



# Pryme

pioneering plastic circularity

**2023** Half Year report



# Forward looking statements

This 2023 Half Year report (the "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 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", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", "will", "should", "may", "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 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 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 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 you are cautioned not to place any undue reliance on any forward-looking statement. The 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.



# CEO Letter

Dear shareholders,

The first half of 2023 was a period of steady progress and development for Pryme, as we continue our journey towards transforming the plastic recycling landscape. I am delighted to present the highlights of our 2023 Half Year report, which underscores our commitment to advancing circular plastics and combatting plastic pollution. Our R&D efforts at the technology and lab-scale plant in Ghent, Belgium, have yielded significant discoveries. Through extensive testing of post-industrial and consumer plastic waste, we have confirmed key operating temperature assumptions and derived essential insights into the composition of our pyrolysis oil and ash residue. This important finding has reinforced our belief in the viability and potential of our technology, setting the stage for future rollouts.

In Q2 2023, we reached an important milestone in the construction of Pryme One. Key processing blocks were mechanically completed, paving the way for the start of hot commissioning. The last construction works will continue into Q3, mostly focusing on finalizing our product storage facility. In addition, our operations team achieved significant milestones; we successfully loaded and unloaded storage containers with different qualities of feedstock, ran the material feeders and conducted hot testing on one of the installed extruders. This resulted in Pryme One successfully producing its first melted plastic waste from the extruder. This process step enables the melting of non-homogeneous waste streams while raising the operating temperature from ambient to more than 300 degrees Celsius in less than 30 seconds. This initial hot commissioning outcome demonstrated promising results and validated our first process blocks, bringing us closer to the initial production of pyrolysis oil (in industry circles often referred to as liquefied plastic waste) production and the targeted continuous production in Q4 2023.

At Pryme, we are driven by our PAct (Pryme Action) Impact strategy, focusing on three key pillars: Circularity, Health, Safety & Environment, and Social Responsibility & Innovation. Through circularity, we seek to establish a closed-loop system for plastics, converting waste into valuable resources. Our commitment to health, safety and the environment is embedded in our operations, while the social responsibility and innovative spirit that we embrace drive our actions for continuous improvement.

As per our three-pillar strategy, first and foremost the well-being of our workforce is of key importance, and we have intensified safety protocols to ensure a safe and secure working environment. In the first half of 2023, we

significantly increased safety observation rounds, proactively identifying and mitigating risks. During the first half year of 2023, no safety incidents took place.

The positive momentum around Pryme was reinforced by a net EUR 14.7 million capital increase in April 2023 at a significant premium to the market valuation. With notable investments from prominent players, this influx of capital ensures financial stability and supports our production start-up and technology development needs into 2024. As we move forward, the upcoming weeks and months will be a phase of uncharted territory explored by the Pryme team. The hot commissioning of Pryme One will mark a crucial period, where we determine the technical capabilities of our advanced recycling technology on an industrial scale. Our primary focus will be on achieving consistent quality output of pyrolysis oil and identifying optimal operating process temperatures.

Never before has plastic circularity been attempted on such a scale, exemplified by Pryme's ambitious goal of ramping up a 5 tons per hour pyrolysis process through a single production line. Following successful hot commissioning and industrial production, Pryme will seek to develop multiple plants as well as the associated funding plans.

The challenge of achieving plastic circularity is no longer a matter of if or when, but an indisputable societal imperative that Pryme has embraced. Together, we can drive meaningful change and contribute to a sustainable future. We invite like-minded partners and stakeholders to join us in advancing the cause for plastic circularity. With unwavering support from our shareholders and value chain partners, we remain committed to making this a reality in the weeks and months ahead.

As we continue to make important strides in transforming the plastic recycling landscape, our enthusiasm for completing the hot commissioning, producing first oil and achieving industrial production in Q4 is growing. Personally, I am very excited about the prospect of delivering saleable pyrolysis oil to our customers in Q4 2023, albeit in limited volumes. We expect to deliver quantities of saleable pyrolysis oil at volumes up to 1,000 tons in Q4 of 2023 before further ramp-up of production in 2024. Producing and delivering first oil to our customers will be a major milestone in the history of Pryme.

