

Information memorandum

Wimao Oy

BECAUSE ALL PLASTICS

ARE MEANT TO BE RECYCLED

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The relevant information regarding this project, including a presentation of its risks, can be found in the Key Investment Information Sheet (KIIS), which is available on the project page.

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1. Introduction

1.1. CEO's inviting statement

Wimao's goal is to make a significant global impact on plastics recycling. By using our patented and commercially proven recycling process technology we can utilize the difficult mixed and hard-to-recycle waste plastic and other streams. We are not competing with others for the same recyclable materials, we are targeting the problematic streams that would otherwise be incinerated or landfilled. Turning difficult waste streams into eco-friendly carbon negative products creates a unique opportunity to conduct very profitable business and to create ecological value by reducing both waste and CO2 emissions.

We are now raising growth capital to support the international rollout of Wimao technology and to invest in international team building and further technology and product development. Join us in making the world more circular.

1.2. Key investment highlights

- **Unique, patented, and proven technology** to recycle hard-to-recycle waste streams otherwise destined to landfill and incinerators, creating very profitable business and ecological impact, while solving one of the megatrends
- **Scalable business model** via localized partnership model, utilizing partnerships to build local operations and scale without heavy investment costs
- **Multiple revenue streams:** the recycling plants create revenues from selling the output and receiving gate fees and plastic credits, the parent company has its own operational plants and creates additional revenues from its licensing and service model for the country specific companies.
- **Strong Management Team:** Wimao boasts a strong management team with experience in technology and manufacturing industries, international expansion and previous successful exits.
- **Potential for Lucrative Exit:** The target exit through an IPO in the next five years aligns with the investors' goals of maximizing shareholder returns. With projected growth and a material market position, Wimao positions itself as an attractive exit opportunity.
- **Proven Track Record:** Wimao's technology has already been proven through existing operating lines and through good traction from large key industrial players in the waste management industry. Wimao's technology can also be a supplementary solution to traditional recycling for large waste management companies struggling with unsortable mixed plastic waste.
- **Strong patent portfolio**, including 12 different patent families in different stages.
- **Global demand for carbon-negative** products driven by corporate responsibility and sustainability; large companies are forced to change subcontractors and suppliers due to sustainability obligations, and smaller companies are following, creating a huge opportunity for Wimao's ecological product portfolio.

1.3. Investment offer

Company:	Wimao Oy
Industry:	Recycling technology
Founding year:	2016
Number of employees:	25
Website:	www.wimao.com
LinkedIn:	https://www.linkedin.com/company/wimao-technologies/
Entrepreneur:	Ville Immonen
Financial product:	Equity
Funding target (minimum):	€400,001.06
Maximum issue size	€1,500,017.46
Price per share:	€17.98
Equity offered:	2.47 – 8.67 %
Offered units:	83,427
Number of existing shares:	878,745
Fully diluted shares:	898,045
Pre-money valuation:	€15,799,835.10
Campaign page:	www.invesdor.com/rounds

2. Overview

2.1. Company presentation

Wimao is an innovative circular economy company focusing on recycling technology founded in 2016 in Lappeenranta, Finland based on research conducted at the Lappeenranta University of Technology (LUT). Wimao's unique patented recycling technology is used to turn mixed plastic waste and other hard-to-recycle waste streams into ecological plastic and composite products including logistics products (such as pallets, pallet collars, lid, trays, and corner protectors), flooring, decking and paving materials, and OEM products such as furniture components, pier deck elements and core plugs for cardboard rolls in the paper industry, among others. A major competitive advantage for Wimao is the ability to offer a truly closed loop solution turning the customer's waste streams back into usable products.

Wimao's technology covers the whole process from waste to product, is cost-efficient, scalable, and highly automated. Wimao can recycle materials that other technologies cannot use. The proven technology allows for mixed materials, content variations and impurities making sorting and pre-treatment easier. The technology is proven with completed operating lines serving as proof of concept. Wimao does not only offer technology, but a complete waste-to-value business concept, including patented technology, material and process knowhow and product concepts and preliminary established sales channels.

In addition to plastic waste, a portion of the used raw materials can be wood, paper and board fibres as well as various minerals, textile, glass and carbon fibres and different polymers. Wimao receives raw materials from local partners in the waste management industry who collect and handle waste. The waste is transported to Wimao's facility by the partner company where it is refined by Wimao to a compound and further to various end-products. The compound can be supplemented with various additives to improve the final properties of the product.

