



ANAERGIA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – AUGUST 15, 2022 (RESTATED)

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2021

(The restated Management's Discussion and Analysis of Financial Condition and Results of Operations replaces the version previously filed on SEDAR on March 28, 2022. For more information on the nature of the restatement, see Note 32 to the restated consolidated financial statements filed on August 15, 2022.)

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the three- and twelve-month periods ended December 31, 2021 and 2020 has been prepared with all information available as at August 15, 2022 and provides information concerning our financial condition and results of operations. This restated MD&A should be read in conjunction with the Company's restated audited annual consolidated financial statements as at December 31, 2021 and 2020 and for the years ended December 31, 2021 and 2020 (the "restated 2021 Annual Financial Statements"), together with the related notes thereto. The financial information presented in this restated MD&A is derived from the restated 2021 Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All amounts in this MD&A are in thousands of Canadian dollars except where otherwise indicated. References to the "Company", "Anaergia", "we", "us" or "our" refer to Anaergia Inc. and its subsidiary entities, on a consolidated basis. References to "Q4 2021" are to our fiscal quarter for the three months ended December 31, 2021 and references to "Q4 2020" are to our fiscal quarter for the three months ended December 31, 2020. References to "Fiscal 2020" are to the fiscal year ended December 31, 2020, references to "Fiscal 2021" are to the fiscal year ended December 31, 2021, references to "Fiscal 2022" are to the fiscal year ending December 31, 2022 and references to "Fiscal 2023" are to the fiscal year ending December 31, 2023.

Additional information about the Company, including its annual information for the year ended December 31, 2021 dated March 28, 2022 (the "Annual Information Form") and its supplemented PREP prospectus dated June 18, 2021 (the "IPO Prospectus"), is available on SEDAR at www.sedar.com. The Company's subordinate voting shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "ANRG."

RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS FOR CORRECTIONS OF ERRORS RELATED TO RECOGNITION OF CAPITAL SALES AND RELATED BUILD OWN OPERATE ("BOO") PROJECT COSTS

During the quarter ended June 30, 2022, management determined that its previously audited interpretation of accounting standards relating to the recognition of capital sales and related Build Own Operate ("BOO") project costs in its previously issued audited financial statements were not in accordance with International Financial Reporting Standards. For three BOO projects where the Company utilized a third-party general contractor for the construction of the biogas facility, a subsidiary of the Company was engaged by the general contractor to fulfill certain project-related activities for which the subsidiary charged the general contractor a fee and incurred associated costs, which the Company had recognized as revenue and cost of sales, respectively. The Company, following discussions with its external auditor, KPMG, has concluded revenue should not have been recognized on these subcontractor arrangements related to its BOO projects, and that the costs incurred should not have been expensed as costs of sales, but should have been capitalized to property, plant and equipment. The Company has determined that the impact was material to previously issued financial statements and as such, required a restatement of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022, the annual audited financial statements for the year ended December 31, 2021, each with relevant comparative periods, and the related management's discussion and analysis for those periods.

In addition, the Company identified that certain costs directly attributable to the construction of these facilities and that certain government assistance, for which the criteria for reimbursement related to costs incurred, should not have been recognized within the consolidated statements of operations and comprehensive loss. As a result, previously reported revenues and cost of goods sold, selling, general and administrative expense and government grant income in each of the years ended December 31, 2021 and 2020 was restated to reduce amounts previously reported, as was the carrying amount of property, plant and equipment. The impact on shareholders' equity as at January 1, 2020 is an increase in the recognized deficit. Additionally, the Company has adjusted the manner in which it recorded its equity-method investment in Bioener, an Italian BOO project, to ensure conformance with International Financial Reporting Standards.

These restatements resulted in the identification of a material weakness in internal control over financial reporting related to the interpretation and application of IFRS on the accounting for certain contractual arrangements for BOO programs.

These are technical accounting matters only and do not impact the Company's ongoing operations, cash position or future cash flows from BOO assets. They have minimal impact on the Company's revenue backlog. However, this would negatively impact

future revenue and EBITDA recognition in the capital sales segment, relating only to future BOO projects where the Company has hired a third-party general contractor on arms-length terms and where a portion of the scope of work is subcontracted to a Company affiliate. The impact would reduce revenue (and associated costs) recognized during construction but would have an offsetting reduction in the recognized capitalized costs of the impacted BOO projects. There would be no ultimate loss of profitability, as the matter is a timing issue only, with the net income reduction in the capital sales segment translating directly into a reduction of the BOO project capitalized costs and being recaptured during the BOO asset operation period through reduced future depreciation expense (therefore enhancing the profitability of the BOO assets but with no overall impact on cash flows).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information may relate to future plans, expectations and intentions, results, levels of activity, performance, goals or achievements, the future impact of the novel coronavirus (“**COVID-19**”) pandemic or other future events or developments and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives. Particularly, information regarding our future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indicates”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. Forward-looking statements in this MD&A include, among other things, statements relating to the potential impact of the COVID-19 pandemic on our business, financial condition and results of operations; expectations regarding our revenue, expenses and operations; expectations regarding industry trends, overall market growth rates and our growth rate; the expected financial performance of the Rialto Bioenergy Facility (the “**RBF**”) following the commencement of operations; our business plans and growth strategies; our competitive position in our industry, including anticipated trends and challenges in our business and the markets in which we operate; our assessments of, and outlook for, Fiscal 2022 and Fiscal 2023, including revenues and Adjusted EBITDA; and intentions with respect to the implementation of new accounting standards. In addition, the Company’s near-term financial outlook is considered forward-looking information. See “Financial Outlook and Guidance Update” below.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that we considered appropriate and reasonable as of the date such statements were made. It is also subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described under “Risks and Uncertainties” in this MD&A. Additional risks and uncertainties are discussed in the Company’s materials filed with the Canadian securities regulatory authorities from time to time, including the Annual Information Form and the IPO Prospectus. Certain assumptions in respect of our ability to build our market share and our growth outlook; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to enter into feedstock, offtake arrangements and engineering, procurement and construction contracts of acceptable terms; our ability to maintain good relationships with our customers and suppliers; our ability to execute on our expansion plans; our ability to execute on additional acquisition opportunities; our ability to obtain or maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; our estimated contracted revenue and revenue from our BOO assets operating at full capacity during their useful life; operations and maintenance cost estimates; conventional levels of contingency, start-up costs and reserves; capital costs remaining steady; the timely construction of facilities; and the continuation of legislation and regulation favouring landfill diversion and environmental attributes for renewable natural gas (“**RNG**”) are material factors underlying forward-looking information and management’s expectations.

The purpose of the forward-looking statements in this MD&A is to provide the reader with a description of management’s current expectations regarding the Company’s financial performance and may not be appropriate for other purposes. 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. To the extent any forward-looking information in this MD&A constitutes future-oriented financial information or financial outlook, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this

information may not be appropriate for any other purpose. Future-oriented financial information and financial outlook, as with forward-looking information generally, are based on current assumptions and subject to risks, uncertainties and other factors. Furthermore, unless otherwise stated, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

NON-IFRS MEASURES AND INDUSTRY METRICS

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

"Adjusted EBITDA" is defined as EBITDA adjusted for our normalized proportionate interest in our build-own-operate ("BOO") assets and one-time or non-recurring items, stock-based compensation expense, asset impairment charges and write downs, gains and losses for equity accounted investees, gain on equity method adjustment, significant one-time provisions, foreign exchange gains or losses, restructuring costs, ERP customization and configuration costs, litigation and other claims settlements, gains and losses resulting from changes in certain balance sheet valuations (such as derivatives and warrants), acquisition costs and costs related to our initial public offering, including estimated incremental auditing and professional services costs incurred in connection with our initial public offering.

"Development Pipeline" is defined as the overall project development pipeline over which the Company has visibility.

"EBITDA" is defined as net earnings before finance costs, taxes and depreciation and amortization.

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

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

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

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

See “Reconciliation of Non-IFRS Measures” for a reconciliation of certain of the foregoing non-IFRS measures to their most directly comparable measures calculated in accordance with IFRS.

