Anaergia Inc.

Restated Consolidated Financial Statements
(in thousands of Canadian dollars)

December 31, 2021 and 2020

Notice to Reader

These audited consolidated financial statements of Anaergia Inc. and its subsidiaries (the "Company") as at and for the years ended December 31, 2021 and 2020 have been restated for the correction of errors relating to the recognition of revenues in our capital sales segment and related Build, Own, Operate projects, the recognition of associated costs, the classification of related government assistance and the associated tax effects of these adjustments, as well as the recognition and measurement of an equity accounted investee (the "Restatement"). Refer to Note 32 of these restated audited consolidated financial statements for details of the restatement and its impact on previously issued financial statements as at and for the years ended December 31, 2021 and 2020, as well as the impact on the shareholders' equity as at January 1, 2020.

KPMG LLP
120 Victoria Street South, Suite 600
Kitchener ON N2G 0E1
Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Anaergia Inc.

Opinion

We have audited the consolidated financial statements of Anaergia Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2021, December 31, 2020 and January 1, 2020
- the consolidated statements of loss and comprehensive loss for the years ended December 31, 2021 and December 31, 2020
- the consolidated statements of changes in equity for the years ended December 31, 2021 and December 31, 2020
- the consolidated statements of cash flows for the years ended December 31, 2021 and December 31, 2020
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as December 31, 2021, December 31, 2020, and January 1, 2020 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of Matter - Restatement of Financial Statements

We draw attention to Note 32 to the financial statements which describes i) that the financial statements that we originally reported on March 28, 2022 have been restated, and ii) the matter that gives rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditors' report.

Estimated total contract costs of Engineering, Procurement and Construction ("EPC") contracts

Description of the matter

We draw attention to Notes 2.3(K)(iv), 3(v), 20, and 32 of the financial statements. For the year ended December 31, 2021, the Entity recognized EPC contract revenue of $112,615 thousand. Capital sales revenue comprises of the sales of technology packaged solutions and services to third party customers. This includes engineering services, propriety product sales, Engineering, Procurement and Construction ("EPC") contracts, or a combination thereof. Revenue for EPC contracts is recognized as the performance obligations are satisfied over time, based on costs incurred relative to the estimated total contract costs to be incurred over the term of the EPC contracts. The use of a cost-based input method requires the use of significant assumptions in estimating total contract costs, including assumptions related to materials, labour and subcontractor costs.

Why the matter is a key audit matter

We identified the evaluation of the estimated total contract costs of EPC contracts as a key audit matter. This matter represented a significant risk of material misstatement and significant auditor judgment was required in evaluating the results of our audit procedures relating to the Entity's significant assumptions noted above.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We evaluated the design and tested the operating effectiveness of certain controls within the Entity's revenue process. This included controls related to developing the initial estimated total contract costs and subsequent review of estimated total contract costs for EPC contracts.

We evaluated the Entity's historical ability to estimate total contract costs by comparing the total actual costs for a selection of EPC contracts completed in the current year against the total contract costs estimated in the prior year.

For a selection of EPC contracts, we evaluated the appropriateness of the Entity's estimated total contract costs by performing the following:

- We inspected the executed contracts including any significant amendments and interviewed the Entity's project managers to obtain an understanding of the contractual requirements and related performance obligations, and assessed the impact of any amendments on the estimate of total contract costs

- We evaluated the materials, labour and subcontractor costs by assessing progress to date and the nature and complexity of work to be performed through interviewing the Entity's project managers and inspecting corroborative evidence, if any, between the Entity and the customers, suppliers, and subcontractors.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is R. Alexander Dilts.

Kitchener, Canada
August 15, 2022

ANAERGIA INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (RESTATED - Note 32)

As of December 31, 2021, 2020, and January 1, 2020
All amounts in thousands of Canadian dollars

	Notes	December 31, 2021 (restated)	December 31, 2020 (restated)	January 1, 2020 (restated)
		$	$	$
ASSETS				
Current assets				
Cash and cash equivalents		79,317	41,164	8,460
Restricted cash		22,318	6,676	78,389
Trade and other receivables	15	34,788	22,231	21,201
Contract assets	20	44,200	10,602	561
Government grants receivable		2,635	4,897	1,337
Prepaid expenses		5,319	710	2,407
Inventories	14	5,509	9,601	11,425
Taxes recoverable		—	—	1,458
Embedded derivative	12	24,410	18,673	6,648
Other current assets		7,866	8,759	3,408
Total current assets		**226,362**	**123,313**	**135,294**
Non-current assets				
Restricted cash		14,426	14,913	16,732
Property, plant and equipment, net	9	326,052	243,574	130,611
Right of use assets, net	25	14,194	5,628	4,041
Intangible assets, net	10	2,713	3,869	2,804
Goodwill	10	2,444	2,086	3,252
Deferred tax assets	8	6,674	3,189	2,170
Equity-accounted investees	7	29,148	27,436	23,060
Other long-term assets	16	69,915	21,130	1,124
Total non-current assets		**465,566**	**321,825**	**183,794**
Total assets		**691,928**	**445,138**	**319,088**

See notes to the consolidated financial statements.

ANAERGIA INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (RESTATED - Note 32)

As of December 31, 2021, 2020, and January 1, 2020
All amounts in thousands of Canadian dollars

		December 31, 2021 (restated)	December 31, 2020 (restated)	January 1, 2020 (restated)
		$	$	$
Current liabilities				
Line of credit	11	5,113	—	43,823
Accounts payable		30,355	31,433	27,324
Accrued liabilities and provisions	18	51,277	53,468	34,426
Taxes payables	8	8,023	1,458	—
Current portion of deferred government grants	19	1,223	1,417	1,421
Current portion of contract liabilities	20	6,900	16,946	3,244
Warrant liability	17	—	13,936	5,549
Current portion of lease liabilities	25	1,032	913	755
Current portion of long-term debt	12	5,263	9,800	6,173
Total current liabilities		**109,186**	**129,371**	**122,715**
Non-current liabilities				
Long-term debt	12	196,115	152,909	164,002
Lease liabilities	25	13,975	5,012	3,447
Deferred tax liabilities	8	—	2,045	—
Long-term portion of deferred government grants	19	41,561	33,883	13,956
Long-term portion of contract liabilities	20	2,668	731	8,629
Due to related parties	22	4,075	3,626	3,042
Asset retirement obligation	18	2,410	220	209
Total non-current liabilities		**260,804**	**198,426**	**193,285**
Total liabilities		**369,990**	**327,797**	**316,000**
SHAREHOLDERS' EQUITY				
Non-controlling interests	29	118,589	82,504	(1,653)
				—
Issued capital	17	340,567	130,178	118,799
Preferred Capital in a subsidiary	17	23,679	9,861	—
Contributed surplus		5,365	5,736	—
Deficit		(176,062)	(124,464)	(121,627)
Accumulated other comprehensive income		9,800	13,526	7,569
Total equity		**321,938**	**117,341**	**3,088**
Total liabilities and equity		**691,928**	**445,138**	**319,088**

Commitments and contingencies Note 23
Subsequent events Note 33

See notes to the consolidated financial statements.

ANAERGIA INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (RESTATED - Note 32)

For the years ended December 31, 2021, and 2020

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

	Notes	December 31, 2021 (restated)	December 31, 2020 (restated)
		$	$
Revenue	20,27	127,048	110,532
Cost of sales		103,652	88,804
Gross profit		**23,396**	**21,728**
Selling and general administrative expenses	10	40,576	30,544
Research and development expenses	10	1,804	3,746
Grant income	19	(2,833)	(1,813)
Operating expenses		39,547	32,477
Loss from operations		**(16,151)**	**(10,749)**
Net gain on Fibracast dilution of ownership	7	2,346	654
Gain on Rialto embedded derivative	12	5,673	12,152
Stock warrant valuation loss		(914)	(8,387)
Gain on warrant forfeitures		615	—
Share of loss in equity-accounted investees	7	(5,662)	(3,941)
Gain on extinguishment of liability		1,115	—
Other losses	26	(3,236)	(979)
Finance costs		917	(2,158)
Foreign exchange gain / (loss)		1,248	(4,873)
		2,102	(7,532)
Loss before income taxes		**(14,049)**	**(18,281)**
Income tax expense	8	(1,516)	(3,160)
Net loss		**(15,565)**	**(21,441)**
Item that may be reclassified back to profit or loss in future periods			
Exchange difference on translation of foreign operations		(3,674)	3,037
Total comprehensive loss		(19,239)	(18,404)
Net loss attributable to:			
Shareholders		(17,391)	(27,313)
Non-controlling interests		1,826	5,872
		(15,565)	(21,441)
Total comprehensive loss attributable to:			
Shareholders		(21,065)	(22,594)
Non-controlling interests		1,826	4,190
		(19,239)	(18,404)
Basic and diluted loss per share	28		
Basic loss per share		**(0.53)**	**(4.42)**
Diluted loss per share		**(0.53)**	**(4.42)**

See notes to the consolidated financial statements.

ANAERGIA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RESTATED - Note 32)

For the years ended December 31, 2021, and 2020

All amounts in thousands of Canadian dollars

	Issued Share Capital	Preferred Capital	Deficit (restated)	Accumulated Other Comprehensive Income (Loss) - Currency Translation Reserve (restated)	Contributed Surplus	Total (restated)	Non-controlling Interests (restated)	Total Equity (restated)
	$	$	$	$	$	$	$	$
As at January 1, 2020	118,799	—	(121,627)	7,569	—	4,741	(1,653)	3,088
Net loss	—	—	(27,313)	—	—	(27,313)	5,872	(21,441)
Other comprehensive income	—	—	—	4,719	—	4,719	(1,682)	3,037
Total comprehensive income (loss)	—	—	(27,313)	4,719	—	(22,594)	4,190	(18,404)
Issuance of Class C preferred shares (Note 17)	16,455	—	—	—	—	16,455	—	16,455
Issuance of preferred capital (SoCal Biomethane, Note 17)	—	9,861	(9,645)	—	—	216	9,645	9,861
Issuance of Class C preferred share warrants (Note 17)	(5,076)	—	—	—	5,076	—	—	—
Share-based compensation	—	—	—	—	660	660	—	660
Profit sharing arrangement - Rialto (Note 29)	—	—	(41,446)	2,920	—	(38,526)	38,526	—
Gain on sale of Rialto (Note 29)	—	—	75,567	(1,682)	—	73,885	31,796	105,681
As at December 31, 2020	**130,178**	**9,861**	**(124,464)**	**13,526**	**5,736**	**34,837**	**82,504**	**117,341**

ANAERGIA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RESTATED - Note 32)

For the years ended December 31, 2021, and 2020

All amounts in thousands of Canadian dollars

	Issued Share Capital	Preferred Capital	Deficit	Accumulated Other Comprehensive Income (Loss) - Currency Translation Reserve (restated)	Contributed Surplus	Total (restated)	Non-controlling Interests (restated)	Total Equity (restated)
	$	$	$	$	$	$	$	$
As at January 1, 2021	130,178	9,861	(124,464)	13,526	5,736	34,837	82,504	117,341
Net loss	—	—	(17,391)	—	—	(17,391)	1,826	(15,565)
Other comprehensive income	—	—	—	(3,674)	—	(3,674)	—	(3,674)
Total comprehensive income (loss)	—	—	(17,391)	(3,674)	—	(21,065)	1,826	(19,239)
Issuance of preferred capital (SoCal Biomethane, Note 17)	—	13,818	(14,165)	—	—	(347)	14,165	13,818
Subordinate voting shares issued net of issuance costs (Note 17)	185,226	—	—	—	—	185,226	—	185,226
Warrants exercised (Note 17)	25,163	—	—	—	(910)	24,253	—	24,253
Profit sharing arrangement - Rialto (Note 29)	—	—	(20,042)	(52)	—	(20,094)	20,094	—
Share-based compensation	—	—	—	—	539	539	—	539
As at December 31, 2021	**340,567**	**23,679**	**(176,062)**	**9,800**	**5,365**	**203,349**	**118,589**	**321,938**

ANAERGIA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (RESTATED - Note 32)

For the years ended December 31, 2021, and 2020

All amounts in thousands of Canadian dollars

For the years ended December 31	Notes	2021 (restated) $	2020 (restated) $
OPERATING ACTIVITIES			
Net loss		**(15,565)**	**(21,441)**
Adjustments for the following non-cash items:			
Depreciation and amortization		3,354	3,128
Income tax expense		1,516	3,160
Finance costs		(917)	2,158
Share-based compensation expense	21	539	660
Net gain on Fibracast dilution of ownership		(2,346)	(654)
Gain on Rialto embedded derivative		(5,673)	(12,152)
Stock warrant valuation loss		914	8,387
Gain on warrant forfeitures		(615)	—
Disposal of assets		861	2,419
Customer provision		3,473	—
Impairment of goodwill		—	1,678
Share of loss equity-accounted investees		5,662	3,941
Gain on extinguishment of liability		(1,115)	—
Government grant income		(2,833)	(1,813)
Net change in operating assets and liabilities	31	(47,814)	11,133
Net change in taxes paid (received)		(458)	970
Other items		(39)	383
Cash provided by (used in) operating activities		**(61,056)**	**1,957**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(65,172)	(110,910)
Borrowing costs paid for plant under construction		(10,552)	(11,971)
Investment in intangible assets		(399)	(1,650)
Investment in long term assets		(45,507)	(20,006)
Purchase of assets	9	(4,493)	—
Purchase of business	6	(1,212)	—
Investment in equity-accounted investees	7	(9,809)	(7,271)
Cash used in investing activities		**(137,144)**	**(151,808)**
FINANCING ACTIVITIES			
Restricted cash utilization / (funding)		(15,155)	73,532
Proceeds from grant funding	19	9,637	22,003
Proceeds from sale of interest in Rialto	29	—	105,681
Proceeds from issuance of share capital	17	199,402	16,500
Proceeds from warrants exercise	17	10,019	—
Proceeds from issuance of preferred capital in a subsidiary	17	13,818	9,861
Transaction costs on issuance of shares	17	(14,176)	(45)
Proceeds from long-term debt	12	44,383	821
Lease payments	25	(1,459)	(1,047)
Payment of interest		(1,301)	(1,028)
Repayment of long-term debt	12	(10,731)	(6,578)
(Repayment of) proceeds from line of credit	11	5,113	(43,823)
Cash provided by financing activities		**239,550**	**175,877**
Effect of exchange rate differences		**(3,197)**	**6,678**
Net increase in cash and cash equivalents during the year		**38,153**	**32,704**
Cash and cash equivalents, beginning of year		**41,164**	**8,460**
Cash and cash equivalents, end of year		**79,317**	**41,164**

See notes to the consolidated financial statements.

1. Corporate information

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

The Company was incorporated on September 3, 2010, under the *Canada Business Corporations Act*. On December 21, 2018, the Company was continued under the *Business Corporations Act* (British Columbia). The Company is headquartered in Burlington, Ontario, Canada and as at December 31, 2021, is controlled by the Benedek Anaergia Family Trust that is resident of Canada. Subsequent to year-end, the trust transferred all of its shares in the Company to Dr. Andrew Benedek.

On June 18, 2021, the Company completed its initial public offering ("IPO"), raising aggregate gross proceeds of $175,000. The IPO consisted of the issuance of 12,500,000 subordinate voting shares of the Company ("Subordinate Voting Shares") at $14.00 per share ("Offering Price"). The Company's Subordinate Voting Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol ANRG. The Company issued an overallotment option which allowed the underwriters to acquire an additional 1,740,500 Subordinate Voting shares for proceeds of $24,367. On July 20, 2021, the Underwriters exercised their over-allotment option in full. The aggregate gross proceeds of the IPO, including the exercise of the over-allotment option, were $199,367.

2.1 Basis of preparation Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in the consolidated financial statements are based on the IFRS applicable as at December 31, 2021, which encompass individual IFRS, International Accounting Standards ("IAS"), and interpretations made by the International Financial Reporting Interpretations Committee ("IFRIC") and the Standard Interpretations Committee ("SIC"). The policies set out below are consistently applied to all periods presented, unless otherwise noted.

As a result of the restatement described in Note 32, the Group's board of directors has re-authorized these restated consolidated financial statements for issuance on August 15, 2022.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except cash and cash equivalents, embedded derivatives, contingent consideration and warrant liabilities, which are measured at fair value. Equity classified share based payment arrangements are measured at fair value at the grant date pursuant to IFRS 2, *Share Based Payment.* Lease liabilities are measured at present value of lease payments not paid at the lease commencement date. Asset retirement obligations are measured at the discounted estimated cost of future remediation, and assets and liabilities acquired in business combinations are initially measured at fair value.

Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the Group's functional currency. The functional currency of the Group's entities is the currency of their primary economic environment Within Group entities, transactions in foreign currencies are recorded at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Nonmonetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Any resulting exchange differences are recognized within the consolidated statements of loss and comprehensive loss.

