UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

DAVID FAGEN 667 Malta Court NE St. Petersburg, FL 33703 Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. **ENVIVA INC.** 7272 Wisconsin Avenue, Suite 1800 Bethesda, Maryland 20814 (Montgomery County) **JOHN K. KEPPLER** c/o 7272 Wisconsin Avenue, Suite 1800 Bethesda, Maryland 20814 (Montgomery County) and **SHAI S. EVEN** c/o 7272 Wisconsin Avenue, Suite 1800 Bethesda, Maryland 20814 (Montgomery County) Defendants.	**Case No.** **<u>CLASS ACTION COMPLAINT</u>** **<u>JURY TRIAL DEMANDED</u>**

Plaintiff David Fagen ("Plaintiff"), individually and on behalf of all others similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States ("U.S.") Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Enviva Inc. ("Enviva" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Enviva securities between February 21, 2019 and October 11, 2022, both dates inclusive (the "Class Period"), seeking to recover damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Enviva, formerly known as Enviva Partners, LP, develops, constructs, acquires, and owns and operates, fully contracted wood pellet production plants. The Company's products are used as a substitute for coal in power generation, and combined heat and power plants. Significantly, Enviva touts itself as a "growth-oriented" environmental, social, and governance ("ESG") company with a "platform to generate stable and growing cash flows."

3. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Enviva had misrepresented the environmental sustainability of its wood pellet production and procurement; (ii) Enviva had similarly overstated the true measure of cash flow generated by the Company's platform; (iii) accordingly, Enviva had misrepresented its business model and the Company's

ability to achieve the level of growth that Defendants had represented to investors; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

4. On October 12, 2022, during pre-market hours, Blue Orca Capital ("Blue Orca") published a report on Enviva (the "Blue Orca Report"). Among other allegations, the Blue Orca Report stated that "new discovered data suggests . . . the company is flagrantly greenwashing its wood procurement" and characterized Enviva's claim to be a "pure play ESG Company with a healthy, self-funded dividend and cash flows to provide a platform for future growth" as "nonsense on all counts." Moreover, the Blue Orca Report alleged that "Enviva is a dangerously levered serial capital raiser whose deteriorating cash conversion and unprofitability will drain it of cash next year" and is "a product of deranged European climate subsidies which incentivize the destruction of American forests so that European power companies can check a bureaucratic box."

5. On this news, Enviva's stock price fell $7.74 per share, or 13.13%, to close at $51.23 per share on October 12, 2022.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

9. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Enviva is headquartered in this Judicial District, Defendants conduct business in this Judicial District, and a significant portion of Defendants' actions took place within this Judicial District.

10. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

11. Plaintiff, as set forth in the attached Certification, acquired Enviva securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

12. Defendant Enviva is a Delaware corporation with principal executive offices located at 7272 Wisconsin Avenue, Suite 1800, Bethesda, Maryland 20814. Enviva's common stock trades in an efficient market on the New York Stock Exchange ("NYSE") under the trading symbol "EVA".

13. Defendant John K. Keppler ("Keppler") has served as Enviva's Chairman and Chief Executive Officer at all relevant times.

14. Defendant Shai S. Even ("Even") has served as Enviva's Executive Vice President and Chief Financial Officer at all relevant times.

15. Defendants Keppler and Even are sometimes referred to herein as the "Individual Defendants."

16. The Individual Defendants possessed the power and authority to control the contents of Enviva's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Enviva's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Enviva, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

17. Enviva and the Individual Defendants are collectively referred to herein as "Defendants."

SUBSTANTIVE ALLEGATIONS

Background

18. Enviva, formerly known as Enviva Partners, LP, develops, constructs, acquires, and owns and operates, fully contracted wood pellet production plants. The Company's products are used as a substitute for coal in power generation, and combined heat and power plants. Significantly, Enviva touts itself as a "growth-oriented" ESG company with a "platform to generate stable and growing cash flows."

Materially False and Misleading Statements Issued During the Class Period

19. The Class Period begins on February 21, 2019, the day after Enviva issued a press release during after-market hours announcing the Company's Q4 and full year 2018 financial results. The press release stated, in relevant part:

> "Despite the challenges in 2018 from the Chesapeake Incident and Hurricanes Florence and Michael, we closed the year strong, generating almost $34 million in adjusted EBITDA for the fourth quarter," said John Keppler, Chairman and Chief Executive Officer of Enviva. "With expansions underway inside the Partnership and tremendous development activities at the sponsor, our anticipated growth in 2019 will help us make material progress towards our goal of more than doubling the adjusted EBITDA of the Partnership over the next few years."
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> **Sustainability**
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> Since the Enviva Forest Conservation Fund was launched in 2015, our sponsor has contributed to the conservation of more than 17,000 acres of sensitive forests, which is nearly half of the initial 10-year target of 35,000 acres. Programs like the Enviva Forest Conservation Fund and our sponsor's industry leading Track & Trace® system demonstrate our commitment to sustainability in ways that extend far beyond third-party audits, compliance, and certification.
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> During 2018, our sponsor nearly doubled the total acres enrolled in the Independently Managed Group ("IMG") it operates under the American Tree Farm System ("ATFS"). The IMG is one of the innovative ways our sponsor increases sustainably certified forestlands across the Southeastern United States. Through the IMG and other efforts with state tree farm systems, our sponsor has added more than 66,000 certified acres to our supply base areas to date. In 2018, 45.2 percent of certified wood delivered to our four production plants in North Carolina and Virginia came from the IMG operated by our sponsor. Currently, one out of every ten acres of ATFS-certified forest land in North Carolina is enrolled in our sponsor's IMG. This significant increase in certified land demonstrates our and our sponsor's commitment to sustainable forestry practices and our customers' demand for responsibly sourced wood fiber.

