

**PRYME N.V.**

**Q1 2024 REPORT**



**May 3<sup>rd</sup>, 2024**

## Pryme N.V. – First Quarter 2024 Report

### Pryme One Update

The main event of Q1 2024 was undoubtedly the successful production of first oil on January 19<sup>th</sup>, 2024. This marked one of the most significant milestones in Pryme's young history and will stand forever in our history book. With the first oil produced, the main focus of the quarter became to further build on that accomplishment and further progress Pryme One's production capabilities as explained below.

Having successfully completed the required mechanical upgrades on Pryme One's electrically heated reactor in the last weeks of 2023, the new year was initiated with the restart of hot commissioning activities. The reactor was reheated and maintained at temperatures above 600 degrees Celsius for multiple days to confirm all modifications were adequate. After this, the operation team reached a major milestone through producing "first oil" on January 19<sup>th</sup>, 2024. This initial production of oil occurred using a method termed "cold feeding" where un-melted plastic waste was fed into the reactor, bypassing the pre-melting step through one of the plant's extruders. This allowed for individual testing of the reactor and subsequent condensation steps. Building on the first oil success, subsequent test runs in February included the integration of the entire process cycle, utilizing an extruder to inject hot melted plastic waste at approximately 300 degrees Celsius into the reactor with its temperature at more than 600 degrees Celsius. This initial comprehensive operational trial was executed without any complications. Over two days, totaling six hours of operation, Pryme One processed around 8 metric tons of plastic waste, yielding approximately 6 metric tons of pyrolysis oil. Following this accomplishment, production was paused for a detailed inspection of all machinery and equipment by the Pryme team to evaluate each component's performance, potential wear and tear, maintenance frequency requirements and the overall structural integrity of the production equipment, including seals, gaskets, and piping. These first-quarter production tests have validated Pryme's technology, with Pryme's electrically heated reactor consistently producing odorless, free-flowing dry ash with no wax formation observed during subsequent condensation steps. Also, the residence time of the melted plastic in the reactor before its conversion to a gas phase was notably shorter than initially anticipated. These initial observations offer a promising outlook for Pryme's ramp-up activities in the second quarter and Pryme's potential.

### Pyrolysis Oil Sales Contract

On February 1<sup>st</sup>, 2024, Pryme successfully revised its supply contract of plastic pyrolysis oil with Shell. This amendment aligned the historical supply contract with what Pryme deemed to be prevailing market conditions for pyrolysis oil, while fostering a robust and beneficial value chain for both Pryme and Shell. The revised contract integrated insights gained from developing the new value chain and featured terms that more accurately reflect the current dynamics in this promising market. The contract secures a direct outlet for Pryme for its pyrolysis oil volumes, which serve as a feedstock for Shell. Pryme expects the amended terms to materially improve the resulting financial performance of Pryme One. This expected improvement has been further described in Pryme's updated plant economics and investor presentation that were published on March 20, 2024.

### Funding

On March 25<sup>th</sup>, Pryme completed a private placement with gross proceeds of EUR 12 million. The subscription price in the Private Placement was EUR 0.9469 per share, corresponding to NOK 11.00 per share, a premium of 14% over the closing price on March 25<sup>th</sup>. The net proceeds to Pryme from the Private Placement will be used for the ramping up and optimization of Pryme One, the defining and executing of Pryme's growth strategy including the development and permitting of future plant sites and for working capital and general corporate purposes.

The subscribers to the private placement were, Taranis Investment Limited, a new shareholder in Pryme and the investment arm of the Perenco group, with around EUR 10 million, Stichting Multistrat with EUR 1 million and Circular Plastics Coöperatief U.A with around 1 million, the latter being managed by Infinity Recycling.

