

Paris, 18 June 2021

## Paprec Recent Developments

Paprec Holding (together with its subsidiaries, “we” or the “Group”) announces the following recent developments.

### **Current Trading**

We estimate that our volumes of waste for the month ended April 30, 2021 (excluding volumes attributable to Dalkia Wastenergy and CNIM Environnement & Energie O&M (“CNIM O&M”)) increased by 12% to 3,963 thousand tons as compared to 3,535 thousand tons for the same period in 2020. This performance primarily reflected the positive impact of the general economic situation, as well as our ability to develop long-term relationships with new customers. We continued to show strong commercial success, winning a number of new customers in April 2021.

### **Pending Acquisitions**

On May 21, 2021, Paprec Holding entered into a sale and purchase agreement with Dalkia, as the seller, pursuant to which, on the Dalkia completion date, we have agreed to purchase from the seller 100% of the issued share capital of Dalkia Wastenergy (the “Dalkia Wastenergy Acquisition”). The closing of the Dalkia Wastenergy Acquisition is subject to a condition precedent consisting of us having obtained (i) antitrust clearances from the French Competition Authority (*Autorité de la Concurrence*) and (ii) clearance from the French Ministry of Economy (*Ministère de l’Economie*) authorizing the transfer of Dalkia Wastenergy to the private sector. The closing of the Dalkia Wastenergy Acquisition is expected in July 2021. Dalkia Wastenergy specializes in waste-to-energy recovery, the combustion of household waste to produce energy (electricity and steam) for urban heating, industrial and agricultural uses. The entities that comprise the Dalkia Wastenergy Acquisition perimeter have approximately 800 employees and manage 27 processing sites, 16 of which are dedicated to energy recovery and 11 to organic recovery and household waste sorting (17 in France, four in the United Kingdom and one in Poland which is still under construction). For the year ended December 31, 2020, Dalkia Wastenergy generated €194.6 million in revenue and €13.8 million in EBITDA (including, in each case, certain adjustments) on a *pro forma* basis excluding certain subsidiaries that are not being purchased as part of the Dalkia Wastenergy Acquisition.

On February 25, 2021, Paprec Group entered into a sale and purchase agreement with CNIM Group and Equitis Gestion S.A.S., as sellers, pursuant to which, on the CNIM O&M completion date, we have agreed to purchase from the sellers 100% of the issued share capital of CNIM O&M, CNIM AZ, CNIM FZC and CNIM TG (the “CNIM O&M Acquisition” and, together with the Dalkia Wastenergy Acquisition, the “Acquisitions”). The closing of the CNIM O&M Acquisition is subject to conditions precedent consisting of us having obtained (i) antitrust clearances from the Azerbaijan antitrust authority, (ii) the procurement of certain governmental approvals, including in relation to applicable foreign investment control laws and (iii) the satisfaction of customary closing deliverables. The closing of the CNIM O&M Acquisition is expected at the end of June 2021. CNIM O&M specializes in energy recovery and treatment of flue gases, including organic waste recovery and renewable energy. Based in the Var region of France, CNIM O&M has approximately 400 employees, operates eight energy recovery units (three in France, four in the United Kingdom (one site still under construction) and one in Azerbaijan) as well as two ventures in the United Arab Emirates and La Réunion. For the year ended December 31, 2020, CNIM O&M generated €71.2 million in revenue and €6.7 million in EBITDA (including certain EBITDA-related adjustments).

### **Certain Pro Forma Financial Metrics**

After giving effect to the Acquisitions, based on the full year 2020 EBITDA and revenue of Dalkia Wastenergy and CNIM O&M, we would have generated revenue of €1,682.5 million and Adjusted *Pro Forma* EBITDA of €329.8 million (in the case of Adjusted *Pro Forma* EBITDA, after giving annualized effect to certain other acquisition-related adjustments), in each case for the twelve months ended March 31, 2021. After giving effect to the Acquisitions and such other acquisition-related adjustments, as well as the refinancing transactions separately announced as of the date hereof, including the partial repayment of €30.0 million of the outstanding principal amount of the PGE Facility (*Prêt Garanti par l’Etat*) that we intend to make by no later than August 23, 2021, we would have had a total net leverage ratio of 4.3x, and a senior secured net leverage ratio of approximately 3.8x, for the twelve months ended March 31, 2021.

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### **About Paprec Group:**

The Group was founded in 1994 and has been headed since its creation by Jean-Luc Petithuguenin. With the acquisition of Coved in 2017, the recycling specialist has become a specialist in the full waste management chain. Over 25 years, it has grown from 45 to 7,055 employees working at almost 130 waste processing and recycling sites in France and Switzerland.

Following the acquisition of Coved in 2017, Ikos in 2018 and the contemplated acquisition of CNIM O&M and Tiru (Dalkia Wastenergy) in 2021, the Group is now active in all existing waste management sub-sectors.

From the outset, Paprec Group has been known and acknowledged for its commitment to promoting diversity, secularism and the fight against all forms of discrimination within the company. President founder Jean-Luc Petithuguenin was given

the Entrepreneur of the Year award twice, by Ernst Young and BFM Business. He also received the Industrial of the Year 2020 award from Usine Nouvelle.

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This announcement contains measures and ratios that are not presented in accordance with IFRS, including EBITDA and Adjusted *Pro Forma* EBITDA. We present these non-IFRS financial measures because we believe that they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. Our management believes that this information, along with comparable IFRS measures, is useful to investors because it provides a basis for measuring our operating performance in the periods presented. We present non-IFRS financial measures for informational purposes only. This information does not purport to represent the results we would have achieved had any of the transactions for which an adjustment is made occurred at the beginning of the periods presented or as of the dates indicated. Such measures and ratios may not reflect accurately our performance, liquidity or our ability to incur debt, have limitations as analytical tools, and should not be considered as alternatives to operating income or net profit or any other performance measures derived from or in accordance with IFRS. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of our financial condition or results of operations for the periods presented and should not be relied upon when making an investment decision. In addition, other companies in the industry in which we operate may calculate these measures differently than we do, limiting their usefulness as comparative measures.

This announcement contains certain forward-looking statements with respect to certain of our current expectations and projections about future events. These statements reflect management's beliefs and expectations and involve a number of risks, uncertainties and assumptions (including the completion of the transactions described in this announcement) that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. The information contained in this announcement is subject to change without notice and, except as required by applicable law, we do not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it. Readers should not place undue reliance on forward-looking statements, which speak only as at the date of this announcement.

This announcement constitutes a public disclosure of inside information by Paprec Holding under Regulation (EU) 596/2014 (16 April 2014) and Implementing Regulation (EU) No 2016/1055 (10 June 2016).