Ecological plastic and composite products manufactured utilizing Wimao's technology can be used in an unlimited range of industrial applications. Wimao's products replace products and components made of plastic, wood, metal, glass fibre and even rock and concrete with a great price to quality ratio. Wimao's

price competitiveness stems from the ability to utilize the difficult waste streams, with low or zero cost or even with a possibility for gate fees and recycling incentives.

Wimao has made the strategic decision to focus on certain high volume, easily manageable, product categories to keep focus and limit the need for resources. The product categories are logistics products, construction and urban spaces and OEM products, which usually are targeted for the waste owners to create closed loop solutions.

To gain an important position in the recycling market, Wimao has identified that the company needs to move fast and seize the business opportunity in the next 3 to 5 years. Wimao has selected an aggressive growth strategy to become an important player in mixed material waste streams recycling especially in the EU and USA. Wimao's growth target is to have 20 plants/machine lines operational by the end of 2027. Wimao's growth strategy is built on partnering up with local partners in each country and setting up a joint venture, where the local partners bring a local network, knowledge and resources, and especially waste sources.

Wimao currently has recycling plants in Lappeenranta in Finland with two machine lines, and in Motala and Ljungby in Sweden. Wimao is expanding globally through joint ventures which allows for growth with substantially lower investments and enables using strong local resources and operations via partnerships. Wimao Impossible Plastics AB in Sweden is Wimao's first joint venture, where Wimao holds a 60% stake.

The aggressive growth strategy is based on current opportunity window to benefit from good availability of green investment subsidies. Therefore Wimao expects that opening of new market requires own equity investment of 500k€UR as an average. Additional financing is based on investment subsidies, investments of local partner(s) and loans.

Wimao is now raising 0.4 – 1.5 MEUR at a 15.8MEUR pre-money valuation to accelerate the company's aggressive future growth. The funds are invested in the ramp-up of new markets and in increasing headcount to make the team stronger for future growth requirements. The headcount investments are focused on strengthening sales and marketing, product development and the project team as enablers to start-up of new plants more efficiently.

Wimao has built a strong pipeline of partner negotiations to expand into new markets. Wimao has already signed LOIs for setting up recycling plants in the Netherlands, Spain and the United Kingdom. Negotiations with other partner candidates in major EU markets and the United States are progressing according to the plans. Wimao's priority is on getting the first plants started in central and southern Europe to have a network of plants spanning from the north to south of Europe, which efficiently can support escalation to next markets. Wimao has also identified a major market opportunity in the USA, where both the volumes and price point are very attractive for the overall business case.

Wimao is targeting an exit in the next five years with an IPO seen as the most viable exit channel by the main shareholders.

2.2. Products and / or services

Wimao serves both waste owners (waste management companies and industrial companies with large amounts of mixed plastics waste, etc.) and end users (industrial and commercial companies looking for sustainable products).

Wimao offers its waste management partners a cost-effective and complete waste-to-value solution to convert difficult waste streams, for which they currently must pay gate fees to dispose, into profitable business creating positive ecological impact and ability to achieve recycling targets that are pushed both on the EU level and by local governments across the world.

Wimao creates substantial value to end customers striving for sustainability, by offering CO₂ -negative products with competitive pricing combined with robust design, long product life and a truly closed loop solution.

The main cash flow for the recycling plants comes from the sale of ecological end products made from waste through Wimao's sales network. The ability to collect gate fees and obtain recycling incentives for the hard-to-recycle waste streams offers additional potential for future cash flow. The waste management companies' alternative cost is gate fees in incineration and landfill sites. The high level of profitability and price competitiveness stems from the possibility to use these hard-to-recycle waste streams which means that Wimao receives the raw-material for free at worst, or is even able to receive gate fees for collecting the raw material.

For the investors the opportunity for an attractive return stem from the exponential growth potential and exit potential within the next 3 – 5 years. This return potential is built on the network of state-of-the-art recycling plants offering recurring revenue and on the Wimao business-as-a-concept creating revenues for the parent company.

2.3. How it works

Wimao's recycling process technology covers the full process from waste to product thus eliminating the need for intermediate steps and logistics. Wimao's proprietary innovative technology allows for bypassing bypass the limitations in traditional recycling.

The process can be divided into three main phases: Crushing, Compounding, and Forming, each phase comprising from several subphases. Driven by the technology, know-how and experience of Wimao's team, Wimao can tailor the compound of the different waste streams and deal with the most difficult waste streams, while ensuring a high and steady quality of end products.

One of the major challenges when dealing with mixed waste plastics is maintaining a high and steady quality which meets the end-customers' expectations. A key feature of Wimao's process is the adjusting system which allows to cope with the variations in different waste streams and maintain steady quality of the end-products.

