>2</sup> According to the World Resource Institute, methane is a significant GHG and accounted for approximately 17% of global GHG emissions in 2018 on a CO<sub>2</sub>e basis utilizing the 100-year GWP for all GHGs. However, when using the 20-year GWP, methane is 84 times more powerful than CO<sub>2</sub> and accounted for approximately 37% of global GHG emissions in 2018, or approximately 24.9 billion metric tons, on a CO<sub>2</sub>e basis.<sup>3</sup> Specifically, global food loss and waste are estimated to

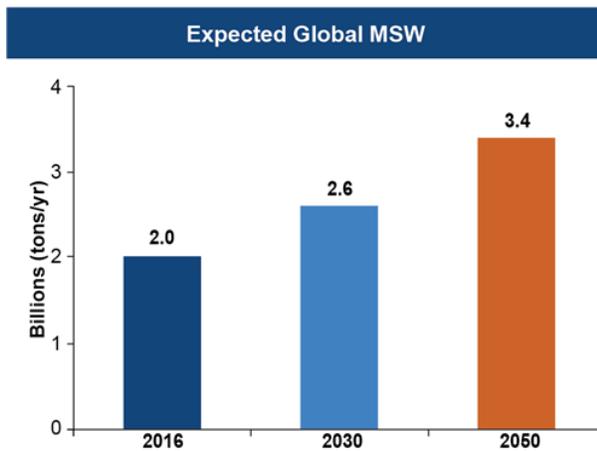
---

<sup>1</sup> World Bank (2018), “*What a Waste 2.0*”.

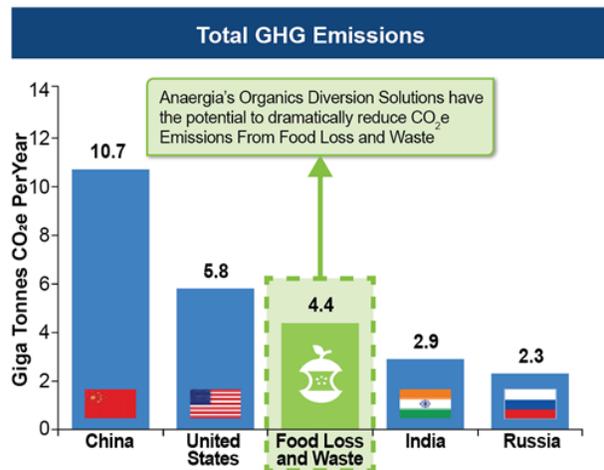
<sup>2</sup> IPCC, “*Summary for Policymakers*”, [https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC\\_AR6\\_WGI\\_SPM.pdf](https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf).

<sup>3</sup> World Resource Institute (2018), “*Climate Watch – CAIT Historical Emissions*”.

produce approximately 4.4 billion tons of CO<sub>2</sub>e each year, which is more than that of India or Russia and is an approximately equivalent source of global GHG emissions as transportation.<sup>4, 5, 6</sup>



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 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, CO<sub>2</sub> and other gases and valuable byproducts.

Captured biogas can be further upgraded by removing CO<sub>2</sub> 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.<sup>7,8</sup> 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

<sup>4</sup> Food and Agriculture Organization of the United Nations (2015), "Food Wastage Footprint & Climate Change".

<sup>5</sup> IPCC (2014), "Fifth Assessment Report Chapter 8: Transportation".

<sup>6</sup> Emissions Database for Global Atmospheric Research version 4.2 (2012).

<sup>7</sup> U.S. Department of Agriculture, "Biogas Opportunities Roadmap: Voluntary Actions to Reduce Methane Emissions and Increase Energy Independence".

<sup>8</sup> U.S. Department of Energy, "2016 Billion-Ton Report: Advancing Domestic Resources for a Thriving Bioeconomy".

year, of which only 27 million are beneficially used, leaving 50 million dry tons of feedstock potentially available for use.<sup>9</sup>

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.<sup>10</sup>

### **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.<sup>11</sup> 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.



#### ***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

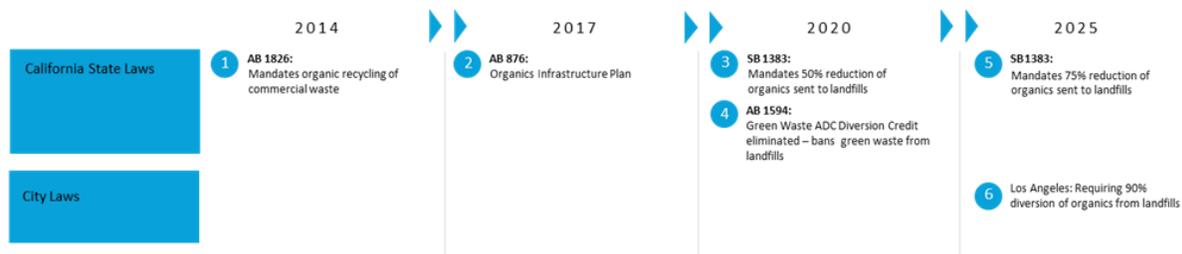
<sup>9</sup> U.S. Department of Energy, “Biofuels and Biproducts from Wet and Gaseous Waste Streams: Challenges and Opportunities”.

<sup>10</sup> Union of Concerned Scientists, “Turning Trash into Low-Carbon Treasure”.

<sup>11</sup> EPA, “Sustainable Management of Food”, [https://www.epa.gov/sustainable-management-food/sustainable-management-food-basics\\_](https://www.epa.gov/sustainable-management-food/sustainable-management-food-basics_)

million tons per year that will need to be processed at compost, AD, chip-and-grind or other organic waste processing facilities.<sup>12</sup> 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.<sup>13, 14</sup> Failure to comply with SB1383 has material financial consequences for municipalities, with liquidated damages of up to US\$10,000 per day.<sup>15</sup> To ensure compliance, the City of Los Angeles ultimately passed an ordinance in December 2022 mandating waste generators to subscribe to organic waste collection and recycling services, and under which liquidated damages will be passed to waste generators not in compliance January of 2024 onwards. Other Californian cities are also developing plans to comply with SB1383 regulations.

