



Pryme

Annual Report

2022

Lay-out: Kim Van Vynckt
First print: April 2023

Introduction



Pryme at a Glance

2020 → 2021 → 2022

Headcount
3 → 12 → 18
STAFF

Cash on hand
0 → 8,2 → 11,5
€ MILLION

Equity
6,5 → 26,8 → 39,7
€ MILLION

Completion construction work
0% → 15% → 65%
FIRST PLANT

Fixed assets

Book value in € million



Completion engineering work

99%



FIRST PLANT

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CEO Letter

Pryme's market potential is tremendous. The business environment for circular plastics is highly favourable, with strong consumer demand, business appetite and government support for circular solutions. Both the supply of plastic feedstock and the demand for circular plastics are virtually unlimited.

The technology and scale that Pryme brings to the industry continue to attract interest from market players, both on the intake and on the output side. In 2022 we renegotiated the strategic cooperation agreement with Shell, through which Shell has committed to purchase a significant part of the volume of our first plant. The volumes to be supplied reflect an increase from the previous agreement, whilst market-based pricing secures attractive economics for both parties. On the feedstock side, with completion of our first plant nearing, plastic waste suppliers' interest is materializing. We received various offers from players in the upstream value chain and these are currently under review.

After many years of intensive investment in research and development, 2022 was a remarkable year on our path to advanced recycling at an industrial scale.

We made significant progress in the construction of our first plant, 'Pryme One', located in the port of Rotterdam. We completed the steel structure, finalized the assembling of key process blocks and progressed on mechanical completion, piping and electrical installation. We secured the necessary liquidity to finalize the build of Pryme One through a € 18.5 million private placement in June 2022 and a € 8.2 million agreement for the sale and lease-back of equipment in October 2022.

Along with the construction of our first plant, we have completed the installation of a lab scale processing facility in our R&D center in Ghent, Belgium. This facility will be a test center for advanced recycling of waste plastics to support continuous improvement in our core industrial processes. The approach will be a key enabler in upgrading our industrial capabilities, optimizing the value chain and establishing sound market standards with our industrial partners.

We also placed much focus on building an ambitious and cohesive team consisting of professionals with many years of relevant experience in the industrial and

petrochemical sectors. Besides my own appointment, the most significant additions to the Pryme team were the General Counsel and Corporate Secretary, the Build Director, Technology & Engineering Director, R&D Manager and Senior Project Engineer. Having a team with the right skillset, relevant experience and can-do attitude is of utmost importance for success and future growth. We need to make sure that our human capital develops at a pace that supports our significant business ambitions.

Looking ahead, the foremost priority of the Pryme team in 2023 is to complete the construction and start-up of Pryme One and begin commercial production. With a nameplate capacity of 40.000 tons of plastic waste feedstock per year and an expected production capacity of 30.000 tons per year of recycled product, Pryme One is expected to be the largest advanced plastic recycling plant in Europe. It is a pivotal point for our company, as the start of production will mark the end of our pioneering phase. Pryme One will bring valuable operating experience and allow Pryme to shift from pioneering an industrial proof of concept to rolling out a proven technology, with the ambition to build an international portfolio of industrial-scale advanced recycling plants.

After many years in the works, 2023 will be the year where we deliver our first pyrolysis oil and move to production mode. I will dedicate all my efforts to support the Pryme team and fulfill the immense opportunities in front of us.

Sincerely,
Christopher Hervé

CEO PRYME N.V.



Board Report



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Developments and achievements in 2022

The Pryme Board continued its focus on key priorities for the short and medium term. The key priorities set by the Board for the year 2022 included:

- ▶ Making significant progress with the construction of Pryme One
- ▶ Obtaining additional funding in order to pursue Pryme ambitions
- ▶ Implementing appropriate Health, Safety and Environmental policies and practices
- ▶ Establishing ESG/IMPACT principles and guidelines to achieve and demonstrate positive societal impact
- ▶ Strengthening the organization in order to deliver on the identified priorities
- ▶ Maturing our growth opportunities and strategic levers.

Construction of "Pryme One"

We made significant progress in the construction of our first plant "Pryme One".

- We completed the steel structure during the **first half of 2022**.
- We then started installing and assembling the key process blocks, including the feed-handling system, the extruders, the ash cooler, the quench column and the reactor.
- After lifting all the key equipment in place, we progressed on mechanical completion, piping and electrical in the **second half of 2022**.
- The project experienced various external supply chain issues, especially in the first half of 2022, resulting in additional cost and delays in the construction of the plant. We managed those external challenges in close cooperation with our EPC contractor, avoiding significant cost overruns.
- The plant construction and commissioning are expected to be completed in **Q2 2023**, followed by the start of operations and commercial production in **Q3 2023**.

Funding

In 2022 Pryme continued to obtain the necessary funding to pursue its ambition of contributing to a circular economy through advanced recycling of waste plastics on an industrial scale. The ongoing support from investors is key to sustain the company's pioneering and early growth phase. In June 2022 the company completed a private placement for a gross amount of about € 18,5 million (NOK 180 million) at a price of NOK 10,00 per share.

€ 8,2 million

In October 2022 we finalized a sale and lease-back agreement in the amount of € 8,2 million.



Health and Safety in our work environment

Providing a safe and healthy work environment is an essential part of how we do business, driven by a fundamental care for people. Pryme One is in effect a petrochemical site and therefore presents a high-risk environment. Proactive risk management and effective safety measures are key to avoid or mitigate the inherent hazards. These measures address both the risk of personal injury as well as process safety risks.

We rolled out the Pryme HSE Manual to all employees, implemented a Health and Safety protocol to monitor and investigate any incidents and put in place daily safety routines on the Pryme One construction site. In Q1 2022 we had two near-misses which were followed up as per the relevant protocol. Regrettably, there was a lost time incident in Q2 2022 where a contractor incurred a sprained ankle. A root cause analysis was performed and corrective actions were taken. Furthermore, there were five notable observations of unsafe situations and behavioral issues which were registered and addressed.

ESG and IMPACT: principles and guidelines

At Pryme we have an ambition to achieve a material positive societal impact through application of our advanced recycling technology. Pryme has developed a design with proven equipment and technology to convert residual plastic waste streams into pyrolysis oil on a large scale. This addresses the world's plastic waste problem and supports circular economy goals whilst reducing energy usage and saving valuable natural resources. Our goal is to contribute to a better environment and a more sustainable economy by enabling a shift from linear 'take, make, waste' to circular supply chains.

Pryme's ESG/IMPACT strategy defines (i) the positive impacts that Pryme aims to achieve (ii) what goals, tools and performance indicators are used to drive and monitor progress in achieving these impacts, and (iii) allows Pryme to develop a powerful 'storyline' on how the company is generating positive impact and differentiating itself from other players.

This is the reason why in Pryme our ESG strategy is called the IMPACT strategy.

Our goal is to contribute to a better environment and a more sustainable economy by enabling a shift from linear 'take, make, waste' to circular supply chains.



OUR PURPOSE

Making plastics circular at scale:

- through efficient advanced recycling
- yielding reductions in waste, emissions and fossil resources demand
- while fostering social responsibility and innovation

OUR PILLARS

Three foundational pillars steer Pryme’s purpose at this pioneering stage:



Circularity

- Processed plastic waste volume
- Carbon emissions (scope 1, 2 and 3)
- Energy savings



Health Safety & Environment

- Safe work environment
- Transparent incidents reporting
 - > Environment and reputation (OSHA & ISO45001)
- Reporting in line with:
 - > Sustainable Financial Disclosure Regulation (SFDR)
 - > EU Taxonomy Regulation (TSC, DNSH and social safeguards)



Social Responsibilities & Innovation

- Diversity and inclusion
- Ethical business practices towards all stakeholders
- Research & Development in sustainable investments

To support these ambitions, we have set up an internal IMPACT committee to propose, promote and monitor our impact policies and stakeholder alignment. Progress against the impact objectives will be measured through relevant KPI’s, currently being selected in close collaboration with Infinity Recycling, our SFDR Article 9 ‘Dark Green’ Fund investor, and will be reported on a quarterly basis once we are in production. A roadmap of actions to become SFDR and EU Taxonomy aligned is being drafted by the IMPACT committee.



Organization

The company continued to make a focused effort to strengthen essential knowledge, skills and capabilities. Pryme’s new CEO was appointed in May 2022. He has extensive international experience in the agricultural and biochemical processing industry, having previously served in CEO roles for major industrial companies. Our General Counsel and Corporate Secretary joined us, supporting the Supervisory Board, the Management Board and the company’s operations. We also expanded our capabilities in respect of Pryme One construction and operation with the arrival of a Build Director, a Senior Project Engineer and additional shift leaders. The shift leaders all have long experience in leading teams of operating staff and managing complex petrochemical assets and processes. We also hired a Technology & Engineering Director for a start in early 2023. On the R&D side we filled the position of R&D Manager and appointed an R&D Advisor.

Development of headcount is a meaningful indicator of Pryme’s growth. The headcount grew from 3 in 2020 to 12 at the end of 2021 and 18 at the end of 2022. As the project is in a strong growth mode, we expect significant additions to the Pryme team in 2023. Along with the organizational build up we implemented a consistent, transparent and competitive remuneration policy.

Maturing our growth opportunities and strategic levers

The start of production from Pryme’s first plant, Pryme One, will be a pivotal point for the company. It will demonstrate technical and commercial scalability, and build operational and market knowledge and capabilities in the feedstock and product supply chains. We are developing the concept for our second plant, ‘Pryme Two’, which we also expect to be in the Rotterdam area. Several potential sites have been identified for possible next plants, and Pryme will seek to further mature such options.

Securing appropriate feedstock for our future plants is a key issue. We will leverage our operating experience at Pryme One, our R&D capabilities and commercial relationships with key market players to build in-house knowledge and expertise in feedstock selection and logistics. This will allow Pryme to refine its supply chain over time and secure appropriate volumes with the right specifications that fit the capabilities of our future plants.