2.4. Business model

Wimao's business model is based on two main cornerstones

a) **Building and operating recycling plants based on Wimao's patented recycling technology.**

Wimao has fully owned plants in Finland, while the international growth strategy primarily is based on a partnership model where Wimao establishes country or regional joint ventures with local partners, typically waste management companies or other waste owners. These JV companies operate the recycling plants under Wimao's licence and guidance.

The cash flow for the recycling plants is mainly derived from selling ecological end products made from waste while gate fees and recycling incentives for the hard-to-recycle waste streams offers additional revenue potential. In the future, Carbon credits and recycling incentives will be explored as additional sources of revenue in the future.

The parent company, Wimao Oy's, revenue stems from the parent company's own plants operations and from dividends from the country specific ventures.

- b) Wimao's recycling concept is not just a technology, but a comprehensive waste-to-value business concept, including patented recycling technology, material and operational knowhow, product concepts and R&D, as well as a gradually growing sales channel networks and customer base. Hence Wimao is licensing the plug-and-play business concept to regional Joint Ventures and collect licence and service fees from Joint Venture who operate the business in selected target markets.

The business model enables Wimao to scale with the help of regional partners and their resources, thus reducing the need for CAPEX investments and resources from Wimao. The joint venture model allows for substantially lower investment requirements compared to a traditional business model with fully owned subsidiaries. The joint venture business model offers the partner companies an easy plug-and-play concept to start recycling of challenging mixed plastics. The current option for the waste management companies for the targeted waste streams is incineration or landfilling, which is a substantial cost for the waste management companies. This additionally allows the waste management customer companies to valorise these waste streams, save in gate fees and claim material recycling instead of burning the waste, thus helping the waste management companies to achieve their recycling targets.

Sustainability impact

Wimao has third party LCA calculations proving that each product produced via Wimao's technology can save up to 3 times its weight in CO2 emissions, which is a strong selling point both for the waste management companies and for Wimao's end customers, aiming to reduce their carbon footprint.

Wimao's third-party LCA calculations for the production plant indicate that one machine line with a capacity 1 ton/per hour can save over 21,100 tons of CO2 emissions annually. With 50 plants operational the CO2 reducing impact is 1+ million tons per year in reduced CO2 emissions.

Wimao is a young, growth-oriented SME with a unique excellent opportunity for integrating sustainability into all areas of the company's operations, to do sustainability right from the start in a technology- and data-driven way. With growth all sustainability areas (environmental and social responsibilities, good governance as well as financial and ownership responsibility) are considered and integrated in all operations.

Wimao's values form the basis of everything the company does. They comply with relevant laws and regulations in our operations and operate in accordance with the principles of sustainable development and continuous improvement.

SDG 12: Wimao's approach to establishing recycling plants globally embodies Sustainable Development Goal 12 by promoting responsible consumption and production. Through country-specific ventures, including joint ventures, the company fosters sustainable growth. Each plant's construction and operation are guided by life cycle assessments, ensuring a reduction in CO2 emissions. By aligning with SDG 12, Wimao actively contributes to waste reduction, resource efficiency, and environmental sustainability on a global scale.

2.5. Management team

Ville Immonen (CEO, Co-Founder, Board member) – Ville Immonen is the CEO and Co-Founder of Wimao. Ville has an entrepreneurial background in the metal industry and is currently the chairman of the board at Premekon Oy, a company designing and manufacturing industrial walkways, service platforms, stair

towers and other metal structures, since 2009. Ville holds a master's degree in industrial management and engineering from Lappeenranta University of Technology. Ville Immonen owns shares in Wimao both directly and through Lodog Technology Group Oy.

Fenghui Yang (VP, Director, Products and Services) – Fenghui Yang assists the CEO in strategy, partnerships and investments and the international team at Wimao in efficiency improvement and team building. Prior to joining Wimao Fenghui was the VP in China for Runtech Systems for 7 years. Fenghui has more than 20 years' experience in sales, marketing, investment, and senior management. He has deep knowhow in the cleantech industry from his previous positions at Runtech Systems, Sandong Sanrong Group, Finnish Environmental Cluster for China and from researched positions at the Fudan University and the Hiroshima University. Runtech Systems was sold by Loipposet to Denver Garden in 2018. Fenghui is a direct shareholder of Wimao.

Marko Salonen (Director, Business Development) – Marko Salonen is the Business Development Director at Wimao. Marko is an international business expert with vast, over 25 years' experience in leadership and international business development positions e.g., in Business Finland, Finpo, Biohit and Nokia. He has been consulting tens of Finnish SMEs for successful international growth as a certified management consultant and has been leading international business development activities in different business cultures. Marko Salonen is a direct shareholder in Wimao.