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian dollars, being the presentation currency, at the exchange rates at the reporting date.

The income and expenses of foreign operations are translated to Canadian dollars using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in other comprehensive income in the cumulative translation account within accumulated other comprehensive income.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

Subsidiaries are those entities controlled by the Company. Control exists when the Company has an existing right that gives it the current ability to direct the relevant activities of the subsidiary, has exposure or right to variable returns from its involvement in the subsidiary, and has the ability to

use its power to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences (date of acquisition) until the date that control ceases (date of disposal or loss of control). A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The subsidiaries of which the Company holds a controlling interest are listed as follows:

Name	Country of incorporation, registration or operations	Ownership Percentage* 2021	2020
Anaergia Services LLC	United States	100%	100%
UTS BioEnergy, LLC	United States	100%	100%
Anaergia Technologies	United States	100%	100%
Anaergia Srl	Italy	100%	100%
Anaergia Orex Manufacturing Srl	Italy	100%	100%
Anaergia Ltd	United Kingdom	100%	100%
Anaergia DB Inc.	Canada	100%	100%
Anaergia Europe GmbH	Germany	100%	100%
UTS Products GmbH	Germany	100%	100%
UTS Biogastechnik GmbH	Germany	92%	92%
Db Technologies BV	Netherlands	100%	100%
Anaergia ITA BV	Netherlands	100%	—%
Anaergia BV	Netherlands	100%	100%
Anaergia Singapore Pte. Ltd.	Singapore	100%	100%
Escondido Bioenergy Facility LLC	United States	100%	100%
Biogas Power Systems Mojave LLC	United States	100%	100%
Rialto Bioenergy Facility, LLC	United States	51%	51%
Camden Bioenergy LLC	United States	100%	100%
SoCal Biomethane Holdco LLC	United States	100%	100%
SoCal Biomethane LLC	United States	100%	100%
Charlotte Bioenergy Facility HoldCo, LLLC	United States	100%	—%
Charlotte Bioenergy Facility, LLLC	United States	100%	—%
Rhode Island Bioenergy Facility HoldCo LLC	United States	100%	—%
Rhode Island Bioenergy Facility LLC	United States	100%	—%
Anaergia A/S	Denmark	100%	—%
EBT Holdco ApS	Denmark	100%	—%
Envo Biogas Tonder A/S	Denmark	100%	—%
Anaergia Systems A/S	Denmark	100%	—%

** Ownership percentage represents the voting interests in the subsidiaries.*

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

In circumstances in which the Group and the non-controlling interest enter into an arrangement to share profits or losses in a manner other than in proportion to their ownership interest, the Group accounts for the profit/loss sharing arrangement separately in the consolidated statements of changes in equity (deficiency) by attributing any additional profits/losses to the controlling and non-controlling interest based on the terms of the agreement.

See details of the Group's non-controlling interests in Note 29.

Equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Two or more parties are bound by a contract which gives the interested parties joint control of the arrangement, with rights to the net assets of the arrangement. The Group's interests in Fibracast Ltd ("Fibracast"), Medcon & DB Technologies J.V., WTE Holdings S.r.l. and previously Calimera Bio S.r.l. are considered joint ventures.

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Interests in associates and the joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, until the date on which significant influence or joint control ceases.

If the Group's share of losses in an equity-accounted investee equals or exceeds its interest, the Group does not recognize further losses unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee.

Unrealized gains or transactions between the Group and its equity-accounted investee are eliminated to the extent of the Group's interest in the joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset.

Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intercompany transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Summary of significant accounting policies

A. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. Cash equivalents, representing short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

B. Restricted cash

Restricted cash consists of funds that are net of receipts collected by the Bond Holder ("Trustee") on account of project operational revenue and disbursements made for operations and maintenance expenses. Trustees are appointed by the Company's subsidiaries in consultation with the lenders under the terms of respective executed lending or financing agreements

C. Government grants

The Group is a party to various government grant programs. The Group recognizes an unconditional government grant related to an asset in profit or loss as grant income in the consolidated statements of loss and comprehensive loss when the grant becomes receivable. Other government grants related to assets are initially recognized at fair value if there is reasonable assurance that the grant will be received, and the Group will comply with the conditions associated with the grant. Such amounts are initially deferred and then recognized in profit or loss on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

D. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average cost principle and includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated selling expenses.

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or slow moving or declining selling prices. When circumstances which previously caused inventories to be written down to their net realizable value no longer exist or there is clear evidence of an increase in selling prices, the amount of the write down previously recorded is reversed.

E. Income tax

Income tax expense comprises current and deferred tax.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred income tax

Deferred tax is recognized in respect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for taxation purposes and their carrying amounts for financial reporting purposes. Deferred tax is not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

Deferred tax is not recognized for the following:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company's subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets are not recognized for the following:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it becomes probable that future taxable profits will be available against which they can be used. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred tax relates to the same taxable entity and the same taxation authority.

F. Property, plant, and equipment

Property, plant, and equipment ("PP&E") are measured at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of an asset, the cost of replacing part of the PP&E and borrowing costs for long-term construction projects, if the recognition criteria are met. Likewise, when a major overhaul is performed, its cost is recognized in the carrying amount of the related PP&E as a replacement if the recognition criteria are met. All other repair and maintenance costs are recognized in profit and loss as incurred. The present value of the expected cost for decommissioning is included in the cost of the related asset if the recognition criteria for a provision are met.

Depreciation is recorded so as to recognize the cost of assets over their useful lives, using the straight-line method, and is generally recognized in profit or loss.

Construction work-in-progress ("CWIP") assets are not depreciated until the associated project is complete and the asset available for use. The Group records depreciation over the following useful lives:

Building	15 to 20 years
Leasehold improvements	lesser of 3 to 5 years and expected lease term
Office furniture and equipment	5 to 7 years
Equipment and machinery	3 to 20 years
Computer hardware	3 to 5 years
Vehicles	3 to 5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate on a prospective basis.

G. Intangible assets including goodwill

Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (the "cash-generating unit" or "CGU")(or groups of CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Other intangible assets, including customer relationships and patents that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with a finite life that are acquired separately or in a business combination are recognized when they are identifiable and can be reliably measured. Intangible assets are considered to be identifiable if they arise from contractual or other rights, or if they are separable (i.e., they can be disposed of either individually or together with other assets). Intangible assets may be revalued to fair value if fair value can be measured reliably in an active market. Revaluation changes are recognized directly in equity for all assets in the same class if an active market exists.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful life and assessed for impairment when there is an indication that the intangible asset may be impaired. Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

Intangible assets with finite useful lives are amortized over the estimated useful lives using the straight-line method as follows:

Patents	10 to 20 years
Computer software and licenses	3 to 5 years
Customer lists and relationships	2 to 4 years

Intangible assets with indefinite useful lives, such as goodwill, are not amortized, but are tested for impairment annually and when circumstances indicate that the carrying value may be impaired, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, recognized in profit or loss when the asset is derecognized.

On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

H. Impairment

i) Nonderivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost, debt investments measured at FVOCI, and contract assets. The Group also recognizes loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables. The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date, and other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held), or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected

life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. A loss provision for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss provision is measured at an amount equal to the lifetime expected credit losses for the asset. Interest on the impaired assets continues to be recognized through unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the impairment requirements are no longer met.

The gross carrying amount of a financial asset is impaired when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group makes an assessment with respect to the timing and amount of provisioning based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Nonfinancial assets

At each reporting date, the Group reviews the carrying amounts of its nonfinancial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell (costs of disposal). Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

I. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

The Group recognizes its obligation at fair value of expected costs to restore leased property at the end of the lease by recording at lease inception the estimated fair value of this obligation as other long-term liabilities with a corresponding amount recognized as property, plant and equipment. The property, plant and equipment amount is amortized over the period from lease inception to the time the Group expects to vacate the property, resulting in both depreciation and accretion expense. The estimated fair value of the obligation is assessed for changes in the expected timing and extent of expenditures with changes related to the time value of money recorded as accretion expense.

J. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component when disaggregated information is not readily available. For leases and contracts that contain a lease, the Group recognizes a right-of-use asset and a lease liability at the commencement date, which is the earlier of when the leased asset is available for use or when rent payment starts. Each lease payment is allocated between lease liabilities and financing costs. Financing costs are recognized within the consolidated statements of loss and comprehensive loss over the lease period to produce a constant periodic rate of interest on the remaining balance of lease liabilities for each period.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of any costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located (restoration costs), less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term (or the underlying asset's useful life if shorter than the lease term), unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset is recognized at cost and depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant, and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable by the Group under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured if there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

K. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding taxes or duty.

i) Contract modifications

Contracts are often modified for a change in scope or other requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the Group's contract modifications are for goods or services that are not distinct from the existing performance obligations. The effect of a contract modification on the transaction price, and the measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase or decrease) on a cumulative catchup basis.

ii)Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. Performance obligations are satisfied at a point in time or over time and are supported by contracts with customers. For most of the Group's contracts, there are multiple promises of goods or services. Typically, the Group provides a significant service of integrating a complex set of tasks and components such as design, engineering, construction management, and equipment procurement for a project contract. The bundle of goods and services is provided to deliver one output for which the customer has contracted. In these cases, the Group considers the bundle of goods and services to be a single performance obligation. The Group may also promise to provide distinct goods or services within a contract, such as a project contract for installation of energy conservation measures and post installation Operation & Maintenance ("O&M") services. In these cases, the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation.

iii) Practical Expedients

At the inception of a contract, the Group expects the period between when it satisfies its performance obligations and when the customer pays for the services, will be one year or less. As such, the Group has elected to apply the practical expedient which allows the Group to not adjust the promised amount of consideration for the effects of a significant financing component, when a financing component is present.

When the Group receives consideration, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a sales contract, the Group records deferred revenue, which represents a contract liability. Such contract liability typically results from billings in excess of relative satisfaction of the performance obligation.

The specific recognition criteria described below must also be met before revenue is recognized:

iv) Capital sales

Capital sales revenue comprises of the sales of technology packaged solutions and services to third party customers, predominantly municipalities and project developers. This includes engineering services, propriety product sales, Engineering, Procurement and Construction ("EPC") contracts, or a combination thereof. Revenue for EPC contracts is recognized as the performance obligations are satisfied over time, based on costs incurred relative to the estimated total contract costs to be incurred over the term of the EPC contracts. Transfer of control of the construction assets occurs as the costs to fulfill the contract are incurred. Progress billings on the contract that exceed the relative satisfaction of the performance obligation are reported as a contract liability on the consolidated statements of financial position. When costs incurred to fulfill the contract exceed the amount of progress billings, the difference is reported as a contract asset on the consolidated statements of financial position.

Engineering services revenue is recognized during the period in which the services are delivered and revenue from proprietary product sales is recognized at the point in time at which control is transferred, which is typically upon delivery.

When the estimate on a contract indicates a loss or claims against costs incurred reduce the likelihood of recoverability of such costs, the Group records the entire estimated loss in the period the loss becomes known.

v) Services

Services consists of third-party services contracts, generally 5-10 years in length, with customers that typically include municipalities and project developers that utilize the Group's technology solutions. Revenue from services is recognized rateably as services are performed in satisfaction of the performance obligation.

vi) Build, own and operate

Build, own and operation consists of building, owning, and operating greenfield or brownfield biogas facilities, and selling the resulting energy produced. The performance obligations under the agreements are a series of distinct performance obligations which are satisfied at a point in time when the energy is delivered. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated generation since the last meter reading date to the end of the year and represents the amount that the Group has the right to bill.

The Group has determined that certain power purchase agreements contain a lease component which has been accounted for in accordance with IFRS 16, *Leases*.

L. Research and development costs

Research costs are expensed as incurred. Development costs are also expensed as incurred unless the related criteria for its recognition as an intangible asset are met.

Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- understanding of how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognized is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortization and any accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit and is recorded in cost of sales in the consolidated statements of loss and comprehensive loss.

M. Financing costs

Financing costs related to securing long-term debt are amortized over the duration of the loan agreement using the effective interest rate method.

In the event when the long-term debt is required to be reclassified as current, the remaining unamortized financing costs are fully amortized in the same fiscal year in which the long-term debt is so reclassified as current.

N. Employee benefits

Share-based payment arrangements

Certain executives of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (such as shares, equity interests and stock options).

The cost of equity-settled transactions is based upon the fair value of the equity instruments. The cost is recognized over the period in which the performance and/or service conditions are fulfilled with a corresponding increase in contributed surplus which is presented within equity/deficiency in the consolidated statements of financial position. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date and reflects the extent to which the vesting period has expired.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified and as if the original terms of the award had been met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is canceled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the canceled award and designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. As of the date of the modification, the existing liability is derecognized. The fair value of the equity instruments granted at the modification date is recognized in equity to the extent to which goods or services have been received. Any difference between the liability derecognized and the amount recognized in equity is reflected immediately in the consolidated statements of loss and comprehensive loss.

Fair values of share options are calculated using the Black-Scholes valuation method as of the grant date and adjusted for estimated forfeitures.

Any excess is recognized in contributed surplus. If the fair value of a modified award is less than or equal to the fair value of the original award, the offsetting amount is also recorded to contributed surplus.

O. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of assets and activities meets the definition of a business and control is transferred to the Group. In determining whether a particular set of assets and activities is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The acquired identifiable assets, liabilities and contingent consideration that meet the conditions for recognition under IFRS 3, *Business Combinations* are recognized at their fair values at the acquisition date, except for (i) income taxes, which are measured in accordance with IAS 12, *Income Taxes*; (ii) share-based payments, which are measured in accordance with IFRS 2, *Share-based Payment*; and (iii) noncurrent assets that are classified as held for sale, which are measured at fair value less costs to sell in accordance with IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any gain on a bargain purchase is recognized immediately in profit or loss.

The Group may elect on a transaction-by-transaction basis to apply the optional concentration test to assess whether a transaction qualifies as a business. Under the test, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the Group will account for the transaction as an asset purchase and not a business combination.

If the concentration test is not met, or the Group elects not to apply this optional test, the Group will perform an assessment focusing on the existence of inputs and processes that have the ability to create outputs to determine whether the transaction is an asset purchase or a business combination.

In a business combination, it is necessary to recognize contingent future payments to previous owners, representing contractually defined potential amounts as a liability, or as equity, depending on the characteristics of the consideration. Usually for the Group these contingent events are linked to development or commercial milestones related to certain assets. Contingent consideration is measured at fair value, with subsequent changes in liability classified contingent consideration recognized through the statement of loss and comprehensive loss. Subsequent changes in equity classified contingent consideration are recognized directly in equity.

P. Derivative financial instruments

Derivative financial instruments are recorded at their fair value at the reporting date, with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. Derivative instruments with positive fair values are reported as derivative assets. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit and loss ("FVTPL").

Q. Financial instruments

The Group's financial instruments include cash and cash equivalents, restricted cash, trade and other receivables, contract assets, government grants receivable, an embedded derivative asset, line of credit, accounts payable, accrued liabilities, warrant liability, amounts due to related parties, and long-term debt.

Recognition and initial measurement

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets and liabilities are initially measured at amortized cost or fair value, plus transaction costs that are directly attributable to its acquisition or issue, for an item not at FVTPL. Subsequent measurement is dependent upon the financial instrument's classification. The classification of financial assets under IFRS 9, Financial Instruments ("IFRS 9") is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated; the hybrid financial instrument as a whole is assessed for classification. Financial liabilities are classified as measured at amortized cost or fair value through profit or loss ("FVTPL") if the financial liability is classified as held-for-trading, if it is a derivative, or if it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- fair value through other comprehensive income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as at FVTPL.

A debt investment is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Group's trade and other receivables, contract assets, government grants receivable, line of credit, accounts payable, accrued liabilities, amounts due to or from related parties and long-term debt are nonderivative financial instruments with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial instruments are subsequently measured at amortized cost using the effective interest rate method.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 2.3 (P)). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative, or if it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

De-recognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred, the Group neither transfers nor retains substantially all of the risks and rewards of ownership, and it does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognized in its consolidated statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

The Group derecognizes a financial liability when its contractual obligations are discharged, canceled, or expire. The Group also derecognizes a financial liability when its terms with the lender are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Fair value

Financial instruments recorded at fair value on the consolidated statements of financial position are categorized based on the fair value hierarchy that reflects the significant of inputs used in determining the fair values. The Group uses observable market data as far as possible. The three levels of the fair value hierarchy are:

- Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.
- Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other industry standard valuation techniques derived from observable market inputs.
- Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instrument's fair value.

Warrants

The Group issued Class C Preferred share warrants in 2019 that are recorded as a warrant liability and were carried on the consolidated statements of financial position at FVTPL. As these warrants are exercised, the fair value of the recorded derivative liability on date of exercise is included in share capital along with the proceeds from the exercise. If these warrants expire unexercised, the related decrease in derivative liability is recognized in net income.