Thank you for your ongoing trust and support.

Sincerely,  
Christopher Hervé

**CEO AND CHAIRMAN OF  
THE MANAGEMENT BOARD,  
PRYME N.V.**





# Table of contents

<b>CEO LETTER</b>	<b>3</b>
<b>INTERIM MANAGEMENT REPORT</b>	<b>5</b>
Key Highlights HY1 2023	6
Market Update	7
Pryme One – Construction Update	8
Technology and Lab-scale Plant Ghent	8
Organization	9
<b>Pact – Delivering an IMPACT</b>	<b>10</b>
Health, Safety & Environment	10
Circularity	10
Social Responsibility & Innovation	10
<b>Financial Developments</b>	<b>11</b>
<b>Outlook 2023</b>	<b>12</b>
<b>Statement by the Management Board</b>	<b>12</b>
<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>13</b>
Consolidated Statement of Financial Position	14
Consolidated Statement of Income	15
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
<b>Notes to the Interim Consolidated Financial Statements</b>	<b>17</b>
General Information	17
Risks and Uncertainties	17
Leases	18
Notes to Consolidated Statement of Financial Position	19
Notes to Consolidated Statement of Income	19
Restatements	20
<b>THE PRYME SHARE</b>	<b>22</b>

# Interim Management report

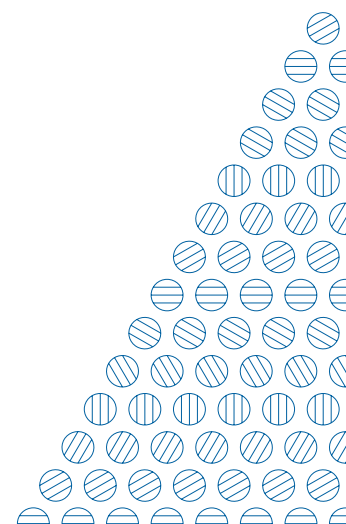




# Key Highlights HY1 2023

The first half of 2023 has been a period of steady progress and development for Pryme, as the below highlights illustrate:

- ▶ Pryme One's construction phase reached its final stage during Q2 2023 as the completion of key processing blocks were finalized, enabling Pryme to begin hot commissioning.
- ▶ The operations team met important milestones, including the successful loading and unloading of storage containers with varying feedstocks. The hot testing of one of the two installed extruders resulted in Pryme One producing its first melted plastic waste (output of the extruder).
- ▶ Minor building works, such as the completion of the final product storage unit and finalizing electrical works on the reactor will be finalized in Q3.
- ▶ The hot commissioning work will continue in Q3 while meeting necessary safety and product quality criteria before transitioning to continuous production in Q4.
- ▶ R&D at Pryme's technology and lab-scale plant in Ghent validated key operating temperature assumptions and parameters, and we produced hydrocarbon-free ash residue.
- ▶ With the appointment of a Chief Financial Officer and a Chief Technology Officer, the Pryme organization was further strengthened. Furthermore, the hiring of the production team was completed.
- ▶ No safety incidents were reported in the first half of 2023.
- ▶ We raised a net amount of EUR 14.7 million through a private placement.



# Market Update

During the second quarter of 2023, more than 175 countries engaged in discussions facilitated by the United Nations Environment Program in Paris to address the pressing issue of plastic pollution. It is increasingly evident that plastic waste has emerged as a societal concern, similar to the imperative to reduce carbon emissions. This growing awareness is creating favorable conditions for pioneering industries like ours to bridge the gap in circular plastics through industrial-scale demonstration of our advanced plastic recycling technology.

Across the value chain, there is a strong rise in interest from various stakeholders that are keen to support, participate in and/or enable Pryme's ambitious mission. In this developing market we are focusing on proving the reliability, scalability, and versatility of our advanced plastic recycling technology.

By scaling up the conversion of significant volumes of low-purity plastic waste and generating pyrolysis oil on an industrial level, downstream players will have the necessary volumes to develop and profitably utilize pyrolysis oil as a circular feedstock, particularly for the chemical industry. Recent major investments in upgrading capacity by the downstream players confirm Pryme's conviction that the future of circular plastics lies in utilizing pyrolysis oil as a valuable circular feedstock for advanced upgrading technologies.