Tomi Karjalainen (Director, Technology) – Tomi Karjalainen is the Director of Technology at Wimao. Tomi has more than 20 years' experience in leadership, technology and strategy from international positions including Director of Equipment Engineering at Outotec Oyj, Process Consultancy Director at Etteplan Oyj and Sales Director at Afry Oyj. In all his leader positions creating success factors for growing technology companies, such as technology productization and business process improvement together with organizational development, have been an essential part of his responsibilities. Tomi is a senior business development advisor in multiple growth companies in green tech. Tomi Karjalainen does not own shares Wimao but will be given options from the option pool.

2.6. Board of Directors

Juha Varis (Co-Founder & Chairman) – Juha Varis is the chairman of the board at Wimao. Juha has 30 years of experience in the development of machinery, equipment, and manufacturing technology. Juha Varis has invested in Wimao both personally and through Aava Finland Oy.

Juho Loippo (Board member, representative of Loipposet) – Juho Loippo is the CEO of Loipposet Oy, an investment company investing in companies that build their business model around sustainability. Loippo has operational experience in the paper and manufacturing industry through Runtech Systems which Loipposet sold to Denver Garden in 2018 for 75MEUR. For more info about Loipposet: <https://www.loipposet.fi>. Juho Loippo has invested in Wimao through Loipposet Oy

Ville Immonen (Co-founder, Board member, CEO) – As above

Timo Kärki (Co-Founder & Board member) – Timo Kärki has over 15 years of experience in waste and recycled material applications for fibre composites. Timo Kärki has invested in Wimao through EF Wood Research Oy.

Nicholas Oksanen (Board member) – Nicholas Oksanen is an Executive VP and Head of Division Process Industries at AFRY. Nicholas has extensive experience in strategy, markets, and from investment projects from business ideas to operating plants in the pulp and paper, chemicals and biorefining, and mining and metals industry. Nicholas Oksanen has invested in Wimao through Oksanen Company Oy

Timo Vartiainen (Board member) – Timo Vartiainen is an investor with experience in the manufacturing and technology industry from several different successful companies and has built several companies for successful exits. Timo Vartiainen is a direct shareholder in Wimao.

2.7. Company structure

Wimao Oy has one subsidiary in Sweden, Wimao Impossible Plastics Ab, of which it owns 60%.

2.8. Distribution of the company shares

	Shares overall	Shares A	Shares B	Voting	Ownership
1 Loipposet Oy	149 515	149 515	-	17,10 %	17,01 %
2 Lodog Tehcnology Group Oy	141 149	141 149	-	16,14 %	16,06 %
3 Aava Finland Oy	85 326	85 326	-	9,76 %	9,71 %
4 EF Wood Research Oy	85 326	85 326	-	9,76 %	9,71 %
5 MCML Investments Limited	74 180	74 180	-	8,48 %	8,44 %
6 EEP Invests Limited	74 180	74 180	-	8,48 %	8,44 %
7 North Savo Startup Fund Ky	58 678	58 678	-	6,71 %	6,68 %
8 Timo Vartiainen	53 826	53 826	-	6,16 %	6,13 %
9 Other 12 shareholders	156 565	152 265	4 300	17,44 %	17,28 %
Total	878 745	874 445	4 300	100 %	100 %

2.9. Use of funds

Scenario I – Maximum funding of €1.500.000 collected in the financing round

- *Launching new recycling plant projects in Netherlands and UK*
- *Invest in sales and marketing*
- *Invest in further product and process development and working capital for business development and growth activities*

Scenario II – €1.000.000 EUR collected in the financing round

- *Launching a new recycling plant project in Netherlands and UK*
- *Invest in international team building*
- *Invest in further product and process development and working capital for business development and growth activities*

Scenario III – Minimum funding of €400.000 collected in the financing round

- *Launching a new recycling plant project in Netherlands*
- *Invest in international team building*
- *Invest in further product and process development and working capital for business development and growth activities*

Scenario 1	Scenario 2	Scenario 3
€1.500.000	€1.000.000	€400.001,06
<ul style="list-style-type: none"> • 70% would be invested to new recycling plants and rest would be allocated to business development, R&D activities and team building. 	<ul style="list-style-type: none"> • 50% would be invested to new recycling plants and rest would be allocated to business development, R&D activities and team building 	<ul style="list-style-type: none"> • Allocated to business development, R&D activities and team building.

