Pryme

Annual Report 2021

Introduction

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Pryme at a Glance

Headcount

3 → 12

STAFF

Cash on hand

0 → 8.2

MILLION €

Equity

6.5 → 26.8

MILLION €

Completion construction work

15%

FIRST PLANT

Fixed assets

(Book value) *in € million*

55.6%

8.7 19.6

2020 2021

Completion engineering work

95%

FIRST PLANT

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CEO Letter

2021 was an eventful year for Pryme. Following the IPO and the initial funding in February, our focus was on the detailed planning and ordering the equipment for our first factory in Rotterdam.

On a personal basis, I was named CEO of the Pryme in March 2022 and started in this exciting job at the beginning of May 2022. I am really enthusiastic about joining Pryme and to have the opportunity to lead the company in its mission to make chemical recycling of plastic waste at scale a reality.

The mixture of defining and contributing to a circular economy for plastic materials and the commercial and technical attraction of Pryme's technology was vital to me electing to join the Pryme team. The possibilities for Pryme are enormous. Today we are a small venture with a handful of key immediate priorities; most importantly the successful construction and commissioning of the first plant in Rotterdam and the formation of a larger core team with expanded capabilities and capacities. As we progress on these immediate priorities, we will shift our focus to longer-term activities and the industrial scaling-up of our company.

Pryme's history is longer than that of most startup companies. The Pryme project was born in 2010 when Jos van der Endt, the company's founder, started working on how to industrialize the recycling of plastics waste and converting such waste to pyrolysis oil. Jos was an early pioneer in this industry and prioritized the use of existing technologies and proven scalability rather than the much higher risks associated with developing brand-new technologies and processes. By building on existing technologies, Pryme has a lower operational risk profile than many of our competitors. Our technology also has a lower capital intensity than other market players in what is a fixed asset intensive industry.

I am honored to take over the leadership from Jos and getting the opportunity to drive Pryme towards a successful future. On a special note, I want to thank Jos for his vision, initiative and courage.

Although 2021 was characterized by steady progress of the engineering and construction of our first plant, we also faced some setbacks. We realized that the contractual setup with our landlord was suboptimal and needed to modify our respective roles leading to Pryme undertaking more of the infrastructure and equipment investments than foreseen. Such change was initiated in 2021 and formalized in 2022. The challenges in the global supply chains also affected us and have led to some cost increases and delays.

On a positive note, Pryme identified an attractive opportunity to acquire an already permitted and partially developed industrial site in Amsterdam for one of our future plants. The work on this started in 2021 and the transaction closed in 2022.

In addition to the funding received in the IPO process in 2021, the activities of the year led to increased funding needs which were completed in April 2022. This has given the Company solid financial footing until production starts in our first plant.

We are in a pioneering industry, and it should be noted that following the start of commissioning of our first plant in the second half of 2022, Pryme will be operating the largest capacity plastic waste to pyrolysis plant in Europe. In our minds, our first plant is the 'small plant'. As our technology is scalable, our next plants will be significantly larger whilst taking full advantage of the operating experience of our first plant.

With the issues of recycling, energy efficiency and CO2 reduction gaining more and more attention and regulatory support, our markets are expected to grow exponentially in the coming years. Given the amount of plastic waste being generated, the potential supply of feedstock is huge and the same is true for our end markets. With the Pryme advantage we intend to be a significant player in this developing market.

I started out by stating that 2021 was an exciting year for Pryme. I expect the future to be even more exciting.

Sincerely,

Christopher Herve

CEO PRYME N.V.

Company Profile

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Pryme the story

Pryme is an innovative cleantech company focused on converting plastic waste into valuable products through chemical recycling on an industrial scale.

The Pryme technology is based on a proven pyrolysis process that has been further developed and enhanced with proprietary characteristics. These process enhancements enable Pryme to use larger reactors which leads to increased capacities and yields, a key differentiator. Furthermore, the increased yields and throughput improve capital efficiency which leads to a lower levels of capital investment per unit of output compared to the technologies used by our competitors.

Pryme's ambition is to contribute to a low-carbon, circular plastic economy and to become a significant player in the chemical recycling of plastic waste to pyrolysis oil. This should take place through a rollout of our technology by building multiple large-scale plants with intake capacities of around 160,000 metric tons annually.

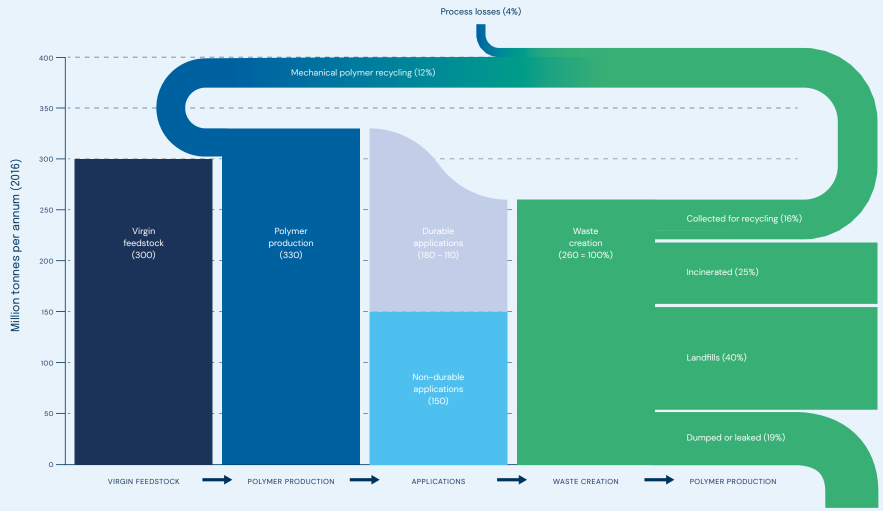
40,000 mt/year

In 2021 we initiated construction of our first plant in Rotterdam, which will validate our technology on an industrial scale. The annual intake of this facility will be about 40,000 metric tons per year, and commissioning is scheduled to begin towards the end of 2022.

Market opportunity

Globally, less than 20% of plastic waste is currently recycled. Most of the plastic waste ends up in landfills or incinerators. Some plastic waste ends up as pollution in the environment.

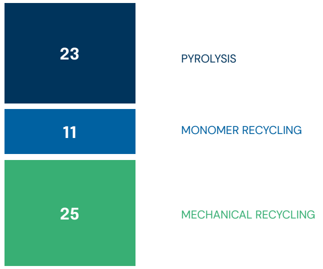
Plastic is a petroleum-based product and the waste plastic molecules are well suited for a chemical recycling process with an output product that can substitute naphtha as feedstock for the petrochemical industry, thus enabling circularity for plastics materials.



Source: McKinsey: How plastics-waste recycling could transform the chemical industry (December 2018)

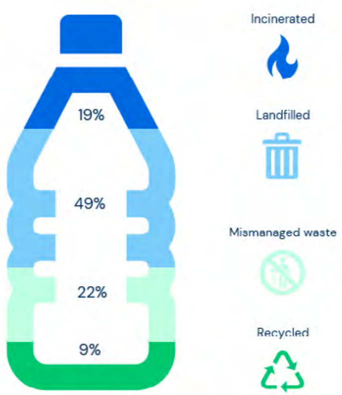
Today's plastic recycling is dominated by mechanical recycling where plastic polymers remain intact. However, such mechanical recycling is only limited to certain types of plastic and often results in a quality downcycle. Chemical recycling of plastics, though, is virtually unlimited as to the volumes of plastic waste that would be suitable for recycling. Pryme considers chemical plastics recycling through pyrolysis as a logical and meaningful complement to mechanical recycling.

Estimated growth in global profits from plastics recycling by technical process (2016 to 2030 in billion USD)

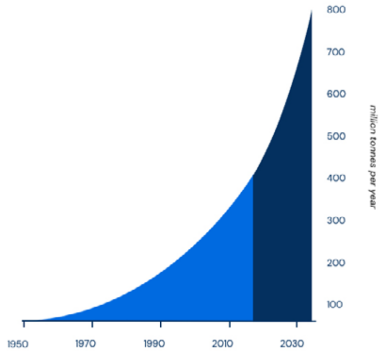


Source: McKinsey: How plastics-waste recycling could transform the chemical industry (December 2018)

Global polymer waste streams



Global plastics production



Sources: OECD – Plastic Waste in 2019; McKinsey: How plastics-waste recycling could transform the chemical industry (Dec-18).; & Statista

Supportive regulatory environment

EU and national regulations provide support to the development of the plastic recycling industry. In addition, big consumers of plastics, particularly in the food and personal care sectors, are striving to use recycled plastics packaging materials, act as good corporate citizens, satisfy customer desires and stay ahead of regulations. The drive towards plastics circularity and a lower carbon footprint has strong momentum. The combination of consumer, commercial and regulatory forces provides a potent mix of opportunity for our sector, and for Pryme in particular. Below, an illustration of the regulations and published intentions to date from the EU relating to plastics waste.