In 2020, the Group issued additional Class C Preferred share warrants that were recognized at their initial fair value. Such amounts were initially recorded as contributed surplus within equity on the consolidated statements of financial position, and were not remeasured.

R. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing net earnings of the Group by the weighted average number of common shares outstanding during the reporting period. Diluted EPS are computed similar to basic EPS except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of potential ordinary common shares, if dilutive. The number of additional shares is calculated by assuming that outstanding potential ordinary common shares were exercised and that proceeds from such exercises along with any unamortized stock-based compensation were used to acquire common shares at the average market price during the year.

3. Significant accounting judgments, estimates, and assumptions

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

Key areas of judgment

i) Evaluation of control over investees

The Group regularly assesses its control for each investee on an ongoing basis in compliance with IFRS 10, *Consolidation,* and as described in note 2.2. In evaluating whether control is held by the Group, management applies judgment to assess whether it holds existing rights that gives it the current ability to direct the relevant activities of the investee, has exposure or right to variable returns from its involvement in the investee, and has the ability to use its power to affect its returns. In connection with the sale of an interest in Rialto Bioenergy Facility, LLC, as well as Socal Biomethane Holdco, LLC during the year ended December 31, 2020 (see note 29), the Group determined it has retained control of the investee as a result of its ability to direct the relevant activities, which in turn the Group uses to affect its returns. In connection with the acquisition of an interest in Calimera Bio S.r.l (note 7) during the year ended December 31, 2020, the Group determined that it did not have unilateral rights to direct the activities of the investee and therefore considers the investee a joint venture. In connection with the formation of WTE Holdings S.r.l.(note 7)

during the year ended December 31, 2021, the Group determined that it did not have unilateral rights to direct the activities of the investee and therefore considers the investee a joint venture.

ii) Componentization and useful lives of property, plant, and equipment:

Amounts recorded for depreciation and amortization expense are based on the Group's componentization of its property, plant, and equipment and management's estimates of the useful life and pattern of consumption of future economic benefits of the property, plant, and equipment. Judgment is applied to allocate costs incurred to their respective significant components.

iii) Determining CGUs

For the purpose of assessing impairment of nonfinancial assets, the Group must determine its CGUs. Assets and liabilities are grouped into CGUs at the lowest level of separately identifiable cash flows. The determination of a CGU is based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets.

iv) Arrangements that may contain a lease

The Group applies judgment when determining whether an arrangement contains a lease. For leases identified, the Group exercises judgment in determining the lease term, lease components, and the underlying value of the leased asset.

Key areas of estimation uncertainty

v) Revenue recognition

Where the outcome of performance obligations for contracts can be estimated reliably, revenue is recognized. Capital sales revenue related to EPC contracts that is recognized based on performance over time is measured primarily based on the costs incurred which approximates the value to the customer relative to the estimated total contract costs. Where the outcome of performance obligations for the contracts cannot be reliably measured, contract revenue is recognized in the current year to the extent that costs have been incurred until such time that the outcome of the performance obligations can be reasonably measured. The use of a cost-based input method requires the use of significant assumptions in estimating total contract costs, including materials, labour, and subcontractor costs, which are recognized as expenses in the year in which they are incurred.

vi) Fair value of financial instruments:

Certain financial instruments, such as embedded derivative financial instruments and share purchase warrants, are carried in the consolidated statements of financial position at fair value, with changes in fair value reflected in profit and loss, or, in the case of warrants issued during 2020, within equity. Fair value of some financial instruments is estimated by using valuation techniques that require assumptions such as interest rates, credit spreads, exchange rates, forward prices, and other inputs. Where possible, management utilizes observable inputs in the determination of fair value and from time to time will involve external valuation specialists.

4. Adoption of new and revised accounting standards

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after January 1, 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The Group adopted the following amendments and interpretations and effective for annual periods beginning on January 1, 2021 but did not require changes to accounting policies or retrospective adjustments.

- *Amendments to IFRS 9 - Financial Instruments,*
- *Amendments to IAS 39 - Financial Instruments: Recognition and Measurement,*
- *Amendments to IFRS 7 - Financial Instruments: Disclosures,*
- *Amendments to IFRS 4 - Insurance Contracts,*
- *Amendments to IFRS 16 - Leases - Interest Rate Benchmark Reform - Phase 2 (issued on August 27, 2020 and effective from periods beginning on January 1, 2021).*

The amendments aim at helping companies to provide investors with useful information about the effects of the reform on those companies' financial statements. These amendments focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The new amendments relate to:

- changes to contractual cash flows. A company is not required to derecognize or adjust the carrying amount of financial instruments for changes required by the interest rate benchmark reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting. A company does not have to discontinue its hedge accounting solely because it makes changes required by the interest rate benchmark reform if the hedge meets other hedge accounting criteria;
- disclosures. A company is required to disclose information about new risks that arise from the interest rate benchmark reform and how the company manages the transition to alternative benchmark rates.

These amendments had no impact on the consolidated financial statements of the Group.

5. New and revised IFRS Standards in issue but not yet effective

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

Amendments to IAS 1 – Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 affect only the presentation of liabilities as current or noncurrent in the consolidated statements of financial position and not the amount or timing of recognition of any asset, liability, income, or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. Currently, the Group is evaluating the impact of this amendment to the Group's financial statements.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. The Group is evaluating the impact of this amendment on the consolidated financial statements.

Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2, *Inventories*.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant, and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted. The Group is evaluating the impact of this amendment on the consolidated financial statements.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted. The Group is still evaluating the impact of this amendment on the consolidated financial statements.

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

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

Amendments to IAS 1 - Presentation of Financial Statements

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

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

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

6. Business Combination

On October 27, 2021, the Company, through Anaergia Europe GmbH ("AEG" or the "Buyer") purchased 100% of the issued and outstanding share capital of the Envo Group A/S (the "Envo Group") for consideration of € 1.0 million.

The Envo Group will act as a sales office for the Group in Denmark and all of Scandinavia. The main activities of the Envo Group are development of biogas plants and logistical tasks associated with turbine contracts. The Envo Group should provide the Group with the unique opportunity to increase sales of the Group's capital sales segment to Scandinavia.

The purchase price is payable in tranches with an initial payment of $215 (€ 150) the remaining $1,221 (€ 850) accrued for payment at a later date upon the Envo Group meeting certain milestones. As at December 31, 2021, the Group has paid all but $144. The below tables summarizes the purchased assets of Envo Group as of the transaction date:

Consideration	EUR	CAD $
Cash	150	215
Payments to be made at a later date	850	1,221
Net receivables and payables given prior to transaction date and subsequently settled	(885)	(1,271)
Total consideration transferred	115	165
Acquisition-related costs (included in selling, general and administrative expenses in the statement of comprehensive loss for the year ended December 31, 2021)	35	50
Recognised amounts of identifiable assets acquired and liabilities assumed		
Cash	33	47
Other current assets	11	16
Property, plant and equipment	44	63
Accounts payable and accrued liabilities	(275)	(395)
Tax payable	(85)	(122)
Long-term debt	(100)	(144)
Lease liabilities	(23)	(33)
Total identifiable net assets	(395)	(568)
Goodwill	510	733
	115	165

7. Equity-accounted investees (restated - Note 32)

The Company had historically carried the Bioener S.p.A. ("Bioener") investment at cost but has since determined that it has had significant influence since the Company's initial investment in a prior period and that a liability for a related forward commitment had not been recognized since inception. As a result, the Company has restated its investment within equity-accounted investees and accrued liabilities as at December 31, 2021 and 2020, and increased its share of loss in equity-accounted investees for the year-ended December 31, 2021. There is no impact to shareholders' equity as at January 1, 2020 or to the statement of loss and comprehensive loss for the year ended December 31, 2020.

The Group has the following equity-accounted investees:

	Percent Ownership		Carrying Amount	
	2021	2020	2021 (restated)	2020 (restated)
			$	$
Fibracast Ltd.	47%	49%	27,391	19,801
Medcon & db Technologies JV	40%	40%	—	—
WTE Holdings S.r.l.	55%	—%	—	—
Calimera Bio S.r.l.	—%	60%	—	5,843
Bioener (restated)	51%	51%	1,757	1,792
Total			29,148	27,436

a) Fibracast

The Group holds an interest in Fibracast, a manufacturer of water treatment membranes domiciled in Ontario, Canada.

During 2020, Fibracast raised additional capital, for which the Group did not participate, resulting in a gain on dilution in the amount of $654. In addition, the Group paid $1,500 to purchase special warrants of Fibracast (which consists of one common share and one warrant) at $1 per special warrant – which was recorded within other long-term assets as at December 31, 2020.

During 2021, the Group issued bridge financing to Fibracast in the amount of $9.0 million, and the Company converted the bridge financing to 7,500,000 common shares in Fibracast for a subscribed price of $1 per share. The Group used $1.5 million of the bridge financing to exercise a warrant for an additional 1.5 million shares of Fibracast which the Company received 10% inducement from Fibracast to encourage the exercise of the warrant, resulting in the issuance of an additional 150,000 shares of Fibracast. Separately, Fibracast issued 7,262,819 shares to unrelated third-parties for total consideration of $7,263 which resulted in the Company recognizing a gain on dilution of $2,196, as the Company's investment in Fibracast declined from 49% to 47%. At that time, the Company recognized $150 as additional gain during the year ended December 31, 2021 for the 10% inducement on the Company's warrant with Fibracast, bringing the total gain on the dilution of ownership interest to $2,346. During 2021, the Company converted $1.0 million that was previously advanced to Fibracast as bridge financing in the prior year. As at December 31, 2021, the Company held a total of 36,986,160 shares or 47% of Fibracast and did not hold any remaining warrants.

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

Investment in Fibracast	2021	2020
Beginning balance	19,801	23,060
Capital contribution to Fibracast	9,000	—
Contribution of amount advanced in prior period	1,000	—
Net gain on dilution of ownership interest	2,346	654
Share of Fibracast net loss	(4,756)	(3,913)
Ending balance	27,391	19,801

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

	2021	2020
Percentage ownership interest	47%	49%
Current assets	10,792	9,632
Non-current assets	12,776	8,574
Current liabilities	9,406	8,740
Non-current liabilities	6,102	6,124
Net assets (100%)	8,060	3,342
Company's share of net assets	3,788	1,638
Fair value increment, less accumulated losses and adjustments	23,603	18,163
Carrying amount of investment in Fibracast	27,391	19,801

	2021	2020
Revenue (100%)	1,465	9,090
Net loss (100%)	(9,892)	(7,385)
Other comprehensive loss (100%)	—	—
Total comprehensive income (100%)	(9,892)	(7,385)
Company's share of net loss	(4,756)	(3,913)

As at December 31, 2021, Fibracast had no contingent liabilities outstanding, and no future capital commitments.

b) Medcon & db Technologies JV & MD Limassol Waste Management Company Ltd.

The Company's subsidiary, db Technologies BV ("dbT"), in the Netherlands acquired a 40% interest in an entity, Medcon & db Technologies JV ("JV"), in Cyprus. This joint venture was formed to undertake and execute a project as its contractor for design, construction, and operation of the integrated installations for the management of municipal solid waste and waste transfer station in the region of Limassol, owned by its customer, Ministry of the Interior of the Republic of Cyprus. The JV is a jointly controlled arrangement, and all decisions are taken with the unanimous consent of both JV partners. dbT also has minority interest in MD Limassol Waste Management Company Ltd. ("Limassol"), a Cyprus limited liability company, which was formed and entered into an Operation and Maintenance agreement with the municipal solid waste plant and transfer station that the JV, discussed above, was contracted to build. As at December 31, 2021, the Group had accounts receivables owed from the JV and Limassol of $10,494 and $4,204, respectively. As at December 31, 2021, the Group had loans receivable from the JV of $735.

The JV has reported net losses for the fiscal years ended December 31, 2021 and 2020. The Company's subsidiary did not recognize its share of losses in the JV for the fiscal years ended December 31, 2021 and 2020 as the carrying value of the investment had been reduced to nil.

c) *WTE Holdings S.r.l.*

On December 30, 2020, Anaergia S.r.l.(a subsidiary of the Company) and Renewable Environmental Engineering S.r.l. ("Renewable") , an unrelated third party, entered into an agreement to acquire from shareholders of the holding company WTE Holding S.r.l ("WTEH"), respectively, 55% and 45% of the ownership interest in WTEH. This entity represents the vehicle through which Anaergia S.r.l.'s partnership with Renewable will operate, and as such, has been accounted for as a joint arrangement based on the governance structure in place. Immediately after the investment in WTEH, Anaergia S.r.l entered into an agreement with WTEH to assign Anaergia S.r.l.'s ownership interests in Calimera BIO S.r.l ("Calimera"), Easy Energia – Ambiente S.r.L. ("EE") and Recall Latina S.r.l. ("RL") to WTEH. This transfer was subject to WTEH achieving various closing conditions that had not been met as at December 31, 2020 and therefore the initial investments in Calimera, EE and RL were recorded within Anaergia S.r.l.

EE and RL did not achieve all of the closing conditions prior to December 31, 2020 and therefore the aggregate amount invested of $16,780 was recorded within long-term assets.

On January 11, 2021 an addendum to the sale and purchase agreement with WTEH was executed which revised the closing conditions for the transfer of Calimera, EE and RL. The revised conditions were achieved on January 17, 2021, at which point Anaergia S.r.l.'s investments in Calimera, EE and RL were transferred to WTEH in exchange for notes receivable in the amount of the aggregate cost incurred by Anaergia S.r.l. along with interest from the date of Anaergia S.r.l.'s acquisition.

On January 8, 2021, Anaergia S.r.l. entered into a contract for the acquisition of 51% of the equity interest in Biogas Sardegna Green Srl ("BS Green"), an Italian company with rights to build and operate a biogas plant, subject to reaching final agreement on terms of lender-approved construction and maintenance contracts, as well as the applicable permit becoming final and non-appealable. On March 28, 2021, Anaergia Srl assigned its rights to WTE Holding Srl, and WTEH completed the acquisition to acquire the interests in BS Green.

On the September 28, 2021, Anaergia S.r.l., entered into a stock purchase agreement to purchase 100% of Ambiente & Risorse S.r.l., which owns a composting plant in the Italian Province of Pavia. As at December 31, 2021, the Group through WTEH has funded the acquisition of Ambiente

& Risorse S.r.l for $8,278 (€5.7 million). During September 2021, the Group has assigned its interest in Ambiente & Risorse S.r.l. to WTEH of which Ambiente & Risorse S.r.l. has been accounted for as an equity method investee.

The table below details WTEH's ownership in underlying entities.

Entity	Ownership %
Calimera BIO S.r.l (“Calimera”)	60%
Easy Energia – Ambiente S.r.L ("EE")	70%
Recall Latina S.r.l. (“RL”)	66.67%
Biogas Sardegna Green S.r.l. (“BS Green”)	60%
Ambiente & Risorse S.r.l.	100%

On January 5, 2021, WTEH increased its ownership from 70% to 100% of EE by purchasing the remaining 30% of EE for $3,735 (€2.6 million).

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

Investment in WTE	2021
Beginning balance	—
Capital contribution	63
Share of net loss	(63)
Ending balance	—

Summarized financial information of WTEH, based on its separate financial statements prepared under IFRS, is presented as follows:

	2021
Percentage ownership interest	55%
Current assets	18,633
Non-current assets	84,421
Current liabilities	88,419
Non-current liabilities	18,661
Net assets (100%)	(4,026)
Company's share of net assets	(2,214)
Reconciling items	2,214
Carrying amount of investment	—

Statement of financial position of WTEH as at December 31:

	2021
Revenue (100%)	—
Net loss (100%)	(4,396)
Total comprehensive loss (100%)	(4,396)
Company's share of net loss	(2,418)
Unrecognized share of losses for the year	(2,418)
Cumulative unrecognized share of losses	(2,355)

As at December 31, 2021, WTEH had contingent liabilities regarding the letters of guarantees issued for and on its behalf in the aggregate amount of $3,081 (€2,122) that was outstanding. WTEH had capital commitments of $51,553 (€35,500) as at December 31, 2021.

The Group through its capital sales segment sells equipment to WTEH's subsidiaries, which would typically be eliminated against profits of the equity method-investee, but due to the recurring losses of the equity method investee, the Group has been unable to eliminate these losses. During the year ended December 31, 2021, the Group has $17,593 of uneliminated net sales and corresponding uneliminated cost of sales of $13,071.

d) Calimera BIO S.r.l.

On June 16, 2020, Calimera BIO S.r.l (“Calimera”) was incorporated by Anaergia S.r.l (“Anaergia”) (60%) and Buttol (40%) with a corporate capital amount of $157 (€100).

According to the Calimera by-laws currently in force, Calimera’s corporate purpose is the acquisition, construction and management of a plant for the biological treatment of non-hazardous waste (anaerobic and aerobic digestion) with bio-methane production, to be implemented in the Municipality of Calimera, Italy.