Christopher Hervé
Chair
Management Board
And CEO

Henning E. Jensen
Chair
Supervisory Board

Willem Michiel Kool
Vice chair
Supervisory Board

Jan Willem Muller
Member
Supervisory Board

Boudewijn van Vliet
Member
Supervisory Board

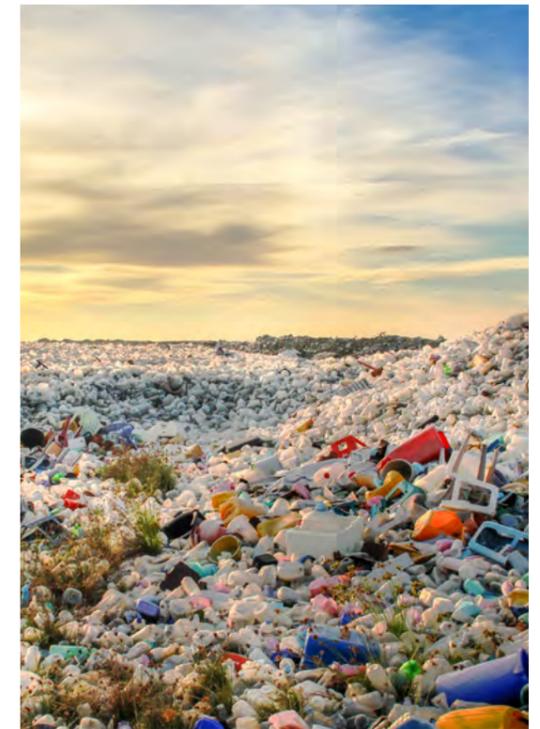
Company Profile



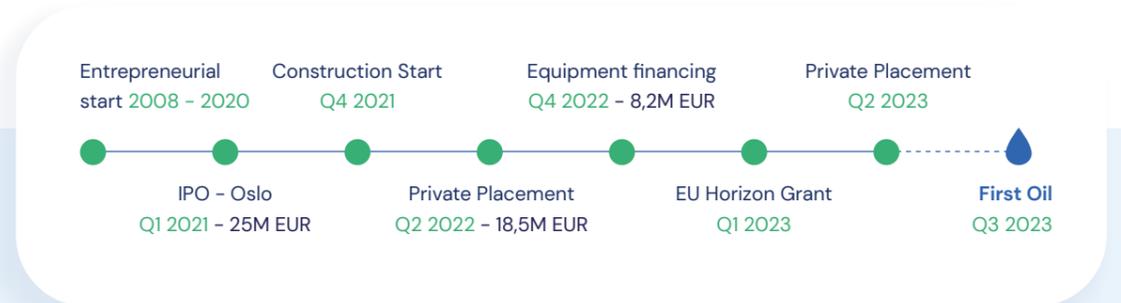
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Pryme, the story

Pryme's roots go back over a decade when Johannes van der Endt, the company's founder, started working on how to industrialize the recycling of plastic waste and converting such waste into pyrolysis oil. After many years of research, Pryme has developed an efficient and reliable technology and is about to start operating its first plant, Pryme One, located in the port of Rotterdam.



Pryme One is foreseen to be the largest single reactor advanced recycling plant in Europe.



The push towards plastic recycling



Plastic recycling, one of the critical issues of our time

According to the OECD global plastic waste is projected to triple by 2060. As of today, only 10% of the plastic waste is recycled. Transitioning to a circular economy is essential for a sustainable future, as resources on earth are not endless. In a circular economy, useful plastic materials are kept in circulation as opposed to being landfilled, incinerated, or leaked into the natural environment. The incorporation of secondary raw materials such as recycled plastics in new products is a way of avoiding the use of virgin raw materials with benefits in terms of energy consumption, reducing the consumption of non-renewable (fossil) resources and safeguarding the environment.

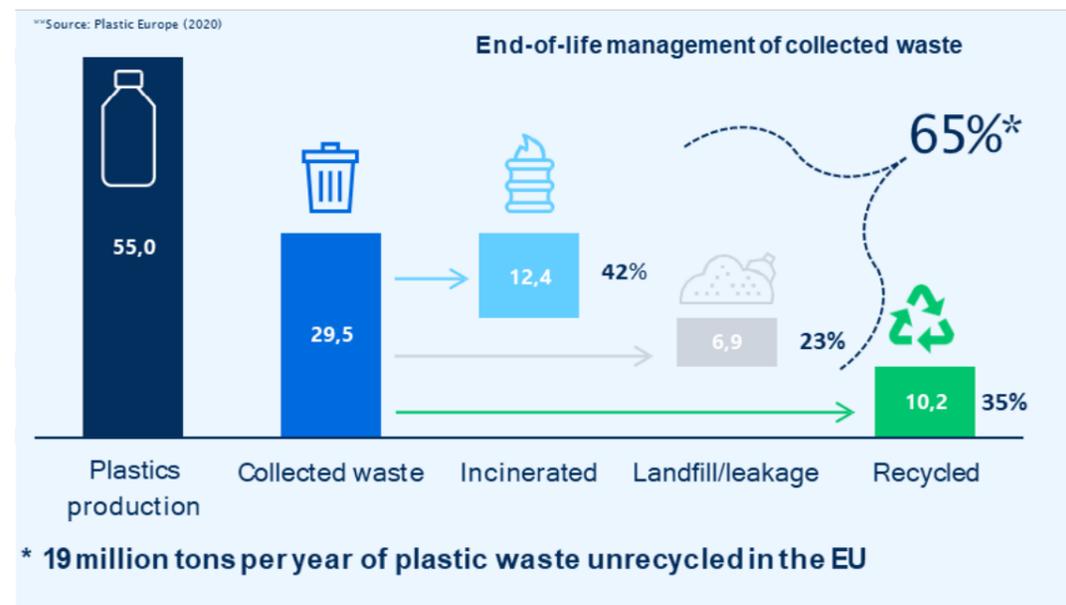


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Chemical recycling is not direct recycling. We believe that direct, plastic to plastic recycling will simply not deliver the desired volumes. At Pryme, we see chemical recycling as an important step in solving what is perceived as a global problem and we believe that Pryme has the technology to accelerate its adoption

Christopher Hervé,
CEO at Pryme

European plastics end-of-life management in 2020 (million ton) **



Social and political pressure to reduce waste

The EU Barometer Survey in 2017 already called for actions, bringing to light that 90% of European citizens are “worried about the impact on the environment of everyday products made of plastics” and believe that “industry and retailers should make an effort to reduce plastic packaging”. Those concerns have found an outcome in the supportive EU and national regulatory frameworks, starting with the EU Plastics Strategy dated 2018, which calls for **reducing landfills and defines a strategic target of 50% of plastic to be recycled by 2025**. Following the EU Plastics Strategy, the EU Green Deal emphasized on the need to develop a “vision for a holistic recycling system in Europe, incorporating chemical recycling”. In the aftermath of EU guidance, a growing number of global brands, primarily FMCG companies, made public commitments to use recycled plastics.



EU Horizon (ELECTRO Project)

Pryme has joined a consortium of 13 partners within the Project ELECTRO under the EU Horizon research and innovation program, which targets demonstration of innovative technology concepts that link the waste and petrochemical industries and provide sustainable, low-carbon and scalable circular solutions for olefin and polyolefin production. Both Pryme’s R&D center and Pryme’s first plant in Rotterdam participate in the execution of the project activities.

Pryme’s role is to demonstrate on an industrial scale the new application of proven technology, being an innovative modular extruder for optimal pre-treatment of plastic waste combined with an electrically heated reactor for the catalytic pyrolysis of plastic waste. The main product, plastic waste pyrolysis oil, will be used as feedstock for steam crackers operated by project partners. Apart from additional funding this project is an opportunity to further develop Pryme’s technology in close collaboration with subject matter experts at Ghent University and consortium partners and gain valuable insights in the requirements of the downstream market.

The project spend is expected to amount € 21,4 million until August 2026, of which Pryme’s share is the largest with an overall budgeted R&D and innovation cost of € 8 million. The EU financially supports the EU Horizon program. Pryme is eligible to receive a subsidy of up to € 4,8 million.

Strong momentum for recycling companies

The market environment is highly favourable for recycling companies, with a combination of virtually unlimited supply of feedstock and huge end market potential.

The plastic waste sector is under increasing regulatory pressure to embrace circular alternatives over incineration and landfill, and as a result recycling companies are becoming inevitable partners for the waste management industry.

A few years ago, the petrochemical sector had little interest in advanced recycled products such as pyrolysis oil. However, EU incentives and regulations for circular solutions, pushed by consumer demand for circular plastics, have stimulated the appetite of the petrochemical sector. Higher oil and gas prices further support this development, as circular feedstock for plastics serves as a substitute for petroleum-based feedstock. Major petrochemical companies have invested in R&D and equipment to enable processing pyrolysis oil in their large industrial installations.



For me, a safe and clean environment is important for our children and as a mother, I am proud of having the opportunity to be able to work at this new company (Pryme) and contribute to a better world. It is a small contribution, but every small contribution is a gain for society. It is a win-win situation.

Zinaida Djodikromo,
Senior Project Engineer at Pryme



Advanced (chemical) plastic recycling

Plastic recycling corresponds to the transformation of plastic waste to a new form of 'post use' raw material suitable for making new products.

As of today, plastic recycling remains dominated by mechanical recycling, where plastic polymers remain intact and can be reused directly to produce new products, usually mixed with virgin material. However, such mechanical recycling is limited to certain types of plastic only and often results in a quality downcycle.

Advanced recycling is a novel approach to plastic waste recycling that opens up a host of new

possibilities. Advanced recycling breaks the plastic waste down to its constituent molecular parts. This makes it possible to bring plastics back to the original raw materials which can then be reconstituted into new polymers or a petrochemical feedstock.

