

INTERIM REPORT H1 2021

BUSINESS OVERVIEW: ACHIEVEMENTS IN H1 2021

Successful IPO and loan increase to support future growth

At the start of 2021 investors confirmed their trust in Pryme's recycling strategy, its market opportunities and its next-gen pyrolysis technology:

- The company raised NOK 287 million (ca. EUR 28 million), of which NOK 256 million was in new capital, through a successful IPO. Shares of the new issue were sold at NOK 51.20 each, corresponding to a post money market capitalization of NOK 768 million.
- Pryme was admitted to trading on the Oslo Euronext Growth Exchange on 16 February 2021 (ticker code: PRYME).
- An increase of the existing asset-backed loan facility was negotiated: from EUR 3.7 million to EUR 8.2 million, with a tenor of 96 months. This represents 35–40% of projected capex and is an important marker in the company's ambition to finance a major part of its future investments through non-dilutive funding.

On schedule for construction the first industrial-scale plant

Following the IPO, Pryme started the necessary preparations for the construction of its first plant:

- Long lead items ordered and confirmed
- Engie has started implementing the engineering, construction and installation contract
- Civil works have started in August
- Design of the steel structure has been finalized and ordered for delivery and installation in December
- Equipment will be installed in Q1 2022
- Commissioning was scheduled for Q2 2022
- The plant will be built under the PlantOne umbrella in the port of Rotterdam.
- With an initial annual plastic intake of 40,000 mt, which will grow to 60,000 mt by 2024, it is poised to set a new standard in plastic recycling.

Strengthening the board of directors and the management team

At the start of 2021 Pryme welcomed a new board member and an experienced CFO:

- Boudewijn van Vliet joined as an executive director. He has worked for over 25 years in the commodities trading sector, holding several leadership positions at Mercuria Energy Trading SA in Geneva and Citigroup Global Markets Ltd. in London.
- Stephan Anzenhofer joined as CFO with over 30 years of experience in finance and controlling positions at leading companies such as SPIE Nederland.

During the second quarter, two critical management functions were filled with high caliber candidates:

- Sander Schiereck has come on board as plant manager, coming from 24/7 petrochemical operations environment. Earlier in his career he worked in engineering services and has more than 10 years experience in running and maintaining extruder equipment for plastic compounding, as well as a demonstrated performance on operations improvement, which make him a good fit for the team.
- Joeri Dieltjens will assume the role of rollout manager, where he will be bringing valuable perspective through his experience as project manager for modular construction and start-up of plants in an international context for a large petrochemical company. As a chemical engineer with management experience in both plant construction and site operation engineering, he comes with key skills that Pryme needs to realize its ambitions.

In June the company nominated two independent directors, with a shareholder confirmation to be tabled in an EGM in September:

- Henning E. Jensen has spent most of his professional career in the automotive industry and comes in with broad and global executive experience from multiple industries, mostly for publicly traded companies. He has also been chairman and board member of various publicly traded and privately held companies.

- Michiel Kool held a range of senior executive roles at Shell across the upstream, downstream and gas sectors and in projects and technology. This included business roles as head of the Asia region for upstream and as MD of Qatar Shell which operates the largest GTL plant in the world, and functional roles in corporate strategy and as head of safety, environment and social performance.

R&D plant

To make continuous improvements to its processes and to proactively establish the links between different sources of feedstock and expected characteristics of pyrolysis oil output, Pryme has decided to build its own R&D facility:

- Pryme decided to build its R&D facility at the premises of the University of Ghent, a leading knowledge center on pyrolysis and petrochemical processes.
- R&D plant expected to be operational beginning 2022, which will allow testing of feedstock & oil before the startup of the phase 1 plant.
- The company has entered an EU Horizon call for an innovative research project to fully electrify the process from handling plastic waste up to the point of a standard petrochemical feedstock, including the cracking. The project submitted with leading partners across the supply chain and industrial ecosystem.

Building strategic partnerships

The technology and scale that Pryme brings to the industry continued to attract the interest of major companies both on the intake as on the output side of its process and the company expects several strategic partnerships to materialize as a result:

- Through H1 multiple discussions with potential petrochemical partners, as well as plastic waste companies were initiated and/or evolving
- Pryme negotiated a strategic cooperation agreement as well as its first ever offtake agreement with a major petrochemical company. These contracts were finalized and signed in July and more details on the partnership will be released through joint communication soon.
- The first industrial-scale plant will be a steppingstone, as the joint learning curve of production and logistics will give strategic partners a prime position in the further rollout

INTERIM FINANCIAL STATEMENTS H1 2021¹

BALANCE SHEET per 30.06.2021

	<u>30.06.2021</u>	<u>FY 31.12.2020</u>
Assets		
Fixed Assets		
Intangible fixed assets		
Development costs	€ 2'290'674	€ 2'290'674
Tangible fixed assets		
Machinery	€ 14'407'587	€ 8'729'086
Other fixed assets	€ 14'269	€ 2'500
Financial fixed assets	€ 42'194	€ 37'303
Total fixed assets	<u>€ 16'754'724</u>	<u>€ 11'059'563</u>
Current assets		
Receivables	€ 1'231'125	€ 1'105'942
Cash & cash equivalents	€ 15'932'694	€ 154
Total Assets	<u>€ 33'918'543</u>	<u>€ 12'165'659</u>
Equity & Liabilities		
Equity	€ 28'360'469	€ 6'469'699
Long Term liabilities		
Accruals and deferred income	€ 4'991'511	€ 4'991'511
Current liabilities		
Trade payables	€ 473'879	€ 585'297
Other liabilities	€ 92'684	€ 119'152
	<u>€ 33'918'543</u>	<u>€ 12'165'659</u>

The data included in this report are unaudited.