20. That same day, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q4 2018 results (the "Q4 2018 Earnings Call"). During the scripted portion of the Q4 2018 Earnings Call, Defendant Keppler stated, in relevant part:

> Sustainability is the foundation of our business and is increasingly an area of focus for our investors, who place a great deal of value on having Enviva as in ESG investment in their portfolio. With the wood pellets we have committed to deliver under our contracted backlog, we will displace more than 64 million tons of coal. That's an amazing statement about sustainability, but exactly how we're doing that showcases some of our innovation and leadership on the topic.
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> Programs like the IMG, the Enviva Forest Conservation Fund and our industry-leading track and trace system, tangibly and transparently illustrate our innovation on and commitment to sustainability in ways that extends far beyond third-party audits, and legal and regulatory compliance. So in sum, we've come through the challenges of 2018, building a solid platform to capitalize on the significant visible growth opportunities ahead. We are focused on sustainable, durable cash flow generation through reliable operating performance and a production capacity that is fully contracted with a global set of credit-worthy, diversified long-term offtake agreements.

21. On March 4, 2019, Enviva filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operating results for the year ended December 31, 2018 (the "2018 10-K"). In providing an overview of the Company, the 2018 10-K stated, in relevant part:

> We are the world's largest supplier by production capacity of utility-grade wood pellets to major power generators. Since our entry into this business in 2010, we have executed multiple long-term, take-or-pay off-take contracts with utilities and large-scale power generators and have built and acquired the production and terminaling capacity necessary to serve them. Our existing production constitutes approximately 13% of current global utility-grade wood pellet production capacity and the product we deliver to our customers typically comprises a material portion of their fuel supply. We own and operate six industrial-scale production plants in the Southeastern United States that have a combined wood pellet production capacity of 2.9 million metric tons per year ("MTPY"). In addition to the volumes from our plants, we also procure approximately 0.5 million MPTY from the Second Hancock JV's Greenwood plant. We export wood pellets from our wholly owned dry-bulk, deep-water marine terminal in Chesapeake, Virginia (the "Chesapeake terminal") and terminal assets in Wilmington, North Carolina (the "Wilmington terminal"), and from third-party deep-water marine terminals in Mobile, Alabama (the "Mobile terminal") and Panama City, Florida (the "Panama City terminal"), under a short-term and a long-term contract, respectively. All of our facilities are located in geographic regions with low input costs and favorable transportation logistics. Owning these cost-advantaged assets, the output from which is fully contracted, in a rapidly expanding industry provides us with a platform to generate stable and growing cash flows that we anticipate will enable us to increase our per-unit cash distributions over time, which is our primary business objective.

22. In addition, with respect to the Company's wood fiber procurement, the 2018 10-K stated, in relevant part:

> Our customers are subject to stringent requirements regarding the sustainability of the fuels they procure. In addition to our internal sustainability policies and initiatives, our wood fiber procurement is conducted in accordance with leading forest certification standards. Our fiber supply chains are routinely audited by independent third parties. We maintain multiple forest certifications including: Forest Stewardship Council (FSC®) Chain of Custody, FSC® Controlled Wood, Programme for the Endorsement of Forest Certification (PEFC™) Chain of Custody, Sustainable Forestry Initiative (SFI®) Fiber Sourcing and SFI® Chain of Custody. We have obtained independent third-party certification for all of our plants to the applicable Sustainable Biomass Program (SBP) Standards.

23. In addition, in discussing the Company's committees of the board of directors, the 2018 10-K stated, in relevant part:

> ***Health, Safety, Sustainability and Environmental Committee***
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> The board of directors of our General Partner has established a Health, Safety, Sustainability and Environmental Committee (the "HSSE committee") consisting of Mr. Duggan and Mr. Reilly. The HSSE committee assists the board of directors of our General Partner in fulfilling its oversight responsibilities with respect to the board's and our continuing commitment to (1) ensuring the safety of our employees and the public and assuring that our businesses and facilities are operated and maintained in a safe and environmentally sound manner, (2) sustainability, including sustainable forestry practices, (3) delivering environmental benefits to our customers, the forests from which we source our wood fiber and the communities in which we operate and (4) minimizing the impact of our operations on the environment. The HSSE committee reviews and oversees our health, safety, sustainability and environmental policies, programs, issues and initiatives, reviews associated risks that affect or could affect us, our employees and the public and ensures proper management of those risks and reports to the board on health, safety, sustainability and environmental matters affecting us, our employees and the public. The members of the HSSE committee are non-employee directors of our General Partner.

24. Appended to the 2018 10-K as exhibits were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by the Individual Defendants, attesting that "the information contained in the [2018] 10-K fairly presents, in all material respects, the financial condition and results of operations of [Enviva]."

25. On May 8, 2019, Enviva issued a press release announcing the Company's Q1 2019 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "Our plant and port facilities delivered operating and financial results consistent with our expectations for what is historically our most seasonally challenging quarter," said John Keppler, Chairman and Chief Executive Officer of Enviva. "As we progress through the second quarter and into the back half of the year, we are excited about the opportunity to bring our new Hamlet plant online and for our sponsor to begin construction on the next set of fully contracted assets in our Port of Pascagoula cluster. With its confidence in the underlying business and the Partnership's growth trajectory, the Board declared a distribution of $0.645 per unit, our 15th consecutive quarterly increase since our IPO."