HIGHLIGHTS

- For the year ended December 31, 2021, revenue of \$127,048 increased 14.9%, or \$16,516, compared to Fiscal 2020 (Fiscal 2020: \$110,532). The increase was driven mainly by Capital Sales projects under execution in the Europe, Middle East and Africa (EMEA) region, specifically in Italy.
- For the year ended December 31, 2021, losses before income taxes of \$14,049 improve 23% of \$4,232, compared to Fiscal 2020 (Fiscal 2020: loss of \$18,281). The improvement is primarily due to revenue and gross profit growing at a greater rate than overhead costs.
- For the year ended December 31, 2021, Adjusted EBITDA¹ of \$(2,970) increased 8.4%, or \$273, compared to Fiscal 2020 (Fiscal 2020: \$(3,243)). The increase was driven by increased Capital Sales revenue in Italy despite increased overhead costs.
- In California, during Fiscal 2021 we saw slower than previously anticipated escalation in the volumes of organic waste shipped to the RBF, due to the decrease in commercial activity resulting from government-mandated restrictions in response to the COVID-19 pandemic. Although these restrictions are receding, there is a sluggish recovery in the commercial waste sector in California and, in order to assist struggling businesses, there has been some political sensitivity to ease in the implementation and enforcement of the required commercial organics collection program. However, the roll out of the new organics collection program in Los Angeles under the RecycLA franchise continues to gradually increase organic waste collection volumes, with an increase in subscriptions to the program by generators of organic waste. Participation in the RecycLA program is expected to accelerate with the implementation of a city-wide ordinance requiring all generators to participate which is required by state regulation SB1383. With SB1383 coming into effect in January 2022 and the adoption of a renewable gas standard requiring utilities to procure California generated RNG under SB1440, which came into effect in February 2022, management has confidence in a turnaround in the commercial waste sector in Fiscal 2022. Nevertheless, the RBF continues to ramp up with gradually increasing feedstock supply from the OREXTM line operated by Waste Management at the Sun Valley Recycling Park during Fiscal 2022. In addition, a second OREXTM line with Universal Waste Systems is expected to be installed this summer and a new third OREXTM line is currently being manufactured with expected installation in late 2022, both of which will further improve feedstock availability for the RBF. At full capacity, the three OREXTM lines would oversupply the RBF.
- Operations recently commenced at the SoCal Biomethane facility located at the city of Victorville’s wastewater treatment facility in California with RNG actively injected and stored in the grid. On the east coast of the United States, construction has commenced at the Rhode Island Bioenergy Facility to convert the plant from a combined heat and power facility (using biogas) into a pipeline specification RNG injection facility with a 20-year firm offtake with a major North American utility. Completion of construction will occur in mid-2023. In North Carolina, construction will begin later this year at the Charlotte Bioenergy Facility to convert the plant to pipeline RNG with a similar offtake arrangement. Both east coast facilities represent approximately \$670 million of Revenue Backlog, expanding Anaergia’s North American portfolio of food waste RNG facilities.
- On the BOO development front in the U.S., in addition to a project development agreement for the Kent County Sustainability Park announced in March 2022, Anaergia recently entered into an exclusive development agreement with a 20-year lease to develop a food waste-to-RNG and biosolids-to-fertilizer facility similar in size to RBF at the Victor Valley Water Reclamation Authority, which is part of an expansion of the successful partnership and to serve the growing needs for organic waste diversion and sustainable biosolids management in southern California. See “Recent Developments”.
- In Italy, construction of six BOO facilities is ongoing, with the first two facilities expected to be commissioned in the second quarter of Fiscal 2022. All are anticipated to start operations by the end of Fiscal 2022.

¹ “Adjusted EBITDA” is a non-IFRS measure. See “Non-IFRS Measures and Industry Metrics”.

- In Denmark, construction continues through Fiscal 2023 of what is expected to be that country's and one of the world's largest biogas facilities. It will support Denmark's recent intention to increase the share of RNG in its network from the current 25% to 100% by 2030.
- Tight gas markets in 2021 and the recent tailwinds in European Union commitments to accelerate the transition to RNG, along with all-time high gas prices in the wake of the conflict in Ukraine, are expected to be consequential for Anaergia. The number of opportunities for sales or investment are increasing significantly and the profitability of our seven European BOO facilities currently under construction will be higher than previously expected. As we had previously indicated, assuming a RNG price of US\$26 per mmbtu (as forecasted by the IEA before the conflict in Ukraine), which is well below the average market price of the last six months, the estimated annualized Run-Rate EBITDA² for our seven plants that are starting their ramp-ups during the second quarter of this year, would increase from an initially forecasted total of approximately \$58 million to approximately \$97 million. In addition, the certificates associated with the environmental attributes of RNG are also expected to increase.

Fiscal 2021 Financial Highlights (in thousands)

	Restated			
	Three months ended December 31,		Fiscal	
	2021	2020	2021	2020
Revenue	43,898	32,258	127,048	110,532
Cost of sales	39,903	25,851	103,652	88,804
Gross profit	3,995	6,407	23,396	21,728
Profit (loss) before income taxes	(5,962)	(4,418)	(14,049)	(18,281)
Net income (loss)	(9,604)	(4,070)	(15,565)	(21,441)
Net loss per share	(0.16)	(0.27)	(0.53)	(4.42)
Weighted average number of shares	58,749,515	14,883,660	37,648,305	14,883,660
EBITDA	(3,734)	(3,080)	(11,612)	(12,995)
Adjusted EBITDA	(1,295)	(1,839)	(2,970)	(3,243)

BUSINESS OVERVIEW

Our Business

Anaergia is an integrated waste-to-value platform. It was created to eliminate a major source of greenhouse gases (“GHG”) by turning organic waste into RNG, clean water and natural fertilizer through the use of proprietary technologies. Anchored with a proven track record of delivering innovative projects, Anaergia is uniquely positioned to provide integrated solutions to today's most pressing resource recovery challenges using a broad portfolio of proven technologies and multiple project delivery methods.

Formed in 2007, Anaergia was built on the foundations of acquired technology companies specializing in processing and treating organic waste, together with a highly capable and experienced team to manage, build on and integrate them. Continued investments in innovation and execution capabilities allow us to deliver facilities that divert waste, reduce life cycle costs, create new revenue streams and maximize renewable energy output.

² “Run-Rate EBITDA” is a non-IFRS measure. See “Non-IFRS Measures and Industry Metrics”.

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

Anaergia is one of the world's only companies with a proprietary portfolio of end-to-end solutions that integrates solid waste processing as well as wastewater treatment with organics recovery, high-efficiency anaerobic digestion, RNG production and recovery of fertilizer and water from organic residuals. 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.

Anaergia is headquartered in Burlington, Canada and has operations in North America, Asia, Africa and Europe. Our technologies have been deployed at resource recovery facilities in over 17 countries worldwide, including at over 230 facilities since 2010. During the last two years, we have built or are in the process of building three of the largest biogas facilities in the world.

Business Segments

We report our operating results in the following three reportable segments:

1. *Capital Sales.* Our Capital Sales segment consists of technology packaged solutions and services to third party customers, predominantly municipalities and project developers, and includes engineering services, proprietary product sales, engineering procurement and construction contracts, or a combination thereof.
2. *Services.* Our Services segment offers third-party operation and maintenance (“**O&M**”) and field service contracts, generally 5-10 years in length, with customers that typically include municipalities and project developers that utilize our technology solutions.
3. *BOO.* Our BOO segment builds, owns and operates greenfield or brownfield facilities that are expected to generate high margin revenues and long-term predictable cash flows. This segment capitalizes on our ability to acquire and retrofit existing infrastructure and bypass lengthy permitting processes.

Geographical Operations

Globally, there are over 2 billion tons of waste sent to landfills each year, creating significant GHG emissions as organic materials decompose. A growing global awareness about landfill constraints and increased focus on mitigating climate change are driving governments and municipalities to adopt organics diversion regulations around the globe. Anaergia targets markets that benefit from supportive regulatory regimes and readily available feedstock supplies and that provide the ability to utilize existing infrastructure. With our differentiated set of integrated resource recovery solutions and flexible delivery models, Anaergia is uniquely positioned to capitalize on this global opportunity. The Company's global presence consists of eight office locations and two manufacturing facilities that have helped deploy our technologies at resource recovery facilities in over 17 countries worldwide, including at over 230 facilities since 2010.

The Company's core markets and revenue sources are in North America and Europe where we take advantage of the opportunity created by regulations that drive organics diversion and encourage the use of anaerobic digestion (“**AD**”) to process organic waste and produce RNG. In other markets, Anaergia sells integrated solutions to a variety of customers where BOO investments are typically less attractive.

We report our operating results in the following three geographical areas:

1. *North America.* In North America, our core market is in California, where we have nine reference projects. One of our references, the **RBF**, is the largest organic waste processing AD facility in North America.
2. *Europe, Middle East and Africa (“**EMEA**”).* In the EMEA region, we have focused on the Italian market due to its strong regulatory support and robust natural gas infrastructure. Outside of Italy, we are focused on the UK, Germany, the Netherlands and Denmark, where we are currently building one of Europe's largest biogas plants for agricultural waste in Tønder.

3. *Asia Pacific (“APAC”)*. In the APAC region, we have focused on the mature markets of Singapore, Australia, Korea and Japan. Our APAC headquarters in Singapore is currently executing projects in China, Taiwan, Singapore and Japan and has a robust incremental pipeline of key Capital Sales projects in the APAC region.

Strategy

Anaergia is driven to innovate by providing its stakeholders a sustainable world for the next generation. Our strategic vision is clear: to provide complete, integrated resource recovery solutions globally. Underpinned by a robust market, and regulatory and environmental tailwinds, Anaergia is uniquely positioned to benefit from the growing demand for sustainable waste solutions. The Company’s products and services respond to regulatory and customer demand for sustainable waste management services that are superior to landfilling and composting while providing carbon negative fuel, thereby reducing GHG emissions. Anaergia is focused on providing cost effective and sustainable solutions that leverage our experience with project development and execution and our growing network of owned infrastructure. Key elements of our growth strategy are set out below.

