

WPU - Waste Plastic Upcycling A/S

Højgårdsvej 13A, Lammefjorden, 4540 Fårevejle

Company reg. no. 41 87 32 64

Annual report

1 January - 31 December 2025

The annual report was submitted and approved by the general meeting on the 13 April 2026.

Jeffrey van Geloof

Chairman of the meeting

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Notes:

To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.

Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of WPU - Waste Plastic Upcycling A/S for the financial year 1 January - 31 December 2025.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January – 31 December 2025.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Fårevejle, 13 April 2026

Executive board

Jeffrey van Geloof

Thomas Leif Åberg

Board of directors

Tom Henry Baker

Eduard Ruijs

Jeffrey van Geloof

Independent auditor's report

To the Shareholders of WPU - Waste Plastic Upcycling A/S

Opinion

We have audited the financial statements of WPU - Waste Plastic Upcycling A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025, and of the results of the Company's operations for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Independent auditor's report

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 13 April 2026

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Arne Sørensen

State Authorised Public Accountant
mne27757

Company information

The company

WPU - Waste Plastic Upcycling A/S
Højgårdsvej 13A, Lammefjorden
4540 Fårevejle

Company reg. no. 41 87 32 64
Established: 19 November 2020
Domicile: Fårevejle
Financial year: 1 January - 31 December

Board of directors

Tom Henry Baker
Eduard Ruijs
Jeffrey van Geloof

Executive board

Jeffrey van Geloof
Thomas Leif Åberg

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Subsidiaries

Produktionsselskabet Egebjerg ApS, Odsherred
Produktionsselskabet WPU Fårevejle ApS, Odsherred
Produktionsselskabet WPU Nakskov ApS, Odsherred
Waste Plastic Upcycling - Trading ApS, Odsherred
Produktionsselskabet WPU Esbjerg ApS, Odsherred

Management's review

Description of key activities of the company

The objective and the tasks of the corporate group is optimization of resources, waste collection and related services.

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

Profit from ordinary activities after tax totals DKK 4.572.996 against a loss DKK -71.314.348 last year.

The Company is scheduled to participate in a Group merger in 2026.

Events occurring after the end of the financial year

The company will, at this year's annual general meeting, grant a group contribution of 100,000 DKK to Produktionsselskabet Egebjerg ApS to restore the company's capital base.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2025</u>	<u>2024</u>
Gross profit	1.451.872	-3.775.427
1 Staff costs	-4.166.166	-7.498.626
Depreciation and impairment of non-current assets	<u>-287.750</u>	<u>-436.502</u>
Operating profit	-3.002.044	-11.710.555
Income from investments in group enterprises	4.382.075	-60.196.086
Other financial income from group enterprises	3.774.388	6.345.312
Other financial income	476.938	1.955
2 Other financial expenses	<u>-1.078.473</u>	<u>-2.801.483</u>
Pre-tax net profit or loss	4.552.884	-68.360.857
3 Tax on net profit or loss for the year	<u>20.112</u>	<u>-2.953.491</u>
Net profit or loss for the year	<u>4.572.996</u>	<u>-71.314.348</u>
Proposed distribution of net profit:		
Transferred to retained earnings	4.769.093	0
Transferred to other reserves	-196.097	-221.461
Allocated from retained earnings	<u>0</u>	<u>-71.092.887</u>
Total allocations and transfers	<u>4.572.996</u>	<u>-71.314.348</u>

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2025</u>	<u>2024</u>
Non-current assets		
4 Completed development projects, including patents and similar rights arising from development projects	2.303.919	2.555.325
Total intangible assets	2.303.919	2.555.325
5 Other fixtures, fittings, tools and equipment	0	86.343
Total property, plant, and equipment	0	86.343
6 Investments in group enterprises	136.683.953	357.661
7 Deposits	26.000	26.000
Total investments	136.709.953	383.661
Total non-current assets	139.013.872	3.025.329
Current assets		
Receivables from group enterprises	1.856.802	0
Tax receivables from group enterprises	20.112	6.970
Other receivables	82.630	218.958
Prepayments	127.928	99.807
Total receivables	2.087.472	325.735
Cash and cash equivalents	9.342	10.058
Total current assets	2.096.814	335.793
Total assets	141.110.686	3.361.122

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities	<u>2025</u>	<u>2024</u>
<u>Note</u>		
Equity		
Contributed capital	527.076	527.076
Share premium	97.791.823	97.791.823
Reserve for development costs	1.797.057	1.993.154
Retained earnings	39.118.429	-132.751.584
Total equity	<u>139.234.385</u>	<u>-32.439.531</u>
Provisions		
Provisions for investments in group enterprises	38.248	15.604.993
Total provisions	<u>38.248</u>	<u>15.604.993</u>
Liabilities other than provisions		
Other payables	0	1.176.908
Total long term liabilities other than provisions	0	1.176.908
Bank loans	70.977	8.438.490
Trade payables	712.671	1.325.973
Payables to group enterprises	114.502	7.560.569
Other payables	939.903	1.693.720
Total short term liabilities other than provisions	1.838.053	19.018.752
Total liabilities other than provisions	<u>1.838.053</u>	<u>20.195.660</u>
Total equity and liabilities	<u>141.110.686</u>	<u>3.361.122</u>

9 Contractual obligations and contingencies, etc.

10 Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2024	510.408	83.808.538	2.214.615	-62.126.192	24.407.369
Cash capital increase	16.668	13.983.285	0	0	13.999.953
Retained earnings for the year	0	0	0	-71.092.887	-71.092.887
Transferred from retained earnings	0	0	-221.461	0	-221.461
Transaction costs	0	0	0	467.495	467.495
Equity 1 January 2025	527.076	97.791.823	1.993.154	-132.751.584	-32.439.531
Retained earnings for the year	0	0	0	4.769.093	4.769.093
Transferred from retained earnings	0	0	-196.097	0	-196.097
Group contribution	0	0	0	167.100.920	167.100.920
	527.076	97.791.823	1.797.057	39.118.429	139.234.385

Notes

All amounts in DKK.