On June 26, 2020, a new shareholders’ agreement was signed (replacing the one executed on June 16, 2020) with a resolution related to two capital increases of Calimera’s capital – first, up to $7,070 (€4.5 million) and second, up to $10,832 (€6.895 million). In connection with the agreement, the Group contributed $5,686 by December 31, 2021. The Group has determined it does not have unilateral rights to direct the activities of Calimera and accordingly has accounted for its investment as a joint venture.

On July 7, 2020, Calimera acquired land, construction in progress and permits related to a plant in progress.

During the year ended December 31, 2021, Anaergia S.r.l. and Renewable Environmental Engineering S.r.l completed the requisite closing activities to acquire the holding company WTEH. Concurrently, Anaergia S.r.l completed the conditions precedent in the agreement with WTEH to assign its ownership interests in Calimera to WTEH. As consideration for the transfer, Anaergia S.r.l. is entitled to the aggregate amount of all direct and indirect cost sustained by Anaergia S.r.l for the acquisition of Calimera, plus interest from the date of acquisition. This consideration is currently outstanding and has been recognized as a note receivable from WTEH, included in other long-term assets, as discussed in Note 16. As result of this transaction, WTEH has acquired Anaergia S.r.l.’s ownership interest in Calimera as at January 17, 2021.

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

Investment in Calimera	2021	2020
Beginning balance	5,843	—
Capital contribution	—	5,874
Transfer to loan of WTEH	(5,843)	—
Share of net loss	—	(31)
Ending balance	—	5,843

Summarized financial information of Calimera, based on its separate financial statements prepared under IFRS, is presented as follows:

Statement of financial position of Calimera as at December 31:

	2021 $	2020 $
Percentage of ownership	0%	60%
Current assets	2,139	6,452
Non-current assets	20,168	5,186
Current liabilities	508	855
Non-current liabilities	12,062	—
Equity	9,737	10,783
Subsidiary's share of equity	—	6,470

Summarized statement of loss and comprehensive loss of Calimera for the fiscal years:

	2021 $	2020 $
Revenue (100%)	—	—
Loss for the year before tax (continuing operations) (100%)	(243)	(51)
Subsidiary's share of loss	—	—

e) Bioener S.p.A. (restated - Note 32)

On December 4, 2020 Anaergia S.r.l entered into an agreement to acquire from shareholders of the holding company Bioener S.p.A. ("Bioener") a 51% ownership interest in Bioener, to be followed by a scheduled increase of capital adjusting such ownership to 60%. Bioener owns 70% of the ownership interest in Bionet Srl, a project company awarded a tender for the construction and operation of an anaerobic digestion plant in Udine, Italy. As required by the initial closing conditions, the Group has invested $1,792 in this entity which has been recorded as equity method investment. In addition, the purchase agreement requires the Group to make future payments to Bioener in the amount of €6,000 based on certain dates and criteria and accordingly the Group has determined that this represents a forward contract liability in the amount of $1,115, which is recorded in accrued liabilities on the consolidated statement of financial positions as at December 31, 2020. During the year ended December 31, 2021, the Group invested $808 as additional capital contributions. During the year ended December 31, 2021 and 2020, the Group recognized a loss on the investment in associate of $843 and $nil, respectively. As at December 31, 2021 and 2020, the Group's investment in Bioener was $1,757 and $1,792, respectively. The forward contract liability was contingent on certain criteria being met within the fiscal year. These criteria were not achieved and therefore the forward contract liability was extinguished, resulting in a gain on extinguishment of liability being recognized in the consolidated statement of loss and comprehensive loss in the amount of $1,115.

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

Investment in Bioener	2021	2020
Beginning balance	1,792	—
Capital contribution	808	677
Valuation of forward liability	—	1,115
Share of net loss	(843)	—
Ending balance	1,757	1,792

8. Income taxes (Restated - Note 32)

The major components of income tax expense for the years ended December 31 are as follows:

	2021 $	2020 $
Income tax expense		
Current income taxes	7,097	1,946
Deferred income taxes	(5,581)	1,214
Income tax expense	1,516	3,160

A reconciliation between the income tax provision and the product of accounting profit multiplied by the Group's domestic tax rates for the years ended December 31 is as follows:

	2021	2020
Pre-tax income (loss) for the year	(14,049)	(18,281)
Statutory tax rates (15% Federal + 11.50% Ontario)	26.50%	26.50%
Statutory tax expense (recovery)	(3,723)	(4,844)
Change in anticipated credit eligibility	2,733	—
Rialto gain included in equity	—	14,069
Stock warrant valuation gain	242	2,222
Change in deferred tax rates	61	—
Foreign tax rate differences	1,447	77
Net change in unrecognized temporary differences	6,188	(8,538)
Non-deductible items	(2,355)	174
Share costs included in equity	(3,606)	—
Other	529	—
Income tax expense for the year	1,516	3,160

The enacted or substantively enacted approximate corporate marginal tax rates in Canada (26.5% in 2021, 26.5% in 2020), USA (28.15% in 2021, 28% in 2020), Germany (30% in 2021, 30% in 2020,), UK (19% in 2021, 19% in 2020), Italy (27.9% in 2021. 24% in 2020), Netherlands (25% in 2021, 25% in 2020), Singapore (17% in 2021, 17% in 2020) and South Africa (28% in 2021, 28% in 2020), where the Group operates, have been applied in the tax provision calculation wherever such provisions have been considered necessary.

Deferred Income Taxes

Deferred income taxes relate to the Group for the following:

	2021 $	2020 $
Deferred tax assets (liabilities) in relation to:		
Non capital loss carryforward	6,917	1,738
Deferred revenue	2,202	—
Research and development credits	5,261	5,351
Property, plant and equipment and other assets	(8,629)	(6,825)
Other temporary differences	923	880
Net deferred tax asset (liability)	6,674	1,144

The following temporary differences and non-capital losses have not been recognized in the consolidated financial statements as of December 31:

	2021 $	2020 $
Temporary differences in relation to:		
Non-capital losses	88,622	134,840
Fixed assets	3,817	—
Financing fees	15,002	—
Unpaid amounts	3,041	—
Other	3,107	—
Investment accounted for using equity method	(17,076)	(11,313)
Total temporary differences	96,513	123,527

The Group has the following non-capital tax losses that expire in the periods indicated:

Expiration Year-end	Canada $	Germany $	United Kingdom $	United States $	Netherlands $	Other $	Total $
2024	—	—	—	—	1,211	—	1,211
2025	—	—	—	—	2,781	—	2,781
2026	—	—	—	—	1,367	—	1,367
2027	—	—	—	—	2,142	—	2,142
2028	—	—	—	—	1,836	—	1,836
2029	—	—	—	—	822	—	822
2030	—	—	—	—	—	—	—
2031	—	—	—	—	9,049	—	9,049
2032	—	—	—	—	—	—	—
2033	2,590	—	—	—	—	—	2,590
2034	4,293	—	—	—	—	—	4,293
2035	4,879	—	—	—	—	—	4,879
2036	6,465	—	—	—	—	—	6,465
2037	6,795	—	—	—	—	—	6,795
2038	5,067	—	—	—	—	—	5,067
2039	7,493	—	—	—	—	—	7,493
2040	19,492	—	—	—	—	—	19,492
2041	—	—	—	—	—	—	—
Indefinite	—	30,700	11,675	31,580	—	3,931	77,886
	57,074	30,700	11,675	31,580	19,208	3,931	154,168

The non-capital losses are available for offset against future taxable income of the companies in which the losses arose before their respective expiration as indicated above. The portion of the non-capital losses that has been recognized as deferred tax asset is dependent on future taxable income.

9. Property, plant, and equipment (Restated - Note 32)

Reconciliation of carrying amount

The following table presents the summary of property, plant and equipment and related depreciation for the years ended December 31, 2021 and 2020:

	Building and leasehold improvements $	Office furniture and equipment $	Equipment and machinery $	Construction work-in-progress $	Other[(a)] $	Total $
Cost						
Balance at January 1, 2020	307	2,151	25,438	115,691	898	144,485
Additions	13,134	52	427	110,567	313	124,493
Disposals and impairment	(9)	(30)	(18)	(2,399)	(21)	(2,477)
Exchange adjustment	(606)	29	(289)	(7,042)	121	(7,787)
Balance at December 31, 2020	**12,826**	**2,202**	**25,558**	**216,817**	**1,311**	**258,714**
Accumulated depreciation						
Balance at January 1, 2020	246	1,838	11,254	—	536	13,874
Additions	(31)	121	965	—	132	1,187
Disposals and impairment	(8)	8	—	—	(11)	(11)
Exchange adjustment	(96)	(309)	302	—	193	90
Balance at December 31, 2020	**111**	**1,658**	**12,521**	**—**	**850**	**15,140**
Carrying amounts						
At December 31, 2020	**12,715**	**544**	**13,037**	**216,817**	**461**	**243,574**

	Building and leasehold improvements $	Office furniture and equipment $	Equipment and machinery $	Construction work-in-progress $	Other[(a)] $	Total $
Cost						
Balance at January 1, 2021	12,826	2,202	25,558	216,817	1,311	258,714
Additions	271	670	142	70,573	214	71,870
Assets acquired	18	12	—	11,403	—	11,433
Disposals and impairment	—	(4)	—	—	(2)	(6)
Other adjustments	—	—	—	—	(9)	(9)
Exchange adjustment	(296)	(119)	(224)	1,042	(50)	353
Balance at December 31, 2021	**12,819**	**2,761**	**25,476**	**299,835**	**1,464**	**342,355**
Accumulated depreciation						
Balance at January 1, 2021	111	1,658	12,521	—	850	15,140
Additions	467	207	658	—	56	1,388
Disposals and impairment	—	(2)	(1)	—	—	(3)
Other adjustments	229	(227)	—	—	—	2
Exchange adjustment	11	(90)	(122)	—	(23)	(224)
Balance at December 31, 2021	**818**	**1,546**	**13,056**	**—**	**883**	**16,303**
Carrying amounts						
At December 31, 2021	**12,001**	**1,215**	**12,420**	**299,835**	**581**	**326,052**

(a) "Other" assets include computer hardware items and vehicles.

Depreciation

Property, plant, and equipment are depreciated straight-line over their estimated useful lives and is included in "selling, general and administrative expenses".

Property, plant, and equipment under construction

Construction work in progress primarily includes assets associated with the Rialto Bioenergy Facility which is under construction and includes advances paid to vendors and subcontractors. Included in construction work in progress are capitalized borrowing costs in the amount of $11,459 (2020 – $11,971).

Asset Purchases

On April 7, 2021, the Group entered into a purchase and sale agreement to purchase the entity Orbit Energy Rhode Island, LLC, an anaerobic digestion facility located in Johnston, Rhode Island (the "Rhode Island" facility). The Group agreed to pay for $2,133 (USD 1,704) as purchase consideration for Rhode Island. Management has determined that the purchase of Rhode Island does not meet the definition of a business, and as such has been accounted for as an asset acquisition.

On October 27, 2021, the Group entered into a stock purchase agreement with an unrelated third-party to purchase, ENVO Biogas Tonder A/S ("EBT"), a Danish entity, which will build, own and operate a new anaerobic digestion facility in Tønder, Denmark. As part of the stock purchase agreement, the seller agreed to sell 100% of the equity interests in the project company, EBT. Management has determined that the purchase of EBT does not meet the definition of a business, and as such has been accounted for as an asset acquisition. The stock purchase agreement requires total cash consideration for the purchase of $7,181 (€ 5.0 million) which will be paid in three installments:

- $4,309 (€ 3.0 million) will be paid no later than five business days after the commissioning date of the plant or April 1, 2024
- $1,436 (€ 1.0 million) shall be paid no later than five business days after the earlier of twelve month anniversary from the Commissioning Date, or April 1, 2025, or the time at which the Forecasted IRR is at least 11%
- $1,436 (€ 1.0 million) shall be paid no later than five business days after the earlier of 24 month anniversary from the Commissioning Date, or April 1, 2026, or the time at which the Forecasted IRR is at least 11%

In addition to the $7,181 (€ 5.0 million) cash consideration, the stock purchase agreement also requires the Company to assume up to $2,871 (€ 2.0 million) in liabilities. The Company has also granted an economic interest in EBT of 10% of the economic return of EBT which has been valued at $650 and accrued as preference shares. Given the future payment of this debt, the Company has discounted the future cash payments using an 8% implied borrowing rate. As at December 31, 2021, the carrying amount of the obligation is $5,840. During 2021, the Group paid $2,360 on behalf of the seller for liabilities assumed as of the transaction date.

10. Intangible assets and goodwill

Reconciliation of carrying amount

The following table presents the summary of intangible assets and related amortization for the years ended December 31, 2021 and 2020:

	Patents	Computer software and licenses	Other[(a)]	Goodwill	Total
Cost					
Balance at January 1, 2020	4,356	2,171	1,317	3,252	11,096
Additions	391	1,229	30	—	1,650
Disposals and impairments	—	—	—	(1,678)	(1,678)
Exchange adjustment	160	(114)	185	512	743
Balance at December 31, 2020	4,907	3,286	1,532	2,086	11,811
Accumulated Amortization					
Balance at January 1, 2020	2,162	2,003	875	—	5,040
Additions	107	149	479	—	735
Exchange adjustment	60	7	14	—	81
Balance at December 31, 2020	2,329	2,159	1,368	—	5,856
Carrying amount					
At December 31, 2020	2,578	1,127	164	2,086	5,955

	Patents $	Computer Software and Licenses $	Other Intangible Assets[a] $	Goodwill $	Total $
Cost					
As of January 1, 2021	4,907	3,286	1,532	2,086	11,811
Additions	389	10	—	—	399
Assets acquired	—	—	—	756	756
Disposals and impairments	—	(923)	(154)	—	(1,077)
Exchange adjustment	(116)	(137)	(31)	(398)	(682)
As of December 31, 2021	5,180	2,236	1,347	2,444	11,207
Accumulated Amortization					
As of January 1, 2021	2,329	2,159	1,368	—	5,856
Additions	286	87	154	—	527
Disposals and impairments	—	(113)	(156)	—	(269)
Exchange adjustment	(23)	(22)	(19)	—	(64)
As of December 31, 2021	2,592	2,111	1,347	—	6,050
Carrying amount					
As of December 31, 2021	2,588	125	—	2,444	5,157

a) "Other" intangible assets include customer lists and customer relationships.

Amortization

Intangible assets are amortized straight-line over their estimated useful lives and is included in "selling, general and administrative expenses".

Research & Development costs

Research and development costs of $1,804 (2020 – $1,327) that are not eligible for capitalization have been expensed. Also included are costs are related to project development expense in the amount of $nil (2020 – $2,419).

Selling, General & Administrative costs

Included in selling, general, and administrative costs are customization and configuration costs relating to enterprise resource planning software in the amount of $1,675 (2020 – $1,300)

Impairment

The Group completed its annual assessment of impairment and concluded that the Goodwill related to db Technologies BV was impaired as at December 31, 2020. During the year ended December 31, 2021, the Group recorded an impairment charge of $nil (2020 – $1,678).

11. Revolving line of credit

On December 30, 2021, the Group renewed its amended and restated revolving line of credit with Wells Fargo, which provides its access to a line of credit in the amount of $5,113 (USD equivalent – $4,000). When drawn, advances under the facility carry interest at rate per annum of 1.10% above the Daily Simple SOFR rate (December 31, 2020 – 1.14% above the daily one-month LIBOR rate) with interest payments due the first of every month. The Group may from time to time during the term of this facility borrow, partially or wholly repay its outstanding borrowings, and reborrow subject to the terms and conditions of the agreement with a maturity date of June 1, 2023. The balance of the credit line on December 31, 2021 is $5,113 (December 31, 2020 – $nil). The line of credit is collateralized by the Groups cash balances held by Wells Fargo.