3. Market

Wimao's target market is two-folded

- 1) Wimao is offering a waste-to-value solution to recycle and valorize challenging plastics waste streams. Even though the company is not selling the concept as such, they need to find their niche in the plastics recycling ecosystem as there is no silver bullet to solve plastics challenges, but many technologies are complementing each other and building the recycling ecosystem.
- 2) The earning logic of Wimao's concept is mainly based on sales of end-products, i.e., offtake of plastic recycling, hence there is a target market for each product category and eventually for each individual product.

Is there a market for recycling technologies? Yes, there is. The industry is emphasizing that there is no silver bullet to solve recycling challenges, but there is a need for different solutions to build more capacity and find valorisation options for different waste streams. The main issue in the market for the past decades has been exporting waste, and today these waste streams are either channeled to incineration or landfills. Based on the report by European Investment bank (Cutting plastics pollution — Financial measures for a more circular value chain © European Investment Bank, 2023), only approx. 30% of 41 Million tons of managed plastics streams in EU are recycled and the rest of waste is managed by incineration or landfilling. Hence well over 20Mt of plastics are still not recycled. In North America only 11% are recycled! Even figures are slightly better since the study was made and there are many initiatives to improve recycling rate, there are still several challenges to meet recycling targets. One of the conclusions from the study was that the recycling industry must deal with large volumes of mixed plastic waste, only in EU there is 4.2 Mt shortage of sorting capacity to be able to meet even short-term targets for recycling in EU. And the shortage is much bigger in global scale. Without crystal ball one can predict that lots more recycling capacity is needed for years to come.

The global waste management market was valued at 1.3 trillion USD in 2023 and is expected to grow at CAGR 5.4 percent annually to 1.96 trillion USD in 2030 (Statista, 2024). The market growth is driven by the rise in the world's population and the subsequent increased amount of waste and supported by increasing government regulations. At the same time the need for solutions to recycle waste is exponentially growing.

The main issue in the waste market for the past decades has been the export of waste to Asian and African countries. Today these waste streams are either channeled to incineration or to landfills. Based on the report by the European Investment bank (Cutting plastics pollution — Financial measures for a more circular value chain © European Investment Bank, 2023), only approximately 30% of the 41 million tons of managed plastics streams in the EU are recycled and the rest of the waste is managed by incineration or landfilling. Hence well over 20 million tons of plastics annually are not recycled in the EU. In North America only 11% are recycled! One of the conclusions from the study was that the recycling industry must deal with large volumes of mixed plastic waste, in the EU alone there is a 4.2 million ton shortage of annual sorting capacity to be able to meet even short-term targets for recycling in the EU. And the shortage is substantially larger on a global scale. With few alternatives available, and exporting of waste becoming increasingly difficult, the market for waste recycling is expected to grow substantially over the coming years.



Figure 13: Total managed plastic waste

Source: <https://www.eib.org/en/publications/20220248-cutting-plastics-pollution>

Wimao has taken the strategic decision in the offtake market to focus on business areas which either have high volumes, a possibility to build closed-loop solutions or where Wimao’s products can bring an alternative to less ecological solutions. Wimao has identified and selected three ideal business areas for the output products that are expected to grow exponentially in all of Wimao’s target markets as companies increasingly look for carbon negative alternatives and closed loop solutions:

- Logistics products
- Construction products
- Urban spaces products

Logistics products

Logistics products consist of, among others, pallets, pallet collars, pallet lids, crates, sleeves and corner protectors. The global market of logistics is huge, the pallet market alone is estimated to be a EUR>50billion market where large conglomerates buy hundreds of thousands of pallets annually. The pallet market has traditionally been dominated by wooden pallets but there is a growing demand for plastic pallets, offering a great business opportunity for Wimao’s eco-friendly recycled plastic pallets. It has been estimated in several market surveys that plastic pallets will gain 40% market share during the current decade. Wimao’s additional logistics product range completes the offering and offers an opportunity for Wimao to build long-term partnerships with different sales channel partners and end-customers.

Construction products

Wimao’s technology enables production of different solutions for the construction industry. The market has traditionally been dominated by products made from concrete and other less environmentally friendly materials. There is however a growing trend toward eco-friendliness and zero-carbon solutions in the construction industry offering multiple market opportunities for Wimao’s carbon-negative products and

closed-loop solutions. Wimao's technology enables production of versatile product applications, among others, for decking, paving, facades, and drainage solutions. Wimao has already launched some products together with OEM customers, and the product portfolio will be developed further based on market demand.

Urban spaces products

Potential urban spaces products consist of e.g., outdoor furniture, garbage bins, flowerpots, space dividers and other terrace and public space solutions. The large market for urban spaces products is fragmented and Wimao has identified multiple cooperation opportunities within the urban spaces business area, especially in cooperation with waste management companies who already deal with municipalities where Wimao can offer added value through carbon negative products and production capacity in several locations, thus lowering the environmental impact from shipping products.