26. On May 9, 2019, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q1 2019 results (the "Q1 2019 Earnings Call"). During the scripted portion of the Q1 2019 Earnings Call, Defendant Keppler stated, in relevant part:

> Before we open up for questions, I would like to take a minute to highlight our efforts around sustainability. As the foundation of our business and an area of increasing focus for our investors who plays a great deal of value on having Enviva as an ESG investment in their portfolios. As a company, our purpose is simple to improve the environment by displacing coal and growing more trees. Enviva's wood pellets directly displace coal in power generation and heating applications and lower the lifecycle greenhouse gas emissions profile of utilities.
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> To reflecting on Q1, it was a busy quarter. We took important steps towards our long-term growth plan with a dropdown transaction and associated financing. We are focused on sustainable durable cash flow generation, which when coupled with organic growth and the development activities highlighted on this call. We expect to double the adjusted EBITDA of the partnership in a few years as we discussed last quarter and continue to build on our track record of 15 quarters of distribution increases.

27. On August 7, 2019, Enviva issued a press release announcing the Company's Q2 2019 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part, "[c]onsistent with our operating profile in

prior years, we expect much stronger adjusted EBITDA and distributable cash flow for the back half of the year to achieve our 2019 guidance, and we continue to target a distribution coverage ratio of 1.20 times on a forward-looking, annual basis."

28. On August 8, 2019, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q2 2019 results (the "Q2 2019 Earnings Call"). During the scripted portion of the Q2 2019 Earnings Call, Defendant Keppler stated, in relevant part:

> By design, the expectation is that all of the assets developed by the sponsor and its joint venture as well as the relating contract backlog, will be made available to the partnership for drop-down acquisitions. As we continue to grow, sustainability remains the foundation of our business and the core of our value proposition. Our industry leadership is not defined solely by the size and scale of our global operations, but also by our unparalleled sustainability practices.
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> In sum, the second quarter is now on the books with results largely as expected. We believe we will end the year with strong operational and financial performance and continue our track record of increased distributions. Longer term, with the new contracts announced by our sponsor, we are aligned on growing and extending the runway for sustainable, durable cash flow generation. The level of growth and stability that we were able to achieve as an enterprise is made possible by the dedication and hard work of the great people at Enviva through achieving our plans, goals and, most importantly, each other 24 hours a day, 365 days a year.

29. On October 30, 2019, Enviva issued a press release announcing the Company's Q3 2019 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "With our increased visibility into the year-end shipping schedule, we continue to expect to finish the year with further strong, quarter-over-quarter improvements in adjusted EBITDA and distributable cash flow. As such, we narrowed the ranges of our previously provided adjusted EBITDA and distributable cash flow guidance and reaffirm our distribution guidance for 2019 and 2020," said Shai Even, Chief Financial Officer of Enviva. "It was also nice to see our track record and continued growth in scale and diversification result in the recent credit rating upgrade, which brings our corporate rating to BB- / Ba3 from all three credit rating agencies."

30. On October 31, 2019, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q3 2019 results (the "Q3 2019 Earnings Call"). During the scripted portion of the Q3 2019 Earnings Call, Defendant Keppler stated, in relevant part:

> In sum, we delivered our strongest quarter yet, with more than $39 million in adjusted EBITDA. We expect the fourth quarter to be even better. We expect to distribute at least $2.65 per unit for 2019 and to grow that to between $2.87 and $2.97 in 2020. Longer term, we expect our executed contract backlog, robust contract pipeline, strong balance sheet capacity and support of sponsor to enable us to double 2019 adjusted EBITDA and continue to drive durable and sustainable increases in distributable cash flow per unit over time.

31. On February 26, 2020, Enviva issued a press release announcing the Company's Q4 and full year 2019 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "As expected, we closed 2019 strong, achieving our highest-ever quarterly adjusted EBITDA on more than one million metric tons of wood pellets sold, and delivered full-year distributable cash flow at the high end of our guidance range," said John Keppler, Chairman and Chief Executive Officer of Enviva. "With the robust pipeline of production plants and terminals and related off-take contracts held by our sponsor and its joint venture, which we expect to be made available to the Partnership for acquisition, we are well-positioned to double our 2019 adjusted EBITDA in the next few years."

32. On February 27, 2020, Enviva filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operating results for the year ended December 31, 2019 (the "2019 10-K"). The 2019 10-K contained substantively similar discussions of the Company's business, wood fiber procurement, sustainability, and Health, Safety, Sustainability and Environmental Committee as discussed, *supra*, in ¶¶ 21-23, and appended as exhibits to the 2019 10-K were substantively similar SOX certifications signed by the Individual Defendants as referenced, *supra*, in ¶ 24.

33. That same day, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q4 2019 results (the "Q4 2019 Earnings Call"). During the scripted portion of the

Q4 2019 Earnings Call, Defendant Keppler stated, in relevant part, "[a]s we continue to grow, we remain focused on driving our sustainability efforts, not only to provide for the transparency, but also to have a meaningful impact on conserving forests and growing more trees in the areas in which we operate."

34. On April 29, 2020, Enviva issued a press release announcing the Company's Q1 2020 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "Despite the COVID-19 pandemic and in what is typically our most seasonally challenging quarter, we reported strong first quarter 2020 results representing a significant improvement over the first quarter of 2019," said John Keppler, Chairman and Chief Executive Officer of Enviva. "Thanks to the hard work as well as good, safe decisions and work practices of our teams, our operations continue largely unaffected. While uncertainty remains in the COVID-19 environment, we believe we are well-positioned to continue to maintain stable, growing cash flows that enable us to increase distributions sustainably over time."

