



Interview Shortlisted Company – European Small and Mid-Cap Awards 2023

Name of the company
WAGA ENERGY
What are the key qualities your company has?
Waga Energy has developed a breakthrough technology, called WAGABOX [®] , that makes it possible to upgrade landfill gas into grid-compliant biomethane, a renewable substitute for fossil-based natural gas. This innovation has a double impact to fight climate change: It helps landfill owners to reduce methane emission (a major source of global warming), and it produces a cost-competitive renewable substitute for transportation, industry and heating which still mainly dependent on fossil fuels. Waga Energy deploys this solution under a developer-investor-operator model: The Group purchases landfill gas, funds the construction and operation of the WAGABOX [®] units, and generate revenues by selling biomethane.
What prompted your company to go public?
By 2020, the company had 10 WAGABOX [®] units up-and-running in France: The technology and the business model were proven. The company had just signed its first international contracts in Spain and Canada, which paved the way for the international development. It was time to massively strengthen the human and financial resources to achieve the goal of having 100 hundred WAGABOX [®] units by 2026, in order to have a significant impact in reducing greenhouse gas emission. The company had to find 120 m€. The stock market appeared to be the best solution to obtain that amount of money without losing the governance.
What were the main challenges along the road to becoming public?
First of all you need to get the support from the board and shareholders. Then you have to select the good partners to support you during the process: banks, lawyers, communications agencies, etc. About 60 people, from fifteen different organizations, had been highly involved over a 6-month period for Waga Energy's IPO. At the same time, you need to produce consolidated IFRS accounts, and to draft the Universal Registration Document, a 300-page document presenting the company in great detail with total transparency (business, markets, prospects, competition, risks, etc.). It is a well-structured process but it is extremely intense and time consuming.
What have been the key benefits (for your company) of going public?
The IPO provided the necessary financial resources to organize the company for international development: Over 120 people were recruited, including 50 people in North America, and subsidiaries were created in Italy and the UK. Thanks to the IPO, Waga Energy has been able to develop new projects in Europe and North America without economic limitations. Today, the company operates 17 WAGABOX [®] units in France, Spain and Canada, and 16 more are under construction including 5 in the US. The company injected 216 GWh of biomethane in 2022, saving 35,700 tons of eqCO ₂ by substituting fossil-based natural gas.
After going public, what reactions have you had from investors, customers, employees, etc.?
VC shareholders were happy with the IPO as it offered the best possible return for their investment. New shareholders are equally satisfied, as the stock is now 25% above the offering price.



For partners and customers, being a public company appears to be a strong confidence-building factor: its guarantees financial stability and total transparency. It really helped us in signing recently a major contract in the US with an American company listed on Nasdaq. For employees, it generates additional work, as the company has to comply with stringent new regulatory requirements. But they also benefit from stock-option programs, comfortable working conditions, and they are proud to be involved in a fast-growing company dedicated to fight climate change.

What experience/advice would you want to share with companies that are thinking of going public?

An IPO is a highly challenging strategic decision. It must be part of a coherent development project. An IPO is not a goal in itself, it is a way to achieve a strategic objective. The process is extremely intense and time consuming. It will take up most of the management's time and energy for several months. The company therefore needs to be well structured so that it can continue to operate normally throughout this phase. A good practice could be to assign the management of the project to a dedicated and experienced employee with financial skills.

Where do you see yourselves in 5 years?

In 5 five years, Waga Energy will be a global leader in biomethane production, with strong footprints in Europe and North America, and an organization spread all over the world. We will be ready to deploy our solution in new areas, including Eastern Europe, Latina America, Australia and maybe Asia and Africa. Indeed, we are targeting an almost unlimited market: Our objective is to have engaged 100 WAGABOX® units by 2026, in order to be able to save 700,000 tonnes of eqCO₂ per year. Once we have reached this target, we will have equipped only 0.5% of the 20,000 world's landfills.

Have you had any assistance from the European Union, e.g. funding projects, etc.

Waga Energy has been awarded a grant of 2.5 million euros through the Innovation Fund – Small Scale program to finance its first WAGABOX® unit in Els Hostalets de Pierola, near Barcelona, Spain. This project entered into operation last June 20, 2023. It injects 70 GWh of Renewable Natural Gas per year into the gas grid operator, Nedgia (Naturgy group). This is equivalent to the gas consumption of 14,000 Spanish households. Thus, we act to avoid the emission of 17,000 tons of CO₂ eq each year, contributing to the reduction of emissions and fighting global warming.

If you had 3 wishes: What should the EU be doing to encourage more SMEs to go public? What should the EU be doing to provide ongoing support for listed companies?

- Provide training about financial markets and obligations of listed companies to SMEs.
- Adapt EU regulation to the size of listed companies: Small&Mid-Cap have basically the same obligation that Large Cap without having equal human and financial resources (they have to pay for two auditors for example).
- Adopt measures to incentive investors to invest in Small&Mid-Cap.
- Provide trainings and support to Small&Mid-Cap in applying complex regulations such as CSRD.