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.<sup>16</sup> 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 with AD can be retrofitted with our Omnivore® 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.

## 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,<sup>17</sup> 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 the European Union law to grow to a minimum of 65%.<sup>18</sup> 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 expertise and relationships in this jurisdiction position us well to capture a significant share of this

<sup>12</sup> CalRecycle, “Analysis of the Progress Towards the SB 1383 Organic Waste Reduction Goals”.

<sup>13</sup> City of Los Angeles, “Solid Waste Integrated Resources Plan”.

<sup>14</sup> SF Environment, “C40 Advancing Towards Zero Waste Declaration”.

<sup>15</sup> CalRecycle, “Short-lived Climate Pollutants: Organic Waste Reductions Final Regulation Text”.

<sup>16</sup> CalRecycle, “An Overview of SB 1383’s Organic Waste Reduction Requirements”.

<sup>17</sup> Policy Learning Platform on Environment and Resource Efficiency (2020), “Sustainable Waste in a Circular Economy”.

<sup>18</sup> Istituto Superiore per la Protezione e la Ricerca Ambientale (2020), “Rapporto Rifiuti Urbani”.

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%.<sup>19</sup>

### ***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.<sup>20</sup> Furthermore, the City of Calgary has approved a target of 70% waste diversion from landfills on average by 2025, including food waste.<sup>21</sup>

In September of 2022, the Government of Canada announced its national methane strategy, which aims to reduce the nation's annual methane emissions by 35% by 2030, compared to 2020 levels.<sup>22</sup> The prevention of fugitive landfill methane emissions through organics diversion is a key element of this strategy. The strategy outlines how policy mechanisms will be used to provide economic incentive for landfill diversion projects across Canada, which includes the Clean Fuel Regulations that will acknowledge avoided emissions resulting from RNG that is produced from organic waste diverted from landfills. There will also be opportunities for AD projects to produce offset credits under Canada's Greenhouse Gas Offset Credit System. The Town of Petawawa's project to upgrade its municipal wastewater treatment plant is highlighted by the Canadian government as an example investment to help achieve the emission reduction targets. This project will use Anaergia's Omnivore™ technology to enable the co-digestion of landfill diverted organics and municipal wastewater sludge.

### **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.<sup>23</sup>

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.

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.<sup>24</sup>

---

<sup>19</sup> European Parliament, "Waste management in the EU: infographic with facts and figures".

<sup>20</sup> 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/>.

<sup>21</sup> The City of Calgary, "Leading Calgary to Zero Waste", <https://www.calgary.ca/uep/wrs/about-wrs/calgary-waste-goals.html>.

<sup>22</sup> Government of Canada, "Faster and Further: Canada's Methane Strategy" (2022), [https://publications.gc.ca/collections/collection\\_2022/eccc/En4-491-2022-eng.pdf](https://publications.gc.ca/collections/collection_2022/eccc/En4-491-2022-eng.pdf).

<sup>23</sup> IEA, "Outlook for biogas and biomethane".

<sup>24</sup> IEA, "Outlook for biogas and biomethane".

## ***North America***

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.<sup>25</sup> 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 up to 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 can establish a floor price of \$26 per MMBtu. SB 1440 strongly supports Anaergia's California strategy to generate RNG from landfill-diverted organics and is ideally suited for our technology offering and expertise with a European style long-term fixed price procedure.

Outside of California, there is shift in the voluntary markets as many utilities across North America are increasing their supply of RNG.<sup>26</sup> Refineries and other corporations are also looking to offset their carbon emissions. This provides additional opportunities for Anaergia to target jurisdictions that are otherwise lacking major policy drivers. Anaergia's agreement with Irving Oil to supply Canada's largest refinery with carbon negative RNG from our Rhode Island plant illustrates our ability to capitalize on such opportunities.

The IRA puts the U.S. on a path to 40% emissions reductions by 2030. The legislation extends and improves the existing ITC for investments in infrastructure to produce clean fuels and includes biogas property constructed prior to the end of 2024. The credit rate could amount to 30% of the investment with a possible 10% bonus credit for projects that meet domestic content requirements. Anaergia expects the expanded ITC would directly benefit a number of biogas facilities currently under development in the U.S., as well as expand the opportunity set of projects that can be pursued with improved economic fundamentals. Many of Anaergia's facilities, both existing and under development, stand to benefit directly from this new clean fuel production tax credit starting in 2025, which could amount to up to \$1.00 per gallon of nonaviation fuel and would apply to all transportation fuel sold until the end of 2027. The extension and modification of the 45Q tax credit for carbon dioxide sequestration could also offer credits of up to \$85/ton of carbon geologically sequestered.

In Canada, Clean Fuel Regulations (CFR), which increase incentives for the development and adoption of clean fuels, technologies and processes, are expected to dramatically increase the consumption of renewable fuels across Canada. Similar to the California LCFS program, these regulations will provide monetary incentives for RNG that is used as a transportation fuel beginning in 2023. The regulations will also provide incentives for projects that utilize biogas or RNG to reduce the carbon-intensity of liquid transportation fuels. The CFR is expected to drive demand for long-term procurement of low CI RNG.

## ***Europe***

European natural gas prices began in 2022 at all-time highs as a result of tight gas markets throughout the European Union. 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 2022 and completely phase out its use by the year 2030.<sup>27</sup> This plan specifically mentions increasing supplies of RNG and sets a target for the European Union to produce 1,260,000,000 MMBtu (35 billion cubic meters) of biomethane by 2030, which is two times the previously proposed target.<sup>28</sup> 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.

---

<sup>25</sup> 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>.

<sup>26</sup> American Gas Association, "AGA RNG Activity Tracker", [https://www.aga.org/globalassets/rng-activity-tracker\\_nov2021.pdf](https://www.aga.org/globalassets/rng-activity-tracker_nov2021.pdf).