35. On April 30, 2020, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q1 2020 results (the "Q1 2020 Earnings Call"). During the scripted portion of the Q1 2020 Earnings Call, Defendant Keppler stated, in relevant part:

> Combined with our confidence and our ability to maintain stable and growing cash flows, our Board approved an increase in our distribution to $0.68 per unit, our 19th consecutive distribution increase, and reaffirmed our full-year adjusted EBITDA, distributable cash flow and per unit distribution guidance.
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> Through that growth, we and our sponsor remain focused on ensuring that our business activities support the best outcomes for people, forests, and the environment. Sustainability is core to our value proposition. And last week, we celebrated the 50th anniversary of Earth Day. This year [indiscernible] Earth Day was climate action, which for us is what we do every day by displacing coal, growing more trees and fighting climate change.

36. On August 5, 2020, Enviva issued a press release announcing the Company's Q2 2020 financial results. In addition to touting the Company's purported commitment to

sustainability, the press release stated, in relevant part, "[s]imilar to previous years, the Partnership expects net income, adjusted EBITDA, and distributable cash flow for the second half of 2020 to be significantly higher than for the first half of the year."

37. On August 6, 2020, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q2 2020 results (the "Q2 2020 Earnings Call"). During the scripted portion of the Q2 2020 Earnings Call, Defendant Keppler stated, in relevant part:

> By Design, the partnership expects to have the opportunity to acquire these fully contracted assets and the associated long term offtake agreements in future drop in transactions. In visa, it's leading an industry that plays an increasingly critical role in the global fight against climate change. The climate benefits of sustainably produced wood pellets and the transparency of our sustainability and supply chain practices, really our ESG attributes are garnering international recognition by regulators, policymakers, academics, researchers and investors alike.

38. On October 28, 2020, Enviva issued a press release announcing the release of its first corporate sustainability report. Among other things, that press release quoted Defendant Keppler, who stated:

> I am excited to share our first-ever Corporate Sustainability Report that not only reflects the journey that began when we founded Enviva more than 16 years ago but also looks ahead at the opportunities that exist for our company to continue to fuel positive change . . . . This milestone document for Enviva focuses on the three core commitments that guide our work – people, forests, and climate change – and how they drive our approach to sustainability in all aspects of our business. The choices we make today will have lasting impacts for generations to come, and we are privileged to continue to have the input of so many valued stakeholders to inform our choices and help ensure that good biomass protects forests, empowers communities, and puts us on the path to net-zero emissions.

39. On November 4, 2020, Enviva issued a press release announcing the Company's Q3 2020 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part, "[s]imilar to previous years, the Partnership expects net income, adjusted EBITDA, and distributable cash flow for the second half of 2020 to

be significantly higher than for the first half of the year and for the fourth quarter to be a significant step up from the third quarter."

40. On November 5, 2020, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q3 2020 results (the "Q3 2020 Earnings Call"). During the scripted portion of the Q3 2020 Earnings Call, Defendant Keppler stated, in relevant part:

> Enviva is leading an industry that plays an increasingly critical role in the global fight against climate change. The climate benefits have sustainably produced wood pellets continue to garner international recognition and we are keenly focused on promoting forest growth and providing incremental transparency. On the subject of stewardship, we are excited adding Gerrity Lansing to our Board of Directors and benefiting from his deep experience and expertise in forest management and socially responsible investing as we continue to deepen our thought leadership and sustainability.
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> As part of our commitment to provide incremental transparency into the sustainability of our business practices, the partnership and our sponsor recently published our first corporate sustainability report. This report provides a description of Enviva's 16-year sustainability journey from the partnership's humble beginnings as a start-up in 2004 to the publicly traded company with a global footprint that is Enviva today featuring a comprehensive review of our contribution to fighting climate change, our fiber procurement approach and forestland conservation efforts, our environmental, health, and safety processes, our human capital and diversity policies, and our corporate governance practices.

41. On February 17, 2021, Enviva issued a press release entitled "Enviva Targets Net-Zero Operations by 2030." The press release stated, in relevant part:

> Enviva's sustainably sourced wood is used to manufacture wood pellets, a renewable fuel source that provides global power and heat generators with a drop-in alternative to fossil fuels. Enviva exports its sustainable wood pellets primarily to the U.K., Europe, the Caribbean and Japan, enabling its customers to reduce their carbon emissions by more than 85% on a lifecycle basis, helping them reach their greenhouse gas emissions reduction targets with renewable energy.
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> "At Enviva, fighting climate change is at the core of what we do," said John Keppler, Chairman and Chief Executive Officer of Enviva. "For more than a decade we have played a critical role in helping the world's energy producers substantially reduce their net carbon emissions by using sustainable bioenergy, enabling them to

> phase out coal, support increases in forest carbon stocks, and provide reliable, affordable energy to their communities.

42. On February 24, 2021, Enviva issued a press release announcing the Company's Q4 and full year 2020 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "We are very proud of our accomplishments in 2020. Despite the challenges presented by COVID-19, we operated our plant and terminal assets stably and reliably, we made uninterrupted deliveries to our customers, we completed two transformative acquisitions, we met our increased guidance expectations for adjusted EBITDA, distributable cash flow, and full-year distributions, and we delivered a 30% total return to our unitholders, all while keeping our people safe and healthy," said John Keppler, Chairman and Chief Executive Officer of Enviva. "As we turn the page to 2021, our ability to generate stable cash flows that grow over time is poised to be more robust than ever, fueled both by organic growth as we look to replicate the highly accretive expansion projects in our existing portfolio and, against the backdrop of the forthcoming start-up of our sponsor's fully-contracted Lucedale plant and Pascagoula terminal, coupled with existing and new long-term take-or-pay off-take energy supply contracts with large customers around the world, through additional drop-downs."