12. Long-term debt

Terms and repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	Note	2021 Carrying amount	2020 Carrying amount
Non-current interest-bearing loans and borrowings						
Ontario Government Loan						
Strategic Jobs Initiative Fund	CAD	4.17%	2021	(a)	—	3,742
Caterpillar Financial Services Loans						
- Term loan	USD	6.69%	2025	(b)	2,231	2,704
- Term loan	USD	5.70%	2028	(c)	4,390	4,653
Class B Term Loan	USD	5.00%	2023	(d)	—	4,340
Banca Popolare						
- Term Loan	EUR	2.65%	2025		175	307
Banco BPM S.p.A. Loan	EUR	1.80%	2027	(e)	1,919	—
General Motors Loan	USD	11.40%	2025		36	56
GDIF Loan	USD	11.00%	2030	(f)	9,650	—
GDIF Loan II - IV	USD	11.00%	2031	(g)	10,037	—
Live Oak Indenture	USD	5.96%	2032	(h)	546	—
AIP Loans	EURO	8.00%	2036	(i)	23,450	—
Previous owners of Envo Group	EURO	0.00%	2022		144	—
Previous owners of EBT	EURO	0.00%	2024 to 2026	(j)	5,840	—
Rialto bonds	USD	6.75% - 7.50%	2028 and 2040	(k)	145,579	149,029
					203,997	164,831
Less: issuance costs					(2,619)	(2,122)
Total long-term debt					201,378	162,709
Less: current portion					(5,263)	(9,800)
Net long-term debt					**196,115**	**152,909**

a) Ontario Government Loan – Strategic Jobs Investment Fund (Secured Loan)

The Group was a party to a loan agreement with the Province of Ontario ("Ontario") under its Strategic Jobs Initiative ("Ontario Loan"). The Ontario Loan consists of both a forgivable loan and a non-forgivable loan. The conditions of forgiveness have been achieved by the Group, and as a result the Group recognizes the forgivable portion of the loan as income or deferred government grants in accordance with its government grant recognition policy (see Note 2.3 (C) above). The non-forgivable portion of the loan was recognized as long-term debt within the statements of financial position. On September 24, 2021, the Company entered into a payout statement and release agreement with the Canadian province of Ontario that allowed the Company to pay $2,468 as a release from the liability of all future payments on the Ontario Government Loan which had a carrying balance at the time of execution of $3,714 including accrued interest of $655. As a result, the Company recognized a total loan forgiveness amount of $1,246 during the year ended December 31, 2021. The loan forgiveness amount was recognized in government grant income of $1,079 and finance costs of $167 on the accompanying statements of loss and comprehensive loss.

b) Caterpillar Financial Services Corporation (Secured Loan)

The Company's subsidiary, Biogas Power Mojave Systems, LLC (the "Biogas Power"), in the USA signed a 10-year Term Loan Financing Agreement on February 27, 2015 with Caterpillar Financial Services Corporation (the "Lender") whereby the Lender has provided a term loan ("Term loan Financing") for a maximum loan amount of USD $4,504 that carries a fixed annual rate of 6.69% and is repayable in monthly installments, to be fully repaid by April 2025

The loan secured by a promissory note and a first priority security interest as collateral in all rights, title, and interest of the Biogas Power in the project including equipment, related software and other tangible and intangible properties.

c) Caterpillar Financial Services Corporation (Secured Loan)

The Company's subsidiary, Escondido Bioenergy Facility, LLC, in the USA has signed a 10-year Term Loan Financing Agreement on August 1, 2017 with Caterpillar Financial Services Corporation (the "Lender") whereby the Lender has provided a term loan for a maximum loan amount of USD $4,000 that carries a fixed annual rate of 5.70% and is repayable in monthly installments to be fully repaid by November 2027.

The loan is secured by a promissory note and a first priority security interest as collateral in all rights, title, and interest of the Escondido Bioenergy Facility including equipment, related software and other tangible and intangible properties.

d) Class B term loan (Secured Loan)

As part of a capital restructuring in 2018, shareholders who elected to participate were issued a debt instrument in the form of a term loan in the total value of $4,687. The term loan was for a term of five years maturing May 9, 2023; however, two installments of $1,000 each were repayable at the anniversary of year 3 and year 4 and the remaining unpaid principal and interest payable was due on the maturity date. The principal of the

term loan carried interest at the rate of 5% per annum during the term of the loan. The term loan was further collateralized by providing a second priority security interest in certain properties of the Group to the Lenders by execution of separate General Security Agreement. During August of 2021, the Company paid the Class B term loans in full. As at the date of repayment, the Class B term loan had a balance of $3,343.

e) Banco BPM S.p.A. Loan

On March 25, 2021, the Company's subsidiary, Anaergia S.r.l., signed a 6-year loan with Banco BPM S.p.A. ("Banco") whereby Banco loaned Euro 1,500 which carries a fixed interest rate of 1.8%, with equal monthly payments required over the 72-month period to maturity. The loan has a direct guarantee from the Italian government in favour of the bank for 90% of the loan value. The loan is not secured by any assets of the Group.

f) GDIF Loan (Secured Loan)

On February 23, 2021, the Company's subsidiary, Rialto Bioenergy Facility, LLC ("RBF"), entered into a loan agreement with GDIF (North America) NRP Hold Co. ("GDIF") whereby GDIF has provided a loan for a maximum amount of $9,448 (USD $7,000) that carries a fixed annual rate of 11.00% which accrues to the principal and shall be due and payable in full by December 2030. Proceeds from the loan can only be used for operational costs and expenses of the Rialto project. As at December 31, 2021, the Company has borrowed USD $7,000 of the available loan.

This loan is secured by a promissory note and the same operating agreement that is in place for the Rialto bonds and is subordinate to the Rialto bonds. The unpaid principal and all accrued interest are due and payable in full on December 22, 2030 provided that it is allowed under the terms of the Rialto bond agreement. During the year, the Company recorded interest expense of $687 which was partially offset by changes in the foreign currency exchange rate of $485.

g) GDIF Loan II-V (Secured Loan)

Between June and August 2021, RBF entered into a series of loan agreements with GDIF whereby GDIF has provided loans for a total amount of $9,827 (USD 7,852) that carry a fixed annual rate of 11.00% which accrues to the principal and shall be due and payable in full between July and August 2031. Proceeds from the loan can only be used for operational costs and expenses of the Rialto project.

This loan is secured by a promissory note and the same operating agreement that is in place for the Rialto bonds and is subordinate to the Rialto bonds. The unpaid principal and all accrued interest are due and payable in full between June and August 2031. During the year, the Company recorded interest expense of $220 which was partially offset by changes in the foreign currency exchange rate of $12.

h) Live Oak Indenture

On June 1, 2021, the Company's subsidiary, SoCal Biomethane, LLC entered into an indenture agreement with the California Pollution Control Financing Authority (the "Authority") to issue Solid Waste Disposal Revenue Notes Series 2021 (the "Indenture"). The indenture allowed SoCal Biomethane, LLC to borrow up to USD 13.0 million with a maturity date of June 1, 2041. On June 30, 2021, SoCal Biomethane, LLC entered into a credit agreement with Live Oak Banking Corporation in which Live Oak purchased the indenture from the Authority. The credit agreement allows SoCal Biomethane, LLC to borrow USD 13.0 million at a fixed interest rate of 5.96% per annum with a maturity date of June 1, 2032. The credit agreement calls for the Company to pay a declining prepayment premium that starts at 4% and declines 1% each year over the first four years of the agreement. During the year ended December 31, 2021, SoCal Biomethane, LLC has borrowed $522 (USD 425) and used this drawdown to pay for debt issuance costs.

i) AIP Loans

On November 12, 2021, the Company entered into a Master Note Purchase agreement with Arjun Infrastructure Partners ("AIP") to provide financing for Anaergia's build, own and operate projects in Italy. The AIP Loan commitment in the amount of €100 million of which the Company has drawn down approximately $23,450 (€ 16,071) as of December 31, 2021. Each drawdown will result in a separate note certificate as described in the master note purchase agreement and will mature on December 31, 2036, when all of the principle is due. The loan requires interest only payments every June and December, starting in 2022. The borrower on the loans is a newly formed Netherlands company Anaergia ITA, B.V. The loan is secured by a share pledge from Anaergia ITA B.V.

These notes will charge interest once past the initial project construction period, at 8% per annum and paid twice yearly in June and December of each year. During the construction period, loans under the master purchase agreement are charged interest at 8% that is added to the principal of the loans outstanding.

The agreement contemplates restructuring which requires EE and Recall Latina to be 100% owned by WTE Holdings, and the ownership percentage for Bioener to increase to 60% and the underlying subsidiary Bionet to be owned 91.11% by December 31, 2022. The Company paid approximately $2,560 (€1,726) in debt financing costs including $1,261 (€850) to the lender. The lender has the ability, if certain conditions are not met, to cancel the debt or the ability to no longer fund future commitments.

j) Previous owners of EBT

As discussed in Note 9, the Company entered into a stock purchase agreements with unrelated third-party to purchase EBT. The stock purchase agreement requires total cash consideration for the purchase is $7,181 (€ 5,000) which will be paid in three installments, as follows:

- $4,309 (€ 3,000) will be paid no later than five business days after the commissioning date of the Plant or April 1, 2024
- $1,436 (€ 1,000) shall be paid no later than five business days after the earlier of twelve month anniversary from the commissioning date, or April 1, 2025, or the time at which the forecasted internal rate of return is at least 11%

- $1,436 (€ 1,000) shall be paid no later than five business days after the earlier of 24 month anniversary from the commissioning date, or April 1, 2026, or the time at which the forecasted internal rate of return is at least 11%

Given the future payment of this debt, the Company has discounted the future cash payments using an 8% implied borrowing rate. As at December 31, 2021, the discounted outstanding balance was $5,840.

k) Rialto Bonds (Secured Bonds)

On January 30, 2019, the Group entered into a transaction in which $154,165 first and second series bonds (collectively the "bonds") were issued through the California Pollution Control Financing Authority for the purposes of funding the Group's Rialto Bioenergy Facility construction project (the "Project"). The first series has a face value of $33,944 and bears interest at the rate of 6.75% with principal and interest payable semi-annually and due in full on December 1, 2028. The second series has a face value of $120,221 and bears interest at the rate of 7.50% with principal and interest payable semiannually and due in full on December 1, 2040. Interest payments commenced on June 1, 2019, for both series. The Group received $146,600 from the issuance which is net of the original issue discount of $7,565. Transaction costs in the amount of $2,240 were incurred directly by the Group in conjunction with the issuance. Of the borrowed amount, $33,807 (USD $25,805) will mature on December 1, 2028, and the remaining $117,187 (USD $91,395) will mature on December 1, 2040, with the balance payable semi- annually on June 1 and December 1 of each year.

All the proceeds from the bond issuance were placed in separate accounts managed by the trustee (collectively, "the Project Fund Escrow Account") in accordance with the signed documents and the payments related to construction project expenditures are released by the appointed trustee upon submittal of underlying documentation with them by the Group. The unused balance of proceeds as at December 31, 2021, of $12,558 (2020 – $20,889) has been classified as restricted cash.

The bonds are secured by a pledge and security agreement for all personal property and other assets of Rialto Bioenergy Facility, LLC ("Rialto"), owned or acquired in the future, including gross revenues from the Project, proceeds and investment income from the Project Fund Escrow Account, and any monies held directly by Rialto are subject to an account control agreement with the trustee. In the event of a default under the loan agreement for the bonds, the trustee can exercise all remedies under the Uniform Commercial Code with respect to the foregoing collateral, including applicable rights of repossession and sale. The Project Fund Escrow Account includes a debt service reserve fund having a reserve requirement of $14,213 (USD $11,085) for payment of principal and interests on the bonds in the event of a deficiency. In addition, the Group pledged its limited liability company membership interests in Rialto, and caused its minority investor to do the same, allowing the trustee the ability to exercise voting and other consensual rights, and to obtain any distributions from Rialto, in the event of a default under the loan agreement for the bonds. The commercial agreements and all contracts relating to the Project were collaterally assigned to the trustee for the benefit of the holders of the bonds, who are also secured in the underlying Project lease by a recorded leasehold deed of trust insured by a policy of title insurance, and a landlord estoppel. The foregoing agreements with third parties ensure the trustee standard lender step-in rights, including separate notice of default and rights to cure.

In addition to mandatory redemption upon a determination of taxability or redemption from excess cash due to expiration of a certain revenue generating agreement, the bonds are redeemable by the Group in whole or in part on any date, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption upon occurrence of an extraordinary event. The Group may also redeem the bonds in whole or in part on any date after December 1, 2024 at a redemption price expressed as a percentage of the principal amount of the bonds to be redeemed, plus accrued interest thereon to the date of redemption as follows:

Redemption Date Redemption Price

December 1, 2024 through November 30, 2025 105.00%
December 1, 2025 through November 30, 2026 103.75%
December 1, 2026 through November 30, 2027 102.50%
December 1, 2027 through November 30, 2028 101.25%
December 1, 2028 and any date thereafter 100.00%

On any date on and after December 1, 2021, the Bonds may be redeemed from excess Bond proceeds on deposit in the Project Fund, in whole or in part, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption.

The redemption features described above constitute an embedded derivative which was separately recognized at a fair value of $4,910 on initial recognition of the bonds. The fair market value of the redemption features as at December 31, 2021, was $24,410 (2020 – $18,673). The fair value of the redemption option is estimated by calculating the present value of the net interest savings if the Group exercised the option across a variety of likely scenarios. The change in fair value as at December 31, 2021 and 2020, resulted in a gain of $5,673 and $12,152, respectively, which has been recorded within gain on Rialto embedded derivative in the consolidated statements of loss and comprehensive loss.

The host liability component of the bond recognized on the consolidated statements of financial position was calculated as follows:

	2021	2020
Face amount	151,973	155,803
Less: unamortized bond discounts	(6,394)	(6,774)
Less: debt issuance costs	(1,893)	(2,004)
Balance at December 31	**143,686**	**147,025**

The above carrying values were recognized at amortized cost after discounting the future interest and principal payments using the effective interest rate of 3.52%. Interest incurred on the principal during the year amounted to $11,262 (2020 – $11,354) and has been capitalized to construction in

progress. The amortization of the discount and debt issuance costs in the aggregate amount of $363 (2020 – $617) were also capitalized to construction in progress during the year.

The bonds contain covenants that restrict, among other things, the ability of the Group to incur certain capital expenditures, distributions in certain circumstances, and sales of material assets, in each case, subject to certain conditions. The Group is in compliance with these covenants at December 31, 2021.

Repayment of Principal and Interest

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

Year	Principal	Interest	Total Repayment
2022	5,263	13,663	18,926
2023	4,596	13,227	17,823
2024	8,555	12,888	21,443
2025	6,367	12,500	18,867
2026	6,081	12,134	18,215
2027 to 2040	173,135	107,217	280,352
	203,997	171,629	375,626

13. Financial instruments – Fair values and risk management

The Group's financial instruments included in the consolidated statements of financial position are comprised of cash and cash equivalents, restricted cash, trade and other receivables, contract assets government grants receivable, other current assets, other long-term assets, line of credit, accounts payable, amounts due to related parties, embedded derivative, long-term debt and warrant liability.

Fair values

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

At December 31, 2020	Carrying amount		Fair value	
		Carrying amount approximates fair value	Level 2	Total
Financial Assets				
Cash and cash equivalents	41,164	41,164	—	41,164
Restricted cash	21,589	21,589	—	21,589
Trade and other receivables	22,231	22,231	—	22,231
Government grants receivable	4,897	4,897	—	4,897
Embedded derivative	18,673	—	18,673	18,673
	108,554	**89,881**	**18,673**	**108,554**
Financial Liabilities				
Warrant liability	13,936		13,936	13,936
Accounts payable	31,443	31,433	—	31,433
Rialto bonds	147,025	—	192,819	192,819
Other long-term debt	15,802	—	15,802	15,802
Due to related parties	3,626	3,626	—	3,626
	211,832	**35,059**	**222,557**	**257,616**

At December 31, 2021	Carrying amount	Fair value		
		Carrying amount approximates fair value	Level 2	Total
Financial Assets				
Cash and cash equivalents	79,317	79,317	—	79,317
Restricted cash	36,744	36,744	—	36,744
Trade and other receivables	34,788	34,788	—	34,788
Government grants receivable	2,635	2,635	—	2,635
Embedded derivative	24,410	—	24,410	24,410
	177,894	**153,484**	**24,410**	**177,894**
Financial Liabilities				
Line of credit	5,113	5,387	—	5,387
Accounts payable	30,355	30,355	—	30,355
Rialto bonds	143,686	—	188,216	188,216
Other long-term debt	57,692	—	57,692	57,692
Due to related parties	4,075	4,075	-	4,075
	240,921	**39,817**	**245,908**	**285,725**

Measurement of fair values

The fair value of the Rialto bonds was determined using a discounted cash flow model based on prevailing interest rates at the year-end date for a similar instrument.

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments in the consolidated statements of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 2.3 (Q).

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Rialto embedded derivative - bond early redemption option	Binomial lattice (tree) option pricing model based on the Hull-White single- factor interest rate term structure model	Not applicable	Not applicable
Warrant liability	Black-Scholes option pricing model	Not applicable	Not applicable

There were no transfers of fair value measurements between Level 1, Level 2, and Level 3 of the fair value hierarchy in the years ended December 31, 2021 and 2020.