2018	2019	2020	2021
EU Plastics Strategy: 50% of all plastic packaging to be recycled by 2025.	**EU Green Deal: Boost efficient use of resources by moving to a clean, circular economy.**	**EU Plastic Tax of EUR 800 per tonne on non-recycled plastic packaging waste.**	**Stringent regulation on EU exports of plastic waste.**

End-user demand and feedstock

Against this backdrop major players are mobilizing. As with demand for circular solutions grows we see increasing interest and investments in the recycling industry. Just a few years ago, the petrochemical sector had little appetite for pyrolysis oil or other recycled input products. The interest from the petrochemical sector is now almost universal, primarily driven by the demand for circular ethylene and propylene, the building blocks for plastic. Higher oil and gas prices further support this development, as circular feedstock for plastic serves as a substitute for petroleum-based feedstock. Investor expectations, strong end market demand and regulations increase the sense of urgency in the petrochemical sector, which benefits companies like Pryme that are in the entrepreneurial and innovation part of the value chain. The support of the petrochemical sector is now a key driver of upstream investments, with companies investing in R&D and fixed assets in order to be able to process pyrolysis oil in their large industrial installations.

Pryme's strategic cooperation and supply agreement with Shell Chemicals, through which the companies aim to jointly develop the supply chain, is a case in point. The support of industrial partners like Shell turbocharges the necessary development of the chemical recycling sector.

Further down the value chain, we are seeing the large consumer brands acting on shifting consumer preferences and regulatory requirements on packaging. The push from this side comes from a mix of consumer demand for circular plastics in combination with self-imposed aspirational recycling goals. Given their need to procure significant amounts of circular plastics, these companies have the potential to be strategic partners in financial investments in recycling capacity.

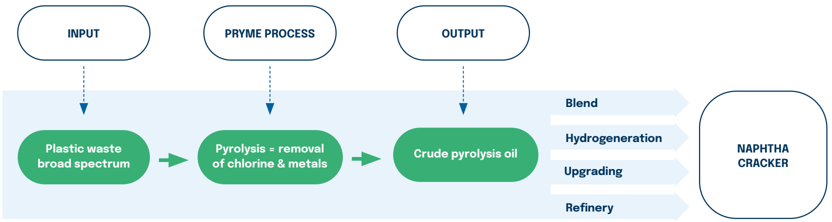
> **"The support of industrial partners like Shell turbocharges the necessary development of the advanced recycling sector.**

The main challenge will lie upstream, in the waste management industry, where waste plastics are to be converted into process streams that can be handled by the chemical recyclers on a large-scale basis. The re-routing and upgrading of current incineration and landfill streams into circular streams will require investment in additional sorting capacity and capability to enable new supply chains. On top of the demand for their waste streams, the waste sector is increasingly under regulatory pressure to embrace circular alternatives over incineration and landfill. Add to that the EU export ban on plastic waste, and it becomes clear that chemical recycling is an inevitable and necessary path and partner for the waste management industry. Pryme is working on several pathways to strategic partnerships in this part of the value chain.

Pryme's positioning

Within the competitive landscape, Pryme has positioned itself as a low-cost pure-play pyrolysis company with the ambition to reach petrochemical scale. The company puts its focus on the conversion of plastic waste to pyrolysis oil, with further processing of the oil seen as best placed with the petrochemical industry. The competitive edge comes from the ability to process a broad spectrum of plastic waste to an acceptable quality of pyrolysis oil at a low unit cost.

Circularity is at the core of our mission and our aim is to have our production processed through naphtha cracking facilities to provide the building blocks for 'new recycled' plastics.



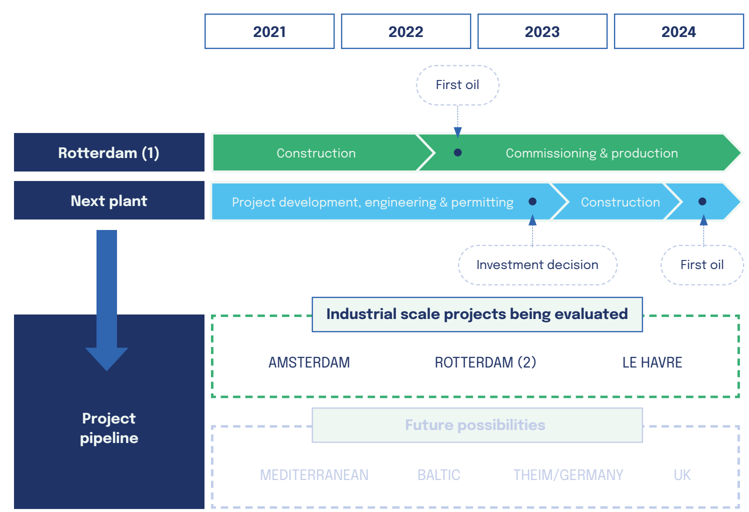
Rollout strategy

In 2021 we started the construction of our first plant. Built at the industrial site of Plant One in Rotterdam. This facility will serve to validate our technology on an industrial scale and to provide key process knowledge and data that will support process optimization and the design of future plants. In order to facilitate this, flexibility and redundancy have been built into the equipment choices for the first plant with two types of extruder technologies and reactor geometries.

In parallel the company is identifying multiple sites in order to obtain permits for subsequent plants at strategic locations. We are in a long lead business, and good preparatory work is one of the keys to a successful and swift rollout. Our ambition is to build and own a portfolio of plants across Europe with a typical, standardized, modular plant design. Pryme estimates that a typical plant will have an annual intake capacity of about 160,000 metric tons and will produce about 120,000 metric tons of pyrolysis oil annually.

> **"We are in a long lead business, and good preparatory work is one of the keys to a successful and swift rollout.**

Currently we have three main candidates for construction of a typical plant: Rotterdam, Amsterdam and Port Jérôme near Le Havre. We foresee further development of these site alternatives during 2022 and believe we will be ready to commit to one of these sites in 2023.



Partnerships

The technology and scale that Pryme brings to the industry continue to attract interest from major companies both on the intake and on the output side of the Pryme activities. Pryme aims to develop multiple long-term partnerships to lay the foundations for robust growth.

Petrochemical industry

There has been a notable interest for our pyrolysis oil across the petrochemical industry, and over the year discussions with several potential off-takers matured.

Pryme was proud to sign a strategic cooperation and an offtake agreement with Shell Chemicals in August. These agreements resulted from four years of constructive dialogue and relationship building between the parties. The strategic cooperation agreement underlines the common strategic aim to foster development of the value chain. Although non-exclusive, the agreement recognizes the role of Shell in supporting the development of our concept through a commitment to offtake a significant part of the volume of our first plant. The agreement also defines the path towards supply from a projected future plant in the Amsterdam-Rotterdam-Antwerp area.

The offtake agreement defines pricing and logistical practicalities of supply of pyrolysis oil from our first plant.

Pryme views these agreements and commitments as an important external validation of our overall technology and business case, and an encouragement to the plastic waste to pyrolysis industry as a whole.

Feedstock

For the supply of waste plastic feedstock Pryme is faced with a very fragmented industry. Currently, most of the European plastic waste is incinerated, and it is this stream that will be the main feedstock for the chemical recycling industry.

The regulatory environment will drive changes through the export ban on waste plastics and the expectation that regulators will limit, if not prohibit, the incineration of plastics.

Although no volumes were contracted in 2021, the company has visibility on sufficient supply for the first plant and is developing several avenues towards partnerships for long-term supply of significant quantities for our future plants.

> **Pryme aims to develop multiple long-term partnerships to lay the foundations for robust growth.**

R&D

To make continuous improvements to our industrial processes and to enable us to better optimize the feedstock blend for our plants as well as the characteristics of the pyrolysis oil produced, Pryme established an R&D facility.

The R&D facility is a lab scale setup of Pryme's technology located on the premises of the University of Ghent, a leading knowledge center on pyrolysis and petrochemical processes. While still under development, we expect to be operational in Q2 of 2022 to allow testing of various feedstock blends and sources before the startup of the first plant currently under construction in Rotterdam.

Together with the University of Ghent, other academic institutions, and several industrial partners, including a petrochemical major and a renewable energy provider, Pryme submitted an EU Horizon subsidy application for a 4-year development project to achieve a fully electrified process to make plastics circular through chemical recycling and subsequent cracking. The application was awarded towards the end of 2021. Both our Ghent lab and the Rotterdam plant will feature in this project.

Attractive project economics

Through scale and cost efficiency, the company has positioned itself to provide attractive investment returns. Our assumptions underlying these projections are based on what we have learned from small scale activities to date.

The price of pyrolysis oil is supported by strong structural demand partly or completely disconnected from the volatility in global energy markets. In our view, this growing demand for sustainable solutions is a safeguard for structural and significant contribution margins for our processes.

The combination of significant global supply of plastic waste and strong demand for circular feedstock, means the opportunity in our business environment can hardly be overstated.

Illustrative plant economics	Unit	Rotterdam Phase 1 30k MT output p.a.	Typical plant 120k MT output p.a.
Output price	EUR / MT output	850	850
Feedstock cost	EUR / MT output	333	333
Energy cost	EUR / MT output	140	90
Other plant opex	EUR / MT output	170	130
Plant EBITDA contribution	EUR / MT output	207	297
Plant EBITDA contribution	EUR million	6	6
Investments (incl. working cap.)	EUR million	35	113
EBITDA return on invested capital	%	17%	32%

In conclusion, at Pryme we believe that our business model provides a genuine and meaningful contribution towards a circular economy for plastic. Through our low-cost and low-risk technology at industrial scale, we can provide attractive financial returns We are still a young and small company, but we are on a clear path to achieving our ambitious goals.