43. On February 25, 2021, Enviva filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operating results for the year ended December 31, 2020 (the "2020 10-K"). The 2020 10-K contained substantively similar discussions of the Company's business, wood fiber procurement, sustainability, and Health, Safety, Sustainability and Environmental Committee as discussed, *supra*, in ¶¶ 21-23, and appended as exhibits to the 2020 10-K were substantively similar SOX certifications signed by the Individual Defendants as referenced, *supra*, in ¶ 24.

44. That same day, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q4 2020 results (the "Q4 2020 Earnings Call"). During the scripted portion of the Q4 2020 Earnings Call, Defendant Keppler stated, in relevant part:

> Against a very challenging COVID-19 backdrop that continues to persist, we are very proud to report that we had our safest year ever. We did not miss a single

> customer delivery. We increased the fully contracted production capacity of the partnership by more than 30%. We increased our year-over-year adjusted EBITDA by more than 30% and we kept our promise to our unitholders, distributing $3 per unit for full year 2020, extending our track record of 22 consecutive quarterly distribution increases at a compound annual growth rate of 13% since our IPO and delivered a total unitholder return of 30% in 2020. We were able to achieve this in the face of broad economic and market volatility, in large part because the fully contracted nature of our business and its durable, sustainable operating profile that together generates stable, growing cash flows.
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> [C]onsistent with the global communities' commitments and our own mission to displace coal and limit the impact of climate change, we and our sponsor have committed ourselves to become carbon neutral or net zero in our operations by 2030. This is an ambitious but attainable goal backed by detailed plan to tackle Scope 1, 2 and 3 emissions. It will take time. But like any journey, it begins with the first step.

45. On April 28, 2021, Enviva issued a press release announcing the Company's Q1 2021 results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part, "[s]imilar to previous years, the Partnership expects net income, adjusted EBITDA, and distributable cash flow for the second half of 2021 to be significantly higher than for the first half of the year, and for the fourth quarter to be a significant step up from the third quarter."

46. On April 29, 2021, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q1 2021 results (the "Q1 2021 Earnings Call"). During the scripted portion of the Q1 2021 Earnings Call, Defendant Keppler stated, in relevant part:

> With the tremendous growth we have achieved, coupled with what we had, we will continue to ensure that our wood pellets remain sustainably produced from forces inventories have and continue to grow overtime.
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> Enviva's practices and internal standards are designed to meet or exceed the established international safeguards and regulations promulgated under [Reg G] (Ph) and reinforced by the recent report issued in January by the EU joint research center, which emphasizes, among other things, the maintenance of long-term production capacity of the forest.

> Our track and trace system and our leading responsible sourcing policy provide us with the tools we need to set public transparent goals regarding how we manage, measure and improve our activities.
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> We also subject ourselves to stringent third-party annual audits to ensure that our operations continue to be certified under independent, globally recognized sustainability standards like FSC, PEFC, SFI and SDP.

47. On July 28, 2021, Enviva issued a press release announcing the Company's Q2 2021 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "During the second quarter of 2021, Enviva delivered results in line with our expectations for the quarter and laid the foundation for a very strong back half of the year," said John Keppler, Chairman and Chief Executive Officer. "With the benefit of the commissioning and ramp of our Northampton, Southampton, and Greenwood plant expansions, continued progress on our Multi-Plant Expansions, and the substantial contracted cash flow acquired with the drop-downs of the Lucedale plant and Pascagoula terminal, we were pleased to increase our guidance for 2021, announce guidance for 2022, and complete a sizeable equity raise. We believe Enviva is firmly on track to deliver a strong full-year 2021 and an even more robust 2022."

48. On July 29, 2021, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q2 2021 results (the "Q2 2021 Earnings Call"). During the scripted portion of the Q2 2021 Earnings Call, Defendant Keppler stated, in relevant part:

> Based on our solid first half financial performance, coupled with the contracted cash flow acquired as part of the acquisitions, and the growth profile we expect for the second half of the year. The Board declared a distribution of and $0.815 per unit for the second quarter of 2021, a 6.5% increase over the distribution paid for the same quarter of last year. This represents our 24th consecutive distribution increase and maintains the 12% distribution CAGR we have delivered since our IPO.
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> With the tremendous growth we have achieved, combined with what we see ahead, tools like our proprietary track and trace system and our industry leading responsible sourcing policy will continue to ensure that our wood pellets remain sustainably produced from forests whose inventories have continued to grow over time.

> As you may recall, we also subject our operations to stringent third-party annual audits. And we are pleased to report we continue to be certified under leading independent globally recognized as sustainability standards like FSC, PEFC, SFI and SDP.
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> We expect the progress that we were making on our own net zero commitments to further reinforce our environmental leadership and reputation for sustainability. We are progressing efforts to immediately mitigate or offset all of our Scope 1 emissions and we have several exciting process changes and input substitutions underway in our manufacturing facilities.
>
> ***
>
> Sustainability is at the core of our value proposition, and our net zero advancements only make the product we manufacture that much more valuable in our effort to displace coal, grow more trees, and fight climate change.