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

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

	Liabilities				
	Warrant liability	Line of credit	Rialto bonds	Other long-term debt	Total
Balance January 1, 2020	5,549	43,823	148,601	21,574	219,547
Repayment of line of credit	—	(43,823)	—	—	(43,823)
Debt proceeds	—	—	—	821	821
Repayment of debt	—	—	—	(6,578)	(6,578)
Non-cash items:					
Fair value of warrants adjustment	8,387	—	—	—	8,387
Accretion of interest	—	—	1,277	—	1,277
Foreign exchange adjustment	—	—	(2,853)	(133)	(2,986)
Balance December 31, 2020	13,936	—	147,025	15,684	176,645

	Liabilities				
	Warrant liability	Line of credit	Rialto bonds	Other long-term debt	Total
Balance January 1, 2021	13,936	—	147,025	15,684	176,645
Debt proceeds	—	5,113		44,095	49,208
Repayment of debt	—	—	(2,840)	(7,891)	(10,731)
Non-cash items:					
Liabilities assumed for acquisitions	—	—	—	5,872	5,872
Loan forgiveness	—	—	—	(1,079)	(1,079)
Exercise of warrants	(13,936)	—	—	—	(13,936)
Interest capitalized to fixed assets	—	—	—	—	—
Accretion of interest	—	—	104	1,091	1,195
Foreign exchange adjustment	—	—	(603)	(80)	(683)
Balance December 31, 2021	—	5,113	143,686	57,692	206,491

Financial risk management

The Group has exposure to risks arising from financial instruments, including credit risk, liquidity risk, and market risk, which includes currency risk and interest rate risk.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's senior management oversees the following risks, manages the use of financial instruments, monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group is monitoring the economic environment due to COVID-19 and is taking actions to limit its exposure to customers experiencing particular volatility.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. See the Group's aging analysis of trade receivables in Note 15 and concentration of revenue by line of business and geographic region from contracts with customers in Note 27. See information about the exposure to credit risk and ECLs for trade receivables and contract assets and annual testing for any indication of impairment in Note 2.3 (H).

As of December 31, 2021, 49% (2020 – 46%) of trade receivables were current.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they become due. The Group's exposure to this risk is mainly in respect of its trade payables, other accounts payable and accrued liabilities, long-term debt loans, and lease liabilities.

The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its cash flow requirements to optimize its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

In addition, the Group maintains a line of credit, available to be used for general corporate and working capital purposes.

The following table shows the remaining contractual maturities of the Group's financial liabilities. This table has been prepared based on the projected undiscounted cash flows of financial liabilities at the date on which the Group will make payments. The table includes projected interest

cash flows and capital repayments of financial debt included in the consolidated statements of financial position. Contractual maturity is based on the earliest date when the Group must make the respective payment.

Restated:

At December 31, 2020	2021	2022-2024	2025 - 2027	2028 and subsequently	Total
Long-term debt	9,800	15,764	14,388	122,875	162,827
Interest payable	11,858	33,155	29,918	78,952	153,883
Line of credit	—	—	—	—	—
Accounts payable	31,433	—	—	—	31,433
Accrued liabilities	43,392	—	—	—	43,392
Total	**96,483**	**48,919**	**44,306**	**201,827**	**391,535**

At December 31, 2021	2022	2023-2025	2026-2028	2029 and subsequently	Total
Long-term debt	5,263	19,518	20,180	159,036	203,997
Interest payable	13,663	38,615	37,462	81,889	171,629
Line of credit	5,113	—	—	—	5,113
Accounts payable	30,355	—	—	—	30,355
Accrued liabilities	40,019	—	—	—	40,019
Total	**94,413**	**58,133**	**57,642**	**240,925**	**451,113**

See contractual maturities related to lease liabilities in Note 25.

Market risk

Market risk is the risk that changes in market prices (foreign exchange rates, interest rates, and equity prices) will affect the Group's income or the value of its holdings of financial instruments. The fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are subject to interest rate risk, currency risk, and other price risk, such as equity price risk.

The Group's financial instruments which are affected by market risk include loans and borrowings, deposits, and a bond-related embedded derivative asset. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and borrowings are denominated and the respective functional currencies of Group entities. The functional currencies of Group entities are primarily US dollars, euro, pound sterling, and Singapore dollars.

The Group operates internationally and is exposed to foreign exchange risk, as the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group monitors its exposure to currency risk and reviews whether the use of derivative financial instruments is appropriate to manage potential fluctuations in foreign exchange rates. The Group has not used derivative financial instruments to mitigate this risk to date.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, euro, pound sterling, Singapore dollar, Danish Krone or South Africa rand against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	USD		EUR		GBP		Singapore Dollar		South African Rand		Danish Krone
In thousands of	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Cash and cash equivalents	20,045	31,110	25,249	5,390	404	909	787	315	22	306	8,355
Trade receivables	13,285	10,156	19,839	11,673	2,559	1,755	514	1,614	2	90	—
Other receivables	2,634	—	801	—	—	—	—	146	—	—	313
Accounts payable and accrued liabilities	(24,531)	(29,811)	(34,831)	(15,335)	—	(1,096)	—	(1,258)	—	(442)	(1,733)
Long-term debt	(172,469)	(120,449)	(31,528)	(195)	—	—	—	—	—	—	—
Embedded derivative	24,410	14,563	—	—	—	—	—	—	—	—	—
Net exposure	(136,626)	(94,431)	(20,470)	1,533	2,963	1,568	1,301	817	24	(46)	6,935

A one cent ($0.01) increase/decline in the Canadian dollar against the US dollar as at December 31, 2021, would have increased/decreased net earnings by $72 (2020 – $110).

A one cent ($0.01) increase/decline in the Canadian dollar against the Euro as at December 31, 2021, would have increased/decreased net earnings by $34 (2020 – $26).

A one cent ($0.01) increase/decline in the Canadian dollar against the Great British Pound as at December 31, 2021, would have increased/decreased net earnings by $1 (2020 – $8).

A one cent ($0.01) increase/decline in the Canadian dollar against the Singapore Dollar as at December 31, 2021, would have increased/decreased net earnings by $7 (2020 – $32).

A one cent ($0.01) increase/decline in the Canadian dollar against the South African Rand as at December 31, 2021, would have increased/decreased net earnings by $15 (2020 – $43).

A one cent ($0.01) increase/decline in the Canadian dollar against the Danish Krone as at December 31, 2021, would have increased/decreased net earnings by $10 (2020 – $nil).

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has minimized its exposure to interest rate risk by securing fixed interest rate financing and non-interest-bearing government loans funding under various government programs.

14. Inventories

	2021 $	2020 $
Raw materials	4,273	4,330
Work in progress	—	4,278
Finished goods	1,236	993
Total inventories	**5,509**	**9,601**

Raw materials and changes in finished goods and work in progress recognized as cost of sales during the year amounted to $13,002 (2020 – $13,302). In addition, during the year, the Group recognized an impairment reversal of $202 (as opposed to 2020 – impairment of $930).

15. Trade receivables

	2021 $	2020 $
Trade receivables	37,660	26,101
Loss allowance	(2,872)	(3,870)
Total trade receivables	**34,788**	**22,231**

Payment terms with customers vary by contract. Standard payment terms are 30 days from invoice date. As of December 31, 2021, and 2020, the aging analysis of trade receivables is as follows:

	2021 $	2020 $
Current	18,576	11,994
31 – 60 days	3,440	2,989
61 – 90 days	4,580	662
91 – 120 days	3,097	1,547
120+ days	4,448	3,527
	34,141	20,719
Retainage	3,519	5,382
Total trade receivables	**37,660**	**26,101**

Accounts receivable retainage represents amounts due from customers, but where payments are withheld contractually until certain construction milestones are met. Amounts retained typically range from 2-10% of the total invoice. The Group classifies as a current asset those retainages that are expected to be collected in the next twelve months.

16. Other long-term assets

The following table presents the summary of other long-term assets for the years ended December 31, 2021 and 2020:

	2021 (restated) $	2020 (restated) $
Loan to WTEH	62,629	16,780
Loan to Recall Latina	177	177
Loan to Bioener	1,945	—
Loan to Agriferr	2,614	—
Other receivables and investments	2,550	4,173
Total other long-term assets	**69,915**	**21,130**

Loan to WTEH

As at December 31, 2021, the balance of the note receivable from WTEH was $62,629. The notes are currently unsecured, due on demand, however, formal terms are currently being negotiated and finalized. The Group is currently accruing interest using a 5.5% interest rate that is subject to documentation of formalized terms. The Group does not expect the receivables to be repaid within the twelve months following the balance sheet date and accordingly have presented the amounts receivable as non-current.

Loan to Bioener

As at December 31, 2021, the balance of the note receivable from Bioener was $1,945. The notes are currently unsecured, due on demand, however, formal terms are currently being negotiated and finalized. The Group is currently accruing interest using a 5.5% interest rate that is subject to documentation of formalized terms. The Group does not expect the receivables to be repaid within the twelve months following the balance sheet date and accordingly have presented the amounts receivable as non-current.

Loan to Agriferr

On December 16, 2021, the Group through its subsidiary Anaergia S.r.l. entered into a loan receivable with the partners of bioenergy and renewable natural gas plant, Societa Agricola Agriferr for $2,614. The loan requires 7% interest and matures on November 30, 2025. The loan is guaranteed by 80% security interest in the assets of the plant. As at December 31, 2021, the balance on the loan was $2,614.

17. Issued share capital

	Authorized	Outstanding December 31, 2021 #	Share capital
Class A Common Shares	Unlimited	—	$ —
Special Voting Share	Unlimited	—	—
Class C Preferred Shares	Unlimited	—	—
Multiple Voting Shares	Unlimited	**32,222,369**	78,810
Subordinate Voting Shares	Unlimited	**26,528,500**	261,757
Total		**58,750,869**	$ 340,567

	Authorized	Outstanding December 31, 2020 #	Share capital
Class A Common Shares	Unlimited	**14,883,660**	$ 28,217
Special Voting Share	Unlimited	**213**	213
Class C Preferred Shares	Unlimited	**27,063,818**	101,960
Total		**41,947,691**	$ 130,390

	Multiple voting shares		Subordinate voting shares		Class A common shares		Special voting shares		Class C preferred shares	
	# (000's)	$ (000's)	# (000's)	$ (000's)	# (000's)	$ (000's)	# Exact	$ Exact	# (000's)	$ (000's)
Balance as at January 1, 2020	—	—	—	—	**14,884**	**28,217**	**202**	**202**	**24,597**	**90,581**
Issuance of Special voting shares and Class Cpreferred shares for cash	—	—	—	—	—	—	11	11	2,242	15,000
Issuance of Class C preferred shares for cash	—	—	—	—	—	—	—		224	1,500
Share issuance costs	—	—	—	—	—	—	—	—		(45)
Allocation to warrants										(5,076)
Balance as at December 31, 2020	—	—	—	—	**14,884**	**28,217**	**213**	**213**	**27,063**	**101,960**
Balance as at January 1, 2021	—	—	—	—	**14,884**	**28,217**	**213**	**213**	**27,063**	**101,960**
Exercise of warrants	—	—	—	—	2,118	25,164	—	—	—	—
Issuance of shares	—	—	—	—	6	—	—	—	5	—
Conversion of special voting shares	—	—	—	—	(6)	—	(213)	(213)	—	—
Issuance of shares	—	—	12,500	175,000	—	—	—	—	—	—
Share issuance costs	—	—	—	(14,176)						
Exchange of shares	32,222	78,810	11,848	76,531	(17,002)	(53,381)	—	—	(27,068)	(101,960)
Exercise of over allotment options	—	—	1,741	24,367	—	—	—	—	—	—
Exercise of employee stock options	—	—	440	35	—	—	—	—	—	—
Balance as at December 31, 2021	**32,222**	**78,810**	**26,529**	**261,757**	—	—	—	—	—	—

Rights of the various classes of shares are described below.

Multiple Voting Shares and Multiple Voting Shares

The Subordinate Voting Shares and the Multiple Voting Shares are substantially identical with the exception of the multiple voting, pre-emptive and conversion rights attached to the Multiple Voting Shares. Each Subordinate Voting Share is entitled to one vote and each Multiple Voting Share is entitled to four votes on all matters upon which each such class of shares are entitled to vote. The Multiple Voting Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. The Multiple Voting Shares rank pari passu with respect to the payment of dividends, return of capital and distribution of assets in the event of a liquidation, dissolution or winding up of the Company. The holders of Subordinate Voting Shares benefit from certain provisions that give them certain rights in the event of a take-over bid for the Multiple Voting Shares.

New capital funding

During 2018, the Group executed Class C Preferred Share financing agreements to issue share capital to a new private accredited investor in a private placement.

During 2020, the Group issued 2,466,367 Class C Preferred shares and 10.627 Special Shares for $16,500 and $10.63, respectively. The Class C preferred shareholders were granted warrants entitling them to purchase from the Group, up to 30% of the number of their Class C Preferred Shares and their associated Special Shares at a strike price of $6.69 per share. In connection with the issuance, the Company incurred transaction costs of $45.

The Class C Preferred share warrants issued in 2020 meet the fixed-for-fixed criteria for recognition as an equity instrument under IFRS. The warrants were initially recognized at their fair value of $5,076 and were not remeasured. The warrants were accounted for as a reduction of the contributed surplus and a corresponding increase in share capital on their ultimate exercise. During 2021, certain warrant holders of the class C preferred warrants exercised their 570,000 warrants through a cashless exercise which resulted in the Group recognizing the net gain in contributed surplus of $4,166 based on the difference between the share price at the time of exercise and the warrant exercise price. During 2021, the net effect of the issuance of the warrants and cashless exercise of warrants was $910. As at December 31, 2021, the Group did not have any warrants outstanding.

Initial Public Offering

As disclosed in note 1, during the year ended December 31, 2021, the Company completed an initial public offering. In connection with, and immediately prior to, the closing of the IPO on June 18, 2021, the following transactions occurred:

- The Company's share capital was amended to create a new unlimited number of Multiple Voting Shares and an unlimited number of Subordinate Voting Shares.
- Holders of warrants to acquire Class A common shares and Class C preferred share exercised the warrants, with Class C preferred shares subsequently exchanged for Class A common shares. As a result the Company issued 2,118,583 Class A common shares in connection with the warrant exercise and proceeds of $10,019 were received The liability associated with the liability-classified warrants was extinguished in connection with the transaction, and as a result $25,164 was credited to share capital.

- Each Class A common share (including all Class C preferred shares which were exchanged for Class A common shares) were exchanged for one multiple voting share and the special shares were cancelled for nominal consideration pursuant to a share cancellation agreement.
- The Company recognized share offering costs of $14,176. The Company accounted for the share offering costs as an offset against the cash received from the issuance of additional shares in the IPO.
- The Company issued an overallotment option which allowed the underwriters to acquire an additional 1,740,500 Subordinate Voting shares for proceeds of $24,367, which was exercised in full. The aggregate gross proceeds of the IPO, including the exercise of the over-allotment option, were $199,402.

SoCal Biomethane Preferred Shares

On June 3, 2020, the Group issued a 100% preferred equity interest in its subsidiary, SoCal Biomethane Holdco, LLC in consideration for incremental capital contributions to be used to pay for costs to construct a biomethane upgrading facility. During 2021 and 2020, SoCal Biomethane Holdco, LLC received $13,818 (USD $11,038) and $9,861 (USD $7,692) in capital contributions, respectively.

Employees Stock Options Plan

The Group has an Employees Stock Options Plan ("ESOP") under which certain of its employees (including those of its subsidiary entities) were granted a total of 11,211 and 620,000 Common stock options during the fiscal years of 2021 and 2020, respectively, at a nominal exercise price. Under the terms of ESOP, the shares vest 25% per annum over four years. The Company recorded $468 (2020 – $660) in share-based compensation expense relating to the ESOP. During the year ended December 31, 2021, option holders of the Company's ESOP exercised options for 440,000 subordinate voting shares, for proceeds of $35 including payroll taxes of $30.

Further details of the share-based plan are provided in Note 21.

2021 Omnibus Equity Incentive Plan

On June 16, 2021, the Group adopted the Omnibus Equity Incentive Plan (the "2021 Plan") that allows the Company to grant equity awards including restricted stock units, performance share units, dividend share units and stock options to employees, directors, and consultants of the Company, that if converted would be exercised into subordinate voting shares of the Company. The amount available under the 2021 Plan is limited to 10% of the issued and outstanding shares of the combined subordinate voting shares and multiple voting shares less any amount for outstanding Legacy Options or outstanding under the 2021 plan. The equity awards under the 2021 Plan are subject to three year service based vesting. During the year ended December 31, 2021, the Company had granted 81,993 restricted stock units to an employee and directors of the Company. As at December 31, 2021, the Company had 5,450,504 shares available for awards under the plan. The Company recorded $71 (2020 – $nil) in share-based compensation expense relating to the 2021 Plan.

Further details of the share-based plan are provided in Note 21.

