



## **Interim Financial Information**

**WPU – Waste Plastic Upcycling A/S**

**H1 2023**

August 31 - 2023

Date: August 31, 2023

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**WPU - Waste Plastic Upcycling A/S ("WPU") today announced unaudited financial results for the initial half of the fiscal year 2023, ending on June 30, 2023.**

## Highlights

### Construction overview - Faarevejle facility

- The construction of the Faarevejle Facility has been completed.
- On April 13, reactor line 1 successfully upcycled end-of-life waste plastic to Plastic to Liquid (PtL).
- Following the balance date, reactor lines 2, 3 ( hereinafter "Train 1") and reactor line 4 have undergone successful testing, and successfully upcycled end-of-life plastic to PtL, and as a result, reactor line 1-4 has commenced advanced upcycling production of end-of life plastic in accordance with the ramp-up plan.
- The operational success of Faarevejle Reactor Train 1 in efficiently upcycling end-of-life waste plastic through asynchronous advanced upcycling cycles involve the successful transfer of produced Syngas from one reactor line to another reactor line. This Syngas is then utilized to initiate and sustain the upcycle process in the next reactor ensuring an environmentally sound advanced upcycling process of end-of-life waste plastic, which also fosters economic sustainability.
- The ramp-up period for the remaining reactors is progressing according to plan and is expected to be completed by Q4 - 2023.

### Operations overview

- The process cycles have successfully achieved conversion rates (yield) for upcycling plastic waste, ranging from 76 to 84 percent. It is noteworthy that an upcycled conversion rate of approximately 70% aligns with WPU expectations.
- In June 2023, WPU - Waste Plastic Upcycling A/S ("WPU") announced the successful initial delivery of upcycled end-of-life waste plastic to Plastic to Liquid (PtL), totaling 33,000 liters, to Vitol. This quantity was produced during the testing and ramp-up phase of reactor line 1.
- During the summer period hence after June 30, an approximate total of additional 165,000 liters of PtL were produced and delivered to Vitol.

- A conditional updated off-take agreement with Vitol has been established to secure the sale of the entire production of PtL for the first 10 present and planned facilities. This agreement will be valid for a period of 10 years from the commencement of each individual facility.
- In the first half of 2023, the Company successfully renewed its ISCC PLUS (International Sustainability and Carbon Certification) certification system for an additional year. This certification signifies WPU's dedication to meeting international standards for environmental responsibility.
- In June, the Company was granted an "End of Waste" status by Odsherred Municipality. This signifies that the upcycled end-of-life plastic waste PtL meets the requirements for quality, purity, and usability, and is no longer classified as waste.

### **Financial Overview**

- The pre-tax financial loss for the first half of 2023 amounted to mDKK 12.2, in line with the budget and meeting expectations.
- Operating revenue generated from sale of PtL totaled tDKK 114.
- Investments in the Faarevejle Facility for the first half of 2023 totaled mDKK 25.2.
- As of June 30, 2023, the facility has received a total investment of mDKK 118.
- Company Group equity amounts to MDKK 42.
- Niels Bagge, the CEO of WPU, exercised his right under the warrant program, leading to a mDKK 2.5 increase in equity.
- The Company has successfully obtained loan financing of mDKK 30 from Vitol.
- The Company also obtained loans totaling mDKK 4.5 from certain shareholders.
- After the closure of H1 2023, Vitol proceeded to enter into a conditional share purchase agreement with specific shareholders. This agreement pertains to the sale of 15.3% of the Company's outstanding share capital.
- The conditional share purchase transaction has a value of mDKK 250, which equates to NOK 50 per share.
- As part of the conditional share purchase transaction, the selling shareholders will provide a facility of mDKK 50 to Produktionselskabet WPU Nakskov ApS, a subsidiary of WPU, to secure the initial financing for the new Facility in Nakskov.

### **Organizational overview**

- The organization at the facility is steadily expanding as the operational staff's education progresses.
- By the end of H1, the headcount stood at 14 employees, with expectations to grow to 37 within the coming months. This rapid expansion will establish the Faarevejle facility as a major employer in Odsherred Municipality.
- As of September 1, 2023 Thomas Åberg will be promoted to the management board and will report directly to the board of directors.
- The CO-CEO have decided to pursue other activities outside WPU.

## Health, Safety & Environment (HSE) Overview

Striving for zero recordable incidents, WPU is fully dedicated to the protection and well-being of people, the environment, and assets. With a steadfast commitment to Health, Safety, and Environmental (HSE) excellence, we prioritize and uphold the high standards in all our operations. Through rigorous protocols, continuous training, and cutting-edge technology, we aim to create a secure and sustainable working environment for our employees and stakeholders.

- In the first half of 2023, there were no reported Lost Time Injuries (LTI) or accidental releases to the environment.

WPU remains committed to fostering a safe and inclusive work environment while upholding high standards of health, safety, and environmental performance.

## Market Overview

During the financial reporting period leading up to today, there has been a growing interest in the PtL feedstock produced by WPU.

During this period, WPU have had the pleasure of hosting delegations from numerous global petrochemical companies.

WPU is receiving numerous inquiries regarding sourcing, licensing, and joint ventures based on its cutting-edge process technology. Each contact is being carefully evaluated, with the aim of expediting the global rollout of this technology.

The accounting policies used in preparation of the Statements are consistent with those used for preparation of the Group's annual financial statements for 2022.

## UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS as per 30 June 2023

<b>Profit &amp; Loss (TDKK)</b>	<b>1H 2023</b>	<b>2022</b>
Operating revenue	114	0
Other operating expenses	-4,241	-6,744
<b>Gross profit</b>	<b>-4,127</b>	<b>-6,744</b>
Staff costs	-4,712	-1,684
Depreciation and impairment of equipment	-99	-9,145
<b>Profit before interest</b>	<b>-8,938</b>	<b>-17,573</b>
Other financial income	9	22
Other financial expenses	-3,261	-7,839
<b>Pre-tax net profit or loss</b>	<b>-12,190</b>	<b>-25,392</b>
Tax on net profit or loss for the period		4,350
<b>Net profit or loss for the period</b>	<b>-12,190</b>	<b>-21,042</b>

## ASSETS

### Non-current assets

Land and buildings	40,753	40,134
Plant and machinery	450	500

Other fixtures, tools and Equipment	347	346
Assets under construction: Property, plant and machinery	76,630	52,009
Deposits	414	420
<b>Total Non-current assets</b>	<b>118,594</b>	<b>93,409</b>
<b>Current assets</b>		
Raw materials	109	115
<b>Total inventories</b>	<b>109</b>	<b>115</b>
Trade receivables	187	5
Deferred tax assets	6,037	6,037
Other receivables	3,412	5,677
Prepayments	160	648
<b>Total receivables</b>	<b>9,796</b>	<b>12,367</b>
Cash and cash equivalents	3,276	990
<b>Total current assets</b>	<b>13,072</b>	<b>13,472</b>
<b>TOTAL ASSETS</b>	<b>131,775</b>	<b>106,881</b>

#### **EQUITY AND LIABILITIES**

##### Equity

Contributed capital	502	492
Share premium	82,444	76,904
Retained earnings	-41,209	-29,020
<b>Total equity</b>	<b>41,737</b>	<b>48,376</b>

##### **Long term liabilities other than provisions**

Mortgage debt	11,506	13,094
Bank loans	7,850	9,384
<b>Total long term liabilities other than provisions</b>	<b>19,356</b>	<b>22,478</b>

##### **Short term liabilities other than provisions**

Current portion of long term liabilities	36,801	6,601
Bank loans	18,614	8,757
Trade payables	5,521	17,507
Other payables	9,746	3,162
<b>Total Short term liabilities other than provisions</b>	<b>70,682</b>	<b>36,027</b>

##### **Total liabilities other than provisions**

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>131,775</b>	<b>106,881</b>
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#### **UNAUDITED CONSOLIDATED CASHFLOWS**

**30 June 2023**

<b>Profit (loss) for the period, before tax</b>	<b>-12,190</b>
Adjustments	3,351
Change in working capital	-2,825

<b>Cash flow from operating activities before net financials</b>	<b>-11,664</b>
Financial income	9
Financial expenses	-3,255
<b>Cash flow from ordinary activities</b>	<b>-14,910</b>
Purchase of property, plant and equipment	-25,290
Changes in deposits	6
<b>Cash flow from investment activities</b>	<b>-25,284</b>
Cash from loans	27,078
Cash from capital increase	5,550
<b>Cash flow from financing activities</b>	<b>32,628</b>
<b>Net change in cash and cash equivalents</b>	<b>-7,565</b>
Cash equivalents 1 January 2023	-7,767
Foreign currency translation adj.	-5
<b>Cash equivalents 30 June 2023</b>	<b>-15,338</b>
<b>Cash and cash equivalents</b>	
Cash and cash equivalents	3,276
Short term bank loans	-18,614
<b>Cash and cash equivalents 30 June 2023</b>	<b>-15,338</b>

This information is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.

For further information, contact:

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