Feedstock for advanced recycling is virtually unlimited given the large volumes of plastic waste and the need for a complementary 'recycling loop' for plastics that are mostly incinerated in today's system. Advanced recycling expands the range of materials that can be recycled, helps preserve the value of resources in our economy and bridges the gap between supply and demand for high-quality recycled plastics.



Pioneering advanced plastic recycling at an industrial scale

Pryme is an innovative cleantech company focused on converting plastic waste into valuable products through advanced recycling. The company's mission is to enable circular plastic through advanced recycling at an industrial scale, reducing waste, emissions and demand for fossil resources. Pryme's advanced recycling process helps to conserve finite resources and retain their value for as long as possible. It contributes to addressing the global plastic waste problem by shifting from a linear to a circular economy and enables a lower carbon future.



Technology

The Pryme process is based on proven equipment and technologies that have been further developed and enhanced with proprietary characteristics. At the heart of the process is a large and **versatile pyrolysis reactor**.

By building on proven concepts Pryme has a lower operational risk profile, a better cost efficiency and a lower capital intensity than most other market players.

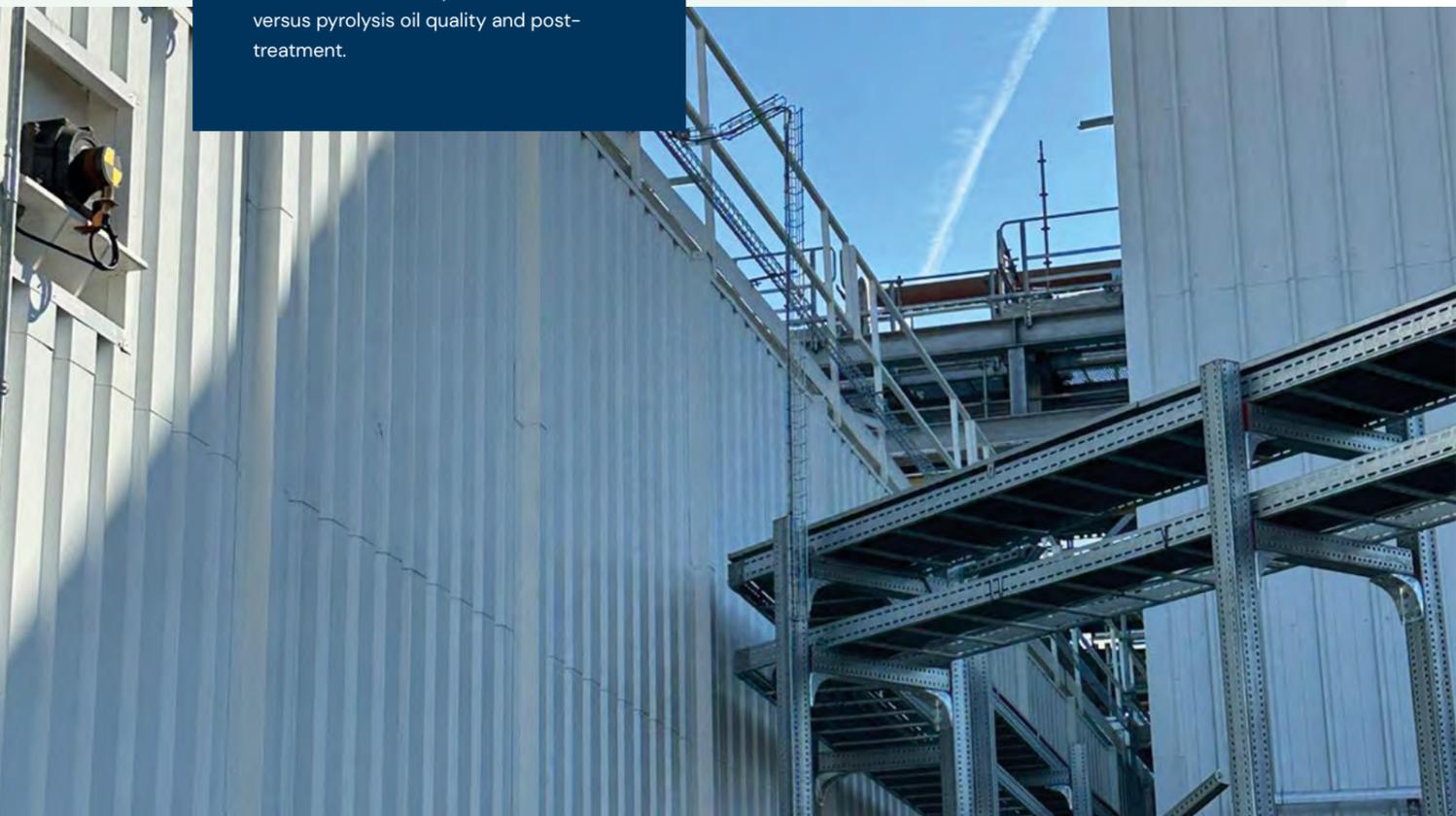
R&D capabilities

Process excellence achieved through operations and R&D is critical for success. The company has established a versatile R&D facility on the premises of Ghent University. Installation and commissioning were completed in 2022, and the first pyrolysis test runs have been executed in Q1 2023.

The R&D center will focus on the relation between feedstock composition and pyrolysis oil quality, and explore post-treatment of pyrolysis oil. Combining the operating experience in Pryme One with cutting edge R&D will allow the company to increase its value capture by making informed decisions about the optimum feedstock blend and pre-treatment versus pyrolysis oil quality and post-treatment.

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We strongly believe in the global potential of our technology and strategy. Unlike any other technology in the market, our pure play pyrolysis approach is inherently cost efficient and brings scale to the rapidly developing sector of plastic recycling.

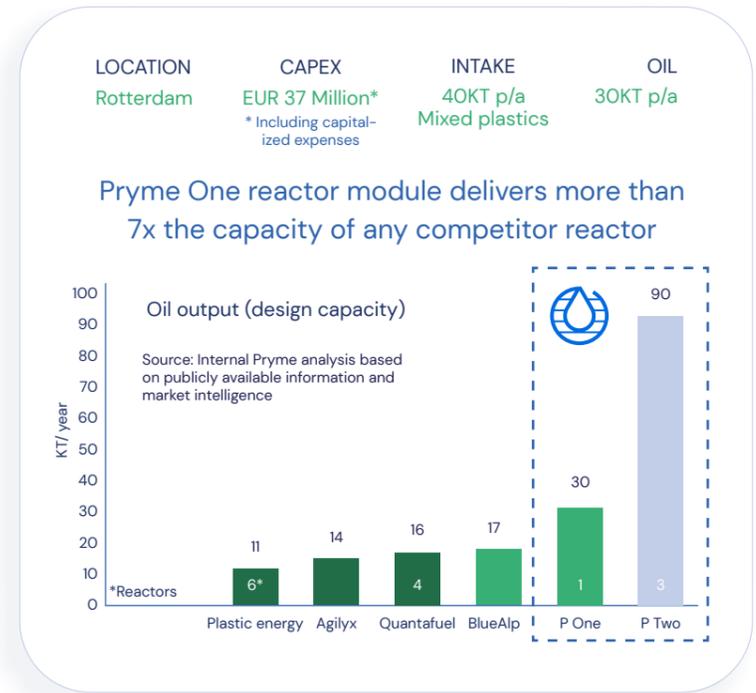
Pascal Spiekerman,
 Director Site Development & HSEQ



Industrial capacities

Pryme’s first plant is foreseen to have an annual capacity of 40.000 tons of plastic waste from a single reactor, with an expected pyrolysis oil production of 30.000 tons per annum. **This would make Pryme One the largest advanced recycling plant in Europe.**

As the company’s technology is scalable, the next plant, ‘Pryme Two’, is expected to be significantly larger by increasing the number of reactors and modules in the installation while taking full advantage of the operating experience of Pryme One.



The initial feedstock will have a high purity to ensure a smooth startup and full compliance with product quality specifications. Pryme expects to then gradually lower the feedstock quality and hence the input cost, as the company has reason to believe its technology can handle a wider range of feedstock specifications than most competing technologies.

Strategic cooperation with Shell

- Joint development of plastic circularity
- Pyrolysis oil long term supply agreement
- Implicit validation of Pryme’s technology
- Non-exclusive cooperation

Partnership driven model

Cooperation with selected suppliers and customers across the value chain is at the core of Pryme’s growth strategy. Our primary business model is to use our advanced recycling technology to enable chemical companies and materials manufacturers to move towards a circular and low-carbon economy. **We thus enable our partners to shift from fossil-based raw materials by using recycled plastic as feedstock.**

In August 2022 Pryme renegotiated the initial strategic cooperation agreement with Shell. The new agreement underlines 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 volumes to be supplied reflect an increase to the previous contract, whilst market-based pricing secures attractive economics for both parties.

Pryme is excited about the strong customer demand for its products from various parts of the value chain. At this stage, even before activities for the company’s second plant have commenced, Pryme has entered into agreements to sell a significant portion of the output from its first two plants. This is a solid indication of the market demand for Pryme’s leading advanced recycling technology that enables circular polymers from residual plastic waste streams that cannot be recycled mechanically.

The plastic waste industry is fragmented and lacks uniform feedstock quality standards and transparent price discovery. As mentioned earlier the sector is under increasing regulatory pressure. With the completion of its first plant Pryme is now seen to be a potential stable buyer of increasing volumes of plastic waste and has for this reason been approached by various feedstock suppliers. This will allow Pryme to both source the necessary feedstock for Pryme One as well as consider its strategic relationship with the waste management sector.

Growth Strategy

Pryme One is the foundation of our growth strategy. It will serve to validate our technology on an industrial scale, provide key data to support process and design optimization of future plants, build operational knowledge of the feedstock and product supply chain and develop a pool of trained operators and engineers.

A second plant in the Rotterdam area is to be followed by the development of an international portfolio of production units with selected partners.