49. On November 3, 2021, Enviva issued a press release announcing the Company's Q3 2021 results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "The future has never been brighter for Enviva. With our transformative Simplification Transaction and Conversion, along with our expanding production capacity underpinned by our existing assets, the plant expansions underway, and the commissioning of the Lucedale plant and the Pascagoula terminal, we are entering 2022 with increased size and scale, a significantly improved cost of capital, and a broadening customer base. With the potential of exponential growth ahead for our product, driven by global commitments to 'net zero,' we are continuing to build a company and a platform that delivers real climate change benefits, today, while consistently and sustainably delivering superior returns to our stakeholders."

50. On November 4, 2021, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q3 2021 results (the "Q3 2021 Earnings Call"). During the scripted portion of the Q3 2021 Earnings Call, Defendant Keppler stated, in relevant part:

> Based on the durability of our business model and the strong cash flow visibility we have going forward, our Board of Directors declared a distribution of $0.84 per unit for the third quarter of 2021, an 8.4% increase over the distribution paid for the same quarter of last year. This represents our 25th consecutive distribution increase since our IPO and maintains the 12% distribution category we have delivered since then. We are also reaffirming the full year 2021 and 2022 guidance

> we discussed recently, which we updated alongside our simplification transaction and conversion announcement.
>
> ***
>
> "Our renewable products help our customers meet their net zero targets and we expect our own net zero commitments to further reinforce our environmental leadership and reputation for sustainability. We are in a very fortunate position to have built a business that by design generates only a modest level of emissions from our own operations."

51. On February 28, 2022, Enviva issued a press release announcing the Company's Q4 and full year 2021 results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> "We are very pleased with our recent equity offering, which enabled us to both broaden our investor base and increase Enviva's trading liquidity," said Shai Even, Executive Vice President and Chief Financial Officer. "We are seeing meaningful interest from global ESG-focused investors, and are looking forward to being included in numerous indices in the coming quarters. Additionally, the equity offering was an important initial step as we look to transition to a self-funding model for growth. Our capital allocation policy is focused on reinvesting retained cash flows into our business, while maintaining conservative leverage, and preserving a stable dividend that has the opportunity to grow over time."

52. On March 1, 2022, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q4 2021 results (the "Q4 2021 Earnings Call"). During the scripted portion of the Q4 2021 Earnings Call, Defendant Keppler stated, in relevant part, "[w]e are incredibly privileged to have the opportunity to continue to build a company and a unique platform that delivers real climate change benefits today at scale, while consistently, safely and sustainably generating superior returns for all of our stakeholders."

53. On March 4, 2022, Enviva filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operating results for the year ended December 31, 2021 (the "2021 10-K"). The 2021 10-K contained substantively similar discussions of the Company's business, wood fiber procurement, sustainability, and Health, Safety, Sustainability and

Environmental Committee as discussed, *supra*, in ¶¶ 21-23, and appended as exhibits to the 2021 10-K were substantively similar SOX certifications signed by the Individual Defendants as referenced, *supra*, in ¶ 24.

54. On May 4, 2022, Enviva issued a press release announcing the Company's Q1 2022 results. The press release stated, in relevant part:

> **Sustainability Update**
>
> The challenges of the current geopolitical environment remind us that the work ahead to mitigate the effects of climate change now will be hard and likely contentious.
>
> As a pioneer in the biomass industry, we've built a business focused on our core values: caring about people and our communities, fighting climate change by displacing coal, and ensuring that we are growing more trees, managing our business under industry leading sustainability practices that ensure that we are delivering favorable impact to energy and the environment in line with the IPCC guidance.

55. On May 5, 2022, Enviva hosted an earnings call with investors and analysts to discuss the Company's Q1 2022 results (the "Q1 2022 Earnings Call"). During the scripted portion of the Q1 2022 Earnings Call, Defendant Keppler stated, in relevant part:

> We continue to be very proud of our rare combination of being a high growth company and a strong dividend pair. We're the largest global player in an industry where the total addressable market is rapidly expanding and new use cases for our product continue to emerge. We are virtually unmatched in terms of the fully contracted date of our business and the highly visible and durable cash flow growth that our business generates, as well as the truly remarkable growth prospects ahead of us.
>
> ***
>
> As a pioneer in the biomass industry, we've built a business focus on our core values, caring about people in our communities, fighting climate change by displacing coal and ensuring that we are growing more trees, managing our business under industry-leading sustainability practices that ensure that we are delivering favorable impact to energy and the environment right in line with the IPCC guidance. We source our renewable wood fiber from the U.S. Southeast, a region

> where forests are primarily owned by private land owners. And these sustainably managed forests have grown by over 40% over the last 25 years.

56. On August 3, 2022, Enviva issued a press release announcing the Company's Q2 2022 financial results. In addition to touting the Company's purported commitment to sustainability, the press release stated, in relevant part:

> [. . .] "The sheer volume and size of market opportunities with high-quality counterparties across a range of use cases, from renewable energy generation to displacement of fossil fuel-based carbon in hard-to-abate industries, is creating an unprecedented pace of contracting for us, which in turn is underwriting the acceleration of our capacity expansions. We have recently commenced construction of our plant in Epes, Alabama, we are making swift progress on our plans to start construction of a new plant in Bond, Mississippi, and we have recently filed for a permit for a highly accretive expansion of our Ahoskie, North Carolina plant. The growth in our production volume outlook, coupled with the strong pricing environment for biomass, is driving our expectations for an adjusted EBITDA compound annual growth rate of over 25% from 2022 to 2024. This tremendous, fully contracted growth profile, combined with the strong, stable dividend we are paying, makes us well positioned to continue our track record of generating significant returns for our investors, even in an environment of potential economic contraction."