Developments and achievements in 2021

As Pryme N.V. is a startup company in a build-up phase, the board has focused on the key priorities for the short to medium term which for Pryme means 2021 and 2022. The key board priorities for 2021 included:

- A Obtaining funding primarily through an IPO.
- B Finalize design and engineering work for the first plant in Rotterdam.
- C Initiate construction of the first plant in 2021 with the intention of achieving mechanical completion in the first half of 2022.
- D Implementing proper governance structures including relevant policies.
- E Strengthening the organization through key additions to the team in order to deliver on the identified priorities.
- F Maturing growth plans including identification of sites for further plants following the completion of the first plant.
- G Gaining insights and expertise in plastic waste feedstock sorting and logistics.
- H Signing of a strategic cooperation and offtake agreement with Shell

The Pryme Group

Pryme N.V. and its subsidiaries CCT International B.V. and CCT Circular Cleantech B.V. are mainly active in the field of the development of innovative technology in the field of processing plastic waste into pyrolysis oil. The goal of the group is to become a leading player in the field of converting plastic waste into pyrolysis oil on an industrial scale.

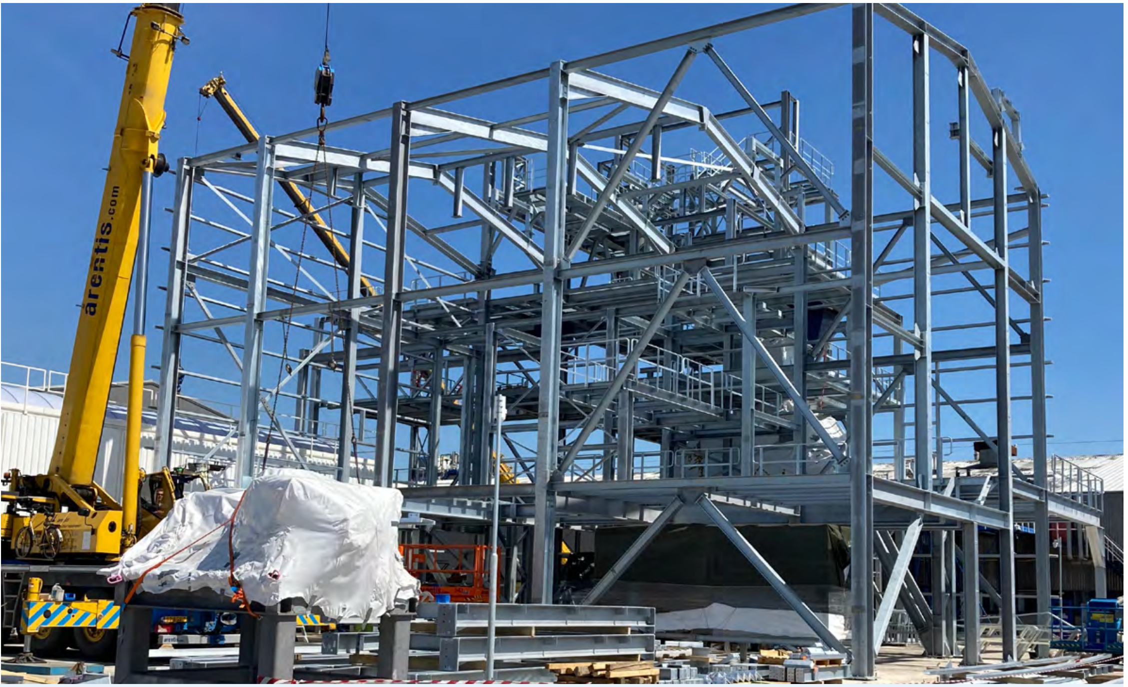
Key financial indicators

	2021	2020
Turnover	€ 0	€ 0
Total Operating Expenses	€ 2.294.725	€ 587.712
Solvability ratio	82.9 %	53.2 %
Current ratio	18.34	1.57

Funding and IPO

At the start of 2021 investors confirmed their trust in Pryme's pyrolysis-based recycling technology and its strategy to capitalize on the strong demand for circular plastic feedstock. The company raised EUR 25 million (NOK 256 million) in new capital, through a successful IPO. Shares of the new issue were sold at NOK 51.20 each, corresponding to a post money market capitalization of EUR 75 million (NOK 768 million). Pryme was admitted to trading on the Oslo Euronext Growth Exchange on 16 February 2021 (ticker code: PRYME / PRYME.OL).

In addition to the equity funding, an increase of the already existing asset-backed loan facility was negotiated. The facility was increased from EUR 3.7 million to EUR 8.2 million, with a tenor of 96 months.



NEW CAPITAL

€25 MILLION

was raised by Pryme through a successful IPO

EXISTING ASSET-BACKED LOAN FACILITY

PLASTIC INTAKE CAPACITY OF THE 1ST PLANT

40k TONNES

per year

Design, Engineering and Construction

The engineering work was completed during the first half of 2021 and further preparations started as soon as the funding (IPO) was secured. Long lead items were ordered, detailed plant design was finalized, the steel structure was ordered and civil works were planned. The final design includes additional flexibility to extract a maximum amount of learning and to de-risk the overall pyrolysis process. The insights from this validation plant, including logistics around the process, will shape the design of the next plants and inform future investment decisions.

Additional engineering to optimize the plant design, increasing lead-times, shortage of semiconductors and electronics and a restructuring of the arrangements with our landlord at the location of the first plant resulted in delays of around 6-8 months compared to the initial intentions. As of year-end 2021, we estimated that plant construction will be completed and commissioning will start in the second half of 2022. In events following year-end 2021, we concluded the restructuring of our lease agreement for the site of the first plant. Another significant event following year-end was the additional funding obtained through a capital increase during the first half of 2022 in order to secure sufficient funding until the point when we estimate that our first plant will become cash flow positive. *For more information about these subsequent events, please see the Subsequent Events details in the Financial Statements section of this annual report.*

Implementing proper governance structures including relevant policies

In 2021, Pryme initiated a search for and appointed two independent and external board members through an extraordinary shareholders' meeting (EGM) in October 2021. At the same EGM, the company converted to a so-called two-tiered board structure under Dutch corporate law. The supervisory board consisted of three members, two of which were independent board members. The supervisory board also established two subcommittees, the audit committee and the compensation committee, and their respective charters. At the same EGM, the management board was formalized with four members.

The management board primary focus was on operational activities related to items above. These activities are described under the respective headings in this board report.

The supervisory board defined and initiated the implementation of proper governance structures, including organizational roles and responsibilities, appropriate policies (further described in the Governance Report section of this annual report), early strategy discussions and formulations for the company, developing budgets, monitoring liquidity and initiating searches for senior management and management board positions. The supervisory board also stressed the importance of establishing a strong and positive corporate culture, demonstrating high standards of ethical behavior and capturing this in a code of conduct , a real and committed focus on health, safety and environment (HSE) and the company's commitment to high standards of corporate responsibility.

The supervisory board conducted three board meetings between October and December 2021. The management board did not conduct any formal meetings, but weekly ´all employee´ meetings were conducted throughout the year as this was seen as a more meaningful mode of operation given the small size of the company and the limited number of employees.

Organization

The development of the organization can most easily be described through the development in headcount from the beginning until the end of 2021. The headcount grew from 3 to 12 during 2021. As the focus is on the realization and successful startup of our first plant, filling several operational management positions with experienced candidates has solidified our engineering, processing, and business development capabilities. The most significant additions were the CFO, Commercial Executive Director, Plant Manager, Rollout Manager, SHEQ Manager and R&D Manager.

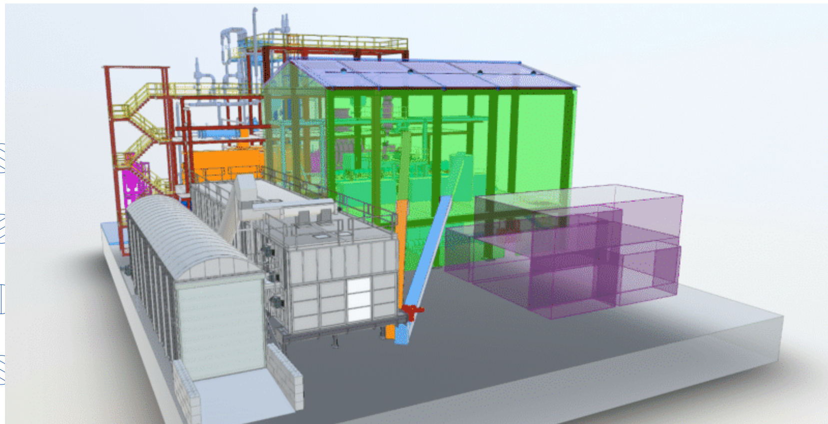
Through the buildup of the organization, Pryme was able to properly resource the various activities during 2021. As the company is in a strong growth mode, we expect significant short-term additions to the Pryme team in 2022.