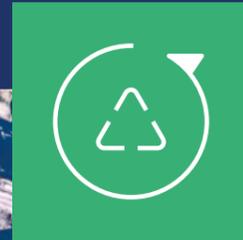
We have started investigating potential sites for our future plants, with an initial focus on the EU area. Site selection and prioritization will depend on many factors, including access to the right volume and quality of feedstock at viable cost, access to end-product offtake, plant procurement and construction cost, local regulations and local partners. The Amsterdam site, acquired in 2022, is part of the site selection process and is still under review.

In conclusion, after many years of research & development, Pryme's ambition to lead the way in the plastic recycling industry will take a big step forward with the startup of Pryme One. The construction and commissioning of the first advanced recycling plant of this size has been a challenging project that continues to require much determination, flexibility and creativity from management, staff and (sub-) contractors.

The plant is foreseen to be the largest single reactor advanced recycling plant in Europe and the culmination of our pioneering phase. Pryme One will be a first step in making plastic waste recycling happen on a large scale and the beginning of a roll-out strategy to deliver sustainable growth for Pryme and the material positive impact we are aiming to achieve.



Governance report



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Implementation of the principles for corporate governance

Pryme N.V. 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 Code given our current market capitalization and our listing on Euronext Oslo Growth market, a multilateral trading facility. Pryme adheres to the principle of 'comply or explain' as set out in the Code. Deviations from the Dutch Corporate Governance Code are explained in this Governance Report.



Two-tier board structure

The current two-tier board consists of the Management Board and the Supervisory Board. Each board has specific roles and responsibilities regulated by laws, the articles of association, the Dutch Corporate Governance Code (on a 'comply or explain' basis) and the company's delegation of authority policy.

Supervisory board of directors – composition and independence

The Supervisory Board, in accordance with the articles of association of the company, consists of at least three members appointed by the general meeting of shareholders ("General Meeting"). The Supervisory Board consists, at present, of the following members:



Henning E. Jensen
Norwegian, born 1960

appointed on 11 October 2021,
chairman as from 2 May 2022,
independent member



Willem Michiel Kool
Dutch, born 1960

appointed on 11 October 2021,
vice-chairman from 11 November
2022, independent member



Jan Willem Muller
Dutch, born 1977

appointed on 2 May 2022,
non-independent member



Boudewijn Rogier van Vliet
Dutch, born 1972

appointed on 11 November 2022,
non-independent member

The company's founder, Johannes (Jos) van der Endt, Dutch, born 1958 served on the Supervisory Board from 11 October 2021 until 2 May 2022 as chairman and until 11 October 2022 as a member.

All present members of the Supervisory Board were appointed until the General Meeting of 2026. Independent members of the Supervisory Board have a voting majority as required by Pryme's articles of association (in case the Supervisory Board representation is equally distributed between independent and non-independent members, the casting vote of the chairman ensures independent majority).

The Supervisory Board operates the following subcommittees that report to the full Supervisory Board in accordance with their respective charters:

Supervisory Board Committees	Jos van der Endt	Henning Jensen	Michiel Kool	Jan Willem Muller	Boudewijn van Vliet
Audit, Governance and Compliance Committee		🪑	👤		
Nomination, Succession and Remuneration Committee	👤 until 11/11/2022	👤	🪑		
Environmental, Social and Governance Committee Established May 2022		👤	👤	🪑	

👤 = member 🪑 = chair

The Supervisory Board held 37 meetings in 2022. The company's funding activities for the capital raise through a private placement and subsequent offering in 2022 accounted for the large number of meetings. The table below shows the overview of meeting attendance in 2022 for the individual members.



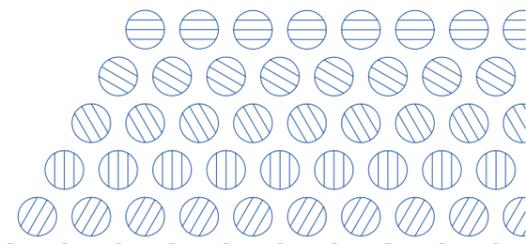
Michiel Kool was unavailable for personal reasons for a five-week period in which 9 supervisory board meetings took place.

Remuneration to the supervisory board of directors

The remuneration paid to each Supervisory Board member is authorized by the General Meeting. The authorized fees consist of a fixed fee of € 20.000 per annum for each member of the Supervisory Board and an additional € 2.500 annual fee for each committee membership. In addition, each of the members of the Supervisory Board were awarded a total of 60.000 stock options with a strike price of NOK 10,00 at the time of their election. The stock options are scheduled to vest in equal installments on the dates of the company's General Meeting in 2023, 2024, 2025 and 2026 in accordance with the election period until the 2026 General Meeting for all the Supervisory Board members.

For the chairman of the board, a premium of 50% applies with regard to the fees and option awards stated above. Likewise, for the vice-chairman, a premium of 25% applies to the fees and option awards stated above.

Jos van der Endt was excluded from any Supervisory Board compensation for the period he served as CEO of Pryme through his management company.



The following table represents the Supervisory Board fees incurred in 2022.

Name	Position	Remuneration
Henning Jensen	Chairman	€ 35.833
Michiel Kool	Vice-chairman	€ 27.813
Jos van der Endt*	Member	€ 3.280
Jan Willem Muller	Member	€ 15.000
Boudewijn van Vliet	Member	€ 3.333
Total remuneration		€ 85.259

*Jos van der Endt was CEO and chairman of the Supervisory Board until 2 May 2022 and continued as Supervisory Board member from 2 May until 11 November 2022. Jos van der Endt received no Supervisory Board fees until 2 May 2022 as he was also the CEO of the company at that time. The fees listed represent the prorated fees from 2 May until 11 November 2022.

In addition to the Supervisory Board fees above, Mr. Jensen and Mr. Kool were compensated under separate consultancy agreements for non-recurring activities that do not normally fall under the activities of Supervisory Board members in the amount of € 45.000 each in 2022.

Management board of directors – composition

During 2022 the Management Board consisted of the following directors appointed by the General Meeting:

Name	Position	
Christopher Hervé	CEO	from 2 May 2022
Jos van der Endt	CEO	until 2 May 2022
Stephan Anzenhofer	CFO	until 1 March 2022
Rik Van Meirhaeghe	Executive Director	until 11 November 2022
Boudewijn van Vliet	Executive Director	until 11 November 2022

Due to the close involvement of the Supervisory Board and the high frequency of Supervisory Board meetings, no separate Management Board meetings took place in 2022.

Remuneration to the management board

The remuneration to the Management Board and executive management is reviewed annually by the Nomination, Succession and Remuneration Committee and the Supervisory Board.

The remuneration of the Management Board members in respect of the financial year 2022 was as follows:

Name	Position	Remuneration
Christopher Hervé*	CEO	€ 321.363
Jos van der Endt	CEO	€ 91.376
Stephan Anzenhofer	CFO	€ 95.594
Rik Van Meirhaeghe	Executive Director	€ 118.278
Boudewijn van Vliet	Executive Director	€ 108.850
Total remuneration		€ 735.461

*In addition, Christopher Hervé was awarded stock options and restricted stock units (RSUs) under the company's long-term incentive program (LTI) with vesting split evenly over three years. The 2022 LTI award for Christopher Hervé consisted of 68.850 RSU's and 98.250 stock options with a strike price of NOK 11.33 with 1/3 vesting in each of July 2023, 2024 and 2025. Further the remuneration 2022 encompasses a onetime guaranteed bonus of € 140.000 upon still being in service as of 1 January 2023.

During 2022 no pension allowances were granted to any of the members on the Management Board.

Shares and shareholdings controlled by or closely associated with members of the Management Board or the Supervisory Board per 31 December 2022:

Name	Number of shares	% interest in Pryme
Boudewijn van Vliet / Stichting Multistrat	8.145.402	24,71%
Jan Willem Muller / Circular Plastics Coöperatief U.A.	6.672.376	20,24%
Christopher Hervé	30.000	0,09%

Shares issued

The nominal value (par value) of the company's shares was increased in a deed of amendment of the company's articles of association on 2 May 2022 from € 0,001 to € 0,05 per share, thereby increasing the authorized capital of 75.000.000 shares to € 3.750.000.

The company's total number of issued shares per 1 January 2022 was 15.000.000. The company issued 15.381.470 shares in the private placement in May 2022 and 2.582.352 shares in the subsequent offering in June 2022, both with approval of the General Meeting given on 2 May 2022. The total number of issued shares per 31 December 2022 was 32.963.822 amounting to a total issued capital per 31 December 2022 at par value of € 1.648.191,10. All issued shares have been fully paid-up. The shares in Pryme are freely tradeable and there are no restrictions on the tradability of the shares.

Dividend policy

The company has not yet established a dividend policy pending the commencement of operational activities. The company will establish a dividend policy once normal operations start generating revenues and earnings.



Financial reporting

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

The Audit, Governance and Compliance Committee performs a preliminary review of the quarterly financial statements and annual report prior to discussions with the Supervisory Board, with a particular emphasis on any 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 maintains HSE, Remuneration, Insider Trading and Delegation of Authority policies. In addition, charters are in place for the Audit, Governance and Compliance Committee and for the Nomination, Succession and Remuneration Committee. The Environmental, Social and Governance Committee was established in the third quarter of 2022 and its charter was put in place early 2023.

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

Pryme is focused on achieving a material positive societal impact by making plastics circular at scale through advanced recycling. This will yield reductions in waste, emissions and fossil resources demand. The ESG strategy is further described in the Board report, section 'ESG and IMPACT: principles and guidelines'.