57. The statements referenced in ¶¶ 19-56 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Enviva had misrepresented the environmental sustainability of its wood pellet production and procurement; (ii) Enviva had similarly overstated the true measure of cash flow generated by the Company's platform; (iii) accordingly, Enviva had misrepresented its business model and the Company's ability to achieve the level of growth that Defendants had represented to investors; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

The Truth Emerges

58. On October 12, 2022, during pre-market hours, Blue Orca published a report on Enviva. Among other allegations, the Blue Orca Report stated:

> Enviva claims to be a pure play ESG Company with a healthy, self-funded dividend and cash flows to provide a platform for future growth. We think this is nonsense on all counts.
>
> In our opinion, Enviva is a dangerously levered serial capital raiser whose deteriorating cash conversion and unprofitability will drain it of cash next year. Contrary to Enviva's claims, it generates nowhere near the cash from operations to support its dividend, let alone future capital expenditures to drive growth. Rather, Enviva's dividends are funded through capital raising. Given its already troubling leverage, we think Enviva will be forced into further dilutive equity raises, more borrowing at punitive rates, or most likely, a significant dividend cut.
>
> We believe that Enviva is the latest ESG farce, a product of deranged European climate subsidies which incentivize the destruction of American forests so that European power companies can check a bureaucratic box. In an Orwellian twist, even though burning wood emits more CO2 per unit of heat generated than any major energy source (including coal), an arcane carbon accounting loophole subsidizes European power companies to replace coal with wood pellets derived from deforestation in the United States. All in the name of climate activism.
>
> In our opinion, Enviva is engaging in textbook greenwashing. Hidden GPS data embedded in Enviva's Track and Trace disclosures allowed us to geolocate the Company's harvests. Satellite imagery indicates that contrary to the Company's claims, in many instances Enviva is procuring wood from the widely condemned practice of clear-cutting. Former senior Enviva sustainability and procurement executives confirmed that this practice was endemic. We also think this explains the "**exodus of sustainability leadership**" from Enviva in 2021, including the recent resignations of both authors of the Company's prominent sustainability "white paper."
>
> Ultimately, we think that any legitimate ESG investor or allocator should be embarrassed to own this stock. But in addition to evidence of greenwashing, Enviva's troubling cash flows, dangerous leverage, and unsustainable dividend only add further momentum to the short thesis, which is why we expect the stock price to contract significantly from Enviva's current nosebleed valuation.
>
> 1. **Hidden Metadata Reveals that Enviva Procures Wood from Clear-Cutting Forests**. Enviva publicly denies clear-cutting forests, the controversial practice of removing full swaths of forest which is widely condemned by ESG investors and climate change advocates. Although Enviva refuses to disclose to

watchdogs or investors the exact location of its harvests, **when we analyzed the metadata from its Track and Trace database, we found embedded GPS coordinates**. We think that there is a reason Enviva tried to conceal this data. When we geolocate Enviva's harvests using these GPS coordinates, **satellite imagery reveals hundreds of images of clear-cut forests, suggesting that the practice is widespread and that Enviva is misleading investors**. We corroborated this with interviews of two former senior Enviva executives, who unequivocally stated that Enviva sources wood from clear-cutting. A former senior Enviva sustainability executive lamented that the practice was routine because **clear-cutting was cheaper than other more sustainable methods of harvesting**. Ultimately, multiple strands of independent evidence, from the statements of former senior executives to satellite imagery, indicate that Enviva is procuring wood from clear-cutting, a practice roundly rejected by ESG investors and expressly discouraged by EU sustainability guidelines.

2. **Enviva Drives Demand for Deforestation**. Enviva claims that harvesting forests for wood pellets is sustainable and produces lower greenhouse gas emissions than coal because it is only harvesting **<u>waste</u>** left by the timber industry, scraps that otherwise would be left to rot on the forest floor. Enviva insists that it does not drive demand for deforestation or influence the harvesting decisions of landowners because the Company claims to purchase on average less than 30% of the wood from each harvest. The other 70%, according to Enviva, is higher value timber sold to other industries. Yet Enviva's own Track and Trace data shows that the Company is violating this key **<u>threshold</u>** and is likely driving demand for deforestation.

   a. **Enviva Track and Trace Data Contradicts Reported Harvesting Threshold**. On its website, Enviva publishes its Track and Trace data, including the total acreage harvested and the proportion of each harvest purchased by Enviva. This data shows that Enviva took greater than 30% of the volume of the harvest in over 2/3rds of the acreage harvested by the Company, including a substantial amount of acreage in which Enviva took 70-100% of the wood harvested. **According to a former high-level sustainability officer we interviewed, Enviva takes 70-90% of the volume in "plenty of tracks" because of the low prices for such wood**. The larger the proportion of a harvest taken by Enviva, the more likely Enviva's presence and payments are driving the economics that influence a decision of the landowner to cut the forest down. In our opinion, Enviva's own data provides compelling evidence that the Company is driving demand for deforestation and misleading investors regarding its procurement practices.

3. **Hardwood Forest Inventory is Decreasing Around Enviva's Facilities**. As evidence of the purported sustainability of its practices, Enviva claims that forest inventories are increasing in sourcing regions around its facilities. This is misleading, because it ignores that inventories of hardwood trees are

decreasing, replaced by less expensive pine seedlings and negatively impacting forest biodiversity. Recent academic and scientific studies analyzing satellite imagery around Enviva's facilities concluded that it was **"very likely" that Enviva's pellet mill operations contributed to elevated rates of deforestation of deciduous trees in the area**. This ties directly to Enviva's valuation in that it directly undermines the Company's claims regarding the sustainability of its practices and its already controversial standing as an environmentally friendly stock suitable for ESG investors.