Pursue Organic Growth and Continue To Build Our BOO Segment

Anaergia leverages the breadth of its geographic footprint, invests in innovative solutions and centers decisions around the Company’s values to deliver unparalleled and sustainable results. We plan to grow primarily by leveraging our core expertise in developing, building, selling, operating, maintaining, and owning waste-to-value integrated solutions, proprietary technology and infrastructure to reach additional customers in our target markets. To achieve this goal, we plan to open additional local offices in the regions we currently serve, hire additional sales personnel, and expand geographically by opening offices in regions we do not currently serve in the United States, Europe and Asia.

The Company has one of the largest and most technologically diverse project portfolios in the organic waste-to-value industry, with a \$4.6 billion Revenue Backlog consisting of mostly BOO assets and over 50 potential BOO opportunities in our Development Pipeline.

Meet Market Demand for Cost-Effective, Sustainable Solutions

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 maximize the diversion of organic waste from landfills and use the output to generate renewable energy and fertilizers, thereby reducing GHG emissions and the cost of waste management. We plan to continue to focus on providing sustainable solutions that will address the growing demand for products and services that create environmental benefits for our customers and communities.

Expand Through Project Development in Select Markets

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

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

Increase Services Revenue

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

Develop and Commercialize New Technology

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

Grow through Select Strategic Acquisitions

We plan to accelerate the expansion of our product and service offering, customer base and geographic reach through targeted acquisitions that support and contribute to maximizing shareholder value. Our rigorous evaluation process will identify targets that will allow us to expand geographically and broaden our capabilities to expand the size of our addressable market and enhance profitability.

Diversify Global Presence

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

MARKET AND INDUSTRY TRENDS

North American Utilities

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

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

Renewable Credits and Low Carbon Fuel Standards (“LCFS”)

While LCFS prices have dropped recently, Renewable Identification Number (“RIN”) prices have increased and, as a result, there has not been any negative impact on the price of gas that our BOO facilities in California are expected to receive. More U.S. states are introducing programs similar to the LCFS program in California and Canada is working to finalize its Clean Fuels Standard.

Organic Waste Diversion in California (SB1383)

California cities are actively developing plans to comply with the SB1383 regulations that came into effect on January 1, 2022.

Europe

Fiscal 2021 was characterized by a tight gas market as economic recoveries led to increasing demand, but lower than expected supply resulted in all time high natural gas prices. In addition, conflict in eastern Europe recently prompted the European Union to propose a plan known as “REPowerEu”, which will reduce reliance on Russian gas by two thirds in Fiscal 2022 and completely phase out its use by the year 2030. This plan specifically mentions increasing supplies of RNG and sets a target for the EU to produce approximately 1,260,000,000 mmbtu (35 billion cubic meters) of biomethane per year by 2030, which is two times the previously proposed target. These initiatives call for long-term RNG supply increases and are expected to further promote the development of new biogas facilities along with increasing opportunities for our Capital Sales business in Europe.

The above developments have all impacted the market price for natural gas. In Q4 2021, natural gas prices in Europe were six times higher than their level during the same period of Fiscal 2020, ultimately increasing realized prices for RNG sales in the region. The conflict in eastern Europe has further escalated pricing with the price of natural gas reaching well above US\$60 per mmbtu. The International Energy Agency (IEA) was already forecasting an all-time high average price of US\$26 per mmbtu in Europe for Fiscal 2022 before the start of the Ukraine-Russia conflict. Prices may remain volatile in the short-term, however, given the current high levels and forecasts, our BOO assets in Italy, which are to begin production in Fiscal 2022, and Denmark, which is expected to begin production in Fiscal 2023, are anticipated to be more profitable than had been originally projected.

RIALTO BIOENERGY FACILITY UPDATE

In California, during Fiscal 2021 we saw slower than previously anticipated escalation in the volumes of organic waste shipped to the RBF, due to the decrease in commercial activity resulting from government-mandated restrictions in response to the COVID-19 pandemic. Although these restrictions are receding, there is a sluggish recovery in the commercial waste sector in California, and in order to assist struggling businesses, there has been some political sensitivity to ease in the implementation and enforcement of the required commercial organics collection program. However, the roll out of the new organics collection program in Los Angeles under the RecycLA franchise continues to gradually increase organic waste collection volumes, with an increase in subscriptions to the program by generators of organic waste. Participation in the RecycLA program is expected to accelerate with the implementation of a city-wide ordinance requiring all generators to participate which is required by state regulation SB1383. With SB1383 coming into effect in January 2022 and the adoption of a renewable gas standard requiring utilities to procure California generated RNG under SB1440 coming into effect in February 2022, management has confidence in a turnaround in the commercial waste sector in Fiscal 2022.

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

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

RECENT DEVELOPMENTS

- During Fiscal 2021, the Company successfully completed its initial public offering of 12,500,000 subordinate voting shares at an offering price of \$14.00 for gross proceeds of \$175 million. Subsequent to Q2 2021, the underwriters partially exercised their over-allotment option to purchase an additional 1,740,500 subordinate voting shares at the offering price, raising approximately \$24.4 million of additional gross proceeds. The subordinate voting shares are listed for trading on the TSX under the symbol "ANRG".
- We expanded our footprint in the eastern United States and our capacity to address increasing demand for organic waste recycling through the acquisition of two under-performing biogas facilities:
 - Rhode Island Bioenergy Facility, LLC (f/k/a Orbit Energy Rhode Island, LLC), which owns the largest industrial anaerobic digester for food and other solid organic waste recycling in New England, known as the Rhode Island Bioenergy Facility. The Rhode Island Bioenergy Facility can process over 100,000 tons of organic waste per year at its location in Johnston, Rhode Island. Such waste, that otherwise would have been landfilled or incinerated, is processed into clean energy, fertilizer, and water, while reducing GHG emissions. We intend to see the facility upgraded with industry leading technology and other improvements that will optimize operations and financial performance in converting organic waste into approximately 320,000 mmbtu of carbon negative RNG annually.
 - Orbit Energy Charlotte, LLC, ("**Charlotte Bioenergy Facility**"), which owns a 5.2-megawatt anaerobic digestion facility located in Charlotte, North Carolina. Orbit Energy Charlotte can process over 120,000 tons of organic waste per year and has its entire annual feedstock requirement under contract or in negotiations with suppliers. The facility also has an attractive long-term power purchase agreement (PPA) with Duke Energy extending to 2031, under which it sells both the electricity output and renewable energy credits ("**RECs**") generated from

waste. RECs from Orbit Energy Charlotte include electricity RECs, thermal RECs and poultry RECs. Anaergia intends to upgrade the facility with industry leading technology and other improvements that will optimize operations and financial performance in converting organic waste into RNG.