To ensure a smooth translation of commitment into action, Pryme has established an internal IMPACT Committee to oversee ESG matters. The responsibilities of the Committee include:

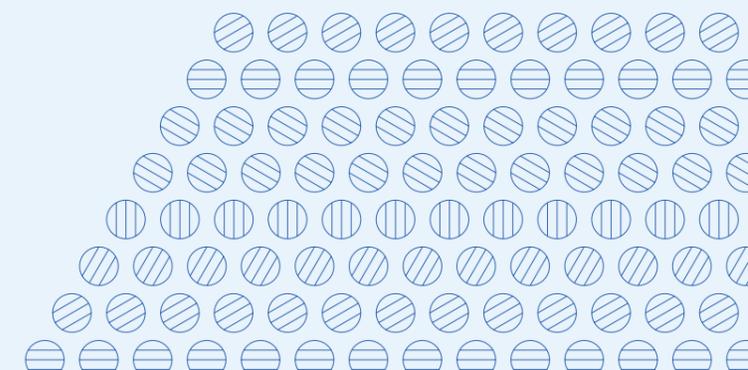
- a) Leading the development and implementation of ESG policies and the execution of ESG action plans to ensure compliance with ESG regulatory frameworks in a fashion that satisfies ESG investors, and specifically the investor requirements for Article 9 Funds as defined under the EU Sustainable Finance Disclosure Regulation.
- b) Monitoring and disclosing the ESG key performance indicators as seen fit to meet the objectives under a).

Compliance with CSDR regulation

Due to the implementation of the Central Securities Depositories Regulation (CSDR) in Norway, the company has entered into a revised registrar agreement with DNB Bank ASA and has implemented Euronext Securities Oslo (VPS) as the company's branch register under Dutch law. As such, shares formerly recorded to DNB Bank ASA (on behalf of Euronext Securities Oslo) in the company's register of members are now recorded directly to the company's shareholders in Euronext Securities Oslo. As such, the company's shares which were in the form of SDRs at the beginning of 2022 were converted to direct shares on 11 December 2022.

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 is committed to uphold leadership in its operations on safety, health and environmental protection and 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

Considering its current small size and limited scope the company has elected to not have an internal audit department. This will be reassessed as the company grows in scope and scale.

The external auditor presents the main elements of the plan for the auditing of the company to the Audit, Governance and Compliance Committee on an annual basis in accordance with his engagement letter. The auditor participates in the Supervisory Board meeting where the annual report is approved. The auditor further meets with the Supervisory Board without the management of the company present at least once a year. The Audit, Governance and Compliance Committee and the Management Board maintain regular contact with the external auditor and discuss the audit plan, the findings and the auditor's report.

The Annual General Meeting on 22 June 2022 appointed Mazars N.V. as the company's external auditor for the annual accounts for the financial year ending 31 December 2022.

The proposal for appointment of the company's external auditor for the annual accounts for the financial year ending 2023 will be submitted to the company's Annual General Meeting of shareholders in 2023, in line with the Dutch Corporate Governance Code.

General meetings

Notices to convene the General Meeting are published via the stock exchange communication channels (<https://newsweb.oslobors.no>) 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 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 company's 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 prior to the General Meeting within the timeline and in accordance with the provisions set forth in the notice for 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 notice for the General Meeting. 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 and the CEO will attend the General Meeting and to the extent possible, other members of the Supervisory Board 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.

Remuneration philosophy and equity participation plan

The Annual General Meeting of shareholders adopted guidelines for the remuneration of the Management Board and other senior management. In accordance with these guidelines, the company has adopted a remuneration policy that provides the possibility to grant the Management Board and other eligible managers short-term variable remuneration (cash bonus) and long-term variable remuneration (restricted stock units and stock options on the company's shares) on top of the eligible participants' base pay, subject to the terms and conditions of the 'long-term incentive plan 2022'. As at year-end 2022, the outstanding equity awards to the eligible participants under the long-term incentive plan 2022 amounted to 171.750 restricted stock units and 562.500 stock options at the strike price of NOK 11.33, vesting one-third each on 3 July 2023, 3 July 2024 and 3 July 2025.

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, the chair of the Nomination, Succession and Remuneration Committee and/or the Supervisory Board.

Related party transactions

In May 2022, the company reached an agreement with OMNIS C.V., an entity owned by Pryme's founder Jos van der Endt. The agreement set the terms for the repayment of a receivables claim of € 390.106, effectively a shareholder loan from the company towards OMNIS C.V. The terms of the agreement led to a full settlement and payment of the outstanding claim in September 2022 as reflected in note 3 to the consolidated balance sheet.

In addition, the consultancy fees mentioned under "Remuneration to the supervisory board of directors" qualify as related party transactions. These consultancy fees amounted to € 45.000 in 2022 for each of Henning Jensen and Michiel Kool for non-recurring activities that do not normally fall under the activities of Supervisory Board members.

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 is selected based on desired expertise, background and size. The current board consists of only one person. Pryme aims to appoint future Management Board members that will contribute towards meeting gender diversity expectations.

SEGREGATION OF DUTIES

Until 2 May 2022, the chairman of the Supervisory Board was also the CEO of the company. This was accepted as a transitional 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 that stage of its development. This issue was resolved in May 2022 as Christopher Hervé was appointed CEO of the company and Henning E. Jensen was appointed chair of the Supervisory Board. The company's articles of association set detailed rules for the relations between the supervisory board, the management board and the general meeting. The supervisory board internal procedure is in development and will be posted on the company's website, together with the charters of the supervisory board committees, during 2023. The chairman of the supervisory board, upon his appointment as chair on 2 May 2022, has remained the chairman of the Audit, Governance and Compliance committee.

INTERNAL CONTROLS

As explained earlier, the company has, considering its current small size and limited scope, elected to not have an internal audit department or additional internal control procedures except for dual signatures on all transactions. Further internal control measures will be put in place over time, commensurate with the growth in scope and scale of the company.

LOAN TO SHAREHOLDERS

The company had an outstanding loan in place to Omnis C.V., a company controlled by the founder of the company as described in note 3 to the consolidated financial statements and represented under the section 'Related party transactions' above. The loan was redeemed in full in September 2022, partly settled by consulting fees (€ 20,000 per annum) due for the period until 30 June 2023.

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 that the company wishes to be prudent with cash outlays and wishes 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 and associated reporting procedures including those for suspected misconduct or irregularities during 2023.

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

The Supervisory and Management Boards are committed to conducting an annual self-assessment. The Supervisory Board undertook a self-assessment in January 2023. The Management Board will conduct its self-assessment in 2023 when an additional managing director is expected to have been appointed to the Management Board.



Financial Statements

2022

5

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5.1. Consolidated financial statements

A. Consolidated balance sheet

(After appropriation of result)

Assets

Fixed assets		31-12-2022	31-12-2021
Intangible assets			
Development costs	1	3.431.572	3.148.210
Property plant and equipment			
Machinery under construction	2	36.587.330	19.550.504
Other fixed assets	2	4.063.300	-
		40.650.630	19.550.504
Financial fixed assets			
Security deposits		241.911	50.752
Current assets			
Receivables			
Other receivables and accrued assets	3	2.290.413	1.279.160
		2.290.413	1.279.160
Cash and cash equivalents	4	11.519.100	8.240.674
Total assets		58.133.626	32.269.300
Equity and liabilities			
GROUP EQUITY	5	39.837.136	26.758.639
Long-term liabilities			
Payables to banks	6	7.656.698	
Other long-term liabilities	6	555.182	
Accruals and deferred income	6	4.991.511	4.991.511
		13.203.391	4.991.511
Short-term liabilities			
Short-term leasing obligations	6	541.266	-
Trade payables		948.569	192.726
Payables relating to taxes and social security contributions	7	693	9.226
Other liabilities and accrued expenses	8	3.602.571	317.198
		5.093.099	519.150
Total liabilities		58.133.626	32.269.300

B. Consolidated profit and loss statement

		2022	2021
Revenues		0	0
Personnel expenses	9	-1.847.708	-873.165
Social security premiums and pensions costs	10	-126.168	-4.806
Other operating expenses	11	-2.494.148	-1.416.754
Total expenses		-4.468.024	-2.294.725
Operating income		-4.468.024	-2.294.725
Interest and similar income	12	2.373	4.658
Interest and similar expenses	13	-26.825	-64.455
Currency translation differences		1.558	-3.033
Financial income and expense		-22.894	-62.830
Income before taxes		-4.490.918	-2.357.555
Income tax expense		-693	-
Net income after taxes		-4.491.611	-2.357.555

C. Consolidated cash flow statement

		2022	2021
Total of cash flows from (used in) operating activities			
Operating income		-4.468.024	-2.294.725
Adjustment for			
Long-term incentive plan		112.051	-
Income tax expense		-693	-
Exchange rate differences		1.558	-3.033
		112.916	-3.033
Changes in working capital			
Movements accounts receivable		-1.011.253	-173.218
Increase (decrease) in other payables		4.573.949	-176.058
		3.562.696	-349.276
Total of cash flows from (used in) operations		-792.412	-2.647.034
Interest received	12	2.373	4.658
Interest paid	13	-26.825	-64.455
		-24.452	-59.797
Total of cash flows from (used in) operating activities		-816.864	-2.706.831
Total of cash flows from (used in) investment activities			
Purchase of intangible assets	1	-283.362	-857.536
Purchase of property, plant and equipment	2	-21.100.126	-10.828.159
Purchase of financial assets		-197.028	-13.449
Proceeds from sales financial assets		5.869	-
Total of cash flows from (used in) investment activities		-21.574.647	-11.699.144
Total of cash flows from (used in) financing activities			
Receipts from issued share capital	5	1.633.191	5.000
Share premium in financial year	5	15.824.866	22.641.495
Proceeds sale and lease-back	6	7.656.698	-
Other long-term liabilities	6	555.182	-
Total of cash flows from (used in) financing activities		25.669.937	22.646.495
Total of increase (decrease) in cash and cash equivalents		3.278.426	8.240.520
Movement in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		8.240.674	154
Increase (decrease) cash and cash equivalents		3.278.426	8.240.520
Cash and cash equivalents at the end of the period		11.519.100	8.240.674

D. Notes to the consolidated financial statements

General notes

The most important activities of the entity

The activities of the Pryme group of companies (the "Group") consist of the development and application of innovative technology in the field of processing plastic waste into pyrolysis oil.