## **PAct, Pryme 'Health, Safety & Environment and Code of Conduct**

During the reporting period, Pryme's focus shifted from building and hot commissioning activities to production and first oil. With new activities, the risk profile of Pryme One changed accordingly. No safety incidents were reported, underscoring Pryme's commitment to maintaining a robust safety culture. Operating in a high-risk petrochemical environment, it is imperative that we continue to prioritize safety above all else. Ensuring the health and safety of our employees, contractors, and the environment in which we operate, remains Pryme's top priority, reflecting Pryme's deeply embedded safety culture. During the reporting period we implemented the Pryme' Code of Conduct and related reporting procedures including staff training sessions.

### **Organization**

To deliver on the broader set of priorities of the company, Pryme plans to expand its organization and secure the necessary staff resources in the coming months for developing future sites and building additional plants. This organizational growth will occur across technical, operational, project management, and commercial areas. Pryme aims to build on the skills of the Company's existing staff and to recruit additional personnel where specific expertise or additional capacity is required.

On March 20<sup>th</sup>, Christopher Hervé, Pryme's CEO, has given notice. Christopher will remain on board until the end of July 2024 to ensure the proper startup of Pryme One. The company has initiated a search for a new CEO with a profile that aligns with the company's priorities.

### **Subsequent events**

- On April 9<sup>th</sup>, 2024, in an extraordinary general meeting (EGM), Pryme's shareholders approved a capital increase by way of issue 12,672,933 common shares in order to fulfil the private placement that was completed on March 25<sup>th</sup>, 2024.
- On April 9<sup>th</sup>, 2024, the EGM appointed Emmanuel Colombel as a member of the supervisory board for the period until the end of the 2027 AGM.
- On April 17<sup>th</sup>, 2024, Pryme received confirmation from the Netherlands Enterprise Agency that the DEI grant of € 5.0 million that has been applied in the development and construction of Pryme One has been approved.
- On April 23<sup>rd</sup>, 2024, Pryme N.V. issued and delivered 2,052,156 of the 12,672,933 shares of the private placement. The remaining shares will be issued and delivered as soon as the related private placement subscriber has established a VPS account.
- On April 25<sup>th</sup>, 2024, Pryme reached the production milestone of 30 metric tons of pyrolysis oil produced.

### **Outlook – Q2 2024**

With the core process now proven, demonstrated by the smooth flow of feedstock into the extruder, normal operating pressures of melted plastic through the melt pipe, and our electrically heated reactor yielding short residence times, ash free of residual polyolefins, and no waxing in the subsequent condensation steps—Pryme can now focus on ramping up production. Pryme's teams will concentrate on balancing the optimal condensation parameters to maintain a stable flow between the oil and the non-condensable gases, while extracting important production data through repeated campaign runs. Through these efforts, we expect to produce at least 500 tons of pyrolysis oil in the second quarter. Simultaneously, final regulatory preparations are being completed to meet delivery requirements for our first shipments to Shell. We anticipate that first revenues will materialize in May, marking a significant milestone for Pryme as it transitions from a mere project into an operating company. Concurrently to ramping up Pryme One, Pryme is increasing its focus on site selections and pre-permitting activities for future Pryme plants.

## Q1, 2024 INTERIM FINANCIAL STATEMENTS

– UNAUDITED FIGURES –

### Consolidated Statement of Financial Position

(In EUR \* 1,000)