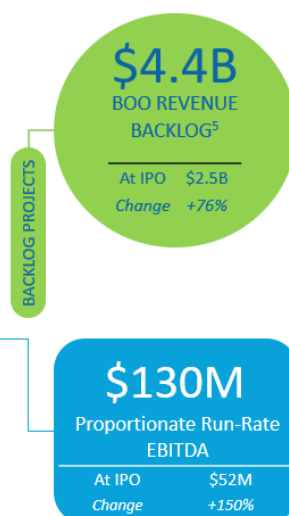
- The Company expanded its footprint in Europe by acquiring two Danish subsidiaries.
 - The first Danish subsidiary will build, own and operate a new AD facility in Tønder, Denmark. This new facility will take in agricultural waste and convert it into RNG. The facility is being built in two phases - Phase 1 of construction is currently ongoing and scheduled for completion in late 2022, allowing the facility to start producing RNG and qualify for the Danish Energy Agency's subsidy program under which biogas that is upgraded to RNG for injection into the gas grid receives a subsidy for a period of 20 years. Phase 2 of construction will be completed in 2023. Anaergia expects the facility to produce 1.4 million MMBTU per year of RNG, which would make it one of the largest facilities of its kind in the world.
 - The second Danish subsidiary is a project development company that will give the Company a footprint in Scandinavia and northern Europe for future Capital Sales business and BOO projects.
- We signed a contract with Arjun Infrastructure Partners ("**Arjun**") to provide financing for our BOO projects in Italy. Under the provisions of this new agreement, Arjun has committed to invest up to €100 million in mezzanine financings in respect of a portfolio of projects in Italy. The term of these financings is generally 10 years and we expect that additional projects can be built with this commitment.
- In October 2021, after a dispute had progressed concerning the EPC agreement for the biogas plant in Sterksel, Netherlands, Anaergia B.V. initiated an action in the District Court of Amsterdam to block a €3.58 million demand by Blue Sphere Brabant B.V. on a performance bond for alleged delay liquidated damages and costs. While Anaergia B.V. did not prevail in the court action, it has asserted claims before the Arbitration Board for the Construction Industry for the recovery of such payment and other damages. Resolution of the arbitration is anticipated in Fiscal 2022.
- Additional BOO assets in Italy (BS Green, Bionet, and Ambiente and Risorse) were acquired and officially closed during Fiscal 2021, with established permits, contracted organic feedstock and eligibility for long-term Italian fixed RNG incentives. These BOO facilities are currently under construction and expected to start operating in Fiscal 2022.
- In January 2022, we announced that we had signed a contract to supply our industry-leading organic waste treatment solutions to Società Agricola Agriferr ss di Zagni Matteo & C ("**Agriferr**"), an agricultural industry company based in Rivarolo del Re Ed Uniti, Cremona, Italy. Under the contract, Anaergia will build Agriferr's new plant using a range of proprietary systems, including our first-ever renewable natural gas liquefaction system. Anaergia will also install its Triton™ digester, biogas upgrading system, and an on-site fueling station for end users. Under the terms of this agreement, Anaergia is to build and then operate this plant for a period of four years. This facility, which is expected to produce about 2,000 tons of liquid natural gas (LNG) annually, is slated to begin operations by the end of 2022.
- On January 21, 2022, we announced that our subsidiary, SoCal Biomethane LLC, will officially commission operations at the Victor Valley Wastewater Reclamation Authority ("**VVWRA**") facility in Victorville, California. The facility is the first wastewater treatment plant in California to inject RNG made from both wastewater solids and food waste into a utility pipeline. This plant will serve as a replicable co-digestions project model and assist local municipalities in complying with California's SB1383 regulations, which require every municipality to divert residents' and businesses' food and other organic waste from landfills, with the goal of reducing the amount of organic waste landfilled by 75% by 2025.
- On January 25, 2022, we announced that we had signed a follow-up contract with Carbon Cycle North Carolina LLC ("**C2NC**"). Under the terms of this new agreement, the scope of our activities will be significantly expanded at C2NC's facility that converts agricultural waste to renewable energy. The facility is located in Warsaw, North Carolina. This is our second major capital equipment sale to C2NC. In addition to providing additional equipment, the contract terms call for Anaergia to manage construction at the C2NC facility, and then operate the entire facility for a period of 10 years. When this first phase is completed, this facility will feature a total of three anaerobic digesters converting food industry and agricultural byproducts into utility-scale RNG.
- On March 7, 2022, we announced that we and our partner, Continuum Materials, had signed a contract Project Development Agreement ("**PDA**") with the Board of the Kent County Department of Public Works. Under the terms of the PDA, the

parties agreed to terms for a potential project under which an approximately US\$280 million state-of-the-art material recovery facility (MRF) converting solid waste to products, fertilizer and RNG, would be built by Anaergia and Continuous Materials. The initial term of the agreement is expected to be for a period of twenty-five years from the start of operations. The facility is expected to be a world-leading facility that will assist in achieving the county's ambitious landfill diversion targets by processing 400,000 tons per year of municipal solid waste, while supporting its sustainability goals and creating economic stimulus in western Michigan.

- In March 2022, Anaergia's Italian office closed the sale of two significant projects for which Anaergia will supply \$45 million in technology, further illustrating growth trends in Europe.
- Using the US\$26 per mmbtu 2022 European gas price forecasted by the IEA, the BOO assets in operation and under execution are expected to generate total Run-Rate Revenue³ of approximately \$274 million and total proportionate Run-Rate EBITDA⁴ of approximately \$130 million annually over their useful life which is estimated to be in excess of 20 years. Compared to \$128 million of approximate Run-Rate Revenue and \$52 million of approximate proportionate Run-Rate EBITDA from BOO assets in operation and under execution at the time of our initial public offering, this represents an increase of 114% and 150%, respectively.

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

STATUS	# of Projects	ANNUAL RNG OUTPUT ¹ (m mBTU)	CONSOLIDATED CAPEX ² (C\$ in millions)	ORIGINAL RUN-RATE EBITDA (C\$ in millions)	EXPECTED RUN-RATE EBITDA ³ (C\$ in millions)
Operating ^{4,6}	4	1,389,000	~\$262	~\$70	~\$70
In Execution ⁶	9	2,850,000	~\$420	~\$69	~\$107
Total (at 100% ownership)	13	4,239,000	~\$682M	~\$138M	~\$177M
Total at IPO	7	1,872,000	~\$368M	~\$87M	~\$87M
Change	+86%	+126%	+85%	+59%	+104%



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

IMPACT OF COVID-19 ON OUR BUSINESS

Management has continued to closely monitor the impact of the COVID-19 pandemic, with a focus on the health and safety of our employees, business continuity and supporting our communities. We also continue to monitor local public health protocols and government-mandated restrictions in the jurisdictions in which we operate and have been adjusting our risk mitigation measures accordingly. For example, we have established COVID-19 prevention plans at each of our facilities to ensure the safety of our employees.

Our revenue is dependent on the organic waste industry, which has been resilient during the COVID-19 pandemic and is diversified across geographies and customers. Our operations during Fiscal 2021 were affected by the COVID-19 pandemic. The RBF continued to experience lower volumes of organic feedstock due to a decrease in commercial activity resulting from

³ "Run-Rate Revenue" and "Run-Rate EBITDA" are non-IFRS measures. See "Non-IFRS Measures".

government-mandated restrictions. However, restoration of such volumes was also impacted by delays in rolling out the commercial organics program required by RecycLA. As of Q4 2021, final completion had not yet occurred for the RBF as it is not yet fully capable of operating in the manner intended by management, mainly due to feedstock volumes not yet sufficient for performance testing. As COVID-19 restrictions ease and commercial waste feedstock volumes grow, and organic waste collection program is more fully deployed, we expect operations at the RBF to continue ramping up throughout Fiscal 2022. The RBF is a significant project for us insofar as it is the largest project of its kind in North America, and it demonstrates the expansion and potential of our BOO segment.

With respect to our other operations, global supply chain issues directly and indirectly caused by the COVID-19 pandemic affected project execution schedules and completion dates. However, we expect to continue recovering schedules as COVID-19 impacts diminish with improved forecasting and supply chain adjustments and general experience acquired in response to the COVID-19 pandemic.

Despite the slow market recovery in California, we have seen higher than anticipated growth in Europe and expect an increasing number of project opportunities in Europe will help compensate for temporary COVID-19 impacts on our business.

KEY COMPONENTS OF RESULTS OF OPERATIONS

Revenue

Revenue in our Capital Sales segment consists of sales of technology packaged solutions and services to third party customers, primarily consisting of municipalities and project developers. The solutions are delivered using a variety of methods, including engineering, EPC and design-build services. Revenue in our Capital Sales segment is calculated using the percentage of completion method.

Revenue in our Services segment consists of fees earned from third party services contracts, including in respect of plant operations and maintenance, and the sale of non-proprietary products to third-party customers. Revenue is recognized as the services are performed or upon product shipment.

BOO segment revenue includes revenue from sales of RNG and fertilizer and the receipt of tipping fees from our owned facilities. Revenue is recognized when gas enters the pipeline, fertilizer is shipped and, for tipping fees, when waste is received.

Cost of Sales

Cost of sales includes the cost of labour and materials used directly to create the associated revenue, as well as certain indirect costs. For Capital Sales, cost of sales will generally include engineering labour, product costs and other project-related costs. In our Services segment, cost of sales is mainly comprised of labour, raw materials and spare parts. BOO cost of sales includes labour costs, spare parts, chemicals and other inputs needed to produce RNG and the related by-products.

Operating Expenses

Selling and General Administrative Expenses

SG&A expenses encompass all costs not directly tied to performing a service or producing a product and include such expenses as rent, marketing, accounting, travel, meals, salaries, bonuses and employee-based stock compensation. Also included are depreciation and amortization related to non-revenue generating tangible and intangible assets.

Research and Development Expenses

Research and development (“R&D”) expenses include labour and other costs related to the exploration of new or improved technologies. Our R&D expenditures are mainly focused on developing or improving our proprietary products that are key inputs in our overall technology solutions.

Government Grants

Government grants are received for various research and development projects as well as other government incentives. It is recognized based upon the related-IFRS guidance and typically recognized as income over the life of the relevant project.

Other Expenses

Gain on Fibracast Dilution

Gain on Fibracast dilution was recognized during the year ended December 31, 2021 as a result of the Company's equity method investee raising additional funds from third-party sources.

Gain on RBF Embedded Derivative

The loan agreement relating to the RBF contains an early repayment option, which is treated as an embedded derivative for accounting purposes. The fair value of the repayment option is estimated by calculating the present value of the net interest if the Company exercised the option across a variety of likely scenarios.

Stock Warrant Valuation Loss and Gain on Warrant Forfeiture

Holders of our previously issued Class C preferred shares held an option to purchase additional shares. For share purchase warrants issued in 2019, a price adjustment feature was incorporated which resulted in the warrants being accounted for as a liability. As a result, for the 2019 warrants, we recorded a quarterly change based upon the change in fair value of the warrant liability. The liability was extinguished concurrently with our initial public offering, in which the majority of the warrants were exercised and converted into subordinate voting shares, with the remainder expiring.