<sup>27</sup> European Commission, "REPowerEU: Joint European action for more affordable, secure and sustainable energy", [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_1511](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1511).

<sup>28</sup> 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](https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_1512).

## ***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 the BOO revenue projections (the commodity price of natural gas is significantly higher today). In August 2022, the Italian Ministry of Ecological Transition extended by one year the deadline by which qualified biogas projects are required to start operations to be eligible for the CIC program. The deadline to be eligible for such credits was December 31, 2023.

In addition to the extension of the existing incentive program, the European Commission approved, under European Union state aid rules, a new Italian incentive program to support the production of sustainable biomethane (RNG) to be injected into the national gas grid for use in the transport and heating sectors. The Italian Ministry of Ecological Transition introduced the new incentive program through a decree in September 2022. This program is in line with REPowerEU and is aimed at promoting the construction and the operation of new or converted RNG production plants in Italy. This decree will provide both a grant guaranteed by the Italian government expected to cover up to 40% of the eligible capital costs of new RNG facilities, and a fixed feed-in-tariff paid for 15 years that will begin at €60-70 per Megawatt Hour (“MWh”) for solid waste projects and €110-115 per MWh for agricultural waste projects.

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.

## ***United Kingdom***

The U.K. bioenergy industry is being stimulated by several factors, including the U.K. government’s “Carbon Net Zero” targets by 2050.<sup>29</sup> In support of these aims, the U.K. government introduced the Green Gas Support Scheme in November 2021 to incentivize the generation and injection of RNG to the grid. This scheme is administered by the Office of Gas and Electricity Markets (Ofgem) and runs until end 2025. In parallel, the U.K. government also has a renewable transport fuels support mechanism which can support the use of biogas by providing credits known as RTFC. Separately, the government is implementing legislation (The Environment Act 2021) to make the separate, weekly collection of food waste obligatory by local authorities in England, which is expected to significantly increase the tonnage of food waste treated to produce renewable energy.

Financial investors looking to participate in RNG opportunities in the U.K. 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 U.K.

## ***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.

---

<sup>29</sup> U.K. Department for Business, Energy, & Industrial Strategy, “*Future Support for Low Carbon Heat*”.

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 Common 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 Common Shares, could be materially and adversely affected. In all of these cases, the trading price of the Common Shares could decline, and prospective investors could lose all or part of their investment.

### Risks Related to Our Business

#### *We have an annual net loss.*

We had a net loss of \$4.475 million for the financial year ended December 31, 2025.

We cannot guarantee that we will have positive cash flow 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. If we do not achieve or maintain profitability or positive cash flow, 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 does not adequately support our fixed costs, we may be required to perform strategic reviews, including re-evaluation of our planned expenditures, reallocation of 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.

***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 Common Shares from treasury, shareholders may suffer additional dilution.

***Our audited annual financial statements have been prepared using a going concern assessment.***

Our audited annual financial statements have been prepared using accounting principles applicable to a going concern which assumes an entity will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Our ability to continue as a going concern is dependent upon our ability to fund existing operations and the achievement of profitable future operations. We may be able to fund operations as a result of the Strategic Investment, however, there can be no assurances that we will be successful in raising funds in the future or achieving our growth plans. Our annual financial statements do not give effect to any adjustments that might result from the outcome of this uncertainty or the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should we be unable to continue as a going concern.

***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 Common 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.

***Trade relations and tariffs.***

On February 1, 2025, President Trump signed an executive order (the “**Executive Order**”) imposing a 25% tariff on all goods originating in Canada and imported into the U.S. and a 10% tariff on “energy and energy resources” from Canada, effective on February 4, 2025. The Executive Order also states that, if Canada introduces retaliatory measures, such as through the imposition of import duties on U.S. exports to Canada (or other similar measures), the U.S. tariffs may be increased or expanded. In response, the Government of Canada imposed 25% tariffs on \$155 billion in goods imported from the U.S., coming into effect in two phases starting on February 4, 2025. Provincial governments across Canada have also responded to the U.S. tariffs, in some cases introducing their own retaliatory measures. On February 3, 2025, Canada and the U.S. agreed to delay the imposition of their respective tariffs on imported goods for 30 days. President Trump has also suggested that a new economic deal may be structured with Canada, though the scope and terms of such a deal, if any, are unknown. Additionally, on February 10, 2025 and notwithstanding the delay on the imposition of broader tariffs referenced above, President Trump signed executive orders imposing 25% tariffs against all steel and aluminum imports into the United States, including from Canada, effective March 12, 2025.

Although discussions continue regarding a potential economic arrangement between the two countries, there remains significant uncertainty over whether tariffs, surtaxes, or other restrictive trade measures or countermeasures will ultimately be implemented and, if so, the scope, impact, and duration of any such measures. Potential measures could include, among others, increased tariffs on Canadian energy exports, restrictions on cross-border supply chains, or additional regulatory barriers that could impact our ability to access international markets and conduct business efficiently.

The imposition of restrictive trade measures or countermeasures, if implemented for any period of time, could have adverse effects on Anaergia’s operations, supply chain, and overall financial performance. Tariffs on steel, aluminum, and other industrial materials may increase the cost of equipment, infrastructure, and maintenance, potentially impacting capital expenditures and operational efficiency. Any retaliatory measures by Canada or prolonged trade disputes may further increase costs, disrupt supply chains, and introduce regulatory uncertainty. While Anaergia continues to monitor trade policies and adapt its procurement and operational strategies, any prolonged restrictive trade measures could negatively impact our margins, project timelines, and overall market conditions.

***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.

***We may continue to have obligations after divestment of assets, businesses and/or interest in companies.***

Anaergia has sold its interest in companies and may sell assets, businesses and/or its interest in other companies. In connection with these sales:

- we may be required to make representations and warranties about the business and financial affairs with respect to the relevant asset, business, or company typical of those made in connection with similar sales;
- we may be required to indemnify the purchasers to the extent representations and warranties are inaccurate and/or with respect to other potential liabilities relating to the asset, business, or company;
- we may have ongoing obligations to provide transitional services, information and/or support to the purchaser; and
- we may have to rely on transitional services and/or information from the purchaser to support our remaining operations.