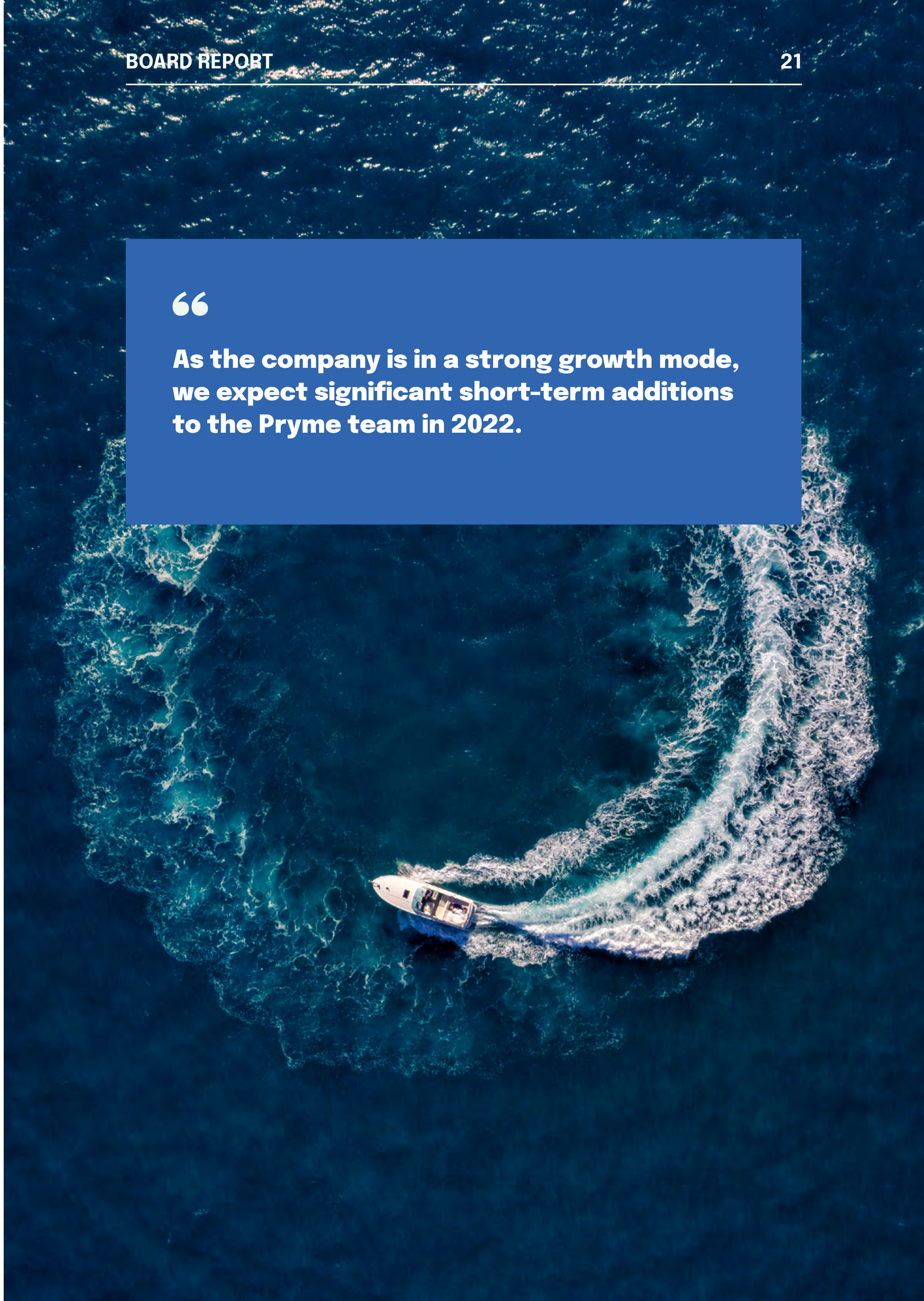
Maturing our growth opportunities

In parallel to the construction of the first plant, we are developing the building blocks for an ambitious rollout strategy. We have identified several potential sites for future plants in strategic location as and will work on obtaining the necessary permits for the development of these sites. Currently we have three main candidates for construction of a typical plant: Rotterdam, Amsterdam and Port Jérôme near Le Havre. We expect to further mature these options during 2022 and believe we will be ready to commit to one of these alternatives in 2023.

Gaining insights and expertise in plastic waste feedstock sorting and logistics

As described in the Pryme Company Profile section of this annual report, the sourcing, sorting and logistics arrangements for feedstock are of vital importance to the company. Defined as a key priority, the company has spent considerable time researching the feedstock market and building up contacts with potential partners and suppliers in order to make well considered decisions with regard to securing appropriate feedstock for our first plant and future plants. Although no volumes were contracted in 2021, the company has visibility on sufficient supply for the first plant and is developing several avenues towards partnerships for long-term supply of significant quantities for our future plants.





“As the company is in a strong growth mode, we expect significant short-term additions to the Pryme team in 2022.

Governance report

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Implementation of the principles for corporate governance

Pryme N.V.'s has committed to conform to the Dutch Corporate Governance Code. This is a voluntary undertaking by the Company as we are not required by law to adhere to the Dutch Corporate Governance Code given that we do not at this point meet the applicable market capitalization threshold. Pryme specifically adheres to the Dutch Corporate Governance Code's principle of "comply or explain". Deviations from the Dutch Corporate Governance Code are explained in this Governance report.

Definition of Pryme's business

The objective of the group is defined in *Pryme's Articles of Association for the company, article 2.*

Equity and dividends

The company shall have an equity capital which over a period of time is at an appropriate level for its objective, strategy, and risk profile.

The company has not yet established a dividend policy as it is a startup company with no operational activities yet. Once the company enters into normal operations generating revenues and earnings, the company will establish a dividend policy.

Equal treatment of shareholders and transactions with related parties

Pryme has only one class of shares and all shareholders in Pryme enjoy equal rights. Transactions in own shares are carried out through the stock exchange or at prevailing stock exchange prices. Possible buybacks will be carried out at market prices.

Shares and negotiability

The shares in Pryme are freely negotiable and there are no restrictions on the negotiability of the shares.

Financial reporting

The Pryme Group publishes quarterly financial statements in addition to the annual report. Internal reports are produced monthly and quarterly, in which the performance of each business area and product segment is analyzed and evaluated against forecasts. Pryme's consolidated financial statements are prepared by the group accountant, who reports to the CFO.

Prior to discussions with the Board, the Audit Committee performs a preliminary review of the quarterly financial statements and annual report, with a particular emphasis on the subjective valuations and estimates that have been made. The external auditor is invited to attend Audit Committee meetings.

Major internal policies

The Company has established and implemented Environment, Health and Safety, Insider Trading and Delegation of Authority Policies in 2021. In addition, charters were established for the two Supervisory Board subcommittees.

Risk management and internal control

Risk assessment and mitigation is a management responsibility. Its objective is to identify, evaluate, and manage risks that could impact on Pryme's ability to achieve its goals.
Due to its small size, Pryme has not established a formal internal control system other than sound principles of division of responsibilities. The Supervisory Board will ensure that such systems are put in place as soon as the Company's size and scope justify this.

ESG focus

In its ambition to strongly contribute to a circular plastic economy that ensures sustainable consumption and production patterns, Pryme acknowledges the importance of objectivity and transparency with regard to Environmental, Social and Governance ('ESG') matters. Pryme's external reporting will therefore include both qualitative and quantitative factors to measure Pryme's ESG performance. To ensure a smooth translation of commitment into action, Pryme has established a board subcommittee to oversee ESG matters.

The responsibilities of the ESG Committee will include:

a) Leading the development and implementation of ESG policies and execution of an ESG action plan to ensure compliance with ESG regulatory frameworks in a fashion that satisfies ESG investors, and specifically the investor requirements for Art 9 Funds as defined under the EU Sustainable Finance Disclosure Regulation.

b) Monitoring and disclosing the ESG key performance indicators seen fit in order to meet the objectives under 1).

Compliance with laws and regulations

Pryme's reputation and license to operate depend on responsible business conduct. The company is committed to complying with all applicable laws and regulations. Pryme in committed to uphold leadership in its operations on safety, health and environmental protection and it does not tolerate bribery, corruption, fraud, violations of trade sanctions, anti-money-laundering and anti-competition laws, or any other illegal or unethical conduct in any form by anyone working for or on behalf of the company. The Management Board has the overall responsibility and accountability for compliance and reports on the topic to the Audit, Governance and Compliance Committee.

Auditor

The Auditor presents the main elements of the plan for the auditing of the company to the Audit Committee on an annual basis in accordance with his price estimate. The Auditor participates in the Supervisory Board meeting where the annual financial statements are approved. The Auditor further meets with the supervisory Board without the management of the company present at least once a year.
The Supervisory Board, on the advice of the Audit, Governance and Compliance Committee, has appointed Mazars N.V. as the company's external auditor for the annual accounts for the financial year ending 31 December 2021. The Audit Committee and the Management Board shall maintain regular contact with the external auditor and discuss the audit plan, the findings and the auditor's report.
The proposal for appointment of the company's external auditor for the annual accounts for the financial year ending 2022, will be submitted to the company's annual general meeting of shareholders, in line with the Dutch Corporate Governance Code.