Above markets are all expected to grow exponentially over the coming years and decades in all Wimao's target markets as companies search for more carbon negative alternatives and closed loop solutions.

3.1. Market positioning

Wimao aims to position itself as the priority partner to waste owners and waste management companies to valorize challenging mixed plastics streams which otherwise would be incinerated or landfilled. Wimao is not directly competing with traditional recycling technologies but is rather operating in its own niche in the recycling ecosystem often serving as an ad-on solution to traditional recycling solutions and waste management companies.

From an offtake agreement point of view, Wimao can position itself as offering ecofriendly solutions with affordable prices. Virgin plastics raw materials are still cheaper than recycled raw materials, which makes recycled plastics end-products more expensive, and buyers with fixed budgets still often prefer economical options over ecological ones. Wimao recycles the raw materials in its own streamlined process and focuses on the plastics which are otherwise incinerated. Therefore, the company's raw material prices and process efficiency gives them a competitive advantage over other plastics products, and they can position their products (if deemed necessary) to lower price point than other plastics products and even against wooden products.

3.2. Competitive environment

Europe and other developed economies such as the USA and Japan used to solve their plastic waste problems by shipping plastic waste to China. For example, Europe sent at worst more than 40% of its plastic waste to China and other Southeast Asian countries for "recycling" but in reality only a small portion of the plastics could be recycled and a large part ended up in incineration, landfills, rivers and seas. China has now closed its borders to foreign waste imports, and other Southeast Asian countries have followed suit. Meanwhile Europe currently lacks significant recycling capacity and technologies to recycle difficult mixed plastic fractions. In addition, Europe is facing more stringent recycling targets, new legislation to meet recycling obligations, and a plastic tax costing Member States €800/ton for plastics that cannot be recycled. This opens a window of opportunity to secure a material market position for an operator like Wimao. Wimao estimates that the window opportunity will last for the next 3-5 years, and the company has an ambitious international growth plan to take advantage of this opportunity.

Wimao uses a mix of materials difficult to recycle that would otherwise end up in landfills or incineration as raw material. As a result, Wimao's main competitor for raw materials is incineration. Energy recovery is not really recycling and is currently a significant cost for large waste companies. In the EU there are high targets to improve the recycling rate, which will naturally turn waste streams from incineration to recycling.

Wimao's main competitors in recycling of plastics are other mechanical- and chemical recycling companies. Mechanical recycling companies are focusing on monostreams of different polymers and cannot recycle challenging mixed materials. The chemical recycling capacity is estimated to increase in the future as these plants can recycle large quantities of packaging plastics such as mixed film plastics, which has previously been extremely difficult to recycle. Chemical recycling technologies are however still immature, require more sorting, consume more energy, have higher emissions and can only achieve a low recycling rate of around 25% of incoming materials while Wimao can recycle 100% of incoming waste. Based on feedback from major European waste management companies, they don't see any mechanical or chemical recycling methods to be a silver bullet for recycling challenges, but different technologies will need to complement each other in order to maximize recycling of different plastics streams. As a result, the global market demand for recycling technologies, like Wimao's which can use and valorise mixed plastics and other challenging plastics streams is huge.

There are companies using recycled materials, also mixed plastics, as raw material in their production. In such product categories they can be seen as direct competitors, with similar eco-friendly value propositions. However typically these companies are not recycling technology companies nor recycling companies, who can offer recycling services for challenging plastics waste streams that otherwise incinerated. The companies are in different niches and based on received feedback, some of such companies can be OEM customers or sales channels for Wimao offtake.

3.3. Competitive advantages

USP (unique selling proposition)

- Wimao's recycling process technology solves the recycling problem of difficult and hard-to-recycle waste streams that otherwise would be incinerated or landfilled. Wimao is not competing with others for the same recyclable materials, Wimao is targeting the problematic waste streams that would otherwise be incinerated or landfilled.
 - Wimao offers a solution to mixed plastic waste and other hard-to-recycle waste streams. These problematic streams have no other value and have an alternative disposal cost in terms of gate fees for incinerating or landfilling.
- Wimao's process is cost-efficient with a low CAPEX investment need and energy efficient allowing for low OPEX costs, thus offering price competitive and ecological products.
 - Cost-efficiency allows Wimao and its partners to create profits while doing good for the environment.
- Wimao creates value to important international end-product-customers striving for sustainability based on multiple unique selling propositions:
 - Winning CO₂ -negative product (1 ton of plastic waste = 3 tons of CO₂ saved).
 - Short supply chain - no intermediate processing of mixed plastic waste needed.
 - Competitive pricing combined with robust design and long product life.
 - Truly closed loop solution - we accept back our products end of their product life and can reuse the material for new products.