These arrangements may result in the incurrence of contingent liabilities by Anaergia even after the disposition of an asset, business or company. Accordingly, the inaccuracy of representations and warranties made by Anaergia and/or claims by a purchaser for indemnities given by Anaergia pursuant to these arrangements may adversely affect our financial condition. Furthermore, other obligations and separation of business resulting from these arrangements may adversely affect our business and results of operations.

***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.

***Our revenues may be affected by the CI score determined for each of our applicable BOO assets.***

Certain of our BOO assets have RNG revenues associated with a CI score. These CI scores are mainly determined through regulatory approvals, which may sometimes be delayed, and are based on plant performance and other criteria that might not yield a CI score within the range anticipated in our financial modelling. For certain negotiated offtake agreements in the voluntary market, there may be a difference in the interpretation of assumptions and CI scoring methodology used between various offtake parties which may also result in a CI score that is not within the range anticipated in our financial modelling.

***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.

***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 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.

***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.

***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 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;
- 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.

Projects with insufficient operating history, and those facing particular challenges such as sourcing feedstock, may be unable to fund principal and interest payments or may operate at a loss. These risks and difficulties, 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.

***We might be unable to maintain our competitive position in the organic waste-to-value industry.***

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 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® solution, liquid treatment with Fibrecast 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 optimize resource recovery from MSW 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.

***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.

***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.

***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 may depend on LCFS credits in respect of our BOO assets located in the state of California and we may plan to pursue 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 could potentially have an adverse effect on the Company's operations.

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

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 Aboriginal title may affect the existing or future activities of our projects and impact their business, financial condition and results of operations.

***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 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, to 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.

***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) 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 (xvii) 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.

***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.

***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 Common 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.

***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 own or 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 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.

***The extensive 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.

Water is an integral part of our process. The organic waste feedstocks received at our facilities often contain at least 70% water, which alone can translate to well over 100,000 tons per year at some of the larger facilities we build or own. A large portion of this water is separated after digestion, treated, and discharged as clean water. Our facilities may also consume external fresh water, as is often required for AD. This presents water risk, as increasing utility costs and discharge regulations may result in additional capital and operating costs for our BOO facilities.

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 for 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 defenses 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.

***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 Common 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 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. Continuing effects from the U.K.'s withdrawal from the European Union 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 Common Shares.***

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board 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 Common 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 to 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 Common Shares is speculative, and investors could lose their entire investment.***

An investment in the Common 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 Common Shares.

***Marny S.A. 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.***

Marny S.A. holds or controls 93,145,000 Common Shares, which represent over 60% of the voting power attached to all of the Shares.

As a result, for so long as Marny S.A. either directly or indirectly maintain a significant voting interest in the Company, they 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 Common Shares. The issuance of stock options and other convertible securities could lead to greater concentration of Common Share ownership among insiders and could lead to dilution of Common Share ownership which could lead to depressed Common Share prices. 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 Common Shares may be volatile.***

The market price for the Common 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 Common Shares or securities convertible into Common Shares;
- sales or perceived sales of additional Common 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 Common 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 Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares.

In addition, broad market and industry factors may harm the market price of our Common Shares. Therefore, the price of our Common 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 Common 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 Common 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 Common Shares held by Marny S.A. or others may depress the price of the Common Shares.***

If Marny S.A. or others sell substantial amounts of the Common Shares in the public market, the market price of the Common 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, 2025, we have 171,403,407 outstanding Common Shares.

***We may issue additional securities in the future.***

Our articles provide that we may issue an unlimited number of Common Shares, subject to the rules of any stock exchange on which our securities may be listed from time to time. If we were to issue any additional Common Shares or such other classes of authorized shares that are convertible or exchangeable for Common 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 Common 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 Common Shares and limit our ability to fund our operations through capital raising transactions in the future.

***The Common Shares are equity interests and are subordinate to our existing and future indebtedness.***

The Common Shares are equity interests and do not constitute indebtedness. As such, the Common 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 Common Shares.

***We do not currently anticipate paying dividends on the Common 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 Common 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 Common Shares unless they sell such Common 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 subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, and the rules of the TSX. If we are unable to accomplish any such necessary obligations 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 Common Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all errors 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.

***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 Common 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 Common Shares adversely, the price and trading volume of the Common Shares could decline.***

The trading market for the Common 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 Common Shares adversely, or provide more favourable relative recommendations about our competitors, the price of the Common 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 Common Shares to decline.

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

Holders of Common 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 Common 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 Common 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 Common 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 have not declared any dividends on the Common 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 Company's authorized share capital consists of an unlimited number of Common Shares. As of December 31, 2025, there were 171,403,407 outstanding Common Shares.

The Company's share capital was changed during 2024. On July 29, 2024, a special resolution approving the alteration to the notice of articles and articles of the Company to remove the Multiple Voting Shares from our authorized share structure and to alter the identifying name of the Subordinate Voting Shares to "common shares" was approved by the shareholders of the Company at the annual general and special meeting of shareholders. Our authorized share capital now consists of only one class of shares, being the Common Shares.

The holders of outstanding Common Shares are entitled to: (i) one vote per Common Share on all matters upon which holders of Common Shares are entitled to vote; (ii) receive dividends, if, as, and when declared by the Board; and (iii) 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, receive the remaining property and assets available for distribution to the holders of Common Shares.

Subject to certain restrictions when the Company is insolvent or would be rendered insolvent by such actions, the Company may, if authorized by the Board, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the Board. There is no provision in our articles requiring holders of Common Shares to contribute additional capital or permitting or restricting the issuance of additional securities or any other material restrictions.