Share of Loss in Equity Accounted Investees

Share of loss in equity accounted investees represents the Company's portion of losses in our equity-accounted investees, namely Fibracast, Medcon & db Technologies JV and Bioener S.p.A.

Gain on extinguishment of liability

The gain on extinguishment represents the removal of contractual liabilities from the balance sheet when they are no longer applicable.

Other Gains (Losses)

Other gains (losses) include gains and losses that are not directly related to the normal operations of the Company.

Finance (Costs) Income

Finance costs include interest incurred on the indebtedness of the Company and its subsidiaries that is not related to construction in progress, for which interest is capitalized. These costs are offset by income earned on cash and cash equivalents and loan receivables.

Foreign Exchange Loss (Gain)

Foreign exchange loss (gain) includes our exposure (realized and unrealized gains and losses) to transactions with currencies that differ from the functional currencies of our Canadian and foreign operations.

Income Tax Expense

Income tax expense represents the Company's effective tax cost for the relevant period based on the Company's taxable income.

RESULTS OF OPERATIONS

The following table outlines our consolidated results and earnings for Q4 2021, Q4 2020, Fiscal 2021 and Fiscal 2020:

Restated

	Three months ended December 31,		Fiscal	
	2021	2020	2021	2020
Revenue	43,898	32,258	127,048	110,532
Cost of sales	39,903	25,851	103,652	88,804
Gross profit	3,995	6,407	23,396	21,728
Selling and general administrative expenses	9,597	10,615	40,576	30,544
Research and development expenses	679	2,555	1,804	3,746
Grant income, cost recovery of the two above items	(1,448)	(733)	(2,833)	(1,813)
Loss from operations	(4,833)	(6,030)	(16,151)	(10,749)
Net Gain on Fibracast deconsolidation and dilution of ownership	-	654	2,346	654
Gain / (loss) on Rialto embedded derivative	2,160	9,040	5,673	12,152
Stock warrant valuation gain (loss)	-	(6,643)	(914)	(8,387)
Gain on warrant forfeitures	-	-	615	-
Share of loss in equity-accounted investees	(3,033)	(1,000)	(5,662)	(3,941)
Gain on extinguishment of liability	1,115	-	1,115	-
Other gains / (losses)	(1,496)	(400)	(3,236)	(979)
Finance costs	(307)	312	917	(2,158)
Foreign exchange gain / (loss)	432	(351)	1,248	(4,873)
Profit (loss) before income taxes	(5,962)	(4,418)	(14,049)	(18,281)
Income tax expense	(3,642)	348	(1,516)	(3,160)
Net income (loss)	(9,604)	(4,070)	(15,565)	(21,441)

Analysis of Results

Revenue

Revenue by segment	Restated							
	Q4 2021	Q4 2020	Change (\$)	Change (%)	Fiscal 2021	Fiscal 2020	Change (\$)	Change (%)
Capital Sales	39,071	28,958	10,113	34.9%	112,615	99,371	13,244	13.3%
Services	4,210	2,742	1,468	53.5%	12,185	8,738	3,447	39.4%
BOO	617	558	59	10.6%	2,248	2,423	(175)	-7.2%
Total Revenue	43,898	32,258	11,640	36.1%	127,048	110,532	16,516	14.9%

Revenue of \$43,898 for Q4 2021 increased 36.1% or 11,640, compared to Q4 2020 (Q4 2020: \$32,258). The increase was driven primarily by activity in our Capital Sales segment in the EMEA region, specifically in Italy.

During Fiscal 2021, revenue increased 14.9%, or \$16,516, to \$127,048 compared to Fiscal 2020 (Fiscal 2020: \$110,532). The increase was driven by Capital Sales projects under execution in the EMEA region. Specifically, government incentives in Italy have driven the development of facilities to divert organic waste from landfills and to produce RNG.

Currently, revenues are concentrated in our Capital Sales segment as the market is being developed. As more BOO facilities become operational, the revenue composition will shift towards the recurring BOO revenue generated from tipping fees and RNG offtake sales.

Revenue by geography	Restated							
	Q4 2021	Q4 2020	Change (\$)	Change (%)	Fiscal 2021	Fiscal 2020	Change (\$)	Change (%)
North America	3,743	10,156	(6,413)	-63.1%	26,891	39,511	(12,620)	-31.9%
EMEA	38,003	16,847	21,156	125.6%	92,136	56,978	35,158	61.7%
APAC	2,152	5,255	(3,103)	-59.0%	8,021	14,043	(6,022)	-42.9%
Total Revenue	43,898	32,258	11,640	36.1%	127,048	110,532	16,516	14.9%

Q4 2021 compared to Q4 2020

Revenue in North America of \$3,743 for Q4 2021 decreased 63.1%, or \$6,413, compared to Q4 2020 (Q4 2020: \$10,156). The decrease was primarily due to the winding down of current Capital Sales projects in California and delays in project execution schedules resulting from global supply chain issues. We are also still experiencing delays in future project signings in California due to the continuing impacts of the COVID-19 pandemic. See “Impact of COVID-19 on our Business”.

Revenue in the EMEA region of \$38,003 for Q4 2021 increased 125.6%, or \$21,156, compared to Q4 2020 (Q4 2020: \$16,847). The increase was driven primarily by Capital Sales project revenue in Italy, as government incentives in Italy drive the development of facilities to divert organic waste from landfills and to produce RNG.

Revenue in the APAC region of \$2,152 for Q4 2021 decreased 59.0%, or \$3,103, compared to Q4 2020 (Q4 2020: \$5,255). The decrease was driven primarily by the winding down of a sizable revenue-producing Capital Sales project during Fiscal 2021.

Fiscal 2021 compared to Fiscal 2020

Revenue in North America of \$26,891 for Fiscal 2021 decreased 31.9%, or \$12,620, compared to Fiscal 2020 (Fiscal 2020: \$39,511). The decrease was primarily due to the winding down of current Capital Sales projects in California. We are also still experiencing delays in future project signings in California due to the continuing impacts of the COVID-19 pandemic. See “Impact of COVID-19 on our Business”.

Revenue in the EMEA region of \$92,136 for Fiscal 2021 increased 61.7%, or \$35,158, compared to Fiscal 2020 (Fiscal 2020: \$56,978). The increase was driven primarily by increased Capital Sales revenue in Italy, as described above.

Revenue in the APAC region of \$8,021 for Fiscal 2021 decreased 42.9%, or \$6,022, compared to Fiscal 2020 (Fiscal 2020: \$14,043). The decrease was driven primarily by the winding down of a sizable revenue-producing Capital Sales project during Fiscal 2021 and delays in future project signings due to government mandated restrictions as a result of the COVID-19 pandemic.

Cost of Sales

	Restated							
	Q4 2021	Q4 2020	Change (\$)	Change (%)	Fiscal 2021	Fiscal 2020	Change (\$)	Change (%)
Cost of sales	39,903	25,851	14,052	54.4%	103,652	88,804	14,848	16.7%

Cost of sales of \$39,903 for Q4 2021 increased 54.4% or \$14,052, compared to Q4 2020 (Q4 2020: \$25,851). As described in the “Revenue” section above, the increases were driven by increased activity in our Capital Sales segment in the EMEA market. Cost of sales of \$103,652 for Fiscal 2021 increased 16.7%, or \$14,848, compared to Fiscal 2020 (Fiscal 2020: \$88,804). As described in the “Revenue” section above, the increases were driven by increased Capital Sales activity in the EMEA market.

Gross Profit

	Restated							
	Q4 2021	Q4 2020	Change (\$)	Change (%)	Fiscal 2021	Fiscal 2020	Change (\$)	Change (%)
Gross Profit	3,995	6,407	(2,412)	-37.6%	23,396	21,728	1,668	7.7%

Gross profit of \$3,995 for Q4 2021 decreased 37.6% or \$2,412, compared to Q4 2020 (Q4 2020: \$6,407). The decrease in profitability was primarily driven by cost overruns related to the winding down of a large legacy project in the Netherlands. Gross profit of \$23,396 for Fiscal 2021 increased 7.7%, or \$1,668, compared to Fiscal 2020 (Fiscal 2020: \$21,728). The increases were driven mainly by higher Capital Sales revenue in the EMEA market, as described in the “Revenue” section above.

Operating Expenses

	Restated							
	Q4 2021	Q4 2020	Change (\$)	Change (%)	Fiscal 2021	Fiscal 2020	Change (\$)	Change (%)
Selling and general administrative expenses	9,597	10,615	-1,018	-9.6%	40,576	30,544	10,032	32.8%
Research and development expenses	679	2,555	-1,876	-73.4%	1,804	3,746	(1,942)	-51.8%
Government grants	(1,448)	(733)	(715)	97.5%	(2,833)	(1,813)	(1,020)	56.3%
	8,828	12,437	-3,609	-29.0%	39,547	32,477	7,070	21.8%

Q4 2021 compared to Q4 2020

Selling and general administrative expenses of \$9,597 for Q4 2021 decreased 9.6% or \$1,018, compared to Q4 2020 (Q4 2020: \$10,615). Overhead costs in Q4 2021 were consistent with the rest of Fiscal 2021, but the slight decrease compared to Q4 2020 was due to higher-than-average overhead spending during Q4 2020.