4. **"Exodus of Sustainability Leadership" in 2021**. Turnover at the CFO or chief accounting officer position can often be a sign of accounting shenanigans or even fraud, and smart investors tend to haircut a valuation when confronted with a cluster of high-profile resignations. In this case, three of Enviva's key sustainability officers resigned within months of each other in 2021. These were high profile departures, including the Chief Sustainability Officer and the co-author of the Company's sustainability white paper. Both were the public face of Enviva's attempt to attract ESG investment, making their departure akin to a CFO and chief accounting officer resigning at the same time. A former senior sustainability executive we interviewed stated that Enviva's C-level "were making too many decisions that ran contrary to the values that the Company was purporting to have." In our opinion, this lends further credence to our investment opinion that Enviva is greenwashing its ESG credentials.

5. **Evidence that Enviva Inflates Profit Margins by Providing Equipment to Loggers in Exchange for Reduced Prices**. Based on conversations with a former procurement officer, we believe Enviva may be burying some of its costs in capital expenditures, thereby inflating its EBITDA and adjusted gross profit. Specifically, the former employee told us that Enviva provides capital equipment such as woodchippers to loggers in exchange for reduced wood prices. Enviva's former VP of procurement implied that this practice was common, as it would not be feasible for loggers to cut many forests without this "**subsidy**" from Enviva. Enviva is not profitable under GAAP accounting and has reported $1 billion in capital expenditures since 2015. In our view, not only does this arrangement undermine Enviva's reported non-GAAP profitability metrics, but subsidies to logging companies further destroys the notion that Enviva plays a benign role in deforestation.

6. **Looming Dividend Cut**. Enviva trades at an eye-watering 10x tangible net asset value and 36x LTM Adjusted EBITDA because shareholders mistakenly believe that its business will continue to support its large historic dividends. However, we calculate that Enviva's business generates nowhere near the cash required to fund its dividend and that following the 2021 restructuring transaction, **Enviva's distributable and operating cash flows are now negative**. This is likely why the Company has been a serial capital raiser, raising $2.3 billion through debt and dilutive equity issuances since 2015. Based on Enviva's reported cash balance and guided capital expenditures, we calculate

> that Enviva's cash burn is so severe that it will run out of cash in 1H 2023. Enviva is now excessively levered (5.2x Net Debt to EBITDA) and **LTM 1H 2022 operating cash flows were negative $91 million**, meaning its only choice will be to either continue diluting shareholders with equity issuances or, more likely, cutting its dividend.
>
> 7. **Enviva Historically Overpaid for Related Party Acquisitions?** 57% of Enviva's EBITDA growth since IPO has come from acquiring pellet facilities from its largest shareholder. The Company claims that these acquisitions were made at an attractive multiple of 6-7x EV/EBITDA. Yet since these acquisitions, Enviva's cash conversion has begun to diverge materially from adjusted EBITDA. Based on the poor cash conversion, we suspect that these facilities generate half the EBITDA claimed, which would imply an acquisition multiple nearer 12x. We also calculate that Enviva paid an average price of $310 per tonne of capacity for its four most recent acquisitions from its largest shareholder, 42% more per tonne than it paid to acquire Waycross from an independent third party in 2020. Ultimately, such calculations raise not only governance concerns, but also undermine the Company's reported EBITDA and guidance.
>
> Ultimately, we view Enviva as an ESG farce, and evidence of greenwashing in the Company's procurement processes undermines not only Enviva's suitability as an ESG investment, but future demand for its product. We do not believe that investors should reliably model the continuation of environmental subsidies for European customers to buy wood pellets procured from clear-cutting American forests in the name of climate activism. In addition to evidence of greenwashing, it's also a bad business. Enviva's troubling cash flows, dangerous leverage, and unsustainable dividend only add further momentum to the short thesis, which is why we expect the stock price to contract significantly from Enviva's current nosebleed valuation.

(Emphasis in original.)

59. On this news, Enviva's stock price fell $7.74 per share, or 13.13%, to close at $51.23 per share on October 12, 2022.

60. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

61. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Enviva securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

62. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Enviva securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Enviva or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

63. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

64. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

65. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Enviva;
- whether the Individual Defendants caused Enviva to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Enviva securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

66. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

67. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Enviva securities are traded in an efficient market;

- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NYSE and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Enviva securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

68. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

69. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

70. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

71. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

72. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under

which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Enviva securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Enviva securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

73. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Enviva securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Enviva's finances and business prospects.

74. By virtue of their positions at Enviva, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

75. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of Enviva, the Individual Defendants had knowledge of the details of Enviva's internal affairs.

76. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Enviva. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Enviva's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Enviva securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Enviva's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Enviva securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

77. During the Class Period, Enviva securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Enviva securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that

were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Enviva securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Enviva securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

78. By reason of the conduct alleged herein, Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

79. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

80. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

81. During the Class Period, the Individual Defendants participated in the operation and management of Enviva, and conducted and participated, directly and indirectly, in the conduct of Enviva's business affairs. Because of their senior positions, they knew the adverse non-public information about Enviva's misstatement of income and expenses and false financial statements.

82. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Enviva's

financial condition and results of operations, and to correct promptly any public statements issued by Enviva which had become materially false or misleading.

83. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Enviva disseminated in the marketplace during the Class Period concerning Enviva's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Enviva to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of Enviva within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Enviva securities.

84. Each of the Individual Defendants, therefore, acted as a controlling person of Enviva. By reason of their senior management positions and/or being directors of Enviva, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Enviva to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Enviva and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

85. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Enviva.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;

C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: November 3, 2022