### **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 Common Shares are listed on the TSX and are traded under the symbol “ANRG”. The high and low reported trading price and volumes of Common Shares on the TSX from January 1, 2025, to December 31, 2025, were as follows:

<b>Month</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume</b>
January	1.33	0.94	2,376,187
February	1.18	0.99	1,043,003
March	1.06	0.83	707,558
April	1.16	0.75	2,753,717
May	1.41	1.05	1,112,356
June	1.45	1.22	781,451
July	1.41	1.28	883,335
August	2.55	1.28	3,250,740
September	3.14	2.49	5,276,286
October	2.95	2.38	4,200,973
November	2.79	1.99	2,848,658
December	2.82	2.08	6,153,719

### **Prior Sales**

The following table summarizes details of each class securities of the Company that are outstanding (including securities convertible into Common Shares), that were issued in the financial year ended December 31, 2025, which are not listed or quoted on a marketplace:

<b>Date of Issuance</b>	<b>Security</b>	<b>Issuance/Exercise Price</b>	<b>Number of Securities Issued</b>
May 26, 2025	Restricted Stock Units (“RSUs”)	\$1.32 <sup>(1)</sup>	71,433
June 9, 2025	RSUs	\$1.36 <sup>(1)</sup>	4,118,683
June 30, 2025	RSUs	\$1.33 <sup>(1)</sup>	48,876
November 17, 2025	RSUs	\$2.43 <sup>(1)</sup>	22,494
December 29, 2025	RSUs	\$2.30 <sup>(1)</sup>	775,000
December 31, 2025	RSUs	\$2.24 <sup>(1)</sup>	29,016

Notes:

(1) Represents the market price at the time of grant.

### **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.

<b>Name, Province or State and Country of Residence</b>	<b>Position/Title</b>	<b>Director Since</b>	<b>Principal Occupation</b>
Ohad Epschtein Singapore	Director, Executive Chairman	2024	Ultimate Beneficial Owner of Marny and Executive Chairman of the Board
Dr. Andrew Benedek British Columbia, Canada	Director	2007	Director of the Company
Dr. Diana Mourato Benedek British Columbia, Canada	Director	2007	Director of the Company
Peter Gross <sup>(1)(2)(3)</sup> Minnesota, United States	Director	2019	Chief Executive Officer of SURGE International, LLC
Stan Simmons <sup>(1)(2)(3)</sup> California, United States	Director	2023	Board Member of Lyles Construction Group and W.M. Lyles Co.
Ronen Kantor <sup>(1)(2)(3)</sup> Bnei Brak, Israel	Director	2024	Partner at Amit, Pollak, Matalon.
Assaf Onn Singapore	Chief Executive Officer and Director	2024	Chief Executive Officer of the Company
Hani El-Kaissi Ontario, Canada	Chief Development Officer	N/A	Chief Development Officer of the Company
Gregory Wolf California, United States	Chief Financial Officer	N/A	Chief Financial Officer of the Company
Dr. Yaniv Scherson California, United States	Chief Operating Officer	N/A	Chief Operating Officer of the Company
Scott Hodgdon California, United States	General Counsel	N/A	General Counsel of the Company
Sasha Rollings-Scattergood Ontario, Canada	Chief Technology Officer	N/A	Chief Technology Officer of the Company

Notes:

(1) Member of our Audit Committee (the “**Audit Committee**”).

(2) Member of our Governance, Compensation and Nominating Committee (the “**GCN Committee**”).

(3) Independent director for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

### **Biographical Information Regarding the Directors and Executive Officers**

**Ohad Epschtein** – Ohad Epschtein is a director and the Executive Chairman of the Board, a position he has held since 2024. Mr. Epschtein is a distinguished Managing Partner at Alfa Group, a position he has held since 2007, where he is responsible for steering project financing and investment strategies. His prior experience includes serving as an Expansion Manager at Enertrag, a company dedicated to renewable energy. His academic credentials include a Bachelor's degree in Economics from the London School of Economics and an MBA in Environmental Economics from the University Bocconi in Milan. Mr. Epschtein's expertise, particularly in the Italian renewable energy market, is backed by a solid educational foundation and a rich professional history in the sector. His career highlights include managing a diverse portfolio of real estate projects across Slovakia, Germany, and Hungary, as well as significant contributions to Enertrag AG's project development and acquisitions. His strategic acumen has been honed through

roles in strategic research at Gamesa Eólica and as a Project Analyst at Saffron Hill Ventures. Mr. Epschtein's dedication to excellence and his ability to integrate his education with his professional experiences have been instrumental in promoting sustainable development and innovation in the renewable energy industry.

**Dr. Andrew Benedek** – Dr. Benedek is a director of the Company, a position he has held since founding the Company in 2007. Dr. Benedek was most recently the Chief Executive Officer of the Company since its founding. 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 Chair of the Board of Directors of Fibracast. She was most recently the Chief Executive Officer of Fibracast, 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.

**Stan Simmons** – Mr. Simmons is a director of the Company, a position he has held since 2023. Mr. Simmons is a director and former Executive Vice President and Chief Operating Officer of Lyles Construction Group, as well as director and former Chairman of the Board of W.M. Lyles Co. He was with the Lyles Construction Group of Companies for more than 27 years and served in various positions from Project Superintendent to Chairman of the Board, providing executive management for over \$2 billion of alternative delivery water/wastewater projects and over \$4 billion of all types of civil projects. Mr. Simmons graduated from Iowa State University in 1979 and became a registered civil engineer in 1983.

**Ronen Kantor** – Mr. Kantor is a director of the Company, a position he has held since 2024. Mr. Kantor is a partner at Amit, Pollak, Matalon law firm. In his legal career as a corporate lawyer, spanning over 27 years, he has acted for numerous venture capital funds in their investments in high-tech companies in Israel, the U.S., Ireland, Luxembourg,

Germany, Nigeria, U.K. and other countries and has represented hundreds of start-up technology companies that has led to over 25 global M&A transactions and over 50 initial public offerings on exchanges such as TASE, NASDAQ, NYSE, London Official List, London AIM, TSX and the ASX. Mr. Kantor holds an LL.B. (Honors) from the University of Sheffield and has been a member of the Israeli Bar Association since 1995.

