



Date: February 10, 2023

Announcement no: 5

ISIN: DK0061676400

NOT FOR DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA) (THE "UNITED STATES"), AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL.

Additional offtake secured - adding appx MEUR 45 - 60 in future company EBITDA successful renegotiation of pricing structure of offtake agreement completed.

In this announcement:

- **Inclusion of additional two future waste plastic upcycling WPU facilities in the Vitol offtake agreement**
- **Securing of revenue streams**

Inclusion of additional two future waste plastic upcycling WPU facilities in the Vitol offtake agreement

WPU - Waste Plastic Upcycling A/S ("WPU" or the "Company") is pleased to announce to have finalized an expansion of scope of the existing offtake agreement with Vitol.

Reference is made to the Information Document dated April 21, 2022 regarding Vitols offtake / purchase of pyrolysis oil from the three first WPU Upcycling facilities (Fårevejle, Nakskov and Esbjerg) (hereinafter together the "Danish facilities").

Vitol has notified WPU that Vitol wishes to exercise its option to secure additional WPU pyrolysis oil from two additional facilities in addition to the Danish facilities.

Consequently, WPU has now sold all pyrolysis oil from the first 5 facilities that upcycle plastic waste by use of the WPU technology.

The location of the additional upcycling facilities and the construction timeline will be disclosed later. However, at this stage WPU expects that the locations of these additional WPU facilities will be outside Denmark but within the EEC and that the construction of the new facilities will be finished by the end of 2026.

Construction of the two facilities is expected to add approximately MEUR 50 in added CAPEX during the period of construction and equipment installation and until in full production.

Once the two additional facilities are constructed and in full production it is anticipated that the two facilities will add appx. MEUR 55 - 70 in added revenue and MEUR in 45 - 60 in added EBITDA on a yearly basis.

Securing of revenue streams

In terms of the general market outlook resellers and petrochemical companies are currently negotiating terms for hydrogen carbonate products such as the pyrolysis oil produced by WPU and other plastic recyclers.

Indications show a new trend for mitigating the risk for mismatched contracts throughout the full supply chain. Market participants are therefore seeking contracts with a predominant fixed price element.

WPU welcomes this trend as it will further strengthen and validate the lifespan economics of new facilities especially for low CAPEX / High Capacity producers as WPU.

The original pricing structure in the offtake agreement with Vitol was highly affected by changes in the Naphtha price. WPU and Vitol have therefore agreed an adjustment of the pricing structure in the offtake agreement to include a greater fixed price element, thereby limiting exposure to market fluctuations.

Since the listing of the Company in April 2022 the price of Naphtha has fallen significantly.

WPU wish to stabilize revenue streams and enhance the probability and transparency of the stipulated economic growth prospects of the Company.

This stabilization of economics will enhance the possibilities of securing prime financing packages for future expansion as the economic growth prospects becomes more transparent and predictable.

The new pricing structure will trigger a slightly higher price for the Products of WPU based on the current level of the Naphtha.

Notwithstanding the foregoing the earnings has been adjusted to reflect the new price structure.

With the new pricing structure, the economic outlook for a 6-reactor facility like the one build in Fårevejle (on a full production) year can be stipulated as follows:

| Item | MEUR |
|---------------------------------|----------------|
| Revenue | 16 – 18 |
| Operating & Maintenance cost | 2 – 3 |
| EBITDA | 12 – 17 |
| Depreciations | 1 |
| EBIT | 11 – 16 |

Tom Baker, Global Head of Naphtha trading at Vitol comments: *“Vitol is committed to building a sustainable energy business for the future. Securing pyrolysis oil from WPU is an important step for fulfilling the strong demand for these products.”*

Niels Stielund, Chairman of Waste Plastic Upcycling A/S comments: *“Expanding the scope for the Offtake agreement for future facilities and crystallize the foreseeable economical outcome of future operations will empower WPU in the negotiations regarding future financing of facilities.”*

About WPU:

WPU Waste Plastic Upcycling A/S is a Danish company focused on upcycling plastic waste to oil, that may be used as full range Naphtha or may be distilled to kerosene/jet fuel. The strategy and main goal of Waste Plastic Upcycling A/S is to upcycle end-of-life plastic waste by using its batch pyrolysis technology. WPU aims for further expansion, in the European market as well as globally. WPU is well positioned for this expansion with its proven technology that is peer-leading in respect of low CAPEX, high yield and fast-paced construction which will set the future standards in the growing market for plastic pyrolysis within the waste plastic industry.

For further information, contact:

Klaus H Lindblad, Vice Chairman, Global Head of IR and Legal, e-mail: KL@WPU-DK.COM.

Important notice:

This announcement is not and does not form a part of any offer to sell, or a solicitation of an offer to purchase, any securities of the Company. Copies of this announcement are not being made and may not be distributed or sent into any jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States. Any sale in the United States of the securities mentioned in this announcement will be made solely to "qualified institutional buyers" as defined in Rule 144A under the Securities Act. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 as amended (together with any applicable implementing measures in any Member

State. This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only for relevant persons and will be engaged in only with relevant persons. Persons distributing this communication must satisfy themselves that it is lawful to do so. Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "strategy", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict, and are beyond their control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not make any guarantee that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events. You should not place undue reliance on the forward-looking statements in this announcement. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement. Neither the Manager nor any of its affiliates makes any representation as to the accuracy or completeness of this announcement and none of them accepts any responsibility for the contents of this announcement or any matters referred to herein. This announcement is for information purposes only and is not to be relied upon in substitution for the exercise of independent judgment. It is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any securities or a recommendation to buy or sell any securities of the Company. Neither the Manager nor any of its affiliates accepts any liability arising from the use of this announcement. The distribution of this announcement and other information may be restricted by law in certain jurisdictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions. This announcement is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) as implemented in any Member State. This information is considered to be inside information pursuant to the EU Market Abuse Regulation, and is subject of the disclosure requirements of section 5-12 of the Norwegian Securities Trading Act.