In March, we entered into two separate agreements to supply pyrolysis oil from our intended second plant, Pryme Two. Both contracts are based on market-based pricing to ensure attractive economics for all parties involved. The supply contracts are conditional on the timely construction of and production from Pryme Two.

As we move forward, Pryme is committed to contribute to the global efforts to combat plastic pollution by providing industrial scale recycling capacity.



# Pryme One - Construction Update

During the second quarter of 2023, Pryme One's construction reached its final stage. We completed key processing blocks, enabling us to initiate the hot commissioning of the front-end of the installation.

The operations team met significant milestones, successfully loading and unloading storage containers with varying qualities and properties of feedstocks. They also conducted hot testing on one of the installed extruders, resulting in Pryme One producing its first melted plastic waste. This essential process step en-

ables the melting of non-homogeneous waste streams while raising the operating temperature from ambient to over 300 degrees Celsius in under 30 seconds. The boiling melt is then directed into the reactor, which operates at temperatures exceeding 500 degrees Celsius on its outer ring and over 400 degrees Celsius in its core. Reducing the temperature delta between the melt entering the reactor and its operating temperature is a key ingredient and success factor for Pryme's pioneering process, and initial hot commissioning tests showed highly promising results.



## Technology and Lab-scale Plant Ghent

After successfully producing our first pyrolysis oil batches at our R&D centre in Ghent during Q1, we have continued to make significant progress in our R&D efforts throughout Q2.

As a reminder, Pryme's pilot plant in Ghent, also known as "mini-Pryme", is an exact replica of Pryme One in terms of extrusion and pyrolysis reactor technology, albeit at a smaller scale. While the first tests at mini-Pryme involved virgin plastics, the subsequent ones focused on using post-industrial and consumer plastic waste in similar grades to what we expect to process at Pryme One.

Through these tests, we have confirmed key operating temperature assumptions and derived crucial insights into the composition of the resulting pyrolysis oil and ash residue. The process demonstrated that the reduced temperature differential of the melt feeding into the reactor, sufficient residence time and adequate heat inside the vessel ensured the successful pyrolysis of all hydrocarbons whilst also minimizing wax formation during the subsequent condensation steps. Consequently, through visual, tactile, and olfactory assessments, we established that the ash residue has very limited hydrocarbon content which indicates an efficient and complete reaction in Pryme's industrial process.



Notably, when comparing our pyrolysis oil production output to studies conducted by our peers, we observed similar trends in hydrocarbon composition, with most of the identified compounds falling into the light and middle distillate range.

Pryme has progressed in its collaboration with its consortium partners in the ELECTRO program, which falls under the EU Horizon research and innovation initiative. Both mini-Pryme and Pryme One play active roles in executing the program activities. Specifically, Pryme's role is to demonstrate the application of an innovative modular extruder for optimal pre-treatment of plastic waste, combined with an electrically heated reactor for the production of pyrolysis oil on an industrial scale.

The program is funded with an EU awarded grant of EUR 14.2 million on the consortium's total budget of EUR 21.4 million available until September 2026. Pryme's share of the grant, as the largest consortium partner, is EUR 4.8 million supporting our projected EUR 8 million spend in the project until September 2026.



## Organization

As Pryme transitions from a project-oriented company to a production company with the start-up of Pryme One's production facility and the pursuit of our further rollout ambitions, the strengthening of our organization and continuous development of talent capacity remains critical for our growth.

- During the second quarter, we appointed Ferry Lupescu as Chief Financial Officer and Management Board Director of Pryme N.V. With extensive international and petrochemical experience, Mr. Lupescu brings a valuable skill set to Pryme.
- Dominique Gemoets joined our ranks as Chief Technology Officer, holding over 20 years of technology and production experience in the chemical industry. Joining his team in June was Mahshad Yazdanipour, who assumed the position of Senior Process Engineer, bringing with her more than 15 years of international engineering experience in the oil & gas sector.
- Furthermore, we completed the hiring of the operators for our five production shift teams, and notably the onboarding of Karel Kraanen as the Production Manager for Pryme One. Our operators all bring experience from large petrochemical companies next to their entrepreneurial mindset to pioneer a new industry.