**Assaf Onn** – Mr. Onn is the CEO and a director of the Company, positions he has held since 2024. Mr. Onn previously held the position of Chief Operating Officer of Marny. With over two decades of extensive experience in managing large operations including retail, commercial and housing real estate and hospitality throughout central and eastern Europe and the Middle East, his in-depth expertise includes leading organizational excellence, optimizing efficiencies, and fostering growth across diverse industries. Mr. Onn holds a BA in Business Management from Washington State University.

**Hani El-Kaissi** – Mr. El-Kaissi is the CDO of the Company, a position he has held since 2022. Mr. El-Kaissi joined Anaergia in 2010 and was previously the Chief Financial Officer of the Company. Mr. El-Kaissi 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.

**Gregory Wolf** – Mr. Wolf is the Chief Financial Officer of the Company, a position he has held since 2024. Mr. Wolf brings over 25 years in executive leadership to the role, with extensive experience in financial management, strategic planning and operational oversight. With a proven track record in global operations, international accounting, audit, and corporate tax he has successfully led financial transformations and guided companies through complex transactions. Mr. Wolf holds a Bachelor of Science in Accountancy and a Masters in Taxation from Northern Illinois University, as well as a CPA certification from the University of Illinois.

**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.

**Scott Hodgdon** – Mr. Hodgdon is the General Counsel of the Company, a position he has held since 2024. Mr. Hodgdon brings to the role over 20 years of extensive legal experience with securities, governance and transactions. Having served on the staff of the U.S. Securities and Exchange Commission and having worked at prominent international law firms before assignments with several publicly traded companies, Mr. Hodgdon has a strong record of executing complex transactions and providing strategic guidance. He holds a Bachelor of Arts degree from the College of William and Mary, a Master of Arts degree from Johns Hopkins University, a Master of Business Administration degree from Babson College and Juris Doctor degree from the University of Virginia School of Law.

**Sasha Rollings-Scattergood** – Mr. Rollings-Scattergood is the Chief Technology Officer of Anaergia. 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.

## **Ownership Interest**

As of the date hereof, directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, 137,972,770 Common Shares, representing 80.50% of the voting power attached to all of the Common Shares (on a non-diluted basis).

## **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 of the Company 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**

Except as disclosed below, to our knowledge, none of our directors or executive officers, 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, including our 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. 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.

On April 8, 2024, the Ontario Securities Commission issued a failure to file cease trade order (the “**FC**TO”) against the Company due to its failure to file the continuous disclosure materials (the “**Annual Filings**”) required by National Instrument 51-102 – *Continuous Disclosure Obligations* for the financial year ended December 31, 2023. The delay in filing the Annual Filings was primarily due to delays in the financial reporting process stemming from accounting and financial reporting impacts associated with the restructuring activities and transformation of the Company during the year. At the time of the FC~~TO~~TO, Dr. Andrew Benedek, Dr. Diana Mourato Benedek, Peter Gross, Stan Simmons, Ronen Kantor, and Assaf Onn were directors of the Company and Andrew Spence was CFO of the Company.

## **Bankruptcies**

Mr. Hodgdon served as General Counsel of Shift Technologies, Inc., which filed for bankruptcy in October 2023. None of our other 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: (a) is at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company, including our 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, or (b) has, within 10 years before 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 the director, executive officer or shareholder.

### **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 Peter Gross, who acts as chair of this committee, Stan Simmons, and Ronen Kantor. 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.

The following table sets out an assessment of each Audit Committee member’s independence, financial literacy and relevant educational background and experience supporting such financial literacy.

<b>Name</b>	<b>Independent</b>	<b>Financially Literate</b>	<b>Relevant Education and Experience</b>
Stan Simmons	Yes	Yes	Mr. Simmon’s education and experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his in excess of 40 years of experience including 27 years as an executive with Lyles Construction Group and W.M. Lyles Co. Mr. Simmon’s has been responsible for overseeing the financial management of numerous businesses and projects during that time.
Peter Gross	Yes	Yes	Mr. Gross’ education and experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his in excess of 40 years as an executive including 7 years with SURGE International, LLC. Mr. Gross has served on numerous board positions with various companies. Mr. Gross’s has been previously responsible for helping to start and grow three businesses focused on water and wastewater equipment solutions. Mr. Gross holds an MBA from the University of Minnesota Carlson School of Management.
Ronen Kantor	Yes	Yes	Mr. Kantor’s education and experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his more than 27 years as a corporate

Name	Independent	Financially Literate	Relevant Education and Experience
			lawyer. Mr. Kantor has represented hundreds of start-up technology companies that has led to over 25 global M&A transactions and over 50 initial public offerings on various exchanges.

The Board has adopted a written charter in the form set forth in Appendix A, 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 related to our audit and accounting services, mainly by our external auditor, RSM LLP (and Deloitte LLP previously), during the fiscal year ended 2025 and 2024, respectively:

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
Audit Fees and Audited-Related Fees <sup>(1)</sup>	\$ 2,453	\$ 5,256
Tax Fees <sup>(2)</sup>	922	583
Total Fees Paid <sup>(3)</sup>	\$ 3,375	\$ 5,839

Notes:

- (1) Fees for audit service and interim reviews performed by our external auditor, RSM LLP in 2025 and Deloitte LLP in both 2025 and 2024.
- (2) Fees for tax planning, tax compliance, tax provision, tax consultation (including transfer pricing assistance), which are done by BDO, LLP and Moss Adams LLP
- (3) 2025 audit-related fees include \$1,079 in late invoices for 2024 services paid in 2025. 2024 audit-related fees include \$2,979 in late invoices for 2023 services paid in 2024.

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. Except as disclosed in this Annual Information Form, 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.

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 plaintiff's claim was last amended in March 2024. The plaintiff's claim includes allegations of both primary and secondary market misrepresentation under sections 130(1) and 138.3(1) of the Ontario Securities Act in respect of the Company's financial reporting and guidance. The court issued its decision on leave and summary judgment in November 2025, denying the summary judgment motion, granting leave with respect to the financial misrepresentation claim and denying leave with respect to the financial outlook claim. The plaintiff has appealed the denial of leave on the financial outlook claim, and Anaergia has appealed the dismissal of the summary judgment motion. We expect these matters to be decided in 2026. The Company intends to continue to vigorously defend against the claim.