General meetings

The notice to convene the General Meeting is published on the company's website (www.pryme-cleantech.com) no later than 15 days prior to the meeting. Furthermore, the notice is sent to all known shareholders on the same date. Supporting information, such as proposals for resolutions to be considered by the General Meeting and recommendations by the Nomination, Succession and Remuneration Committee, are enclosed with the notice and made available on the website at the same time. The supporting material is sufficiently detailed and comprehensive to allow all shareholders to form a view on all matters to be considered at the General Meeting. Documents that according to applicable laws shall be distributed to the shareholders may, as per the Articles of Association, be made available on the company's website.

Shareholders who wish to attend the General Meeting shall, according to the Articles of Association, notify the company or its announced representative no later than five days prior to the General Meeting.

The notice calling the General Meeting provides information on procedures the shareholders must observe at the General Meeting, including the procedure for representation by proxy.

Shareholders who cannot attend the General Meeting may vote by proxy. Forms for the granting of proxies are enclosed with the summons to the General Meetings and are also available on the company's website. The form of proxy includes provisions that allow for instructions on the voting on each individual agenda item. The company will nominate a person who will be available to vote on behalf of the shareholders as their proxy.

The Chair of the Supervisory Board of Directors and the Chief Executive Officer will attend the General Meeting and to the extent possible, other members of the Supervisory Board of Directors and the members of the Management Board will also attend.

The General Meeting follows a procedure that allows the shareholders to vote on each individual matter, including on each individual candidate nominated for election.

Two tier boards structure

The company operated under a one-tier structure until 11 October 2021, at which date the Extraordinary General Meeting of shareholders established the two-tier board structure.

The current two-tier board consists of a Management Board and a Supervisory Board. Each board has specific roles and responsibilities regulated by laws, the articles of association, the Dutch Corporate Governance Code and the company's Delegation of Authority policy.

Supervisory boards of directors, composition, and independence

The Supervisory Board of Directors shall, according to the Articles of Association of the company, consist of at least three members elected by the General Meeting. The Supervisory Board consists, at present, of the following directors elected by the General Meeting:

Henning E. Jensen
Norwegian
born 1960
chair from May 2022

Jos van der Endt
Dutch
born 1958
chair from October 2021-May 2022

Willem Michiel Kool
Dutch
born 1960

Jan Willem Muller
Dutch
born 1977
Note: Mr. Muller was appointed in the company's Extraordinary General Meeting in May 2022 and was thus not a member of the Supervisory Board during 2021

All supervisory board directors elected by the General Meeting were appointed until the General Meeting of 2026. The majority of the Supervisory Board directors are independent as defined in Pryme's articles of association. If the Supervisory Board representation is equally distributed between independent and non-independent members, the casting vote ensures independent majority.

The three Supervisory Board members attended all Supervisory Board meetings held during 2021.

Remuneration to the supervisory board of directors

The remuneration paid to each Supervisory Board member is authorized by the General Meeting. For the period from the 2021 General Meeting until the 2022 General Meeting the two independent Supervisory board members received EUR 25,000 each in cash compensation for their activities as Supervisory Board members and committee members. In addition, they received 15,000 stock options each with a strike price of NOK 51.20. Jos van der Endt was excluded from any Supervisory board compensation as he received compensation through his management company for his services as CEO of Pryme.

Management board of directors; composition

The Management Board consists, at present, of the following directors elected by the General Meeting:

Christopher Herve
CEO
from May 2022

Rik van Meirhaeghe
Executive Director

Boudewijn van Vliet
Executive Director
CFO

In addition, from October 2021 until February 2022
Stephan Anzenhofer
CFO

In addition, under a power of attorney from the Management Board, from October 2021 until May 2022:
Jos van der Endt
Executive Director & CEO

Remuneration to the management board

The remuneration to executive management and the Management Board is reviewed annually by the Compensation Committee and the Supervisory Board.

The remuneration of the Management Board members in respect of the financial year 2021 was as follows:

Name	Position	Management fee
Jos van der Endt	CEO	€ 249.984
Stephan Anzenhofer	CFO	€ 178.050
Rik van Meirhaeghe	Executive Director	€ 200.000
Boudewijn van Vliet	Executive Director	€ 124.500

During 2021 no pension allowances or share-based incentives were granted to any of the members on the Management Board. The total remuneration of the members of the Management Board in 2021 amounted to EUR 752,534. Shares and shareholdings by members of the Management Board per 31/12/2021:

Name	Number of shares	% interest in Pryme
J.D. van der Endt	7'525'000	50.17 %
R.K.H. Van Meirhaeghe	1'200'000	8.00%
B.R. van Vliet	1'993'205	13.29%

> **"The intention of the company is to establish a remuneration policy which in general terms will seek to reward our employees through a mix of fixed and variable compensation**

Remuneration philosophy

As the company is in a startup phase, it has not developed a firm and comprehensive remuneration policy. The Supervisory Board has, through the Delegation of Authority policy, established certain controls with regard to personnel matters, including hiring decisions and compensation levels that require approval by the CEO and/or the Supervisory Board.

The intention of the company is to establish a remuneration policy which in general terms will seek to reward our employees through a mix of fixed and variable compensation where the variable compensation will be performance dependent and divided into short term bonuses and long-term incentives in the form of equity awards. We will be cautious with the fixed salary levels and more generous with variable compensation, particularly with equity-based long-term incentive awards.

Currently, there is no equity program in place and there are no outstanding equity awards in the form of share or options grants.

Related party transactions

No related party transactions took place during 2021.

Deviations from the Dutch corporate governance code

The company has put in place the internal policies and governance principles that it believes are appropriate for the current size and scope of its business activities. Internal policies and controls will expand commensurate with the growth of the company. The following provides an overview of points where Pryme is not in full compliance with the Dutch Corporate Governance Code and brief explanations for the reasons for such deviations.

DIVERSITY OF THE SUPERVISORY BOARD MEMBERS

The Supervisory Board has been selected based on desired expertise and background, independence and size. The majority of the Supervisory Board members is independent. The board has diverse nationalities but lacks gender diversity. Pryme aims to appoint future Supervisory Board members that will contribute towards meeting gender diversity expectations.

DIVERSITY OF THE MANAGEMENT BOARD MEMBERS

The Management Board has been selected based on desired expertise, background and size. The board has diverse nationalities but lacks gender diversity. Pryme aims to appoint future Management Board members that will contribute towards meeting gender diversity expectations.

SEGREGATION OF DUTIES

In 2021, the chair of the Supervisory Board was also the CEO of the company. This was accepted as a transitionary arrangement until a new CEO was identified. The basis for this is that these roles were fulfilled by the founder of the company who has the critical knowledge and skillsets to lead the company at this stage of its development. This issue was resolved in May 2022 as Christopher Herve was appointed CEO of the company and Henning E. Jensen was appointed chair of the Supervisory Board.

INTERNAL CONTROLS

as explained in the main body of the Corporate Governance section, the company has elected to not have additional internal control procedures in place except for dual signatures on all transaction due to the small size and scope of the company. As the company exceeds critical mass from an internal controls standpoint, proper internal controls measures will be put in place.

LOAN TO SHAREHOLDERS

The company has an outstanding loan in place to Omnis C.V., an entity controlled by the founder of the company. This is a legacy item from before the company went through an IPO. An agreement has been reached for full repayment no later than September 2022.

OPTION AWARDS TO MEMBERS OF THE SUPERVISORY BOARD

The shareholders of the company have approved that the compensation to the Supervisory Board members consists of a cash compensation and stock option awards. The rationale for this is firstly to be prudent with cash outlays and to reinforce Supervisory Board orientation to longer-term value creation in the interest of shareholders. There is no plan to modify this philosophy in the short-term.

CODE OF CONDUCT

The company does not at present have a Code of Conduct policy in place. The Supervisory Board was established in October 2021, has worked on a range of priority items and is committed to establishing a Code of Conduct during 2022.

REMUNERATION POLICY

Whilst the company has established proper controls with regard to personnel matters including prudent delegation of authority for hiring and remuneration issues, it has not established a formal remuneration policy. The company is committed to establishing an appropriate remuneration policy including principles for variable compensation during 2022.

SUCCESSION PLAN FOR THE MANAGEMENT BOARD

Given the size of the company, it is difficult to establish a meaningful internal succession plan for the members of the Management Board. Once the company reaches critical mass it will implement a proper succession plan for its Management Board and other key positions.

SELF-ASSESSMENT

As the Supervisory and Management Boards have only been in place for three months as per December 31, 2021, no formal self-assessment was undertaken. The Supervisory and Management Boards are committed to conduct a self-assessment during 2022.

Responsibility Statement

The Management Board and the Supervisory Board of Directors confirm, to the best of their knowledge, that the financial statements for the period January 1 to December 31, 2021, have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the company's and the group's assets, liabilities, financial position, and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors' report includes a true and fair view of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties the group and the company face.

Rotterdam, May 30, 2022
Pryme N.V.