Disclosure of Group structure Pryme N.V.

Pryme N.V. is the head of the Group and parent company of CCT International B.V. The latter is the parent company of both CCT Circular CleanTech B.V. and CCT Circular CleanTech Amsterdam B.V. The registered offices and business address of Pryme N.V. are Fascinatio Boulevard 220, 3065 WB Rotterdam. Pryme N.V. is registered at the Chamber of Commerce under number 75055449.

Consolidation principles

Financial information relating to Group companies 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 have been prepared in accordance with the accounting principles of Pryme N.V. Financial information relating to the Group companies 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 B.V., Antwerpen-Berchem (100%)
- CCT Circular CleanTech Amsterdam B.V., Amsterdam (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

There have been no changes in accounting principles used in the reporting year.

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 Civil 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 paragraph below.

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.

Deferred tax asset

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 zero. No revenue was generated in 2022.

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 of 1 January 2021	2.290.674
Additions	857.536
Book value as of 31 December 2021	3.148.210
Book value as of 1 January 2022	3.148.210
Additions	283.362
Book value as of 31 December 2022	3.431.572

Additional intangible assets all relate to CCT International B.V. and encompass all efforts spent on:

- Intellectual property and know-how regarding the conversion of plastic waste into a form of (pyrolysis) oil, including (claims to) patents, trademarks, etc.
- All developed design, engineering (software), tools and equipment for the above process.
- All documentation of process modules, manufacturing methods and software programs.

Amortisation will start after commencing commercial production at plant Pryme One.

2. Property, plant and equipment

	Machinery under construction	Property, plant and equipment not used in production process	Total
Balance as of 1 January 2021			
Cost or manufacturing price	8.731.586	-	8.731.586
Book value as of 1 January 2021	8.731.586	-	8.731.586
Movements			
Additions	10.828.159	-	10.828.159
Disposals	-9.241	-	-9.241
Balance movements	10.818.918	-	10.818.918
Balance as of 31 December 2021			
Cost or manufacturing price	19.550.504	-	19.550.504
Book value as of 31 December 2021	19.550.504	-	19.550.504
Balance as of 1 January 2022			
Cost or manufacturing price	19.550.504	-	19.550.504
Accumulated depreciation	-	-	-
Book value as of 1 January 2022	19.550.504	-	19.550.504
Movements			
Additions	17.036.826	4.063.300	21.100.126
Disposals	-	-	-
Balance movements	17.036.826	4.063.300	21.100.126
Balance as of 31 December 2022			
Cost or manufacturing or price	36.587.330	4.063.300	40.650.630
Accumulated depreciation	-	-	-
Book value as of 31 December 2022	36.587.330	4.063.300	40.650.630

The additions to Machinery under construction of 17.036.826 relate to €989.626 and €16.047.200 for the Ghent R&D facility and Pryme One, respectively. Depreciation will start after commencing commercial production at plant Pryme One. The Lab installation in Ghent is in use and being depreciated as of 1 January 2023.

The property not used in production relates to the Amsterdam site. The company is reviewing the plans for this site. The purchase price of the site amounted € 3.519.352, plus the acquisition of an overdue ground lease liability of € 543.948.

Current assets

3. Other receivables and accrued income	31-12-2022	31-12-2021
Taxes and social security charges	694.661	239.051
Other amounts receivable	1.145.735	941.231
Accruals and prepaid expenses	450.017	98.878
	2.290.413	1.279.160

Taxes and social security charges

Value added tax	677.249	239.051
Wage tax, government tax subsidy for R&D included	16.103	-
Pension contributions	1.309	-
	694.661	239.051

Other amounts receivable

Receivable related to financial leasing	607.600	-
Subsidies receivable	535.878	535.878
Current account Omnis C.V.	-	390.106
Other amounts receivable	2.257	15.247
	1.145.735	941.231

Receivable related to financial leasing will be collected once the last installment of the leased equipment is received from Pryme's supplier.

4. Cash and cash equivalents

Rabobank	10.824.881	7.163.826
BNP Paribas Fortis	-	1.076.597
ING Bank NV	694.219	251
	11.519.100	8.240.674

5. Group equity

	Share capital	Share premium reserve	Legal reserves R&D	General reserves	Total
Balance as of 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 reserves	-	-	857.536	-857.536	-
Balance as of 31 December 2021	15.000	30.054.979	3.148.210	-6.459.550	26.758.639
Balance as of 1 January 2022	15.000	30.054.979	3.148.210	-6.459.550	26.758.639
Appropriation of result	-	-	-	-4.491.611	-4.491.611
Issue of shares	1.633.191	15.824.866	-	-	17.458.057
Long-term Incentive plan	-	-	-	112.051	112.051
Addition to legal reserves	-	-	283.362	-283.362	-
Balance as of 31 December 2022	1.648.191	45.879.845	3.431.572	-11.122.472	39.837.136

The legal reserves R&D relate to the capitalized research and development costs as reported under note 1.

The long-term incentive plan entails a long-term variable remuneration (restricted stock units and stock options on the company's shares), subject to the terms and conditions of the long-term incentives plan, initiated in 2022. As at year end 2022, the outstanding equity awards to the eligible participants in the long-term incentive plan 2022 amounted to € 622.050 for 171.750 restricted stock units and 562.500 stock options at the strike price of NOK 11,33, equally vesting for one-thirds on 3 July 2023, 3 July 2024 and 3 July 2025. The prorated costs in 2022 of the scheme are reported under the General reserves.

Long-term liabilities

6. Long-term liabilities

	Amount	Repayment resp. release due < 1 year	Remaining pay-back time > 1 year
Deferred income subsidies	4.991.511	-	4.991.511
Balance as of December 31, 2021	4.991.511		4.991.511
Leasing liabilities to banks	8.197.964	541.266	7.656.698
Other long-term liabilities and accruals	962.977	407.795	555.182
Deferred income subsidies	4.991.511	-	4.991.511
Balance as of December 31, 2022	14.152.452	949.061	13.203.391

The legal reserves R&D relate to the capitalized research and development costs as reported under note 1.

The deferred income subsidy refers to a DEI (Demonstration Energy Innovation) subsidy. Release of the subsidy will start once commercial production is commenced and will be in line with the depreciation term of the installation (10 years). Leasing liabilities to banks relate to a sale and leaseback of large installation equipment with a total value of € 8,2 million, duration 102 months and an interest rate of 5,78%.

Other long-term leasing liabilities concern the financial lease for the concrete floor at Plant One and the overdue ground lease related to the Amsterdam site.

Short-term liabilities

7. Payables relating to taxes and social security contributions	31-12-2022	31-12-2021
Wage tax	-	7.926
Corporate income tax	693	-
Pension premiums company contribution	-	1.300
	693	9.226
8. Other liabilities and accrued expenses		
Accruals and invoices to be received	3.029.486	272.144
Repayment obligations other long-term liabilities	407.795	-
Accrued vacation pay	64.629	14.288
Employee bonuses	61.127	-
Unused vacation days	14.534	-
Current account shareholders	-	15.000
Audit costs	25.000	14.000
Net wages	-	1.766
	3.602.571	317.198

Accruals and invoices to be received mainly are accruals and invoices to be received related to the construction of plant "Pryme One".

Notes to the consolidated statement of income and expenses

9 Personnel expenses	2022	2021
Contracted personnel	1.328.526	816.980
Salaries and wages	822.752	56.485
Government tax subsidy for R&D	-40.090	-
Other wage subsidies	-89.268	-300
Long-term incentive plan	112.051	-
	2.133.971	873.165
Capitalized labor costs re intangible and tangible assets	-286.263	-
	1.847.708	873.165

The total 2022 remuneration paid to the management board amounts to € 735.461 of which € 321.363 was the remuneration to the CEO. For further details, please see the Remuneration to the management board section of the Governance Report.

10 Social security premiums and pension costs	2022	2021
Social security premiums company contribution	76.832	4.806
Pension premiums company contribution	49.336	-
	126.168	4.806

Headcount	2022	2021
Own staff	11	4
Contracted staff	7	8
	18	12

11 Other operating expenses	2022	2021
Other employee related expenses	233.749	278.831
Rental expenses	806.470	228.838
SG&A expenses	1.453.929	909.085
	2.494.148	1.416.754

Other employee related expenses	2022	2021
Recruitment expenses	172.154	184.021
Commuting assistance	29.334	3.226
Study and training expenses	11.405	70.284
Other staff expenses	20.856	21.300
	233.749	278.831

SG&A	2022	2021
Communication and marketing expenses	156.496	160.723
Car expenses	85.239	12.048
Office expenses	40.355	61.544
ICT expenses	54.090	4.965
Audit and accounting expenses	148.349	91.242
Stock exchange related expenses	84.554	32.847
Supervisory Board fees	85.259	60.000
Legal advisory expenses	307.150	257.841
Consultancy fees	384.299	202.723
Insurance premiums	67.493	1.759
Other general expenses	40.645	23.393
	1.453.929	909.085

The total supervisory board fees incurred for 2022 amounted to € 85.259. For further details and additional information, please see the Remuneration to the supervisory board of directors section of the Governance Report.

12 Interest and similar income	2022	2021
Interest current account Omnis CV	2.373	4.658

The interest rate on the current account with Omnis CV was 1% p.a.

13 Interest and similar expenses	2022	2021
Bank interest expenses	25.450	63.878
Bank interest expenses	-	533
Other interest expenses	1.375	44
	26.825	64.455

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 31 December 2022, for a total of € 6.1 million (last year € 11,9 million). These commitments all relate to the build process at our first plant at Rotterdam and none of these commitments has a maturity extending beyond the coming 12 months. The commitments reported are based on our best current estimates for the various EPC contracts.

In addition, the Group has operational leasing obligations related to the site for the first plant and offices, the ground lease of the Amsterdam site and several car leases. The total obligation as of 31 December 2022 amounts € 8.1 million (last year € 0 million) of which € 0,7 million has a maturity less than 1 year, € 2.2 million between 1 and 5 years and € 5.2 million longer than 5 years. The ground lease of the Amsterdam site accounts for € 5.8 million of the total obligations.

F. Subsequent events

As the company is in rapid development, there have been various important events since the 31 December 2022 balance sheet date and the publishing of this annual report at 28 April, 2023. The following is a brief summary of these events:

In March 2023 the company entered into two separate agreements to supply pyrolysis oil from its second plant for deliveries starting in 2026. These agreements are with leading companies in different parts of the circular plastics value chain. These deliveries will cover approximately 1/6 of the capacity of Pryme's contemplated second plant. The supply contracts have a marked-based pricing formula and are conditional upon the timely construction of and production from this second plant.

Further, as previously announced, Pryme was granted a subsidy under the EU Horizon Program established

Disclosure of off-balance sheet rights and arrangements

In August 2022 we finalized renegotiation of the strategic cooperation agreement with Shell. This agreement underlines 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 volumes to be supplied reflect an increase to the previous contract, whilst market-based pricing secures attractive economics for both parties.

by the European Commission to finance research and innovation activities. Pryme is one of 13 consortium partners within Project ELECTRO. The EU Horizon Program awarded the consortium a total grant up to € 14.2 million for the project. As Pryme is the largest partner of the consortium, its share amounts up to € 4.8 million. An advance payment of € 2.3 million was received in Q1 2023.

In April 2023 the company completed a capital increase with gross proceeds of around € 14.8 million. The capital increase took place in the form of a Private Placement under which 15.367.044 additional shares were issued with an issue price of NOK 11,00. This capital increase has raised the total share count for the Company to 48.330.866.

5.2. Parent Company Financial Statements

A. Balance sheet

(After appropriation of result)

Assets

Fixed assets		31-12-2022	31-12-2021
Financial fixed assets			
Shares in group companies	14	2.474.873	4.705.641
Security deposits		9.447	5.858
		2.484.320	4.711.499
Current assets			
Receivables			
Receivables from group companies	15	29.318.169	14.763.866
Other receivables and accrued assets	16	73.877	596.084
		29.392.046	15.359.950
Cash and cash equivalents	17	8.181.449	6.874.117
Total assets		40.057.815	26.945.566

Equity and liabilities

Equity		31-12-2022	31-12-2021
Share capital	18	1.648.191	15.000
Share premium reserve	18	45.879.845	30.054.979
Legal and statutory reserves	18	3.431.572	3.148.210
General reserves	18	-11.122.472	-6.459.550
		39.837.136	26.758.639
Short-term liabilities			
Accounts payables		30.364	52.385
Payables relating to taxes and social security contributions	19	6.995	4.177
Other liabilities and accrued expenses	20	183.320	130.365
		220.679	186.927
Total equity and liabilities		40.057.815	26.945.566

B. Profit and loss statement

		2022	2021
Personnel expenses	21	1.897.989	353.868
Social security premiums and pension costs	22	21.097	1.507
Other operating expenses	23	542.292	151.785
Total sum of expenses		2.461.378	507.160
Operating income		-2.461.378	-507.160
Interest and similar income	24	219.832	72.521
Interest and similar expenses	25	-21.742	-63.080
Currency translation differences		2.445	-
		200.535	9.441
Income before taxes		-2.260.843	-497.719
Income tax expense		-	-
Share in result from participations	26	-2.230.768	-1.859.836
Net income after taxes		-4.491.611	-2.357.555



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 N.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

14. Shares in group companies	2022	2021
CCT International B.V.	2.474.873	4.705.641

Current assets

15. Receivables from group companies	2022	2021
Current account CCT Circular Cleantech B.V.	22.680.902	12.226.851
Current account CCT Circular Cleantech Amsterdam B.V.	3.854.775	-
Current account CCT International B.V.	2.782.492	2.537.015
	29.318.169	14.763.866
16. Other receivables and accrued income		
Taxes and social security charges	29.400	195.797
Other amounts receivable	637	390.106
Accruals and prepaid expenses	43.840	10.181
	73.877	596.084
Taxes and social security charges		
Value added tax	29.400	195.797
17. Cash and cash equivalents		
Rabobank	8.081.311	6.873.866
ING Bank NV	100.138	251
	8.181.449	6.874.117
18. Equity	The shareholders' equity is explained in the notes to the consolidated balance sheet. Refer to note 5.	

Short-term liabilities

19. Payables relating to taxes and social security contributions	2022	2021
Wage tax	6.995	2.877
Pension premiums	-	1.300
	6.995	4.177
20. Other liabilities and accrued expenses		
Accruals and deferred income	158.320	114.309
Audit costs	25.000	14.000
Accrued vacation pay	-	1.590
Net wages	-	466
	183.320	130.365

Notes to the statement of income and expenses

21. Personnel expenses	2022	2021
Contracted personnel	1.692.664	334.998
Salaries and wages	145.079	18.870
Long-term incentive plan	50.531	-
	1.888.274	353.868
Capitalized labor costs	9.715	-
	1.897.989	353.868

Contracted personnel costs 2022 contain recharged fees of € 662.000 related to 2020 and 2021.

22. Social security premiums and pension costs	2022	2021
Social security premiums company contribution	9.690	1.507
Pension premiums company contribution	11.407	-
	21.097	1.507

23. Other operating expenses	2022	2021
Other employee related expenses	58.435	70.298
SG&A expenses	851.975	588.611
Intercompany cost charges	-368.118	-507.124
	542.292	151.785
Other expenses of employee benefits		
Recruitment expenses	41.861	57.989
Study and training expenses	6.544	-
Other staff expenses	10.030	12.309
	58.435	70.298
SG&A expenses		
Communication and marketing expenses	130.890	147.046
Car expenses	14.707	671
Housing expenses	42.423	7.790
Office expenses	7.984	15.425
Audit and accounting expenses	88.660	58.516
Stock exchange related expenses	84.554	32.847
Supervisory board fees	85.259	60.000
Legal advisory	201.391	200.358
Consultancy fees	158.595	46.427
Other general expenses	37.512	19.531
	851.975	588.611
Intercompany cost charges	-368.118	-507.124
	483.857	81.487
24. Interest and similar income	2022	2021
Interest of receivables from Circular CleanTech B.V.	172.200	60.188
Interest of receivables from Circular CleanTech Amsterdam B.V.	19.178	-
Interest of receivables from CCT International B.V.	26.081	11.360
Interest current account Omnis C.V.	2.373	973
	219.832	72.521
25. Interest and similar expenses	2022	2021
Bank interest expenses	21.742	63.080
26. Share in result from participations	2022	2021
CCT International B.V.	-2.230.768	-1.859.836

Responsibility Statement

The Management Board and the Supervisory Board confirm, to the best of their knowledge, that the financial statements for the period January 1 to December 31, 2022, 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 and Governance Reports include 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,
28 April 2023
Pryme N.V.

Christopher Hervé
Chair
Management Board
And CEO

Henning E. Jensen
Chair
Supervisory Board

Willem Michiel Kool
Vice chair
Supervisory Board

Jan Willem Muller
Member
Supervisory Board

Boudewijn van Vliet
Member
Supervisory 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 Meeting 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,

The Board proposes that the result for the financial year 2022 amounting to € 4.491.611 (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.

Auditor's Report



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Independent auditor's report

To the Management Board of
Pryme N.V.

Report on the audit of the financial statements as at 31 December 2022

Our opinion

We have audited the financial statements on page 1 up to and including page 56 as at 31 December 2022 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 2022 and of its result for 2022 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 2022;
2. the consolidated and company profit and loss account for 2022; 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 management 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.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

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 management 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 the Management Board for the financial statements

The Management Board 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 Management Board 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.

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 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, 28 April 2023

Mazars N.V.

Original has been signed by: M. Vazel RA

The Pryme Share

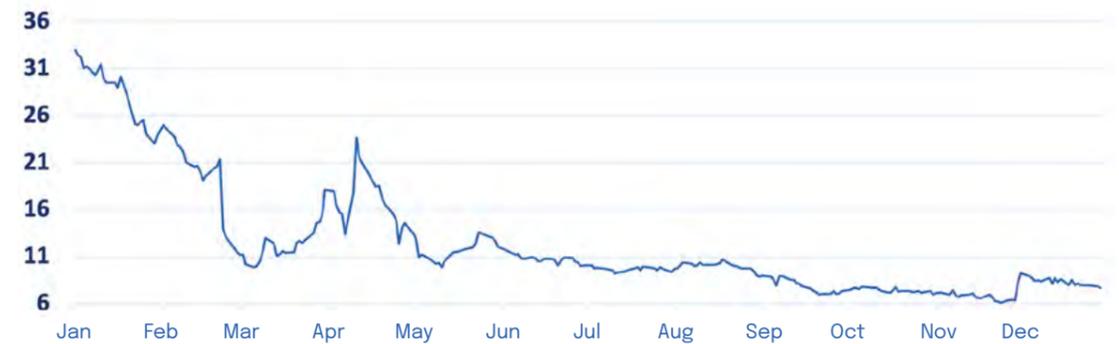


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Pryme was admitted to the Euronext Growth exchange in Oslo on 16 February, 2021.