Wimao's IP-patented technology allows for a wide range of waste streams to be recycled, including mixed plastics, various raw materials, and high-fibre materials. This technology eliminates the need for pre-sorting different plastic grades creating composites from hard-to-recycle materials. By reusing these materials rather than using "virgin" raw resources, Wimao's recycling line effectively decrease 20 000tons of carbon dioxide from the atmosphere.

Wimao solution is not just a technology but a scalable plug-and-play waste-to-value business concept, including technology, material and operational knowhow and approved end-product concepts easy to commercialize. The adaptability of the technology and the durability and weather-proof material make it suitable for various industries, offering unlimited applications and an excellent price-quality ratio.

From an end-product perspective Wimao products are carbon negative, saving up to three times their weight in CO2 emissions. Wimao can also help the customers circulate their own plastics by offering closed-loop plastics where Wimao receives plastic waste from the customer and recycles it into end-products tailor made for the customers to use again in their own processes. Through Wimao's efficient processes and low raw material costs, Wimao can offer ecological products with affordable price.

3.4. Intellectual Property

- The main items to be used are the central innovation of Wimao's technology and know-how: the forming process that controls the formability of the recycled mixed material and the manufacturing process for making composites out of it. This background IP is patented globally – with the first already patented under the international Patent Cooperation Treaty (PCT) and the second currently pending PCT, already patented in specific countries.
- Wimao holds 11 patent families, granted and pending, including the described forming process-related patent, one compounding-related patent, and several more detailed patents for different parts of the process. These patents are owned by Wimao and will stay in its full ownership

4. Financial figures and growth

4.1. Key financial figures (ACTUAL + PLAN)

EUR	2022A	2023A	2024F	2025F	2026F	2027F	2028F
Revenue total	1.078.345,10 €	1.418.023,96 €	5.640.000,00 €	24.439.498,88 €	47.382.547,77 €	76.882.342,36 €	105.984.516,77 €
Revenue from parent company's operations	1.078.345,10 €	1.418.023,96 €	2.500.000,00 €	2.750.000,00 €	2.829.750,00 €	2.911.812,75 €	2.996.255,32 €
Revenue from parent company's licensing and service model	0,00 €	0,00 €	1.140.000,00 €	4.296.900,00 €	9.767.600,00 €	15.995.200,00 €	21.822.800,00 €
Revenue from JV operations	0,00 €	0,00 €	2.000.000,00 €	17.392.598,88 €	34.785.197,77 €	57.975.329,61 €	81.165.461,45 €
Other operating income total	2.160.569,61 €	525.505,50 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Variation in stocks of finished goods and in work in progress	-13.577,00 €	102.350,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Costs from operations total	-977.375,94 €	-1.185.636,93 €	-2.606.936,60 €	-9.205.811,84 €	-18.451.304,57 €	-30.101.335,76 €	-41.432.408,84 €
Costs from parent company's operations	-977.375,94 €	-1.185.636,93 €	-1.145.883,45 €	-1.203.964,07 €	-1.238.879,02 €	-1.274.806,52 €	-1.311.775,90 €
Costs from parent company's licensing and service model	0,00 €	0,00 €	-682.000,00 €	-2.877.365,00 €	-6.963.460,00 €	-11.744.920,00 €	-16.206.380,00 €
Costs from JV operations	0,00 €	0,00 €	-779.053,15 €	-5.124.482,77 €	-10.248.965,54 €	-17.081.609,24 €	-23.914.252,94 €
GROSS PROFIT	2.247.961,77 €	860.242,53 €	3.033.063,40 €	15.233.687,05 €	28.931.243,20 €	46.781.006,60 €	64.552.107,93 €
Fixed expenses from operations	-1.342.573,95 €	-1.676.314,30 €	-2.081.440,51 €	-5.077.693,66 €	-8.362.633,48 €	-12.715.703,25 €	-17.128.700,38 €
Fixed staff expenses from parent company's operations	-350.016,95 €	-594.095,32 €	-717.837,18 €	-871.795,83 €	-1.063.504,62 €	-1.302.379,64 €	-1.600.190,39 €
Other operating charges from parent company's operations	-992.557,00 €	-1.082.218,98 €	-1.113.603,33 €	-1.145.897,83 €	-1.179.128,86 €	-1.213.323,60 €	-1.248.509,99 €
Fixed costs from JV operations	0,00 €	0,00 €	-250.000,00 €	-3.060.000,00 €	-6.120.000,00 €	-10.200.000,00 €	-14.280.000,00 €
EBITDA	905.387,82 €	-816.071,77 €	951.622,89 €	10.155.993,39 €	20.568.609,71 €	34.065.303,36 €	47.423.407,56 €
Depreciations and amortizations from parent company operations	-1.053.502,36 €	-431.621,15 €	-638.484,24 €	-504.486,93 €	-400.815,80 €	-320.437,86 €	-257.985,37 €
Depreciations and amortizations from JV operations			-375.000,00 €	-1.971.428,57 €	-4.914.285,71 €	-8.638.095,24 €	-13.437.037,04 €
EBIT	-148.114,54 €	-1.247.692,92 €	-61.861,35 €	7.680.077,89 €	15.253.508,20 €	25.106.770,26 €	33.728.385,15 €
Financial income and expenses total	-224.730,66 €	-108.719,41 €	-223.319,41 €	-841.194,74 €	-1.633.049,45 €	-2.593.548,30 €	-3.529.547,15 €
Share of profit/loss of affiliated companies	0,00 €	0,00 €	0,00 €	1.313.418,05 €	5.253.672,21 €	8.756.120,35 €	12.258.568,48 €
Profit/loss before appropriations and taxes total	-372.845,20 €	-1.356.412,33 €	-285.180,76 €	8.152.301,20 €	18.874.130,96 €	31.269.342,31 €	42.457.406,48 €
Taxes	0,00 €	0,00 €	0,00 €	-1.630.460,24 €	-3.774.826,19 €	-6.253.868,46 €	-8.491.481,30 €
Profit/loss of the financial year total	-372.845,20 €	-1.356.412,33 €	-285.180,76 €	6.521.840,96 €	15.099.304,77 €	25.015.473,85 €	33.965.925,19 €