Henning E. Jensen Chair Supervisory Board	**Jos van der Endt** Member Supervisory Board	**Willem Michiel Kool** Member Supervisory Board	**Jan Willem Muller** Member Supervisory Board

Christopher Herve Chair Management Board And CEO	**Rik van Meirhaeghe** Member Management Board	**Boudewijn van Vliet** Member Management Board

Financial Statements

2021

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5.1. Consolidated financial statements

A. Consolidated balance sheet

(After appropriation of result)

Assets

Fixed assets		31-12-2021		31-12-2020	
Intangible assets					
Development costs	1		3.148.210		2.290.674
Property plant and equipment					
Machinery	2	19.550.504		8.729.086	
Other fixed assets		-		2.500	
			19.550.504		8.731.586
Financial fixed assets					
Other amounts receivable	3		50.752		37.303
Current assets					
Receivables					
Other receivables and accrued assets	4&5	1.279.160		1.105.942	
			1.279.160		1.105.942
Cash and cash equivalents	6		8.240.674		154
Total assets			32.269.300		12.165.659

Equity and liabilities

GROUP EQUITY	7		26.758.639		6.469.699
LONG-TERM LIABILITIES			4.991.511		4.991.511
Accruals and deferred income	8				
Current liabilities and accruals and deferred income					
Trade and other payables	9	350.561		587.578	
Payables relating to taxes and social security contributions	10	9.226		137	
Other liabilities and accrued expenses	11	159.363		116.734	
			519.150		704.449
Total liabilities			32.269.300		12.165.659

B. Consolidated profit and loss statement

		2021		2020	
Wages and salaries	12	-890.019		-224.278	
Other operating expenses	13	-1.404.706		-363.434	
Total expenses			-2.294.725		-587.712
Operating result			-2.294.725		-587.712
Interest and similar income	14	4.658		2.892	
Interest and similar expenses	15	-64.455		-1.046	
Currency translation differences		-3.033			
Financial income and expense			-62.830		1.846
Result before taxes			-2.357.555		-585.866
Income tax expense			-		-
Net Income			-2.357.555		-585.866

C. Consolidated cash flow statement

		2021		2020	
Total of cash flows from (used in)					
operting activities					
Operating result			-2.294.725		-587.712
Adjustment for					
Exchange rate differences			-3.033		-
Change in working capital					
Movements accounts receivable		-173.218		331.229	
Increase (decrease) in other payables		-176.058		155.131	
			-349.276		486.360
Total of cash flows from (used in)					
operations			-2.647.034		-101.352
Interest received	14	4.658		2.892	
Interest paid	15	-64.455		-1.046	
			-59.797		1.846
Total of cash flows from (used in)					
operating activities			-2.706.831		-99.506
Total of cash flows from (used in)					
investment activities					
Purchase of intangible assets	1	-857.536		-	
Purchase of property, plant and equipment	2	-10.828.159		-471.873	
Purchase of financial assets		-13.449		-138	
Total of cash flows from (used in)					
investment activities			-11.699.144		-472.011
Total of cash flows from (used in)					
financing activities					
Receipts from issued share capital		5.000		-	
Share premium in financial year		22.641.495		-	
Total of cash flows from (used in)					
financing activities			22.646.495		-
Total of increase (decrease) in cash and					
cash equivalents			8.240.520		-571.517
Movements in cash and cash equivaltents					
Cash and cash equivalents at the					
beginning of the period			154		571.671
Increase (decrease) in cash and cash					
equivalents			8.240.520		-571.517
Cash and cash equivalents at the					
end of the period			8.240.674		154

D. Notes to the consolidated financial statements

Entity information

Registered address and registration number trade register

The registered address is Fascinatio Boulevard 220, 3065 WB Rotterdam, the Netherlands. Pryme N.V. is registered at the Dutch Chamber of Commerce under number 75055449.

General notes

The most important activities of the entity

The activities of the group consist mainly of development of innovative technology in the field of processing plastic waste into pyrolysis oil.

Disclosure of group structure

Pryme N.V. is the head of a group.

Consolidation principles

Financial information relating to group companies and other legal entities controlled by Pryme N.V. or where central management is conducted, has been consolidated in the financial statements of Pryme N.V. The consolidated financial statements are drawn up in accordance with the provisions of Title9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving"). Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are disclosed separately in the consolidated financial statements.

The companies included in the consolidation are:

- CCT Circular CleanTech B.V., Kapelle (100%);
- CCT International BV, Kontich (100%)

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, estimates and judgments by the directors of Pryme N.V. may influence the amounts disclosed in the financial statements. If required in order to provide the transparency required under Book 2, article 362, paragraph 1 under Dutch Law, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

Changes in accounting principles used

There have been no changes in accounting principles used in the year under review. A deferred tax asset for the historical losses has again not been included, since it is our estimation that in light of the uncertainty of future developments coupled with the lack of a track record for the group, the prudent approach is to value this asset at 0%.

The accounting standards used to prepare the financial statements

The consolidated financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

An abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civi1 Code.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortization. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realizable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to the relevant section.

Research costs are recognized in the consolidated profit and loss account. Expenditure on development projects is capitalized as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realized) and the cost can be determined reliably. A legal reserve has been recognized within equity with regard to the recognized development costs for the capitalized amount. The amortization of capitalized development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

Property, plant and equipment

Land and buildings are valued at historical cost plus refurbishments less straight-line depreciation based on the expected life. Land is not depreciated. Impairments expected on the balance sheet date have been considered.
Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortized cost price. If there is no premium or discount and there are no transaction costs, the amortized cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current assets

Current assets are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortized cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Non-current liabilities

Investment subsidies are considered under the accruals and deferred income. Future depreciation expenses related to the investments will be systematically amortized over the period in which the company intends to depreciate the assets purchased with the subsidies.

Current liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received considering premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realizable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognized in the year in which they are realized.

Wages, salaries and contractor fees

The benefits payable to personnel are recorded in the consolidated profit and loss account on the basis of the employment conditions.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than twelve months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognized as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognized in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Notes to the consolidated balance sheet

Fixed assets

1. Intangible assets

	Development costs
Book value as at 1 January 2020	2.290.674
Book value as at 31 December 2020	2.290.674
Book value as at 1 January 2021	2.290.674
Additions	857.536
Book value as at 31 December 2021	3.148.210

2. Property, plant and equipment

	Machinery	Other fixed assets	Total
Balance as at 1 January 2020			
Cost or manufacturing price	8.259.713	-	8.259.713
Book value as at 1 January 2020	8.259.713	-	8.259.713
Movements			
Additions	469.373	2.500	471.873
Balance movements	469.373	2.500	471.873
Balance as at 31 December 2020			
Cost or manufacturing price	8.729.086	2.500	8.731.586
Book value as at 31 December 2020	8.729.086	2.500	8.731.586
Balance as at 1 January 2021			
Cost or manufacturing price	8.729.086	2.500	8.731.586
Book value as at 1 January 2021	8.729.086	2.500	8.731.586
Movements			
Additions	10.828.159	-	10.828.159
Disposals	-6.741	-2.500	-9.241
Balance movements	10.821.418	-2.500	10.818.918
Balance as at 31 December 2021			
Cost or manufacturing price	19.550.504	-	19.550.504
Book value as at 31 December 2021	19.550.504	-	19.550.504

Financial assets

3. Other amounts receivable	31-12-2021	31-12-2020
Other amounts receivable	50.752	37.303

Current assets

Other receivables and accrued assets		
Receivables from Omnis C.V.	390.106	491.373
Other receivables	889.054	614.569
	1.279.160	1.105.942

4. Receivables from Omnis C.V.

Current account Omnis C.V.	390.106	491.373

5. Other receivables

Taxes and social security charges	239.051	10.934
Other amounts receivable	551.125	535.878
Accruals and prepaid expenses	98.878	67.757
	889.054	614.569
Taxes and social security charges		
Value added tax	239.051	10.934
Other amounts receivable		
Subsidies receivable	535.878	535.878
Other amounts receivable	15.247	-
	551.125	535.878
Accruals and prepaid expenses		
Accruals and prepaid expenses	98.878	67.757

6. Cash and cash equivalents

Rabobank	7.163.826	133
BNP Parisbas Fortis	1.076.597	21
ING Bank NV	251	-
	8.240.674	154

7. Group equity

The shareholders' equity is explained in the notes to the non-consolidated balance sheet. Refer to notes 21 to 23 hereafter.