	<u>2025</u>	<u>2024</u>
1. Staff costs		
Salaries and wages	4.134.042	7.439.848
Other costs for social security	<u>32.124</u>	<u>58.778</u>
	<u>4.166.166</u>	<u>7.498.626</u>
Board of directors	<u>93.125</u>	<u>372.610</u>
Average number of employees	<u>4</u>	<u>7</u>
2. Other financial expenses		
Financial costs, group enterprises	416.910	374.712
Other financial costs	<u>661.563</u>	<u>2.426.771</u>
	<u>1.078.473</u>	<u>2.801.483</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-20.112	-6.970
Adjustment of deferred tax for the year	<u>0</u>	<u>2.960.461</u>
	<u>-20.112</u>	<u>2.953.491</u>
4. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2025	2.839.250	0
Additions during the year	0	2.839.250
Transfers	<u>43.845</u>	<u>0</u>
Cost 31 December 2025	<u>2.883.095</u>	<u>2.839.250</u>
Amortisation and write-down 1 January 2025	-283.925	0
Amortisation and depreciation for the year	-288.308	-283.925
Transfers	<u>-6.943</u>	<u>0</u>
Amortisation and write-down 31 December 2025	<u>-579.176</u>	<u>-283.925</u>
Carrying amount, 31 December 2025	<u>2.303.919</u>	<u>2.555.325</u>

All amounts in DKK.

	<u>31/12 2025</u>	<u>31/12 2024</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2025	488.465	488.465
Disposals during the year	-444.620	0
Transfers	<u>-43.845</u>	<u>0</u>
Cost 31 December 2025	<u>0</u>	<u>488.465</u>
Depreciation and write-down 1 January 2025	-402.122	-249.545
Amortisation and depreciation for the year	0	-152.577
Depreciation, amortisation and impairment loss for the year, assets disposed of	395.179	0
Transfers	<u>6.943</u>	<u>0</u>
Depreciation and write-down 31 December 2025	<u>0</u>	<u>-402.122</u>
Carrying amount, 31 December 2025	<u>0</u>	<u>86.343</u>

Notes

All amounts in DKK.

	<u>31/12 2025</u>	<u>31/12 2024</u>
6. Investments in group enterprises		
Cost 1 January 2025	6.005.022	6.005.021
Additions during the year	<u>229.641.581</u>	<u>0</u>
Cost 31 December 2025	<u>235.646.603</u>	<u>6.005.021</u>
Writedown, opening balance 1 January 2025	-103.513.844	-43.317.758
Net profit or loss for the year before amortisation of goodwill	<u>4.382.075</u>	<u>-60.196.086</u>
Writedown 31 December 2025	<u>-99.131.769</u>	<u>-103.513.844</u>
Offset against receiveables	130.871	82.261.491
Transferred to provisions	<u>38.248</u>	<u>15.604.993</u>
Set off against debtors and provisions for liabilities	<u>169.119</u>	<u>97.866.484</u>
Carrying amount, 31 December 2025	<u>136.683.953</u>	<u>357.661</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, WPU - Waste Plastic Upcycling A/S
Produktionsselskabet Egebjerg ApS, Odsherred	100 %	-47.884	-817.416	-47.884
Produktionsselskabet WPU Fårevejle ApS, Odsherred	100 %	134.001.050	6.180.951	134.001.050
Produktionsselskabet WPU Nakskov ApS, Odsherred	100 %	-47.901	-892.059	-47.901
Waste Plastic Upcycling - Trading ApS, Odsherred	100 %	2.682.903	445.534	2.682.903
Produktionsselskabet WPU Esbjerg ApS, Odsherred	100 %	<u>-73.335</u>	<u>-534.935</u>	<u>-73.335</u>
		<u>136.514.833</u>	<u>4.382.075</u>	<u>136.514.833</u>

7. Deposits

Cost 1 January 2025	<u>26.000</u>	<u>26.000</u>
Cost 31 December 2025	<u>26.000</u>	<u>26.000</u>
Carrying amount, 31 December 2025	<u>26.000</u>	<u>26.000</u>

Notes

All amounts in DKK.

	<u>31/12 2025</u>	<u>31/12 2024</u>
8. Deferred tax assets		
Deferred tax assets 1 January 2025	0	2.960.461
Deferred tax of the net profit or loss for the year	<u>0</u>	<u>-2.960.461</u>
	<u>0</u>	<u>0</u>

The Company holds deferred tax assets totalling TDKK 4.782. The tax assets is a combination of tax loss carry-forward of TDKK 4.887 and timing differences in utilised tax deductions of TDKK -105.

These deferred tax assets haven't been recognized due to uncertainty.

9. Contractual obligations and contingencies, etc.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

10. Related parties

Controlling interest

Vitol Holding II S.A., 5 Rue Goethe, L-1637 Luxembourg Beneficial owner

Transactions

Transactions with related parties have been carried out on an arm's length basis. Accordingly, no further disclosures are required.

Consolidated financial statements

None of the company's parent companies present consolidated financial statements.

Accounting policies

The annual report for WPU - Waste Plastic Upcycling A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation, amortisation, and write-down for the year and profit and loss on the disposal of intangible and tangible assets.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Accounting policies

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and write-down for impairment.

Property, plant, and equipment

Land and buildings is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Land and buildings is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Accounting policies

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Accounting policies

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

As administration company, WPU - Waste Plastic Upcycling A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.