18. Accrued liabilities, provisions and asset retirement obligations (Restated - Note 32)

Accrued liabilities and provisions included the following as at December 31:

	2021 $	2020 $
Warranties	3,317	2,792
Loss contracts	6,646	4,873
Accrued payroll and benefits	3,637	2,391
Accrued project related costs	24,932	32,791
Accrued professional fees	5,355	3,951
Forward contract liability	—	1,115
Other accruals	7,390	5,555
Total accrued liabilities and provisions	**51,277**	**53,468**

	Warranties	Asset retirement obligation	Loss Contracts	Total
Balance at January 1, 2020	4,332	209	4,873	9,414
Provisions used during the year	(2,835)	—	—	(2,835)
Provisions made during the year	1,961	15	—	1,976
Exchange adjustment	(666)	(4)	—	(670)
Accretion	—	—	—	—
Balance at December 31, 2020	**2,792**	**220**	**4,873**	**7,885**
Balance at January 1, 2021	2,792	220	4,873	7,885
Provisions used during the year	(96)	—	—	(96)
Provisions made during the year	1,389	2,176	1,804	5,369
Exchange adjustment	(768)	(1)	—	(769)
Accretion	—	15	(31)	(16)
Balance at December 31, 2021	**3,317**	**2,410**	**6,646**	**12,373**

Warranties

A provision is recognized for expected maintenance warranty claims on products sold during the last two years, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next fiscal year. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about returns based on the two-year warranty period for all products sold. The balance is included within accrued liabilities and provisions.

Asset retirement obligation

The Group has an asset retirement obligation in connection with its ground lease, which requires the Group to remove the facility from the leased property upon termination of the ground lease. The liability was initially measured at fair value and subsequently adjusted for accretion expense and changes in the amount and timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life.

Loss contracts

When the estimate on a contract with a customer indicates a loss or claims against costs incurred reduce the likelihood of recoverability of such costs, the Group records the entire estimated loss in the period the loss becomes known. The balance is included within accrued liabilities and provisions.

19. Government grants (Restated - Note 32)

Deferred government grants:

Government grants have been received for the purchase of certain items of property, plant, and equipment and for incurrence of certain eligible expenditures qualifying for grant or incentive under various government programs. The fiscal year ending balance of government grants received or accrued is carried forward as deferred revenue until it is recognized in future years in the consolidated statements of loss and comprehensive loss on a systematic and rational basis in accordance with the accounting policy described at 2.3 (C) above.

	2021 $	2020 $
As of January 1	35,300	15,377
Accrued or received during the year	10,242	21,953
Released to the consolidated statements of loss and comprehensive loss (grant recovery)	(2,833)	(1,813)
Exchange adjustment	75	(217)
Balance as of December 31	42,784	35,300
Less: current portion of deferred government grants	(1,223)	(1,417)
Long-term portion of deferred government grants	41,561	33,883

20. Revenue from contracts with customers (Restated - Note 32)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	2021 $	2020 $
Accounts receivable – retainage	3,519	5,382
Cost and estimated earnings in excess of billings (contract assets)	44,200	10,602
Billings in excess of cost and estimated earnings (contract liabilities)	(9,568)	(17,677)

Accounts receivable retainage represents amounts due from customers, but where payments are withheld contractually until certain construction milestones are met. Amounts retained typically range from 2-10% of the total invoice. The Group classifies as a current asset those retainages that are expected to be collected in the next twelve months. Contract assets represent amounts earned and billable that were not invoiced at the end of the fiscal period.

Contract assets represent the Group's rights to consideration in exchange for services transferred to a customer that have not been billed as of the reporting date. The Group's rights to consideration are generally unconditional at the time its performance obligations are satisfied.

The following table provides information about contract balances from contracts with customers:

	2021 $	2020 $
As of January 1	(7,075)	(11,312)
Billing in current year	(77,341)	(95,134)
Recognized in the consolidated statements of loss and comprehensive loss (EPC contract revenue)	112,615	99,371
Exchange and other adjustments	6,433	—
Balance as of December 31	34,632	(7,075)
Current portion of contract assets	44,200	10,602
Current portion of contract liabilities	(6,900)	(16,946)
Long-term portion of contract liabilities	(2,668)	(731)
Balance as of December 31	34,632	(7,075)

As of December 31, 2021, the Group classified $2,668 (2020 – $731) as a noncurrent liability on the consolidated statements of financial position, for those performance obligations expected to be completed beyond the next twelve months.

The Group's remaining performance obligations represent the unrecognized revenue value of the Group's contract commitments. As of December 31, 2021, the unsatisfied performance obligations for EPC contracts were $61,053. These may significantly vary each reporting period based on the timing of major new contract commitments and may fluctuate with currency movements. In addition, our customers have the right, under some circumstances, to terminate contracts or defer the timing of the Group's services and their payments to us.

Certain power purchase agreements contain a lease component and revenue has been recognized in accordance with IFRS 16 *Leases*. For the year ended December 31, 2021, the Group recognized $2,248 (2020 – $2,423) of operating lease revenue under these agreements.

21. Share-based payment plans

Share Issuance Plans(equity-settled)

During the years ended December 31, 2021 and 2020, the Company had two share-based payment arrangements, which are described below.

Type of arrangement	Awards granted at 2021	Type of Awards	Contractual life	Vesting conditions
Employee Stock Option Plan ("ESOP")	3,426,395	Stock options	Earlier of 15 years or December 31, 2025	Four years' service
2021 Omnibus Equity Incentive Plan ("2021 Plan")	81,993	Restricted stock units	10 years	Three years' service

Further details and activity of the two share option plans for the years ended December 31, 2021 and 2020:

	ESOP Number of Options	ESOP Weighted Average Exercise Price	2021 Plan Number of Awards	Total Number of Awards
Outstanding at January 1, 2021	3,855,184	$ 0.01	—	3,855,184
Granted	11,211	$ 0.01	81,993	93,204
Forfeited	—	—	—	—
Exercised	(440,000)	$ 0.01	—	(440,000)
Outstanding at December 31, 2021	3,426,395	$ 0.01	81,993	3,508,388
Exercisable at December 31, 2021	3,208,895	$ 0.01	—	3,208,895

	ESOP Number of Options	ESOP Weighted Average Exercise Price	2021 Plan Number of Awards	Total Number of Awards
Outstanding at January 1, 2020	3,285,184	$ 0.01	—	3,285,184
Granted	620,000	$ 0.01	—	620,000
Forfeited	—	—	—	—
Exercised	—	—	—	—
Outstanding at December 31, 2020	3,855,184	$ 0.01	—	3,855,184
Exercisable at December 31, 2020	3,377,034	$ 0.01	—	3,377,034

For the years ended December 31, 2021 and 2020, the weighted average share price at the date of exercise for share options exercised during the period was $19.26 and $nil, respectively. The options outstanding at December 31, 2021 and 2020 had an exercise price of $0.01, and a weighted average remaining contractual life of 4 years and 5 years, respectively.

The fair values of the options granted were determined using the Black-Scholes valuation model under the following weighted average assumptions:

	2021	2020
Option value	$ 2.72	$ 2.72
Expected life	2.5	2.5
Expected dividends	—	—
Expected volatility	80%	80%
Risk-free interest rate	0.20%	0.20%
Estimated share value at grant date	$ 2.73	$ 2.73

* Expected volatility is estimated by considering historical average share price volatility.

The fair value of the Restricted stock units ("RSU"s) is based on the grant date fair value of the Group's common stock when granted. For the year ended December 31, 2021, the weighted average grant date fair value of the RSUs was $20.12.

Expense recognized in profit and loss

Share-based payment expenses by plan for the year ended December 31, 2021 and 2020 were as follows:

	ESOP $	2021 Plan $	Total $
Expense arising from RSUs	$ —	$ 71	$ 71
Expense arising from Stock Options	$ 468	$ —	$ 468
Total expense for year 2021	$ 468	$ 71	$ 539

	ESOP $	2021 Plan $	Total $
Expense arising from RSUs	$ —	$ —	$ —
Expense arising from Stock Options	$ 660	$ —	$ 660
Total expense for year 2020	$ 660	$ —	$ 660

22. Related parties

Due to shareholder

The entirety of the multiple voting shares of the Company are owned by the Benedek Anaergia Family Trust and The Benedek Trust through Neo International Investments Ltd ("NIIL") to the extent of 100% which constitutes 54.8% of the economic shares and 82.9% of the voting interest of the Company. Benedek Anaergia Family Trust is a trust established and registered in Canada and all its Trustees are Canadian residents. The Benedek Trust is a trust established pursuant to the laws of the Cayman Islands. Dr. Benedek is also the Executive Chairman and Chief Executive Officer of the Company. As of March 17, 2022, NIIL transferred its ownership of the multiple voting shares to Dr. Benedek.

The amount due to NIIL was $4,075 as at December 31, 2021 (2020 – $3,626), and arose in connection with the share restructuring and as a result of accrued and unpaid guarantee fees. NIIL has waived its right to demand repayment prior to January 1, 2023, and accordingly the amount payable has been classified as non-current. As of March 17, 2022, NIIL transferred its ownership of the shareholder loan to Dr. Benedek.

This amount was settled in April 2022 after the Company completed the closing of its bought deal offering. See Note 33.

Key management personnel compensation

The remuneration of key management personnel is as follows:

	2021	2020
Salaries and benefits	4,098	4,062
	4,098	**4,062**

Key management personnel include those individuals having authority and responsibility for planning, directing and controlling the business activities of Anaergia, directly or indirectly. Key management personnel include the Executive Chairman, Chief Executive Officer and Chief Financial Officer; certain Directors, Chief Engineer; Managing Directors; and President, Anaergia Services LLC.

Related party guarantees

The Company guarantees 65% of a loan that an associate, Fibracast, has received from the Ontario Government Ministry of Economic Development, Employment, and Infrastructure. The balance outstanding at December 31, 2021, was $1,085 (2020 - $1,313) and the maximum amount of the guarantee could be $705.

23. Commitments and contingencies

As at December 31, 2021, the Group had commitments of $5,867 relating to capital expenditures for Rialto and SoCal BioMethane projects. As at December 31, 2021, the Group had contingent liabilities of $4,956 and $14,416 relating to bonds and guarantees issued by financial institutions to Anaergia Italy SRL and Anaergia Canadian entities, respectively. As at December 31, 2021, the Company through its subsidiaries had $9.0 million of commitment guarantees related to insurance and construction bonds on the Company's various projects.

As at December 31, 2020, the Group had commitments of $31,819 relating to capital expenditures for Rialto and SoCal BioMethane projects and contingent liabilities of $4,394 relating to bonds and guarantees issued by financial institutions to Anaergia Italy SRL.

Legal claims

The Company through its subsidiaries, is engaged in litigation with other parties in different legal jurisdictions in a few lawsuits filed by or against such subsidiaries. The legal proceedings in such lawsuits are in different stages of progress in the courts of law and the eventual outcome of these lawsuits, at this point in time, is uncertain. The aggregate amount involved in these disputes is not material and full provision for expenses has been made wherever considered necessary after obtaining legal evaluation and advice, while potential revenue, income, or

receipt has not been accrued. The Group has accrued for contingent liabilities relating to legal claims of $750 for the Group's European operations in Italy.

24. Capital management

The Group's objective is to maintain a strong capital base to maintain investor, creditor, and market confidence, and to sustain future business development.

The Group's capital structure consists of long-term debt, and equity, comprising of share capital, preferred capital in a subsidiary, contributed surplus, and accumulated deficit in the definition of capital. The Group is 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 the years ended December 31, 2021 and 2020. The Group expects that funds generated from operations and cash amounts will provide sufficient capital resources and liquidity to fund existing operations in 2021.

The following table shows the Group's capital quantitatively at the following reporting dates:

	2021	2020
Long-term debt	201,378	162,709
Share capital	340,567	130,178
Preferred capital in a subsidiary	23,679	9,861
Contributed surplus	5,365	5,736
Deficit	(176,062)	(124,464)
Total capital	**394,927**	**184,020**

25. Leases

Right of use assets

	Property	Vehicles	Equipment	Total
Cost				
Balance at January 1, 2020	4,544	207	18	4,769
Additions	2,374	263	150	2,787
Disposals and impairment	—	(12)	—	(12)
Exchange adjustment	(32)	26	1	(5)
Balance at December 31, 2020	**6,886**	**484**	**169**	**7,539**
Accumulated depreciation				
Balance at January 1, 2020	669	55	4	728
Additions	985	155	66	1,206
Disposals and impairment	—	(12)	—	(12)
Exchange adjustment	(19)	8	—	(11)
Balance at December 31, 2020	**1,635**	**206**	**70**	**1,911**
Carrying amounts				
At December 31, 2020	5,251	278	99	5,628

	Property	Vehicles	Equipment	Total
Cost				
Balance at January 1, 2021	6,886	484	169	7,539
Additions	9,781	106	—	9,887
Assets on acquisition	—	104	—	104
Disposals and impairment	—	—	—	—
Exchange adjustment	65	(84)	1	(18)
Balance at December 31, 2021	**16,732**	**610**	**170**	**17,512**
Accumulated depreciation				
Balance at January 1, 2021	1,635	206	70	1,911
Additions	1,189	170	62	1,421
Assets on acquisition	—	64	—	64
Exchange adjustment	(17)	(61)	—	(78)
Balance at December 31, 2021	**2,807**	**379**	**132**	**3,318**
Carrying amounts				
At December 31, 2021	13,925	231	38	14,194

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	2021 $	2020 $
Less than one year	1,916	1,090
One to five years	7,057	2,482
More than five years	16,580	6,906
Total undiscounted lease liabilities	25,553	10,478
Less effect of discounting	(10,546)	(4,553)
Lease liabilities included in the statement of financial position	15,007	5,925
Current	1,032	913
Non-current	13,975	5,012

Amounts recognized in statements loss and comprehensive loss	2021	2020
Interest on lease liabilities	546	316

Total cash outflows with respect to leasing arrangements during the year was $1,459 consisting of principal and interest of $923 and $546, respectively.

26. Other losses

Other losses include the following accounts and balances:

	2021	2020
Goodwill impairment	—	(1,678)
Expected credit loss - loans to WTEH	(1,349)	
Disposition of ERP costs	(1,500)	—
Other income (loss)	(387)	699
Total other losses	**(3,236)**	**(979)**

27. Segment reporting (Restated - Note 32)

The Group determines its reportable segments based on the nature of operations and includes four operating segments: Capital Sales, Services, Build, Own, and Operate Projects, and Fibracast. Financial information for Fibracast is presented within note 7.

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

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

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

The financial results of the business segments are included below. Performance is measured based on results from gross margin as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who acts as the Chief Operating Decision Maker. These results are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within these industries. Information on segment-level expenditures, net income, or liabilities is not provided to or used by the Chief Operating Decision Maker in evaluating performance or determining resource allocation. Accordingly, such amounts have not been included in the tables below.

Segment revenues and profits

The following is an analysis of the Group's revenue and results by reportable segment in 2021:

2021	Capital Sales $	Services $	Build, Own, and Operate $	Total $
Revenue	112,615	12,185	2,248	127,048
Gross profit	18,315	3,416	1,665	23,396

The following is an analysis of the Group's revenue and results by reportable segment in 2020:

2020	Capital Sales $	Services $	Build, Own, and Operate $	Total $
Revenue	99,371	8,738	2,423	110,532
Gross profit	16,743	3,097	1,888	21,728

The following is an analysis of the Group's total assets by reportable segment:

	Capital Sales $	Services $	Build, Own, and Operate $	Other Corporate $	Fibracast $	Total $
2021	207,285	15,388	402,979	38,885	27,391	691,928
2020	89,291	9,031	314,743	12,272	19,801	445,138

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets, and other financial assets) by geographical location are detailed below:

	Revenue		Non-current Assets	
Geographic Region	**2021**	**2020**	**2021**	**2020**
U.S.	21,969	34,652	324,548	246,382
Canada	4,922	4,859	30,766	24,289
UK	14,388	6,810	69	10
Italy	57,135	14,629	70,976	27,139
Netherlands	13,023	23,644	1,490	162
Germany	7,581	11,892	4,058	5,284
South Africa	9	3	4	4
Singapore	8,021	14,043	768	453
Denmark	—	—	11,787	—
Total	127,048	110,532	444,466	303,723

28. Earnings per share (Restated - Note 32)

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

Basic earnings per share

The calculation of basic EPS is based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Diluted earnings per share

The calculation of diluted EPS is based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

At year-end, any instruments that have an anti-dilutive effect from the diluted weighted-average number of ordinary shares calculation are excluded from diluted EPS. The average market value of the Group's shares for the purpose of calculating the dilutive effect of share options is based on quoted market prices for the year during which the options are outstanding.