Long-term liabilities

8. Long-term liabilities	Amount	Release to P&L	Remaining pay-back time > 1 year
Balance as at December 31, 2020	4.991.511	-	4.991.511
Balance as at December 31, 2021	4.991.511	-	4.991.511

Current liabilities and accruals and deferred income

9. Trade and other payables			
Creditors	192.726		239.730
Invoices to be received	157.835		347.848
	350.561		587.578

10. Payables relating to taxes and social security contributions			
Wage tax	7.926		137
Pension premiums	1.300		-
	9.226		137

11. Other liabilities and accrued expenses			
Accruals and deferred income	114.309		-
Current account shareholders	15.000		74.120
Vacation allowance	14.288		-
Audit costs	14.000		40.000
Net wages	1.766		2.614
	159.363		116.734

Notes to the consolidated statement of income and expenses

12. Wages and salaries	31-12-2021		31-12-2020
Contracted personnel	816.980		212.500
Salaries and wages	60.991		11.778
Other personnel costs	12.048		-
	890.019		224.278

Headcount			Number
31-12-2021			
Own personnel			4
Contracted personnel			8
Total headcount			12
31-12-2020			
Own personnel			0
Contracted personnel			3
Total headcount			3

13. Other operating expenses			
Other employee related expenses	278.831		-
Rental expenses	228.838		89.311
SG&A expenses	897.037		274.123
	1.404.706		363.434
Other employee related expenses			
Recruitment expenses	184.021		-
Study and training expenses	70.284		-
Other staff expenses	24.526		-
	278.831		-

Further details of the remuneration of management have been included in the Governance Report.

SG&A expenses		
Legal advisory expenses	310.418	81.922
Consulting expenses	150.146	4.188
Marketing activities	115.677	-
Audit and accounting expenses	102.297	117.344
Supervisory board fees	60.000	-
Office expenses	45.643	-
Insurance premiums	41.325	62.295
Travelling and hotel expenses	32.407	-
Other SG&A expenses	39.124	8.374
	897.037	274.123

14. Interest and similar income

Interest claim vs. Omnis C.V.	4.658	2.892
	4.658	2.892

15. Interest and similar expenses

Bank interest expenses	63.878	273
Other interest expenses	577	773
	64.455	1.046

E. Off-balance-sheet rights, obligations and arrangements

Disclosure of off-balance sheet commitments

The group had commitments in addition to those disclosed in the balance sheet for CAPEX related contracts and orders signed but not yet received or paid as per December 31, 2021, for a total of € 11.930.841. These commitments all relate to the build process at our first factory at Rotterdam and none of these commitments has a maturity extending beyond the coming 12 months. Mainly for the EPC contract the final negotiations for recent changes are ongoing. The commitments reported are based on our best current estimate of the outcome of these negotiations.

In addition, the group has rental obligations relating to the site for the first facility until 30.11.2022, for a total amount of € 227.467. Of these obligations € 227.467 has a maturity of a maximum of 1 year and there is no commitment past the 5-year period. Due to the renegotiated agreement with the landlord of the first facility, the overall committed rental obligations for the lease period until 2027 are now € 3,209,102. For further explanations, please see the Subsequent Events section.

The group also has leasing obligations relating to company cars which are made available to our employees. As per December 31, 2021 these obligations amounted to a total of € 146.464. Of these obligations € 36.248 has a maturity of a maximum of 1 year and there is no commitment past the 5-year period.

F. Subsequent events

As we are a company in rapid development, there are a number of important events since the 31.12.2021 balance sheet date and the publishing of this annual report at the end of May, 2022. The below provides a brief summary of these events:

As mentioned in other parts of the annual report, Pryme restructured the leasing and operating agreement with the owner of our Rotterdam site, Plant One during the first quarter of 2022. Consequently, we now have more control and responsibilities for the investments directly related to our own activities. This gives us greater technical and operational freedom to further develop our operational processes and make future hardware adjustments. In addition to the changes in scope as described, the term of the lease is set until February 28, 2027 with an option to extend another 5 years based on mutual agreement.

Following the decision in March, 2022 by the supervisory board to appoint Christopher Herve as the CEO of the Company, the shareholders confirmed his appointment in an extraordinary shareholder meeting on May 2nd, 2022. Christopher Herve assumed his new position in early May, 2022.

In the second quarter, Pryme acquired a leasehold agreement on an industrial site in the Port of Amsterdam. This site is permitted for a pyrolysis plant of 35.000 metric tons annually and has a fully constructed concrete slab suitable for a large Pryme plant (160.000 metric tons annually) plant. Pryme intends to seek an expansion of the permit in order to facilitate a larger plant.

In May, 2022 the Company completed a capital increase with gross proceeds of around € 16 million and net proceeds of around € 15 million. The capital increase took place in the form of a Private Placement. With an issue price of NOK 10.00, 15,381,470 additional shares were issued leading to the total share count for the Company amounting to 30,381,470 after the capital increase. The purpose of the capital increase was to fund delays and increased capital expenditures associated with the construction of our first plant including the commissioning phase until the first plant becomes cash positive.

In May 2022, the Company reached agreement with Omnis C.V., an entity owned by Pryme's founder Jos van der Endt. The agreement sets the terms for the repayment of a receivables claim of Euro 390,106, effectively a shareholder loan from the company, towards Omnis C.V. The terms of the agreement lead to full settlement and payment of the outstanding claim that Pryme has against Omnis C.V. by September 20, 2022. Until then, and in the financial statements for Q1 and Q2 2022, this claim will be classified as a shareholder loan under current assets.

On May 2, 2022, as a first step towards complying with all CSDR regulations, Pryme B.V. was converted from a B.V. into an N.V. Consequently, the name of the Company was changed from Pryme B.V to Pryme N.V. As part of the conversion from a B.V. to an N.V. the par value of the Company's shares was increased from Euro 0.001 to Euro 0.05. The Central Securities Depository Regulation (CSDR) is the latest step in establishing an EU-wide harmonized regulatory framework for financial market infrastructures. The due date for full compliance with the DCSR regulations is by the end of the year 2022. Pryme N.V. intends to complete the second and final step of complying to the CSDR regulations in good time before the regulatory deadline. The second step will lead to the investors holding shares in Pryme N.V. directly and not indirectly through depository rights issued by DnB bank ASA.

5.2. Parent Company Financial Statements

A. Balance sheet

(After appropriation of result)

Assets

Fixed assets		31-12-2021		31-12-2020	
Financial fixed assets					
Shares in group companies	16	4.705.641		6.565.477	
Other amounts receivable	17	5.858		-	
			4.711.499		6.565.477
Current assets					
Receivables					
Receivables from group companies	18	14.763.866		-	
Other receivables and accrued assets	19	596.084		3.745	
			15.359.950		3.745
Cash and cash equivalents	20		6.874.117		-
Total assets			26.945.566		6.569.222

Equity and liabilities

Equity		31-12-2021		31-12-2020	
Share capital	21	15.000		10.000	
Share premium reserve	22	30.054.979		7.413.484	
Legal and staturory reserves	23	3.148.210		2.290.674	
General reserves		-6.459.550		-3.244.459	
			26.758.639		6.469.699
Current liabilities and accruals and deferred income					
Trade and other payables	24	52.385		59.523	
Payables relating to taxes and social	25				
security contributions		4.177		-	
Other liabilities and accrued expenses	26	130.365		40.000	
			186.927		99.523
Total liabilities			26.945.566		6.569.222

B. Profit and loss statement

		2021		2020	
Wages and salaries	27	-355.375		-31.250	
Other operating expenses	28	-151.785		-64.528	
Total expenses			**-507.160**		**-95.778**
Total operating result			**-507.160**		**-95.778**
Interest and similar income	29	72.521		-	
Interest and similar expenses	30	-63.080		-	
Financial income and expense			9.441		-
Total result before tax			**-497.719**		**-95.778**
Income tax expense			-		-
Share in result from participations	31		-1.859.836		-490.088
Total result after tax			-2.357.555		-585.866

C. Notes to the parent company financial statements

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the result, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as Pryme B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

Newly acquired participations are initially recognized on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis. The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognized in the profit and loss account.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.
In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognized and charged to the profit and loss account.

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortized cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Notes to the parent company balance sheet

Fixed assets

Financial assets

16. Shares in group companies	31-12-2021	31-12-2020
CCT International B.V.	4.705.641	6.565.477
17. Other amounts receivable		
Deposits	5.858	-

Current assets

18. Receivables from group companies		
CCT Circular Cleantech B.V.	12.226.851	-
CCT International B.V.	2.537.015	-
	14.763.866	-

19. Other receivables and accrued income		
Taxes and social security charges	195.797	3.745
Omnis C.V.	390.106	-
Accruals and prepaid expenses	10.181	-
	596.084	3.745
Taxes and social security charges		
Value added tax	195.797	3.745

20. Cash and cash equivalents		
Rabobank	6.873.866	-
ING Bank NV	251	-
	6.874.117	-

21. Equity

	Share capital	Share premium reserve	Legal and statutory reserves	General reserves	Total
Balance as at 1 January 2020	10.000	7.413.484	2.290.674	-2.658.593	7.055.565
Appropriation of result	-	-	-	-585.866	-585.866
Balance as at 31 December 2020	10.000	7.413.484	2.290.674	-3.244.459	6.469.699
Balances as at 1 January 2021	10.000	7.413.484	2.290.674	-3.244.459	6.469.699
Appropriation of result	-	-	-	-2.357.555	-2.357.555
Issue of shares	5.000	22.641.495	-	-	22.646.495
Addition to legal and statutory reserves	-	-	857.536	-857.536	-
Balance as at 31 December 2021	15.000	30.054.979	3.148.210	-6.459.550	26.758.639

22. Share premium reserve	31-12-2021	31-12-2020
Balance as at 1 January	7.413.484	7.413.484
Share premium in financial year	22.641.495	-
Balance as at 31 December	30.054.979	7.413.484

23. Legal and statutory reserves		
Legal reserve participating interest	3.148.210	2.290.674

Current liabilities and accruals and deferred income

24. Trade and other payables		
Creditors	52.385	28.273
Invoices to be received	-	31.250
	52.385	59.523

25. Payables relating to taxes and social security contributions		
Wage tax	2.877	-
Pension premiums	1.300	-
	4.177	-

26. Other liabilities and accrued expenses		
Accruals and deferred income	114.309	-
Audit costs	14.000	40.000
Vacation allowance	1.590	-
Net wages	466	-
	130.365	40.000

Appropriation of result

The management proposes that the result for the financial year 2021 amounting to € 2.357.555 (negative) should be transferred to the general reserves. Such transfer requires the approval from the Company's shareholder meeting.