¹ The official H1 financial statements will be published in September 2021

PROFIT & LOSS STATEMENT H1 2021

	1H 2021	FY 2020
Operating revenue	€ -	€ -
Cost of Sales	€ -	€ -
Gross Margin	€ -	€ -
Operating expenses		
Wages & Salaries	€ 5'700	€ 11'778
Other expenses employee benefits	€ 377'168	€ 212'500
Housing expenses	€ 92'968	€ 89'311
Audit & Accounting	€ 52'448	€ 117'344
Legal advisory	€ 175'637	€ 81'922
Insurances	€ -	€ 62'295
Other operating expenses	€ 68'800	€ 12'562
Total operating expenses	€ 772'721	€ 587'712
Depreciation	€ 237	€ -
Operating result	€ -772'958	€ -587'712
Financial income / (expense)	€ -31'785	€ 1'846
EBIT	€ -804'743	€ -585'866

The data included in this report are unaudited.

CASHFLOW STATEMENT H1 2021

	1H 2021		FY 2020	
Cash flow from operating activities				
Operating result	€	-772'958	€	-587'712
Adjustments for				
Depreciation	€	237	€	-
Changes in working capital				
Movements accounts receivable	€	-125'182	€	331'229
Movements in other payables	€	-137'886	€	155'131
Total cash flows from operations	€	-1'035'789	€	-101'352
Financial income	€	-31'785	€	1'846
Total cash flow from operating activities	€	-1'067'574	€	-99'506
Cash flow from investment activities				
Purchase of tangible fixed assets	€	-5'690'507	€	-471'873
Purchase of financial fixed assets	€	-4'891	€	-138
Total cash flow from investment activities	€	-5'695'398	€	-472'011
Cash flow from financing activities				
Public placement	€	24'815'419	€	-
Expenses relating to public placement	€	-2'119'906	€	-
Total cash flow from financing activities	€	22'695'513	€	-
Total cash flow	€	15'932'541	€	-571'517
Cash and cash equivalents at the beginning of the period	€	154	€	571'671
Total cash flow in the period	€	15'932'541	€	-571'517
Cash and cash equivalents at the end of the period	€	15'932'695	€	154

The data included in this report are unaudited.

OUTLOOK FOR 2021 AND BEYOND

Pryme will continue to consolidate its foundations (team, organization, partnerships), whilst advancing the construction of the phase 1 plant in Rotterdam.

A feasibility study for optimal 'typical' plant design will be finalized in Q4 2021. This will form the basis for five permit applications for petrochemical locations across Europe.

Amongst these permit applications will be the first megaplant with an annual intake capacity of 450,000 mt in the Rotterdam region, which is currently in the project phase.

MANAGEMENT COMMENTS

After intensive years of investment in research and development, funding for our first industrial-scale plant now has now been secured. This has shifted the focus to the construction process.

In parallel to this, the company is putting in place the building blocks for an ambitious rollout strategy. Organizationally we have outlined the framework for solid governance, strategy and management control to capture the attractive growth potential that lies in front of us. At the same time, we have managed to secure a game-changing strategic partnership with a major petrochemical company, which we see as an important validation of our technology and strategy.

As the focus is on the realization and successful startup of our phase 1 plant, filling the two key operational management positions with high caliber candidates has solidified the team and enhanced our engineering and processing capabilities.

We strongly believe in the enormous potential of our technology and strategy. Pryme's pure play pyrolysis approach is inherently cost efficient and brings scale to the rapidly developing sector of plastic recycling. Over the past months we have seen confirmation on some of the key assumptions in our business case and we are well on track to create substantial value for our shareholders.



On behalf of management,

Boudewijn van Vliet
Executive Director

About Pryme | www.pryme-cleantech.com

Pryme BV is an innovative cleantech company focused on converting plastic waste into valuable products through chemical recycling on an industrial scale. Its efficient and scalable technology is based on a proven pyrolysis process that has been further developed and enhanced with proprietary characteristics. The company is currently building its first plant in the Port of Rotterdam with an annual intake of 60,000 mt, which will start production in 2022.

Pryme's ambition is to contribute to a low-carbon, circular plastic economy and to realize the enormous rollout potential of its technology through the development of a portfolio of owned-operated plants with strategic partners.

The company is listed on the Oslo Euronext Growth Exchange.