Ticker / ISIN:	PRYME / PRYME.OL / NL00150005Z1
IPO price:	NOK 51,20
Issued shares:	15,000,000 (31 Dec 2021) and 32,963,822 (31 Dec 2022)
Trading days 2022:	253
Average/highest daily trading volume:	85,526 / 925,190 shares
Highest / Lowest share price in 2022:	NOK 33,00 / 6,14
Closing price 2022:	NOK 7,68
Market capitalization December 2022:	NOK 253,162,153 (EUR 24,110,681)

Pryme shareprice through 2022 (NOK)



Top-20 Shareholders in Pryme NV on December 31, 2022

Rank	Holding	Stake (%)	Name	Rank	Holding	Stake (%)	Name
1	8'145'402	24.7	SIX SIS AG	11	238'000	0.7	THORSNES
2	6'672'376	20.2	Circular Plastics Coöperatief U.A.	12	225'000	0.7	BERGEN KOMMUNALE PENSJONSKASSE
3	6'075'500	18.4	Omnis C.V	13	217'970	0.7	HANSEN
4	1'200'000	3.6	Van Meirhaeghe	14	175'781	0.5	State Street Bank and Trust Comp
5	791'213	2.4	NORDNET LIVSFORSIKRING AS	15	172'000	0.5	NEW 2020 AS
6	482'934	1.5	The Bank of New York Mellon SA/NV	16	171'093	0.5	SKEIE TECHNOLOGY AS
7	471'052	1.4	CLEARSTREAM BANKING S.A.	17	147'542	0.4	Nordea Bank Abp
8	394'593	1.2	Nordnet Bank AB	18	133'513	0.4	HELLE
9	388'977	1.2	AS CLIPPER	19	130'449	0.4	J.P. Morgan SE
10	300'000	0.9	Van den Broeck	20	122'182	0.4	PROFOND AS

Attachment



First time adoption of IFRS

Notes to First time adoption of IFRS – Pryme N.V.

Background

Pryme N.V. (hereafter: 'Pryme' or 'the company') prepared the 2022 financial statements in the Netherlands under the application of Dutch GAAP, in accordance with Part 9, Book 2 of the Dutch Civil Code. For the financial year ending 31 December 2022 and the related transition period as of 1 January 2022 (transition date to IFRS), Pryme decided to prepare special purpose financial statements under the application of Dutch GAAP with an analysis of the most important differences compared to IFRS as promulgated by the IASB (hereafter: 'IFRS').

Approach

In general, a company is required to determine its IFRS accounting policies and apply these retrospectively to determine its opening balance sheet under IFRS. As a start-up company, Pryme decided to perform a light conversion to IFRS. In the following tables the Financial Statements as reported under Dutch GAAP pertaining to the consolidated Balance Sheet, Profit & Loss Statement, Cash Flow Statement and Statement of Changes in Equity, notes included, have been converted based on the IFRS standards. An initial analysis showed that the following IFRS standards might be applicable for Pryme and require adjustments in order to comply with IFRS:

- IFRS 16 Leases
- IAS 16 Property, Plant and Equipment
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 36 Impairment of assets
- IAS 38 Intangible assets

Notes to conversion from Dutch GAAP to IFRS

Following a review of the relevant IFRS standards compared to Dutch GAAP it appeared that no adjustments are required to transition from Dutch GAAP to IFRS, except for IFRS 16 (Leases).

Dutch GAAP uses an Operating and Finance Lease model, which differs from IFRS 16 that applies a single lessee accounting model. IFRS accounting is similar with the Finance lease accounting in Dutch GAAP. The main difference in the transition from Dutch GAAP to IFRS therefore relates to the Operating leases in place at Pryme. These leases encompass certain equipment at the Plant One site in Rotterdam, various offices, the ground lease of the Amsterdam site and various car leases.

Impact IFRS

The impact of the change in accounting principles on the net result for 2022 amounts to € 51.131 negative. Considering the uncertainties surrounding the future profitability and time needed to become profitable no income taxes have been considered and no deferred tax assets have been recognized. As of 31 December 2022 the cumulative impact of the conversion from Dutch GAAP to IFRS on equity amounts to € 56.376 negative.

Accounting principles

As indicated above, the impact of the conversion from Dutch GAAP to IFRS accounting principles is limited. IFRS accounting principles are therefore not part of these notes. In the Annual Report 2023 we will adapt our accounting policies towards IFRS and fully report in line with the IFRS guidelines.

Consolidated balance sheet

(After appropriation of result)

Position as at 1 January 2022 (date of transition to IFRS)

Assets

Fixed assets	Dutch GAAP as at 31 December 2021	Reclassification and remeasurements	IFRS as at 1 January 2022	Dutch GAAP as at 31 December 2022	Reclassification and remeasurements	IFRS as at 31 December 2022	Notes
Intangible assets							
Development costs	3.148.210	0	3.148.210	3.431.572	0	3.431.572	IAS 38
Property, plant and equipment							
Machinery	19.550.504	0	19.550.504	36.587.330	-722.594	35.864.736	IAS 16 and 36
Other fixed assets	0	0	0	4.063.300	-543.948	3.519.352	IAS 16 and 36
Right-of-use assets Land & Buildings	0	227.384	227.384	0	4.660.460	4.887.844	IFRS 16
Right-of-use assets Cars	0	131.519	131.519	0	47.845	179.364	IFRS 16
Financial assets							
Other amounts receivable	50.752	0	50.752	241.911	0	241.911	
Current assets							
Receivables							
Other receivables and accrued assets	1.279.160	0	1.279.160	2.290.413	0	2.290.413	
Cash and cash equivalents	8.240.674	0	8.240.674	11.519.100	0	11.519.100	
Total assets	32.269.300	358.903	32.628.203	58.133.626	3.441.763	61.934.292	

Equity and liabilities

Fixed assets	Dutch GAAP as at 31 December 2021	Reclassification and remeasurements	IFRS as at 1 January 2022	Dutch GAAP as at 31 December 2022	Reclassification and remeasurements	IFRS as at 31 December 2022	Notes
Group Equity	26.758.639	-5.245	26.753.394	39.837.136	-51.131	39.780.760	IFRS 16
Long-term liabilities							
Payables to banks	0	0	0	7.656.698	0	7.656.698	
Other long-term liabilities	0	0	0	555.182	0	555.182	
Interest bearing loans and borrowings (> 1 year)	0	100.633	100.633	0	3.271.622	3.635.770	IFRS 16
Accruals and deferred income	4.991.511	0	4.991.511	4.991.511	0	4.991.511	IAS 20
Current liabilities							
Payables to banks	0	0	0	541.266	0	541.266	
Interest bearing loans and borrowings (< 1 year)	0	263.515	263.515	0	221.272	221.272	
Trade payables	192.726	0	192.726	948.569	0	948.569	
Payables relating to taxes and social security contributions	9.226	0	9.226	693	0	693	
Other liabilities and accrued expenses	317.198	0	317.198	3.602.571	0	3.602.571	
Total equity and liabilities	32.269.300	358.903	32.628.203	58.133.626	3.441.763	61.934.292	

Consolidated profit and loss statement

	Dutch GAAP for the year 2022	Reclassification and remeasurements	IFRS for the year 2022	Notes
Revenues	0	0	0	
Expenses				
Wages and salaries	-1.690.376	0	-1.690.376	
Social security premiums and pension costs	-86.078	0	-86.078	
Depreciation and amortization	0	-482.154	-482.154	IFRS 16
Other operating expenses	-2.691.570	587.267	-2.104.303	IFRS 16
Operating profit	-4.468.024	105.113	-4.362.911	
Interest and similar income	2.373	0	2.373	
Interest and similar expenses	-26.825	-156.244	-183.069	IFRS 16
Currency translation differences	1.558	0	1.558	
Result before taxes	-4.490.918	-51.131	-4.542.049	
Income tax expense	-693	0	-693	
Net result	-4.491.611	-51.131	-4.542.742	

Consolidated statement of changes in equity

for the year ended 31 December 2022

	Share capital	Share premium	Legal and statutory reserves	General reserve	Total equity	Notes
As at 1 January 2022 Dutch GAAP	15.000	30.054.979	3.148.210	-6.459.550	26.758.639	
Operational lease agreements				-5.245	-5.245	IFRS 16
As at 1 January 2022 IFRS	15.000	30.054.979	3.148.210	-6.464.795	26.753.394	
Appropriation of result				-4.542.742	-4.542.742	
Issue of shares	1.633.191	15.824.866			17.458.057	
Long-term incentive plan				112.051	112.051	
Addition to legal reserves related to development costs			283.362	-283.362	0	
As at 31 December 2022 IFRS	1.648.191	45.879.845	3.431.572	-11.178.848	39.780.760	



Consolidated cash flow statement

	Dutch GAAP for the year 2022	Reclassification and remeasurements	IFRS for the year 2022	Notes
Operating activities				
Operating result	-4.468.024	105.113	-4.362.911	IFRS 16
Adjustments for:				
Movements other provisions	112.051	0	112.051	
Income tax expense	-693	0	-693	
Exchange rate differences	1.558	0	1.558	
Changes in working capital				
Movements accounts receivable	-1.011.253	0	-1.011.253	
Increase (decrease) in current liabilities	4.573.949	-42.243	4.531.706	IFRS 16
Total of cash flows from (used in) operations	-792.412	62.870	-729.542	
Interest received	2.373	0	2.373	
Interest paid	-26.825	-156.244	-183.069	IFRS 16
Total of cash flows from (used in) operating activities	-816.864	-93.374	-910.238	
Cash flows from (used in) investment activities				
Purchase of intangible assets	-283.362	0	-283.362	
Purchase of property, plant and equipment	-21.100.126	1.266.542	-19.833.584	IFRS 16
Right of use assets land & buildings	0	-4.660.460	-4.660.460	IFRS 16
Right of use assets cars	0	-47.845	-47.845	IFRS 16
Purchase of financial assets	-197.028	0	-197.028	
Proceeds from sales financial assets	5.869	0	5.869	
Total cash flows from (used in) investment activities	-21.574.647	-3.441.763	-25.016.410	
Cash flows from (used in) financing activities				
Receipts from issued share capital	1.633.191	0	1.633.191	
Share premium in financial year	15.824.866	0	15.824.866	
Proceeds from borrowings bank	7.656.698	0	7.656.698	
Other long term liabilities	555.182	0	555.182	
Interest bearing loans and borrowings	0	3.535.137	3.535.137	IFRS 16
Cash flows from (used in) financing activities	25.669.937	3.535.137	29.205.074	
Total of increase (decrease) in cash and cash equivalents	3.278.426	0	3.278.426	



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