The financial statements reflect this proposal.

Notes to the statement of income and expenses

27. Personnel costs	31-12-2021	31-12-2020
Wages and salaries		
Contracted personnel	334.998	31.250
Salaries and wages	20.377	-
	355.375	31.250

28. Other operating expenses

Other employee related expenses	70.298	–
SG&A expenses	588.611	64.528
Intercompany cost charges	-507.124	–
	151.785	64.528
Other employee related expenses		
Recruitment expenses	57.989	–
Other staff expenses	12.309	–
	70.298	–
SG&A expenses		
Legal expenses	200.358	6.696
Marketing expenses	115.677	–
Supervisory board fees	60.000	–
Audit costs	58.516	57.832
Consultancy fees	46.427	–
Listing related expenses	32.847	–
Travelling and hotel expenses	28.116	–
Other SG&A expenses	46.670	–
	588.611	64.528

29. Interest and similar income

Interest current account CCT Circular Cleantech B.V.	60.188	–
Interest current account CCT International B.V.	11.360	–
Interest claim versus Omnis C.V.	973	–
	72.521	–

30. Interest and similar expenses

Bank interest expenses	63.080	–

31. Share in result from participations

CCT International B.V.	-1.859.836	-490.088

Rotterdam, May 30, 2022
Pryme N.V.

Henning E. Jensen
Chair
Supervisory Board

Jos van der Endt
Member
Supervisory Board

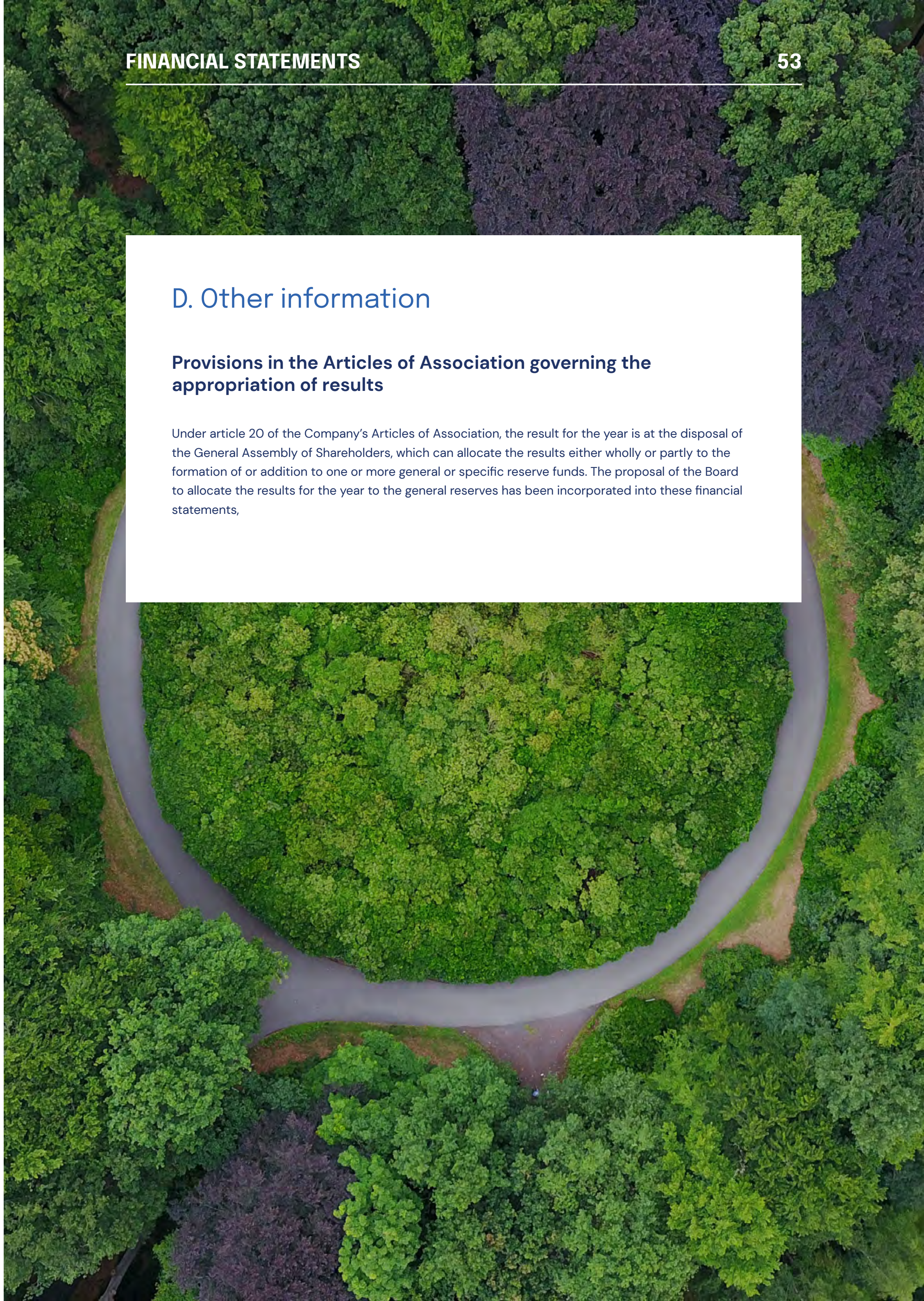
Willem Michiel Kool
Member
Supervisory Board

Jan Willem Muller
Member
Supervisory Board

Christopher Herve
Chair
Management Board
And CEO

Rik van Meirhaeghe
Member
Management Board

Boudewijn van Vliet
Member
Management Board



D. Other information

Provisions in the Articles of Association governing the appropriation of results

Under article 20 of the Company's Articles of Association, the result for the year is at the disposal of the General Assembly of Shareholders, which can allocate the results either wholly or partly to the formation of or addition to one or more general or specific reserve funds. The proposal of the Board to allocate the results for the year to the general reserves has been incorporated into these financial statements,

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Independent auditor's report

To the Board of Directors of
Pryme N.V.

Report on the audit of the financial statements as at 31 December 2021

Our opinion

We have audited the financial statements as at 31 December 2021 of Pryme N.V.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Pryme N.V. as at 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2021;
2. the consolidated and company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Pryme N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the company profile;
- the board report;
- the goverance report;
- other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of Board of directors and Supervisory board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group 3 entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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 findings in internal control that we identify during our audit.

Rotterdam, 30 May 2022

Mazars N.V.

Original has been signed by: drs. J.J.W. Galas RA

The Pryme Share

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Pryme was admitted to the Euronext Growth exchange in Oslo February 16, 2021.

Ticker / ISIN:	PRYME / PRYME.OL / NL0015000SZ1
IPO price:	NOK 51.20
Admitted shares:	15,000,000
Trading days 2021:	216
Average/highest daily trading volume:	37,805/747,229 shares
Highest / Lowest share price in 2021:	NOK 74.99 / 22.42
Closing price 2021:	NOK 33.90
Market capitalization December 2021:	NOK 508,500,000 (EUR 50,748,501)

Pryme shareprice through 2021 (NOK)

Top-20 Shareholders in Pryme BV as of December 31, 2021

Rank	Holding	Stake (%)	Name
1	7'525'000	50.2	Omnis C.V.
2	1'800'000	12.0	OLIPHANT HOLDING SA
3	1'200'000	8.0	Van Meirhaeghe
4	551'337	3.7	SPESIALFONDET KLP ALFA GLOBAL ENER
5	375'000	2.5	Van den Broeck
6	237'710	1.6	The Bank of New York Mellon SA/NV
7	219'982	1.5	The Northern Trust Comp, London Br
8	208'000	1.4	Skandinaviska Enskilda Banken AB
9	193'205	1.3	Société Générale
10	188'477	1.3	AS CLIPPER
11	175'781	1.2	State Street Bank and Trust Comp
12	165'667	1.1	Morgan Stanley & Co. LLC
13	134'686	0.9	Moem Invest B.V.
14	122'150	0.8	NORDNET LIVSFORSIKRING AS
15	86'629	0.6	SAGA PURE ASA
16	60'500	0.4	SIX SIS AG
17	60'000	0.4	State Street Bank and Trust Comp
18	58'593	0.4	SKEIE TECHNOLOGY AS
19	58'159	0.4	CLEARSTREAM BANKING S.A.
20	50'000	0.3	VELDE HOLDING AS

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