Research and development expenses decreased as a result of the Company focusing its efforts on BOO projects and operations in North America and Europe.

Government grants of \$1,448 for Q4 2021 increased 97.5% or \$715, compared to Q4 2020 (Q4 2020: \$715). The increase was due to higher research and development grants and grants for Covid-19 assistance.

Fiscal 2021 compared to Fiscal 2020

Selling and general administrative expenses of \$40,576 for 2021 increased 32.8%, or \$10,032, compared to Fiscal 2020 (Fiscal 2020: \$30,544). The increase was primarily driven by additional overhead spending as a result of overall Company growth as well as significant one-time costs incurred in connection with the Company's initial public offering and enterprise resource planning system integration.

Research and development expenses decreased as a result of the Company focusing its efforts on BOO projects and operations in North America and Europe.

Government grants of \$2,833 for Fiscal 2021 increased 56.3%, or \$1,813, compared to Fiscal 2020 (Fiscal 2020: \$1,020). The increase was due to higher research and development grants and grants for Covid-19 assistance, as well as the Company's ability to renegotiate its debt with the Province of Ontario.

Other Expenses

	Restated							
	Q4 2021	Q4 2020	Change (\$)	Change (%)	Fiscal 2021	Fiscal 2020	Change (\$)	Change (%)
Net gain on Fibracast dilution of ownership	-	654	(654)	-100.0%	2,346	654	1,692	258.7%
Gain on RBF embedded derivative	2,160	9,040	(6,880)	-76.1%	5,673	12,152	(6,479)	-53.3%
Stock warrant valuation loss	-	(6,643)	6,643	-100.0%	(914)	(8,387)	14,060	-167.6%
Gain on warrant forfeitures	-	-	-	0.0%	615	-	615	N/A
Share of loss in equity accounted investees	(3,033)	(1,000)	(2,033)	203.3%	(5,662)	(3,941)	(1,721)	43.7%
Gain on extinguishment of liability	1,115	-	1,115	N/A	1,115	-	1,115	N/A
Other losses	(1,496)	(400)	(1,096)	274.0%	(3,236)	(979)	(2,257)	230.5%
Finance income (costs)	(307)	312	(619)	-198.4%	917	(2,158)	3,075	-142.5%
Foreign exchange gain (loss)	432	(351)	783	-223.1%	1,248	(4,873)	6,121	-125.6%
Income tax benefit (expense)	(3,642)	348	(3,990)	-1146.6%	(1,516)	(3,160)	1,644	-52.0%

Q4 2021 compared to Q4 2020

Net gain on Fibracast dilution of ownership

No Fibracast dilution of ownership occurred in Q4 2021.

Gain on RBF embedded derivative

The gain on the RBF embedded derivative of \$2,160 for Q4 2021 decreased 76.1%, or \$6,880, compared to Q4 2020 (Q4 2020: \$9,040). The decrease was driven by lower interest rates and the Company's improved credit position.

Stock warrant valuation loss

All stock warrants were either exercised or expired in connection with our initial public offering in the second quarter of Fiscal 2021.

Share of loss in equity-accounted investees

The share of loss in equity-accounted investees of \$3,033 for Q4 2021 increased 203.3%, or \$2,033, compared to Q4 2020 (Q4 2020: a loss of \$1,000). These losses are driven by the Company's share of Fibracast Ltd.'s net losses.

Gain on extinguishment of liability

The gain on extinguishment of liability of \$1,115 for Q4 2021 was recognized on the Bioener forward contract liability, which was contingent on certain criteria being met within the fiscal year.

Other losses

Other losses of \$1,496 for Q4 2021 increased by 274.0%, or \$1,096, compared to Q4 2020 (Q4 2020: \$400). The main driver of these losses is an expected credit loss of \$1,349 relating to loans made by the Company's Italian entity to an equity method investee of the Company to finance BOO project development in Italy. The Company believes these loans are fully collectible, however, IFRS reporting requirements dictate that a potential loss be both estimated and recorded.

Finance income (costs)

Finance income (costs) was a net cost of \$307 for Q4 2021, representing a decrease of 198.4%, or \$619, compared to Q4 2020 (Q4 2020: net income of \$312). During Fiscal 2021, we had net interest income due to our receipt of the net proceeds from our initial public offering and our improved capital position. However, in Q4 2021, an adjustment was made to capitalized interest that caused a decrease in finance income for Q4 2021.

Foreign exchange gain (loss)

Foreign exchange gain (loss) of \$432 for Q4 2021 increased by 223.1%, or \$783, compared to Q4 2020 (Q4 2020: a loss of \$351). The increase was primarily due to exposure from inter-company loans.

Income tax benefit (expense)

Income tax expense of \$3,642 for Q4 2021 increased by 1,146.6% or \$3,990, compared to Q4 2020 (Q4 2020: a benefit of \$348). The increase in the income tax expense relates principally to a change in the anticipated status of eligibility of certain tax credits in our US operations.

Fiscal 2021 compared to Fiscal 2020

Net gain on Fibracast dilution of ownership

A net gain on the Fibracast dilution of ownership of \$2,346 was recognized during Fiscal 2021 as a result of our equity method investee raising capital from third-party sources of \$7.3 million, which reduced our ownership interest from 49% to 47%.

Gain on RBF embedded derivative

The gain on the RBF embedded derivative of \$5,673 for Fiscal 2021 decreased 53.3%, or \$6,479, compared to Fiscal 2020 (Fiscal 2020: \$12,152). The decrease was driven by lower interest rates and the Company's improved credit position.

Stock warrant valuation loss

The stock warrant (loss) of (\$914) for Fiscal 2021 decreased 89.1%, or \$7,473, compared to Fiscal 2020 (Fiscal 2020: (\$8,387)). The loss was primarily the result of an increase in the estimated share price used to value the stock warrant and the increased likelihood of our initial public offering, which improved the probability that the warrants would be exercised, and a reduction

in the expected term of the warrants from when the Company remeasured the liability. All stock warrants were either exercised or expired in connection with our initial public offering in the second quarter of Fiscal 2021.

Gain on warrant forfeitures

A gain of \$615 was recognized during Fiscal 2021 as a result of unexercised warrants that expired as a result of our initial public offering.

Share of loss in equity accounted investees

The share of loss in equity accounted investees of \$5,662 for Fiscal 2021 increased 43.7%, or \$1,721, compared to Fiscal 2020 (Fiscal 2020: loss of \$3,941). The losses are primarily driven by the Company's share of Fibracast's net losses.

Gain on extinguishment of liability

The gain on extinguishment of liability of \$1,115 for Fiscal 2021 was recognized on the Bioener forward contract liability, which was contingent on certain criteria being met within the fiscal year

Other losses

Other losses of \$3,236 for Fiscal 2021 increased by 230.5%, or \$2,257, compared to Fiscal 2020 (Fiscal 2020: \$979). The main driver of these losses is an expected credit loss of \$1,349 relating to loans made by the Company's Italian entity to an equity method investee of the Company to finance BOO project development in Italy. The Company believes these loans are fully collectible, however, IFRS reporting requirements dictate that a potential loss be both estimated and recorded.

Finance income (costs)

Finance income (cost) was income of \$917 for Fiscal 2021, representing an increase of 142.5%, or \$3,075, compared to Fiscal 2020 (Fiscal 2020: a net cost of \$3,946). The net increase was driven by interest income due to our receipt of the gross proceeds from our initial public offering and due to our improved capital position during the year.

Foreign exchange gain (loss)

Foreign exchange gain (loss) was a gain of \$1,248 for Fiscal 2021, representing an increase of 125.6%, or \$6,121, compared to Fiscal 2020 (Fiscal 2020: a loss of \$4,873). The change was primarily due to exposure from inter-company loans.

Income tax benefit (expense)

Income tax expense of \$1,516 for Fiscal 2021 decreased by 52.0%, or \$1,644, compared to Fiscal 2020 (Fiscal 2020: an expense of \$3,160). Significant income tax expense was recognized in Fiscal 2020 due to the sale of RBF in the second quarter of 2020. The impact of the absence of this transaction in 2021 was offset principally to a change in the anticipated status of eligibility of certain tax credits in our US operations.

EBITDA and Adjusted EBITDA

	Restated			
	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
EBITDA	(3,734)	(3,080)	(11,612)	(12,995)
Adjusted EBITDA	(1,295)	(1,839)	(2,970)	(3,243)

EBITDA of (\$3,734) for Q4 2021 decreased 21% or \$654, compared to Q4 2020 (Q4 2020: (\$3,080)). The decrease was mainly driven by gross profit erosion caused by cost overruns on a large legacy project in the Netherlands that is in the process of winding down as well as a credit loss recorded in Italy (see explanation of “Other Losses” above).