In thousands of Canadian dollars except share amounts	**2021**	**2020**
Net loss attributable to shareholders	(17,391)	(27,313)
Effect of profit sharing arrangement adjustment	(2,693)	(38,526)
Income available for ordinary shareholders - basic and dilutive	(20,084)	(65,839)
Class A Common Shares	—	14,883,660
Multiple Voting Shares/Subordinate Voting Shares	37,648,305	—
Total ordinary shares	**37,648,305**	**14,883,660**

	2021	2020
Basic loss per share	$ (0.53)	$ (4.42)
Diluted loss per share	$ (0.53)	$ (4.42)

Instruments excluded because they are considered anti-dilutive:

	2021	2020
Dilutive Preferred Class C shares outstanding	—	27,063,818
Preferred shares Class C warrants outstanding	—	2,771,353
Class A Common Shares Stock Options outstanding	—	3,377,034
Restricted stock units	81,993	—
Subordinate Voting shares Stock Options outstanding	3,208,895	—
	37,648,305	**14,883,660**

29. Non-controlling interests (Restated - Note 32)

Rialto Bioenergy Facility, LLC

On April 2, 2020, the Group sold 49% of membership voting interests in its subsidiary, Rialto, for an aggregate purchase price of $105,681. Of that total, $87,312 was received in unrestricted cash, and the remaining $18,369 was restricted for construction of Rialto. The Group paid transaction costs of $1,508. Upon completion of the sale, the Group recognized a $75,567 gain directly in equity. Subsequent to the sale, the Group has continued to control and operate the assets. Non-controlling interest on the consolidated statements of financial position is calculated based upon the waterfall outlined in Appendix B of the LLC agreement.

The Group is a party to a profit sharing arrangement in which following the acquisition of the interest in Rialto, the first USD $80 million of profit in Rialto are distributable other than to the Group. The effects of this profit sharing arrangement are reflected as adjustments between non-controlling interest and deficit in the consolidated statements of changes in equity. During the year, the Group recognized an increase in its deficit in the amount of $20,042 (2020 - $41,446) with a corresponding increase in the non-controlling interest in connection with the profit sharing arrangement.

For income and loss, the Group has elected to reflect 49% as the non-controlling interest considering the economic interests over the life of the project are split 51% and 49% to the Group and to the holder of such non-controlling interest respectively. During the year ended December 31, 2021, the Group recognized an increase in its deficit in the amount of $20,042 with a corresponding increase in the non-controlling interest in connection with the profit-sharing arrangement. Included in the non-controlling interest for the year ended December 31, 2021 was $17,773 (USD 13,903) that was for capital that the Company injected into Rialto.

The following table summarizes the financial information relating to Rialto for the year ended December 31, 2021.

At December 31, 2021 In thousands of Canadian dollars	**Rialto Bioenergy Facility LLC**
NCI percentage	49%
Current assets	43,725
Non-current assets	287,732
Current liabilities	13,474
Non-current liabilities	218,554
Net assets	99,429
Net assets attributable to NCI	99,429
Revenue	—
Profit	5,367
Total comprehensive income	5,367
Profit allocated to NCI	2,630
Cash flows used in operating activities	(3,775)
Cash flows used in investment activities	(41,309)
Cash flows from financing activities	52,261
Net increase in cash and cash equivalents	7,177

SoCal Biomethane Holdco, LLC

As discussed above, Anaergia Services, LLC issued a preferred equity interest in SoCal Biomethane Holdco, LLC to a qualified investor during 2020. The Group is party to a profit sharing arrangement, wherein profit is first distributed to the preferred interest holder until such time as the preferred shareholder received a 10% annual rate of return compounded annual and then in proportion to each member's net invested capital account until the balance of each members' respective account has been reduced to zero. The effects of this profit sharing arrangement are reflected as adjustments between non-controlling interest and deficit in the consolidated statements of changes in equity. As a result of the issuance of a preferred equity interest, the Group recognized an increase in its deficit in the amount of $14,165 (2020 - $9,645) for the year ended December 31, 2021 with a corresponding increase in the non-controlling interest in connection with the profit sharing arrangement. As at December 31, 2021, $23,450 (December 31, 2020 - $9,861) in capital has been received by Group.

SoCal Biomethane is presently in a pre-operating phase, and therefore the current ownership is subject to change based on the capital requirements of the entity.

The following table summarizes the financial information relating to SoCal BioMethane for the year ended December 31, 2021.

At December 31, 2021 In thousands of Canadian dollars	**SoCal BioMethane LLC**
Current assets	2,302
Non-current assets	36,853
Current liabilities	7,580
Non-current liabilities	4,747
Net assets	26,828
Net assets attributable to NCI	26,828
Revenue	—
Loss	(400)
Total comprehensive income	(400)
Loss allocated to NCI	—
Cash flows from operating activities	2,799
Cash flows used in investment activities	(19,436)
Cash flows from financing activities	17,000
Net increase in cash and cash equivalents	363

30. Personnel expenses

Personnel expenses consists of the following for the years ended December 31, 2021 and 2020:

	2021	**2020**
Salaries and wages	33,373	18,479
Benefits	3,156	3,719
Total	36,529	22,198

31. Net change in operating assets and liabilities (Restated - Note 32)

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

Net change in operating assets and liabilities	**2021** **$**	**2020** **$**
Decrease/(increase) in accounts receivable	(12,557)	(1,030)
Decrease/(increase) in contract assets	(33,598)	(10,041)
Decrease/(increase) in government grants receivable	2,262	(3,560)
Decrease/(increase) in prepaid expenses	(4,609)	1,697
Decrease/(increase) in inventory	4,092	1,824
Decrease/(increase) in other current assets	893	(5,351)
Increase/(decrease) in accounts payable	(1,078)	4,109
Increase/(decrease) in accrued liabilities and provisions	(6,219)	17,927
Increase/(decrease) in contract liabilities	(8,109)	5,804
Increase/(decrease) in due to related parties	—	584
Increase/(decrease) in accrued interest	2,218	249
Increase/(decrease) in property, plant and equipment included in accounts payable	7,912	(1,489)
Others	979	410
	(47,814)	**11,133**

32. Restatement of Financial Statements

During the quarter ended June 30, 2022, management determined its interpretation of accounting standards relating to the recognition of capital sales and related Build Own Operate ("BOO") project costs in its previously issued 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 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.

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 corrected the manner in which it recorded its equity-method investment in Bioener, an Italian BOO project, to conform with International Financial Reporting Standards. See Note 7 for further details.

The Company has adjusted the impacted line items for the effect of the restatement as set out in the tables below:

Consolidated Statement of Financial Position	As at December 31, 2021 - as previously reported	Effect of Restatement	As at December 31, 2021 - Restated
Property, plant and equipment, net	$ 343,072	$ (17,020)	$ 326,052
Deferred tax assets	1,912	4,762	6,674
Equity-accounted investees	27,391	1,757	29,148
Other long-term assets	71,400	(1,485)	69,915
Total non-current assets	477,552	(11,986)	465,566
Total assets	**703,914**	**(11,986)**	**691,928**
Accrued liabilities and provisions	48,967	2,310	51,277
Current portion of contract liabilities	9,210	(2,310)	6,900
Long-term portion of deferred government grants	38,873	2,688	41,561
Deficit	(161,141)	(14,921)	(176,062)
Accumulated other comprehensive income	9,553	247	9,800
Total equity	336,612	(14,674)	321,938
Total liabilities and equity	**703,914**	**(11,986)**	**691,928**

Consolidated Statement of Loss and Comprehensive Loss	Year ended December 31, 2021 - as previously reported	Effect of Restatement	Year ended December 31, 2021 - Restated
Revenue	$ 153,581	$ (26,533)	$ 127,048
Cost of sales	121,954	(18,302)	103,652
Gross profit	31,627	(8,231)	23,396
Selling and general administrative expenses	43,268	(2,692)	40,576
Grant Income	(5,299)	2,466	(2,833)
Operating expenses	39,773	(226)	39,547
Loss from operations	(8,146)	(8,005)	(16,151)
Share of loss in equity-accounted investees	(4,819)	(843)	(5,662)
Gain on extinguishment of liability	—	1,115	1,115
Loss before income taxes	(6,316)	(7,733)	(14,049)
Income tax expense	(3,066)	1,550	(1,516)
Net loss	(9,382)	(6,183)	(15,565)
Exchange difference on translation of foreign operations	(3,613)	(61)	(3,674)
Total comprehensive loss	(12,995)	(6,244)	(19,239)
Net loss attributable to shareholders	(11,208)	(6,183)	(17,391)
Total comprehensive loss attributable to shareholders	(14,821)	(6,244)	(21,065)
Basic loss per share	$ (0.37)	$ (0.16)	$ (0.53)
Diluted loss per share	$ (0.37)	$ (0.16)	$ (0.53)

Consolidated Statement of Changes in Equity	Year ended December 31, 2021 - as previously reported	Effect of Restatement	Year ended December 31, 2021 - Restated
Total equity as at January 1, 2021	$ 125,771	$ (8,430)	$ 117,341
Net loss	(9,382)	(6,183)	(15,565)
Other comprehensive income (loss)	(3,613)	(61)	(3,674)
Total comprehensive income (loss)	(12,995)	(6,244)	(19,239)
Total equity as at December 31, 2021	336,612	(14,674)	321,938

Consolidated Statement of Cash Flows	Year ended December 31, 2021 - as previously reported	Effect of Restatement	Year ended December 31, 2021 - Restated
Operating Activities			
Net loss	$ (9,382)	$ (6,183)	$ (15,565)
Income tax expense	3,066	(1,550)	1,516
Government grant income	—	(2,833)	(2,833)
Gain on extinguishment	—	(1,115)	(1,115)
Share of loss equity-accounted investees	4,819	843	5,662
Net change in grant funding	4,338	(4,338)	—
Net change in operating assets and liabilities	(40,963)	(6,851)	(47,814)
Other items	45	(84)	(39)
Cash provided by (used in) operating activities	(38,945)	(22,111)	(61,056)
Investing Activities			
Purchase of property, plant and equipment	(77,646)	12,474	(65,172)
Cash used in investing activities	(149,618)	12,474	(137,144)
Financing Activities			
Proceeds from grant funding	—	9,637	9,637
Cash provided by financing activities	229,913	9,637	239,550

Consolidated Statement of Financial Position	As at December 31, 2020 - as previously reported	Effect of Restatement	As at December 31, 2020 - Restated
Contract assets	$ 17,453	$ (6,851)	$ 10,602
Total current assets	130,164	(6,851)	123,313
Property, plant and equipment, net	248,120	(4,546)	243,574
Deferred tax assets	0	3,189	3,189
Equity-accounted investees	25,644	1,792	27,436
Other long-term assets	21,807	(677)	21,130
Total non-current assets	322,067	(242)	321,825
Total assets	**452,231**	**(7,093)**	**445,138**
Accrued liabilities and provisions	37,619	15,849	53,468
Current portion of contract liabilities	31,680	(14,734)	16,946
Long-term portion of deferred government grants	33,661	222	33,883
Deficit	(115,726)	(8,738)	(124,464)
Accumulated other comprehensive income	13,218	308	13,526
Total equity	125,771	(8,430)	117,341
Total liabilities and equity	**452,231**	**(7,093)**	**445,138**

Consolidated Statement of Loss and Comprehensive Loss	Year ended December 31, 2020 - as previously reported	Effect of Restatement	Year ended December 31, 2020 - Restated
Revenue	$ 128,042	$ (17,510)	$ 110,532
Cost of sales	99,489	(10,685)	88,804
Gross profit	28,553	(6,825)	21,728
Grant Income	(2,035)	222	(1,813)
Selling and general administrative expenses	31,262	(718)	30,544
Operating expenses	32,973	(496)	32,477
Loss from operations	(4,420)	(6,329)	(10,749)
Loss before income taxes	(11,952)	(6,329)	(18,281)
Income tax expense	(4,869)	1,709	(3,160)
Net loss	(16,821)	(4,620)	(21,441)
Exchange difference on translation of foreign operations	2,769	268	3,037
Total comprehensive loss	(14,052)	(4,352)	(18,404)
Net loss attributable to shareholders	(22,693)	(4,620)	(27,313)
Basic loss per share	$ (4.11)	$ (0.31)	$ (4.42)
Diluted loss per share	$ (4.11)	$ (0.31)	$ (4.42)

Consolidated Statement of Changes in Equity	Year ended December 31, 2020 - as previously reported	Effect of Restatement	Year ended December 31, 2020 - Restated
Total equity as at January 1, 2020	$ 7,166	$ (4,078)	$ 3,088
Net loss	(16,821)	(4,620)	(21,441)
Other comprehensive income (loss)	2,769	268	3,037
Total comprehensive income (loss)	(14,052)	(4,352)	(18,404)
Total equity as at December 31, 2020	125,771	(8,430)	117,341

Consolidated Statement of Cash Flows	Year ended December 31, 2020 - as previously reported	Effect of Restatement	Year ended December 31, 2020 - Restated
Operating Activities			
Net loss	$ (16,821)	$ (4,620)	$ (21,441)
Income tax expense	4,869	(1,709)	3,160
Government grant income	—	(1,813)	(1,813)
Net change in operating assets and liabilities	8,066	3,067	11,133
Net change in grant funding	19,968	(19,968)	—
Other items	11	372	383
Cash provided by (used in) operating activities	26,628	(24,671)	1,957
Investing Activities			
Purchase of property, plant and equipment	(113,578)	2,668	(110,910)
Cash used in investing activities	(154,476)	2,668	(151,808)
Financing Activities			
Proceeds from grant funding	—	22,003	22,003
Cash provided by financing activities	153,874	22,003	175,877

Consolidated Statement of Financial Position	As at December 31, 2019 - as previously reported	Effect of Restatement	As at January 1, 2020- restated
Contract assets	$ 4,345	$ (3,784)	$ 561
Total current assets	139,078	(3,784)	135,294
Property, plant and equipment, net	132,489	(1,878)	130,611
Deferred tax assets	586	1,584	2,170
Total non-current assets	184,088	(294)	183,794
Total assets	**323,166**	**(4,078)**	**319,088**
Deficit	(117,509)	(4,118)	(121,627)
Accumulated other comprehensive income	7,529	40	7,569
Total equity	7,166	(4,078)	3,088
Total liabilities and equity	**323,166**	**(4,078)**	**319,088**

33. Subsequent Events

Subsequent to year-end, the Company agreed to a commission of $4.125 million relating to sales proceeds from our sale of non-controlling interest in Rialto. As this payment arose from negotiations which transpired subsequent to December 31, 2021, no amounts have been recognized in respect of the commission.

On April 19, 2022, the Company completed the closing of a bought deal offering of 4,800,000 subordinate voting shares priced at $12.50 per share for gross proceeds of approximately $60 million. In connection with the offering, Dr. Andrew Benedek, our founder, Chair and Chief Executive Officer, has exercised his pre-emptive right in connection with this offering and purchased 400,000 of the offered shares at the offering price of $12.50 per share.

On May 4, 2022, the Company's equity-method investee WTEH's subsidiary Easy Energia Ambiente S.r.L. ("EEA") entered into a financing agreement with a third-party bank for approximately € 19.8 million which will bear interest at 2.75% plus the six month euribor rate. The agreement allows EEA to draw down on the loan and matures on December 31, 2031.

On August 3, 2022, the Corporation's subsidiary, Anaergia Services LLC ("AS") entered into a Contribution and Investment Agreement ("CIA") with IIF Anaergia Holdco, LLC, a Delaware limited liability company ("Investor") and wholly-owned subsidiary of North Sky Infrastructure Investment Fund, LLC, a Delaware limited liability company ("NSIIF"), and with Anaergia Bioenergy Facilities, LLC ("ABF"), a wholly-owned subsidiary of Anaergia Future Fuel, LLC ("AFF"), which in turn is a wholly-owned subsidiary of AS. The CIA provides for the transfer and contribution of the interests of AS in SoCal Biomethane Holdco, LLC ("SCH") and Charlotte Bioenergy Facility Holdco, LLC ("CBFH") into ABF, and also anticipates the future contribution of the interests in AS in Rhode Island Bioenergy Facility Holdco, LLC ("RIBFH") into ABF. Simultaneously with the CIA, AFF entered into a Limited Liability Company Agreement with Investor providing for contributions to ABF in the form of common and preferred equity, whereby Investor initially contributed $10,500,000 corresponding to the preferred equity interests associated with CBFH, and contemplates contributions of up to $21,000,000 corresponding to preferred equity interests in RIBFH, after the latter is contributed to AFF and a loan agreement is entered into by the direct subsidiary of RIBFH, Rhode Island Bioenergy Facility, LLC ("RIBF") and Live Oak Banking Company ("LOB"), to make a credit facility available to RIBF up to $25,000,000. The entry into and closing of the LOB credit facility is anticipated to occur upon the satisfaction of certain conditions that include the entry into a RNG offtake agreement by RIBF, and the performance of RIBF under the LOB credit facility is to be guaranteed by the Corporation. ABF is intended to qualify as a Qualified Opportunity Zone ("QOZ") Business and for the units in ABF of any Member that intends to be a Qualified Opportunity Fund ("QOF") to qualify as a QOZ Partnership Interest. The foregoing structure is intended to provide a financing framework for the Corporation's projects in Victorville (California), Charlotte (North Carolina), and Johnston (Rhode Island).