

Title: Pryme Trading Update

Subtitle: Pryme lowers its capacity and production estimates for Pryme One, its first production plant, and confirms the technical capabilities of its technology and foresees additional funding needs.

Rotterdam, October 29, 2024

Pryme (“the Company”) produced its first pyrolysis oil from its first plant (“Pryme One”) in January 2024. Since that time the plant has been in operation for more than 400 hours during which a total volume of 301 metric tons of pyrolysis oil was produced. The main reasons for the low production to date have been the slow feed rates of feedstock and short production runs. The low production rates are a consequence of the deliberate focus of Pryme’s operational staff on learning from the early production runs rather than maximizing production volumes although short bursts of high production rates have been achieved. When production runs are short, significant time is lost in the start-up and shutting down of the installation. The combined effect of short runs at low production rates has resulted in a low total volume produced to date. For reference, more than 30 production runs have taken place since January 2024.

During this time Pryme has gained important insights into the Pryme One installation. For perspective, the Pryme One facility contains proven and partly standard components such as walking floors, conveyor systems, extruders, reactors, condensation units, a thermal oxidizer and storage facilities with some proprietary modifications. Following multiple improvements and changes, the Company is satisfied that all the components of Pryme One are generally functioning well and it believes that the overall technical setup is capable of semi-continuous production for the conversion of plastic waste feedstock into pyrolysis oil. As a sign of a good industrial process, the char or ash produced is dry and free of hydrocarbons and we have not experienced higher than anticipated levels of waxing or fouling of the installation. The oil produced is of a general quality that our existing and potential customers can accept in this phase of early production.

Based on operational experience to date, Pryme has lowered the overall production plan expectations of the Pryme One installation for the next 12 months. The main reasons for the new lower estimated overall Pryme One production rate are related to the overall process layout and the oil yield levels. As stated earlier, Pryme One has a semi-continuous process where all steps in the process are designed for continuous operation except for the reactor feeding and the dumping of char/ash. Operational experience to date indicates more downtime for reactor feeding and equipment maintenance and cleaning and hence a lower plant availability than previously assumed. We now estimate that the annual feedstock intake of the Pryme One plant will be around 26,000 metric tons rather than the 40,000 metric tons earlier assumed. Also, we estimate lower oil yields from the feedstock. The yield was originally estimated at 75%. We now expect the feedstock to pyrolysis oil yield to be around 65% initially, with higher yields to be achieved through the optimization and fine-tuning of the Pryme One reactor train over time. Consequently, the revised production capacity of Pryme One is estimated to initially be some 16,700 metric tons of pyrolysis oil per annum. The Company is not able at this time to estimate to what extent this lower estimated production capacity of the Pryme One reactor train could affect future Pryme plants.

To date, the production at Pryme One has ramped up at a slower rate than originally anticipated. It will therefore take longer to reach the revised full capacity of the plant. The Company now estimates that production rates at or near the revised plant capacity for Pryme One will be reached in the last quarter of 2025 when Pryme One is expected to operate at cash-breakeven levels.

The estimated reduction in plant capacity and the delayed ramp up of production is expected to have a negative impact on Pryme’s financial performance, particularly its short-term cash flow. This will lead to lower cash flows than originally estimated for the next quarters. Consequently, the Company will seek additional funding in the range of €6-10 million with the target timing for completion of such funding to be no later than in Q1 2025.

Other updates

As a preview of the quarterly report for the third quarter of 2024;

- Pryme produced 116 metric tons of pyrolysis oil in the quarter
- The quarterly net loss after taxes amounted to €4.7 million.
- The outstanding convertible loan was converted into shares in Q3 leading to the issuing of 10,620,777 new shares resulting in a share count of 61,168,399 shares.
- The Q3 quarterly decline in cash amounted negative €5.8 million of which €0.9 million was attributable to capital expenditures.

Furthermore, in October 2024, the Company drew the unsecured loan previously granted in the amount of € 5 million. Details of such loan can be found in the Company's disclosure on NewsWeb on June 6, 2024.

The Company's cash position on October 29th, 2024 amounts to €9.5 million of which €8.8 million is unrestricted. The restricted cash represents prepayments of subsidies received that are earmarked for certain specific activities.

The Company will publish its full quarterly report for the third quarter of 2024 on November 7, 2024.

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This announcement is considered by the Company to include inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 the Norwegian Securities Trading Act. This stock exchange announcement was published by René de Graaf, General Counsel of Pryme N.V., on October 29, 2024 at 19:55 CET on behalf of the Company.