4.2. Explanation of the financial figures

The financial figures in the above table for 2022 and 2023 are realised figures while the figures for 2024 – 2028 are based on the management's expectation of the growth potential for Wimao.

The financial figures for 2022 and 2023 are based solely on operating Wimao's recycling plants in Finland, which are operated under the parent company. As the table above shows Wimao is currently in the scale-up phase of the recycling lines in Finland, with 1.48MEUR in revenue, and is expecting to gradually reach full capacity with 2.5MEUR expected from the recycling lines in Finland in 2024 and 2.75MEUR in 2025.

Wimao's growth is based on launching joint ventures (JV) in new locations and scaling up those JV's as expanding through joint ventures which allows for growth with substantially lower investments and enables using strong local resources and operations via partnerships. Wimao expects that the opening of new market requires own equity investment of 500kEUR as an average. Additional financing is based on investment subsidies, investments of local partner(s) and loans.

Wimao earns licensing and servicing fees from the JV's as Wimao offers proprietary technology to the JV's. Wimao further earns revenue from the JV's as a proportion to the ownership stake. Wimao may own between 0 – 100% of each venture. If Wimao does not have a stake in a venture Wimao earns revenue only from the licensing and servicing fee. The estimates in the table above are estimated based on the assumption that Wimao launches 5 joint ventures, including already operating Wimao Impossible Plastic AB in Sweden, with a total of 20 recycling lines until 2027 and owns 50% of each joint venture.

Similar to the already operating plants in Finland Wimao expects that the JV's will reach full capacity gradually over a few years' time.

As can be seen in the figures for 2024 Wimao has launched the first JV, Wimao Impossible Plastic AB, in Sweden where Wimao holds a 60% stake. Wimao Impossible Plastic AB's recycling line in Motala, Sweden is in the ramp-up phase and the second recycling line in Ljunbgy, Sweden is currently being built.

4.3. Valuation

Wimao's pre-money valuation in this funding round is 15.8MEUR corresponding to a price per share of €17.98. This is only a slight increase from last summer's funding round in which Wimao raised over 3MEUR from current and new investors in June 2023 with a post-money valuation of 14.7MEUR. The current shareholders are committed to invest also in this funding round.

With a total raise of 15MEUR in a combination of dilutive and non-dilutive funding to date, a large growth potential and strong traction in selected markets the management believes that the valuation offered to the investors is below reproduction value.

4.4. Options

Wimao has 19 300 options outstanding with a strike price of 10.45€ per share. The board has the mandate to grant up to 30 000 options.

5. Exit scenarios

The company has identified an **IPO** or a **buy-out** in 2027 to 2028 as the most realistic exit scenario. The main shareholders are actively targeting an exit in the next 5 years with an IPO seen as the most desirable option among both the company and the main investors.