EBITDA of (\$11,612) for Fiscal 2021 increased 45%, or \$1,383, compared to 2020 (2020: (\$12,995)). The increase was driven by strong revenue and gross profit growth despite increased overhead spending.

Adjusted EBITDA of (\$1,295) for Q4 2021 increased 30%, or \$544, compared to Q4 2020 (Q4 2020: (\$1,839)). The decrease was mainly driven by gross profit erosion caused by cost overruns on a large legacy project in the Netherlands that is in the process of winding down.

Adjusted EBITDA of (\$2,970) for Fiscal 2021 increased 15%, or \$273, compared to Fiscal 2020 (Fiscal 2020: (\$3,243)). The increase was driven by strong revenue and gross profit growth despite increased overhead spending.

Revenue Backlog

	As at December 31, 2021	As at December 31, 2020
Revenue Backlog		
Capital Sales	83	97
Services	152	138
BOO	4,398	2,514
Total Revenue Backlog	4,633	2,750

Revenue Backlog increased by 68% to \$4,640 at the end of Fiscal 2021 from \$2,763 at the end of Fiscal 2022, primarily driven by the addition of five BOO assets.

RECONCILIATION OF NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA

The following table shows a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA for Q4 2021, Q4 2020, Fiscal 2021 and Fiscal 2020:

	Restated			
	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
Net loss	(8,665)	(4,070)	(15,565)	(21,441)
Finance costs (income)	307	(312)	(917)	2,158
Depreciation and amortization	982	1,650	3,354	3,128
Income tax expense	(3,642)	(348)	1,516	3,160
EBITDA	(3,734)	(3,080)	(11,612)	(12,995)
Share-based compensation expense	134	123	539	660
Net gain on Fibracast deconsolidation	-	(654)	(2,346)	(654)
Gain on RBF embedded derivative	(2,160)	(9,040)	(5,673)	(12,152)
Gain on warrant forfeitures	-	-	(615)	-
Gain on extinguishment of liability	(1,115)	-	(1,115)	-
Stock warrant valuation (gain) loss	-	6,643	914	8,387
Share of loss in equity accounted investees	3,033	1,000	5,662	3,941
Provision for customer claim ⁽¹⁾	-	-	3,473	-
Other losses ⁽²⁾	1,496	400	1,740	979
ERP customization and configuration costs ⁽³⁾	1,675	-	3,171	1,300

Project development write offs	-	2,418	-	2,418
Costs related to our initial public offering ⁽⁴⁾	(192)	-	4,140	-
Foreign exchange (gain) loss	(432)	351	(1,248)	4,873
Adjusted EBITDA	(1,295)	(1,839)	(2,970)	(3,243)

(1) The provision for claim is included in our selling general and administrative line item on the Company's statement of income (loss) and comprehensive income (loss).

(2) The other losses that are included as other gains and losses on our statement of income (loss) and comprehensive income (loss) less the ERP Customization and configuration costs included in (3) below.

(3) ERP (Enterprise Resource Planning) customization and configuration costs are costs that are included in other gains and losses on our statement of income (loss) and comprehensive income (loss)

(4) Costs related to our initial public offering are included in our statement of income (loss) and comprehensive income (loss) as selling, general and administrative costs, these are costs that represent accounting and consultant fees that were not treated as share issuance costs.

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Restated	
	As at December 31, 2021	As at December 31, 2020
Current assets	226,362	123,313
Non-current assets	465,566	321,825
Current liabilities	109,186	129,371
Non-current liabilities	260,804	198,426
Equity	321,938	117,341

The proceeds from our initial public offering significantly increased our current asset balance as well as our overall equity balance at December 31, 2021. Continued investment in our BOO facilities during Fiscal 2021 resulted in an increase in our non-current asset balance.

CAPITAL MANAGEMENT

Overview

Our objective when managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We also strive to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future business development. Our capital structure consists of cash, bank operating lines and long-term debt and equity consisting of share capital, preferred capital in a subsidiary, contributed surplus and accumulated deficit. We are subject to externally imposed capital requirements through loans of certain subsidiary entities and there has been no change with respect to the overall capital risk management strategy during Q4 2021 or Fiscal 2021. We expect that funds generated from operations and cash amounts will provide sufficient capital resources and liquidity to fund existing operations in Fiscal 2022.

We monitor cash flow requirements to optimize our cash return on investments. We aim to maintain a level of cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. We also monitor the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, our Capital Sales contract payment terms are structured so that projects are cash positive, resulting in margins being captured early in the project. This allows us to effectively fund our Capital Sales growth without the need for additional capital. In the rare case of a short-term cash shortfall, we have recourse that includes a line of credit facility. As part of our growth strategy, BOO capital expenditures are expected to be spent from the end of Fiscal 2020 until the end of Fiscal 2022 developing, acquiring and building BOO assets that are expected to begin operations by the end of Fiscal 2022 or later. Funding for projects consists of a combination of project-level debt financing, potential equity investment partners, cash from operations and equity investments from the Company.

Failure to achieve or maintain our liquidity objectives could have a material adverse effect on our financial condition and results of operations, including our ability to continue as a going concern. There are also various risks and uncertainties affecting our ability to achieve our liquidity objectives, including, but not limited to, the ability to successfully execute our business plan and general global economic conditions, many of which are beyond our control. We may also choose to pursue additional liquidity through the issuance of debt or equity in private or public market financings. No assurance can be given that any such additional liquidity will be available or that, if available, it can be obtained on terms favorable to the Company.

The aggregate gross proceeds of our initial public offering, including the partial exercise of the over-allotment option by the underwriters, were \$199,367. The proceeds from our initial public offering are being used as anticipated to fund our growth strategy, including the construction and development of BOO assets in our Development Pipeline, and for general corporate purposes. To date, we have used over \$100 million on the development, acquisition and construction of BOO assets, a portion of which will be recovered as debt financing comes into place.

The number and size of projects have been larger than anticipated at the time of our initial public offering and, in addition, we are seeing rapid growth in highly profitable opportunities, and the potential to accelerate our project acquisitions in Europe. We see a historic opportunity for BOO projects and Capital Sales in Europe over the next several years given the current circumstances with gas markets and decarbonization goals.

ANALYSIS OF CASH FLOWS

Cash Flows

	Restated			
	Q4 2021	Q4 2020	Fiscal 2021	Fiscal 2020
Cash provided by (used in) operating activities	(15,400)	4,190	(61,056)	1,957
Cash used in investing activities	(56,505)	(46,037)	(137,144)	(151,808)
Cash provided by financing activities	182,317	15,863	239,550	175,877
Effect of exchange rate differences	(2,239)	(3,055)	(3,197)	(6,678)
Cash and cash equivalents at beginning of period	135,144	70,203	41,164	8,460
Cash and cash equivalents at end of period	79,317	41,164	79,317	41,164

Cash Provided by (Used in) Operating Activities

Changes to cash used in operating activities for both Q4 2021 and Fiscal 2021 were mainly due to net changes in working capital, which reflect the interim and unusual nature of Fiscal 2021 during which funding of the Italian BOO projects was mainly done using working capital while project debt financing was still being put in place.

Cash Used in Investing Activities

Changes to cash used in investing activities for both Q4 2021 and Fiscal 2021 were mainly due to continued investments in BOO assets.

Cash Provided by Financing Activities

Changes to cash provided by financing activities for Q4 2021 was mainly due to proceeds received from project-level debt financing. For Fiscal 2021, financing activity was mainly related to proceeds from our initial public offering.

CONTRACTUAL OBLIGATIONS

We have contractual obligations with a variety of expiration dates. The table below outlines our contractual obligations as at December 31, 2021.

	Maturing					
	Maturing in	Maturing in	Maturing in	Maturing in	Maturing in	Maturing beyond
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Lease and debt obligations	395,431	19,670	19,286	23,590	20,607	20,020
						292,258

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2021, we had commitments of \$5,867 relating to capital expenditures for the RBF and our SoCal BioMethane project. As at December 31, 2021, we had contingent liabilities of \$4,956 and \$14,416 relating to bonds and guarantees issued by financial institutions to certain of our subsidiaries. As at December 31, 2021, the Company, through its subsidiaries, had \$9.0 million of commitment guarantees related to insurance and construction bonds in respect of the Company's various projects.

RELATED PARTY TRANSACTIONS

Refer to note 22 to the 2021 Annual Financial Statements for details on related party transactions.

FINANCIAL OUTLOOK AND GUIDANCE UPDATE

The fundamentals of the Company are significantly improving and strengthening, particularly in view of recent developments in Europe, which have increased the number of opportunities and the profitability of our projects. However, the slower than expected ramp up at the RBF and project execution delays caused by short-term supply chain issues are expected to negatively impact our results for Fiscal 2022. During the third quarter of Fiscal 2021, we assumed that the revenue from our Tønder project would make up most of the short fall from the RBF, but management no longer expects this will be the case as projects are generally proceeding more slowly than expected due to global supply chain limitations. Furthermore, a decision was made during Q4 2021 to proceed more cautiously on our Tønder project and build it in two stages, thereby delaying the revenues expected to be recognized from that project in the short-term.