We are not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other securities 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.

## **TRANSFER AGENT AND REGISTRAR**

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

## INTERESTS OF EXPERTS

RSM Canada LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 11 King Street West, Suite 700, Box 27, Toronto Ontario M5H 4C7, 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.

## 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.sedarplus.ca](http://www.sedarplus.ca), under our profile. Investors are encouraged to read the full text of such material agreements.

- (a) Subscription Agreement; and
- (b) the Investor Rights Agreement.

### Subscription Agreement

The Company entered into the Subscription Agreement with Marny Holdco and Marny (as guarantor) in respect to the Strategic Investment, see “General Development of the Business – Strategic Investment”.

The Subscription Agreement provides that the Company will indemnify Marny Holdco and Marny for any inaccuracy or breach of any representation or warranty made by the Company under the Subscription Agreement and any breach of covenant of the Company group in the Subscription Agreement. Marny Holdco will indemnify the Company for any inaccuracy or breach of any representation or warranty made by Marny Holdco (including the Marny Individual Investors) or Marny under the Subscription Agreement and any breach of covenant of Marny Holdco (including the Marny Individual Investors) or Marny under the Subscription Agreement.

### Investor Rights Agreement

The Company entered into the Investor Rights Agreement with Dr. Benedek, Marny and Marny Holdco which supersedes and replaces the principal shareholders agreement dated June 23, 2021, among the Company, Neo International Investments Ltd. and Emerson Collective Investments, LLC. On May 28, 2025, following the transfer of Common Shares and Warrants from Marny Holdco to Marny S.A., Marny S.A. executed an acknowledgement and agreement to be bound by the Investor Rights Agreement.

### Governance Provisions

The Investor Rights Agreement provides that Dr. Benedek (including his permitted transferees) (the “**Benedek Shareholders**”) shall have the right to designate nominees (“**Nominees**”) commensurate with their voting power in the Company, as follows:

- (a) as the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 40% of the voting power attached to all of the issued and outstanding Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Benedek Shareholders, as a group, shall be entitled to designate 50% of the Nominees (rounding up to the nearest whole number), with respect to which at least 2 Nominees must be independent within the meaning of section 1.4 of NI 52-110 (an “**Independent Director**”);
- (b) as long as the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 30% (but less than 40%) of the voting power attached to all of the issued and outstanding Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section

2.2 of the Investor Rights Agreement, the Benedek Shareholders, as a group, shall be entitled to designate 40% of the Nominees (rounding up to the nearest whole number), with respect to which at least 1 Nominee must be an Independent Director;

- (c) as long as the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 17.5% (but less than 30%) of the voting power attached to all of the issued and outstanding Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Benedek Shareholders, as a group, shall be entitled to designate 30% of the Nominees (rounding up or down (with 0.5 being rounded up) to the nearest whole number), with respect to which at least 1 Nominee must be an Independent Director; and
- (d) as long as the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 10% (but less than 17.5%) of the voting power attached to all of the issued and outstanding Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Benedek Shareholders, as a group, shall be entitled to designate 20% of the Nominees (rounding up or down (with 0.5 being rounded up) to the nearest whole number), provided that if the Benedek Shareholders shall be entitled to designate 2 Nominees at least 1 Nominee must be an Independent Director.

The Investor Rights Agreement provides that Marny Holdco (and its permitted transferees, including Marny S.A.) and the Marny Individual Investors (the “**Marny Shareholders**”) shall have the right to designate Nominees commensurate with their voting power in the Company, as follows:

- (a) from the closing of the second tranche of the Strategic Investment to the closing of the third tranche of the Strategic Investment, as long as the Marny Shareholders, as a group, own, control, or direct, directly or indirectly, at least 10% of the voting power attached to all of the issued and outstanding Common Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Marny Shareholders, as a group, shall be entitled to designate two Nominees: and
- (a) from the closing of the third tranche of the Strategic Investment:
  - (i) as long as the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 40% of the voting power attached to all of the is-sued and outstanding Common Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Marny Shareholders, as a group, shall be entitled to designate 51% of the Nominees (rounding up to the nearest whole number), with respect to which at least 2 Nominees must be Independent Directors;
  - (ii) as long as the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 30% (but less than 40%) of the voting power attached to all of the issued and outstanding Common Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Marny Shareholders, as a group, shall be entitled to designate 40% of the Nominees (rounding up to the nearest whole number), with respect to which at least 1 Nominees must be an Independent Director;
  - (iii) as long as the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 20% (but less than 30%) of the voting power attached to all of the issued and outstanding Common Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Marny Shareholders, as a group, shall be entitled to designate 30% of the Nominees (rounding up to the nearest whole number), with respect to which at least 1 Nominee must be an Independent Director; and

- (iv) as long as the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 10% (but less than 20%) of the voting power attached to all of the issued and outstanding Common Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 2.2 of the Investor Rights Agreement, the Marny Shareholders, as a group, shall be entitled to designate 20% of the Nominees (rounding up to the nearest whole number), provided that if the Marny Shareholders shall be entitled to designate 2 Nominees pursuant at least 1 Nominee must be an Independent Director.