	31-3-2024	31-12-2023
<b>Assets</b>		
Non-current assets		
Intangible assets		
Development costs	5.825	6.132
Property, plant, and equipment		
Plant and equipment	36.100	39.038
R&D equipment	710	775
Office improvements & furniture	98	107
Right-of-use assets	3.824	5.661
Financial assets		
Other amounts receivable	175	175
Deferred taxes	1.102	1.608
<b>Total non-current assets</b>	<b>47.834</b>	<b>53.496</b>
Current assets		
Inventories	86	83
Trade receivables, other receivables and prepaid expenses	1.057	1.412
Cash & cash equivalents	1.769	8.204
	2.912	9.700
Assets held for sale	1.431	0
<b>Total current Assets</b>	<b>4.343</b>	<b>9.700</b>
<b>Total Assets</b>	<b>52.177</b>	<b>63.196</b>
<b>Equity &amp; Liabilities</b>		
Group Equity	34.981	39.479
Provisions		
Provision for decommissioning	638	638
Liabilities		
Non-current liabilities		
Government grants	1.861	1.949
Payables to banks	6.705	6.901
Leasing liabilities	3.320	5.136
Deferred taxes	1.117	1.608
Other liabilities	-	272
<b>Total non-current liabilities</b>	<b>13.003</b>	<b>15.866</b>
Current liabilities		
Payables to banks	767	756
Leasing liabilities	598	668
Trade payables	589	1.713
Payables relating to taxes and social security contributions	95	183
Other liabilities and accrued expenses	1.506	3.893
<b>Total current liabilities</b>	<b>3.555</b>	<b>7.212</b>
<b>Total equity and liabilities</b>	<b>52.177</b>	<b>63.196</b>

## Notes to the Consolidated Statement of Financial Position

On February 6<sup>th</sup> Pryme decided to sell the Amsterdam site. In the balance sheet as of 31 March 2024 all related assets and liabilities have been reclassified as Assets held for sale. The Assets held for sale encompass:

### Assets held for sale

#### Assets

Plant and equipment	1.800
Right-of-use assets related to ground lease	1.903
Deferred taxes	506

**4.209**

#### Liabilities

Non-current leasing liabilities related to ground lease	-1.862
Non-current liability related to overdue ground lease terms	-218
Deferred taxes	-491
Current leasing liabilities related to ground lease	-99
Current liability related to overdue ground lease terms	-108

**-2.778**

**Net assets directly associated with the anticipated disposal of the Amsterdam site 1.431**

There were no reclassifications or changes in accounting policy in Q1 2024 except for the reclassification of the assets and liabilities related to the Amsterdam site.

Following the completion of the Pryme One installation at the end of 2023, Pryme has paid most of its construction related suppliers, which is reflected in the strong reduction in trade payables and other liabilities and accrued expenses and cash balance.

## Consolidated Statement of Profit and Loss

<i>(In EUR * 1,000)</i>	Q1 2024	2023
Expenses		
Personnel expenses	-1.797	-3.981
Social security premiums and pension cost	-172	-461
Other operating expenses	-968	-2.818
Total expenses	-2.937	-7.259
Operating income (EBITDA)	-2.937	-7.259
Depreciation and amortization	-1.671	-1.008
Impairment losses	0	-7.163
Operating result (EBIT)	-4.608	-15.430
Financial income	659	304
Financial expenses	-817	-285
Profit before taxes	-4.766	-15.411
Income tax	0	0
Net profit (loss)	-4.766	-15.411

### Notes to the Consolidated Statement of Profit and Loss

- In the first quarter Pryme produced its first pyrolysis oil. However, no deliveries to customers occurred and consequently, no revenues were recognized.
- The personnel costs amounted to EUR 1.797k, reflecting the costs of the introduction of the 24/6 work shift regime in anticipation of Pryme One entering into operational mode.

## Consolidated Statement of Changes in Equity

<i>(In EUR * 1,000)</i>	Share capital	Share premium reserve	Share-based payments reserve	General reserve	Total equity
<b>Balance at 1 January 2024</b>	2.419	59.874	455	-23.269	39.479
Result for the period				-4.766	-4.766
Issue of shares (Private Placement)	0	0			0
Accrued for LTI plan			268		268
Issue of RSUs and exercise options LTI plan	0	0	0	0	0
<b>Balance as of 31 March 2024</b>	<b>2.419</b>	<b>59.874</b>	<b>723</b>	<b>-28.035</b>	<b>34.981</b>

## Consolidated Statement of Cash Flow

(In EUR \* 1,000)