All of this is expected to impact our Fiscal 2022 and Fiscal 2023 results and we are therefore revising the guidance provided in connection with our IPO. Fiscal 2022 revenues are expected to start slowly in the first quarter and then accelerate each quarter with particularly high revenues in the fourth quarter of 2022, primarily because the RNG being produced at the RBF and stored until the final registration of the RIN and LCFS is expected to begin generating revenue in Q4 2022. Despite this, we still expect a healthy year of growth in Fiscal 2022, with an over 50% increase in revenues relative to Fiscal 2021 to over \$230 million, and Adjusted EBITDA of over 10% of Fiscal 2022 revenues, translating into over \$23 million. Management also expects the slower than initially anticipated revenues to continue in Fiscal 2023 with projected Revenues of between \$430 million and \$500 million but expects that Adjusted EBITDA will be within our previous guidance of between \$85 million and \$105 million. Management continues to believe that the assumptions regarding our Fiscal 2022 and Fiscal 2023 guidance disclosed in our IPO prospectus are reasonable in the current circumstances, except as follows:

- Timing for achieving full Run-Rate Revenue and Run-Rate EBITDA of the RBF, as described under “Rialto Bioenergy Facility Update” above.
- The Fiscal 2022 revenue mix is expected to be approximately 80% from our Capital Sales segment, approximately 8% from our Services segment and approximately 12% from our BOO segment.
- European market gas prices are expected to be higher than originally assumed, as described above under “Market and Industry Trends – Europe” above.

- The relative contribution assumptions for Fiscal 2022 and Fiscal 2023 revenue makeup from our Revenue Backlog, Selected Development Pipeline and Development Pipeline, which were based on balances as at December 31, 2020 that are no longer applicable.

The targets disclosed above do not constitute a forecast or projection. Our strategies to achieve these targets are described under “Strategy” above. There can be no assurance that we will achieve these targets and our actual results may vary materially. Our ability to achieve the targets referred to above is subject to a number of risks, challenges and uncertainties, including those described under the headings “Caution Regarding Forward-Looking Information” in this MD&A and in the “Risk Factors” section of our annual information form dated March 28, 2022 for the year ended December 31, 2021, all of which may cause actual results to vary materially from those set out in our targets. There can be no assurance that any or all of the potential projects described above will go forward on the terms we expect, or at all, or be completed as anticipated. If the amount or type of future awards of new business to us fall short of our expectations or are inconsistent with our past experience, we may not achieve the referenced targets. In addition, delays or other issues relating to our performance under our contracts may require us to incur additional costs, which may have a material adverse effect on our revenues and Adjusted EBITDA. The targets referred to above also reflect our assumptions regarding the number and type of opportunities for new business awards that will arise in the future, which in turn reflect our assumptions regarding the general growth and direction of the waste-to-value industry over the next two-year period.

OUTSTANDING SHARES DATA

The table below indicates the number of outstanding Multiple Voting Shares, Subordinate Voting Shares, Class A non-voting common shares, Class C preferred shares, special shares and common shares outstanding as of the dates indicated:

	As at December 31, 2021	As at December 31, 2020
Multiple voting shares	32,222,369	—
Subordinate voting shares	26,528,500	—
Class A non-voting common shares	—	14,883,660
Class C preferred shares	—	27,063,818
Special shares	—	213,102
Common Shares	—	—

QUARTERLY INFORMATION

The following table sets forth selected unaudited quarterly statements of operations data for the periods indicated. The information for each of these periods has been prepared on the same basis as the 2021 Annual Financial Statements and our audited annual consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019. This data should be read in conjunction with our unaudited interim financial statements and the notes thereto and is not necessarily indicative of our operating results for a full-year or any future period.

Quarterly information	Restated			
	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	43,898	27,729	26,822	28,599
Loss from operations	(4,833)	(6,686)	(2,017)	(2,615)
Net income (loss)	(9,604)	(1,793)	1,207	(5,375)
EBITDA	(3,734)	(4,721)	1,971	(5,128)
Adjusted EBITDA	(1,295)	(2,104)	(161)	590

Quarterly information	Restated			
	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	32,258	38,447	19,367	20,460
Loss from operations	(6,030)	(285)	(1,181)	(2,956)
Net income (loss)	(4,070)	36	(18,439)	1,032
EBITDA	(3,080)	1,399	(13,497)	2,400
Adjusted EBITDA	(1,839)	536	327	(2,050)

Adjusted EBITDA loss of \$1,295 for Q4 2021 decreased 38%, or \$809, compared to Q3 2021 (Q3 2021: \$(2,104)). The increase is mainly due to lower selling, general & administrative expenses than Q3 2021.

Adjusted EBITDA loss of \$(2,104) for Q3 2021 decreased 1,207%, or \$1,943, compared to Q2 2021 (Q2 2021: \$(161)) and decreased 457%, or \$2,694, compared to Q1 2021 (Q1 2021: \$590). The decrease from Q2 to Q3 was primarily driven by a decrease in Capital Sales revenue in Europe and was partially offset by an increase in income from government grants.

RISK FACTORS

An investment in our common shares involves risk. Investors should carefully consider the risks and uncertainties described below and in our Annual Information Form. The risks and uncertainties in our Annual Information Form are not the only ones we face. Additional risks and uncertainties, including those that we do not know about now or that we currently deem immaterial, may also adversely affect our business. For a more complete discussion of the risks and uncertainties which apply to our business and our operating results, please see our Annual Information Form, which is available on SEDAR at www.sedar.com.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Our internal control system was designed to provide reasonable assurance to our management team and Board of directors regarding the preparation and fair presentation of published financial statements in accordance with IFRS. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Canadian Securities Administrators require that companies certify the effectiveness of internal controls over financial reporting. It also requires a company to use a control framework such as the COSO Framework to design internal controls over financial reporting, which was applied by the Company. As well, the threshold for reporting a weakness of internal controls over financial reporting should be of a “material weakness” rather than “reportable deficiency.”

During the quarter ended June 30, 2022, we reassessed the effectiveness of our internal control over financial reporting related to the year ended December 31, 2021 and 2020 (“**Periods**”). Based on that evaluation and due to the material weakness described below, the CEO and CFO concluded that the Company’s disclosure controls and procedures, and internal controls over financial reporting, for the periods were not effective in respect of the analysis and evaluation of certain technical accounting matters.

Identification of material weakness in internal control over financial reporting

During the reporting periods presented, management did not maintain effective control over the interpretation and application of technical IFRS matters on the accounting for certain contractual arrangements for BOO programs, particularly the repurchase agreements guidance in IFRS 15, Revenue from Contracts with Customers and IAS 28, Investments in Associates and Joint Ventures. The resulting restatement, related mainly to the interpretation of accounting standards regarding the recognition of capital sales and related BOO project costs and associated government grants, was identified upon review of the historical accounting treatment and in discussions with the Company’s independent auditor.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. As a result of the restatement, management determined there was a material weakness in internal control over financial reporting.

In light of the material weakness, management conducted a thorough review of all significant contractual arrangements for the BOO projects for the last 5 years, has involved another one of the big 4 international professional services firm in the preparation of its restated financial statements and has commenced a plan to add additional internal technical accounting specialist resources. As a result of this review, management believes that there are no remaining material inaccuracies or omissions of material fact and, to the best of its knowledge, believes that the presented restated consolidated financial statements fairly present in all material respects the financial condition and results of operations for the Company in conformity with international financial reporting standards.

Remediation of material weakness in internal control over financial reporting

Management is committed to the planning and implementation of remediation efforts to address the material weakness. These remediation efforts are underway and intended to address the material weakness and enhance the overall financial control environment, including steps to address the evaluation, applicability, and documentation of the impact of technical accounting matters on an ongoing basis. The remediation of the material weakness is ongoing, but it will not be considered as remediated until the applicable controls operate for a sufficient period of time and management has concluded through testing, that these controls are operating effectively.

No assurance can be provided at this time that the actions and remediation efforts of the Company will effectively remediate the material weakness or prevent the occurrence of other significant deficiencies or material weaknesses in the Company's internal controls over financial reporting in the future.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Our significant accounting judgments, estimates, and assumptions are detailed in note 3 to our annual consolidated financial statements for the year ended December 31, 2021.

FINANCIAL INSTRUMENTS

As at December 31, 2021, the Company had an embedded prepayment option on the outstanding bonds related to the RBF that was an asset balance of \$24,410. The embedded derivative assets are discussed in detail in the section "Financial Instruments" in Note 2.3 (Q) to the 2021 Annual Financial Statements.

FUTURE ACCOUNTING POLICY CHANGES

From time to time, new accounting pronouncements are issued by the IASB or other standards-setting bodies and are adopted as of the specified effective date. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of our financial statements are contained in our annual consolidated financial statements for the year ended December 31, 2021. We intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Annual Information Form, is available on SEDAR at www.sedar.com.