The Benedek Shareholders and Marny Shareholders 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, that decision will be communicated to the Benedek Shareholders or Marny Shareholders, as applicable, at least 50 days prior to the meeting, and the Benedek Shareholders or Marny Shareholders, as applicable, 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: (a) at least one director nominated by the Benedek Shareholders, for so long as the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 20% of the voting power attached to all of the issued and outstanding Common Shares (on a non-diluted basis); and (b) at least one nominee director of the Marny Shareholders for so long as the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 19.1% of the voting power attached to all of the issued and outstanding Common Shares (on a non-diluted basis). If a quorum is not present at the commencement of a Board meeting solely because a nominee director of the Benedek Shareholders and/or a nominee director of the Marny Shareholders is not present (in person or by telephone or electronic means), then the directors so present may not transact any business at such Board meeting and the directors will be deemed to have adjourned such Board meeting to the same time and place 2 business days following the date of the originally called Board meeting. If a quorum is not present at the commencement of such adjourned Board meeting solely because a nominee director of the Benedek Shareholders and/or a nominee director of the Marny Shareholders who caused the adjournment is not present (in person or by telephone or electronic means), then the Directors who are so present, provided a majority of the directors are present, will be deemed to be a quorum and may transact all business which a full quorum might have transacted with respect to the items set out in the notice (or accompanying documentation) provided to the directors in connection with the originally scheduled Board meeting.

Each committee of the Board shall include: (a) at least one nominee director of the Benedek Shareholders for so long as the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 20% of the voting power of attached to all of the issued and outstanding Common Shares (on a non-diluted basis); and (b) at least one nominee director of the Marny Shareholders for so long as the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 19.1% of the voting power of attached to all of the issued and outstanding Common Shares (on a non-diluted basis).

### ***Registration Rights***

If the Company at any time proposes to make a Distribution (as defined in the Investor Rights Agreement), if (i) the Benedek Shareholders, as a group, satisfy the Minimum Shareholding Requirement (as defined below), and/or (ii) the Marny Shareholders, as a group, satisfy the Minimum Shareholding Requirement, the Company will, at that time, promptly give the applicable shareholders written notice of the proposed Distribution (which notice shall include all material terms of the proposed Distribution, including the proposed pricing), and shall offer each such shareholder the opportunity to qualify for Distribution such number of Common Shares as each such shareholder may request in writing within 5 days (or 24 hours in respect to a “bought deal” letter) after the receipt by the shareholder of any such notice.

Upon the written request of a shareholder given, within 5 business days (or 24 hours in respect to a “bought deal” letter) after receipt of the notice of the proposed Distribution from the Company, the Company will use commercially reasonable efforts to, in conjunction with the proposed Distribution, cause to be qualified in such Distribution: (i) the applicable number of Common Shares that the Benedek Shareholders have requested be included in such Distribution,

if any (the “**Benedek Piggy-Back Shares**”) and/or (ii) the applicable number of Common Shares of the Marny Shareholders that the Marny Shareholders have requested be included in such Distribution, if any (the “**Marny Piggy-Back Shares**”) each in accordance with the procedures set forth in the Investor Rights Agreement (“**Piggy-Back Registration**”).

In addition, the Investor Rights Agreement provides after the period ending 180 days following the closing of the third tranche of the Strategic Investment, upon the written request (a “**Demand Notice**”) of the Benedek Shareholders or the Marny Shareholders (in each case, the “**Requesting Shareholders**”), made at any time and from time to time as long as the Requesting Shareholders, as a group, owns, controls or directs, directly or indirectly, not less than 5% of the outstanding Shares (on a fully diluted basis) (the “**Minimum Shareholding Requirement**”), the Company will use commercially reasonable efforts, subject to compliance with applicable securities laws and applicable stock exchange requirements, to file such documents and take such other steps as may be necessary under applicable securities laws to qualify for Distribution the whole number of Common Shares (as may be reduced pursuant to the Investor Rights Agreement) requested by the Requesting Shareholders in the Demand Notice, plus any other Common Shares (including Marny Piggy-Back Shares or Benedek Piggy-Back Shares, as applicable) to be included in such Distribution (“**Demand Distribution**”).

The Requesting 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 Common Shares that would reasonably be expected to result in aggregate gross proceeds of at least \$20 million in respect to the Benedek Shareholders and \$10 million in respect of the Marny Shareholders.

The Piggy-Back Registration right and the Demand Distribution right are subject to customary conditions and limitations, and the Company is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days.

All expenses in respect of the Piggy-Back Registration or a Demand Distribution will be borne by the Company, except that any underwriting fee on the sale of Common Shares by the Benedek Shareholders and/or the Marny Shareholders, as applicable, the fees and disbursements of counsel for the Benedek Shareholders and/or the Marny Shareholders, as applicable, and any other all out of pocket expenses incidental of the Benedek Shareholders and/or the Marny Shareholders, as applicable, will be borne by Benedek Shareholders and/or the Marny Shareholders, as applicable.

The Investor Rights Agreement provides that the Company will indemnify the Benedek Shareholders and the Marny Shareholders for any misrepresentation in a prospectus under which Common Shares held by the Benedek Shareholders and the Marny Shareholders. The Benedek Shareholders and the Marny Shareholders will indemnify the Company for any information provided by the Benedek Shareholders and the Marny Shareholders, in respect of the Benedek Shareholders and the Marny Shareholders, for inclusion in the prospectus.

### ***Pre-Emptive Rights***

If the Company proposes to offer for sale any Common Shares or securities convertible into or exchangeable for Common Shares or an option or other right to acquire any such securities, the Benedek Shareholders (provided that the Benedek Shareholders, as a group, own, control or direct, directly or indirectly, at least 10% of the outstanding Shares (on a non-diluted basis)) and the Marny Shareholders (provided that the Marny Shareholders, as a group, own, control or direct, directly or indirectly, at least 10% of the outstanding Shares (on a non-diluted basis)) shall be entitled to participate in such issuance on a pro rata basis, but only to the extent necessary to maintain its respective direct and indirect effective pro rata ownership interest in the Company, subject to certain exceptions provided in the Investor Rights Agreement.

### ***Term***

The rights to be afforded to the Benedek Shareholders and the Marny Shareholders under the Investor Rights Agreement will terminate in respect of the particular shareholder upon the earliest of: (a) the first date upon which such shareholder (including its permitted transferees) ceases to satisfy the Minimum Shareholding Requirement; (b)

the date on which the Investor Rights Agreement is terminated by written agreement of the parties; and (c) 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 2026 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, 2025. Such documentation, as well as additional information relating to the Company, may be found under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**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.