	Q1 2024	2023
<b>Cash Flows from/used in operating activities</b>		
<i>Net income after taxes</i>	-4.766	-15.411
<u><i>Adjustments to reconcile net income to net cash flows</i></u>		
Amortization and depreciation	1.700	1.127
Impairment PPE	0	7.163
Long-term incentive plan	268	405
Interest charges related to leases	92	296
Cancellation lease	0	-2
Movements in provisions	0	638
Movement in government grants	-88	-371
Finance income	-45	-304
Finance expense/ exchange differences (non-lease)	112	-11
<u><i>Movements in working capital</i></u>		
Movements in inventory	-3	-83
Movements accounts receivable	287	368
Movements in trade payable	-1.124	764
Movements in other payables	-2.367	472
Interest received	62	278
Interest paid	-204	-748
<b>Net Cash Flow from operating activities</b>	<b>-6.076</b>	<b>-5.419</b>
<b>Cash Flow from investment activities</b>		
Purchase of Property Plant & Equipment	-1	-13.939
Increase/decrease of Financial Assets	0	67
Government grants received in advance	0	2.357
<b>Net Cash Flow from investment activities</b>	<b>-1</b>	<b>-11.516</b>
<b>Cash Flow from financing activities</b>		
Private placement	0	14.704
Payments arising from bank financing	-185	-541
Payments arising from lease liabilities	-171	-760
Proceeds sale and lease-back	52	499
Repayment other non-current liabilities	-54	-283
<b>Net Cash Flow from Financing Activities</b>	<b>-358</b>	<b>13.619</b>
<b>Total Cash Flow for period</b>	<b>-6.435</b>	<b>-3.315</b>
Cash and cash equivalents at the beginning of the period	8.204	11.519
Net Cash Flow in the period	-6.435	-3.315
Cash and cash equivalents at the end of the period	1.769	8.204



## STATEMENT BY THE MANAGEMENT BOARD

The Management Board has today considered and approved the First Quarter 2024 Report of Pryme N.V. for the period from 01.01.2024 through 31.03.2024. We confirm, to the best of our knowledge, that the financial information contained in this report has been prepared in accordance with International Financial Accounting Standards–EU (IFRS) and gives a true and fair view of Pryme N.V. and its group companies' assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the updates in this report include a fair review of important events that have occurred during the first quarter of the financial year 2024 and that their impact on the condensed set of consolidated financial statements is reflected adequately.

Rotterdam, May 3<sup>rd</sup>, 2024

Christopher Hervé – CEO

### **About Pryme | [www.pryme-cleantech.com](http://www.pryme-cleantech.com)**

*Pryme N.V. 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 has initialized production at its first plant in the port of Rotterdam, with an expected nameplate intake capacity of about 40,000 tons of plastic waste annually. Pryme's ambition is to contribute to a low-carbon, circular plastic economy and to realize the large rollout potential of its technology through the development of a broad portfolio of owned-operated plants with strategic partners. The company is listed on Euronext Oslo Growth market. Pryme can be followed on LinkedIn.*

### **Forward Looking Statements**

This First Quarter 2024 Report (the "Q1 2024 Report") is produced by Pryme N.V. (the "Company" or "Pryme") and contains several forward-looking statements relating to the business, financial performance and results of Pryme, its subsidiaries and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "projected", "plans", "forecasts", "estimates", "anticipated", "targets", "will", "continue" and similar expressions. Forward-looking statements include statements regarding objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; profit; margin, return on capital, cost or dividend targets; economic outlook and industry trends; developments of the Company's markets; the impact of regulatory initiatives; and the strength of the Company's competitors. The forward-looking statements contained in this Q1 2024 Report, including assumptions, opinions and views of the Company, are based upon various assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third party sources. Although the Company believes that these assumptions were reasonable when made, the forward-looking statements provided in this report are solely opinions and forecasts that are uncertain and subject to risks, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. A number of factors can cause actual results to differ significantly from any anticipated development expressed or implied in this Q1 2024 Report. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and the reader is cautioned not to place any undue reliance on any forward-looking statement. Any information obtained from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading.