




Interim Financial Information

WPU – Waste Plastic Upcycling A/S

Q3 2023

November 30 - 2023

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WPU - Waste Plastic Upcycling A/S ("WPU") today announced unaudited financial results for the third quarter of the fiscal year 2023, ending on September 30, 2023.

Highlights Q3

- Ramp-up according to plan.
- Braskem announced purchase circular feedstock from Vitol produced by WPU.
- EU agreement on waste shipments to benefit WPU in the future.

Reference is made to H1 report publicized on August 31, 2023 which contained events that occurred between June 30 and the reporting date. These events are not repeated in this report.

Construction and Operations overview - Faarevejle facility

- The ramp-up period of the Faarevejle Facility is progressing according to plan and WPU continue to expect the ramp-up to be completed by Q4 - 2023.
- It is emphasized again that the main objective of the Ramp-up period is verification and synchronization of process cycles. However during the ramp-up period, WPU has also produced Plastic to Liquid (PtL.)
- By the end of September, four out of six reactors have been successfully tested with end-of-life plastic.
- On September 12 BRASKEM S.A. (NYSE: BAK) informed its shareholders and the market that Braskem had signed an agreement, through its subsidiary Braskem Netherlands B.V., with Vitol S.A. to purchase circular feedstock from Vitol produced by WPU.

Financial Overview

- The pre-tax financial loss for the third quarter of 2023 amounted to mDKK 10.5, in line with the budget and meeting expectations.
- Q3 operating revenue generated from sale of PtL totaled tDKK 303.
- Investments in the Faarevejle Facility for the third quarter of 2023 was on mDKK 9.
- As of September 30, 2023, the facility has received a total investment of mDKK 127.
- Company Group equity at the end of the period amounts to MDKK 31.

- In connection with the previously reported share purchase agreement between shareholders and Vitol, The Company has successfully obtained loan financing of mDKK 50 from shareholders for partly funding of a new plant in Nakskov, Denmark.

- On September 18, WPU announced that CEO Niels Henrik Bagge, had exercised a total of 833,400 warrants and consequently subscribed for the same amount of newly issued shares.

Organizational overview

- The organization at the Faarvejle facility is steadily expanding as the operational staff's education progresses.

- By the end of Q3, the headcount stood at 22 employees (H1: 14).

- In September, the board of directors welcomed three new members: Mr. Tom Baker, Mr. Eduard Ruijs, and Mr. Jérôme Schmitt. This addition has further strengthened the board and brings valuable expertise to the team.

- After the closing of Q3 2023, with effect from the 1st October 2023, the company promoted Jan Gramkow to Chief Technical Officer of WPU. The promotion of Jan Gramkow signals that more resources will be allocated to the coming expansion of WPU with additional facilities.

Health, Safety & Environment (HSE) Overview

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

- In the third quarter there has been no accidental releases to the environment.

- Following the balance date, there was one reported case of a Lost Time Injury (LTI). An employee was struck by a vacuum tool, resulting in the employee undergoing a routine medical examination. As a result, the employee experienced 9 hours of Lost Time Injury. The employee returned to work the next day without any disabilities. Education into proactive prevention of similar accidents has been included in employee training as a consequence of the incident.

- After the balance date, an increase in temperature was observed in the roof insulation surrounding reactor 3's exhaust system. The heat source was promptly addressed, but the temperature difference reoccurred a few times, necessitating additional measurements. An independent survey determined that the initial cause was related to temporarily inadequate insulation of the exhaust system. The subsequent incidents were caused by smoldering combustion in the roof insulation, either originating from the original incident or resulting from inadequate roofing work carried out by independent contractors. No damage to the building or production equipment has been identified. Production was temporarily halted during each incident and then resumed.

WPU remains dedicated to fostering a safe and inclusive work environment.

Market Overview

In mid-November the European Parliament and the Council reached an agreement on waste shipments, which will ensure that the EU takes greater responsibility for its waste and does not export its environmental challenges to third countries. The rules will also facilitate the use of waste as a resource. The agreement is a contribution to the goal of the European Green Deal of reducing pollution and advancing the circular economy.

Export of plastic waste from the EU to non-OECD countries will be prohibited. In the light of the global problems of soaring amounts of plastic waste and the challenges to its sustainable management, with this measure the EU legislators aim to prevent environmental degradation and pollution in third countries caused by plastic waste generated in the EU. At the same time, it will be easier to ship waste for recycling within the EU thanks to modern digitalised procedures.

The EU has identified the circulation of waste for recycling and re-use between Member States as key for the EU's transition to a circular economy and the security of supply of raw materials.

The agreement and subsequent expected legislation derived hereto is expected to significantly enlarge the end-of-life plastic waste volumes in the EU. Thise increased volumes will benefit WPU and other plastic waste up-cyclers in securing sufficient amounts of needed plastic waste within the EU. Modernization of the shipping procedures within EU is expected to make it easier for WPU to optimize rational waste and process flows within EU.

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 September 2023

Profit & Loss (TDKK)	**YTD** 9 months	**Q3 2023** 3 months	**1H 2023** 6 months
Operating revenue	417	303	114
Other operating expenses	-8,101	-3,860	-4,241
Gross profit	**-7,684**	**-3,557**	**-4,127**
Staff costs	-8,623	-3,911	-4,712
Depreciation and impairment of equipment	-186	-87	-99
Profit before interests	**-16,493**	**-7,555**	**-8,938**
Other financial income	38	29	9
Other financial expenses	-6,224	-2,963	-3,261
Pre-tax net profit or loss	**-22,679**	**-10,489**	**-12,190**
Tax on net profit or loss for the period			
Net profit or loss for the period	**-22,679**	**-10,489**	**-12,190**

ASSETS

Non-current assets	**30 Sept. 2023**	**30 June 2023**
Land and buildings	41,800	40,753
Plant and machinery	450	450
Other fixtures, tools and Equipment	851	347
Under construction: Property, plant & machinery	84,140	76,630
Deposits	464	414
Total Non-current assets	**127,705**	**118,594**

Current assets		
Raw materials	154	109
Total inventories	**154**	**109**
Trade receivables	194	187
Deferred tax assets	6,037	6,037
Other receivables	3,364	3,412

Prepayments	237	160
Total receivables	**9,838**	**9,796**
Cash and cash equivalents	33,186	3,276
Total current assets	**43,172**	**13,181**
TOTAL ASSETS	**170,877**	**131,775**

EQUITY AND LIABILITIES		
Equity		
Contributed capital	502	502
Share premium	82,444	82,444
Retained earnings	-51,701	-41,209
Total equity	**31,245**	**41,737**
Long term liabilities other than provisions		
Mortgage debt	10,914	11,506
Loans [1]	87,055	36,613
Total long-term liabilities other than provisions	**97,969**	**48,119**
Short term liabilities other than provisions		
Current portion of long-term liabilities	8,039	8,039
Bank loans	20,156	18,614
Trade payables	9,809	5,521
Other payables	3,659	9,745
Total Short-term liabilities other than provisions	**41,663**	**41,919**
Total liabilities other than provisions	**139,632**	**90,038**
TOTAL EQUITY AND LIABILITIES	**170,877**	**131,775**

[1] 28,762 has been re-classified from Current portion of long-term liabilities per 30th June.

UNAUDITED CONSOLIDATED CASHFLOWS

	Q3 2023
Profit (loss) for the period, before tax	**-10,489**
Adjustments	6,372
Change in working capital	-1,879
Cash flow from operating activities before net financials	**-5,996**
Financial income	42
Financial expenses	-6,218
Cash flow from ordinary activities	**-12,172**
Purchase of property, plant and equipment	-9,248
Changes in deposits	-50
Cash flow from investment activities	**-9,298**

Cash from loans	49,850
Cash from capital increase	0
Cash flow from financing activities	**49,850**
Net change in cash and cash equivalents	**28,380**
Cash equivalents 30 June 2023	-15,338
Foreign currency translation adj.	-12
Cash equivalents 30 September 2023	**13,030**
Cash and cash equivalents	
Cash and cash equivalents	33,186
Short term bank loans	-20,156
Cash and cash equivalents 30 September 2023	**13,030**

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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