As we continue to evolve and expand our business activities, we remain committed to attracting and nurturing top-tier talent, ensuring that we have the expertise and capabilities to meet our ambitious growth targets.

# PAct - Delivering an IMPACT

---

At Pryme, our mission is to create a transformative societal impact by implementing our advanced recycling technology on an industrial scale as a concrete solution to addressing the global plastic waste crisis. Through a transition towards plastic circularity in an environmentally sustainable manner, we also aim to help reduce society's dependency on fossil fuels.

Our commitment to making a positive difference is embodied in PAct (Pryme Action), our concrete IMPACT action plan that revolves around three key pillars.

## Health, Safety & Environment

At Pryme, we firmly believe that the well-being of our workforce is priority one. We recognize that our social impact begins with the people who dedicate their skills and efforts to our company, and thus, we maintain an unwavering commitment to best in class health and safety standards.



As the activities within Pryme One have intensified, we have taken measures to improve safety protocols. In the second quarter of this year, our focus was on executing the hot commissioning works with utmost caution and precision. To achieve this we prepared a comprehensive work program, accompanied by safety assessments at every stage of the process.

All activities in the first half of 2023 were performed without any safety incidents.

We continue to invest in the well-being of our employees, implement best practices, and foster a culture of safety in all facets of our business activities. By safeguarding our workforce, we ensure that they can perform their roles with confidence and contribute to Pryme's success.

---

## Circularity



We are steadfast in our pursuit of establishing a closed-loop system for plastics, where waste is converted back into valuable resources. By focusing on circularity, we aim to break the linear pattern of plastic consumption and disposal, thus reducing the environmental burden and promoting a more sustainable future.

---

## Social Responsibility & Innovation



Beyond our contribution in addressing society's environmental challenges, we recognize our responsibility to positively impact society in social and governance aspects by actively supporting diversity and inclusion in our workforce and applying ethical business practices towards all stakeholders that Pryme engages with.

During the second quarter we closely collaborated with our employees to shape the PAct roadmap for the next 18 months. Actions for the three pillars have been mapped out, with concrete milestones and action owners. We believe that this inclusive approach will help ensure that every member of our organization is aligned with our mission and actively contributes to achieving our goals.





## Financial developments

---

Amidst the growing public awareness of plastic pollution and a rising demand for circular plastics from customers and society as a whole, Pryme is experiencing a surge in interest in its activities, fueled by strong support from investors within the industry. This positive momentum is underscored by notable investments from prominent players and existing shareholders, collectively contributing to the capital increase in April 2023 with net proceeds of EUR 14.7 million. The objective behind this capital increase was to secure liquidity to meet Pryme's production start-up and technology development needs into 2024.

Pryme's operational and investment cash outflows amounted to EUR 4.8 million and EUR 6.0 million respectively in the first six months of 2023. Our operational cash outflow is expected to amount to EUR 2.0–2.5 million in Q3 2023 and EUR 2.5–3.0 million in Q4 2023. The remaining investment cash outflow to complete Pryme One is expected to amount to EUR 6.0–7.0 million, mostly in Q3 2023.

# Outlook 2023

As we move into the third quarter, some final construction works, such as the completion of the final product storage unit, will continue. Additionally, we are conducting additional electrical and IT works on the reactor. We expect to mechanically complete and also complete the cold commissioning of the construction scope by the end of August..

Throughout the third quarter, hot commissioning activities will continue, with our operations team executing our checklist and testing plan before transitioning our petrochemical-grade installation into continuous production in the fourth quarter. The hot commissioning of the reactor is scheduled to be performed around mid-October; upon successful completion of the hot commissioning of the reactor, first pyrolysis oil would be produced. In the fourth quarter of 2023 we expect to deliver salable pyrolysis oil to our customers, albeit in limited volumes. We expect to deliver quantities of salable pyrolysis oil at volumes up to 1,000 tons in Q4 of 2023 before further ramp-up of production in 2024.

Following the start of production Pryme will lay the foundation for mapping the technical capabilities of our technology at an industrial scale. Our focus will be on testing the lowest waste quality input limits while ensuring consistent quality output of pyrolysis oil. Additionally, we will work towards identifying the optimal operating process temperatures. A key differentiating factor in our endeavor is the conversion of lower quality feedstock, which will enable Pryme to access a wider feedstock pool and leverage bigger plants while operating at lower costs.

## Statement by the management board

Today, the Management Board has considered and approved the half-year report of Pryme N.V. for the period from 1 January 2023 through 30 June 2023. We confirm, to the best of our knowledge, that:

- the financial information contained in this report has been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and income of Pryme N.V. and its consolidated group companies (jointly referred to as 'Pryme').
- the interim management report for the six months ended 30 June 2023 gives a true and fair view of important events that have occurred during the first half of the financial year 2023 and that their impact on the condensed set of consolidated financial statements is reflected adequately.

Rotterdam, August 22, 2023  
The Management Board

**Christopher Hervé** (Chairman of the Management Board and CEO)  
**Ferdinand Lupescu** (Member of the Management Board and CFO)



# Interim Consolidated Financial Statements - Unaudited



## Consolidated Statement of Financial Position

(in EUR * 1,000)	Purchase price	Accumulated depreciation	30 June 2023	Purchase Price	Accumulated depreciation	31 December 2022 restated	Notes
<b>Assets</b>							
<i>Intangible fixed assets</i>							
Development costs			3.482,3			3.431,6	
<i>Tangible fixed assets</i>							
Land & buildings	4.063,3	-	4.063,3	4.063,3	-	4.063,3	
Machinery and installations	33.949,7	-123,7	33.826,0	28.275,0	-6,2	28.268,8	4
Right of use assets	14.765,2	-1.460,4	13.304,8	13.190,3	-1.071,1	12.119,2	
<i>Financial fixed assets</i>							
Other amounts receivable			250,2			241,9	
<b>Total non-current assets</b>			<b>54.926,7</b>			<b>48.124,8</b>	
Receivables & accrued income			1.925,6			2.290,4	
Cash & cash equivalents			17.100,6			11.519,1	
<b>Total current assets</b>			<b>19.026,3</b>			<b>13.809,5</b>	
<b>Total assets</b>			<b>73.952,9</b>			<b>61.934,3</b>	
<b>Equity</b>							
Share capital			2.416,5			1.648,2	
Share premium			59.853,4			45.879,8	
Legal & statutory			3.482,3			3.431,6	
Retained earnings			-14.190,1			-11.178,8	
<b>Total equity</b>			<b>51.562,2</b>			<b>39.780,8</b>	
<b>Liabilities</b>							
<i>Non-current liabilities</i>							
Investment subsidy received in advance			7.218,6			4.991,5	5
Leasing liabilities to banks			7.284,0			7.656,7	
Other long-term liabilities			453,7			555,2	
Interest bearing loans and borrowings (>1 year)			4.081,1			3.252,6	6
<b>Total non-current liabilities</b>			<b>19.037,4</b>			<b>16.456,0</b>	
<i>Current liabilities</i>							
Leasing liabilities to banks			734,7			541,3	
Interest bearing loans and borrowings (<1 year)			821,6			604,4	6
Trade payables			1.309,2			948,6	
Payables related to taxes and social security contributions			150,0			0,7	
Other liabilities & accruals			337,8			3.602,6	7
<b>Total current liabilities</b>			<b>3.353,4</b>			<b>5.697,5</b>	
<b>Total equity and liabilities</b>			<b>73.952,9</b>			<b>61.934,3</b>	

The comparative financial statement per 31 December 2022 has been restated compared to the financial statement included in our Annual Report 2022. A bridging statement explaining the restatements is included as note 11 below.



## Consolidated Statement of Income

(in EUR * 1,000)	Half Year 1 2023	Half Year 1 2022	Notes
Revenues	-	-	
Cost of sales	-	-	
<b>Gross margin</b>	-	-	
Personnel costs	-1.180,7	-773,2	8
Other employee related expenses	-212,7	-223,3	
SG&A expenses	-1.099,2	-788,7	9
<b>Total operating expenses</b>	<b>-2.492,6</b>	<b>-1.785,3</b>	
Depreciation	-506,7	-205,4	10
<b>Operating result (EBIT)</b>	<b>-2.999,3</b>	<b>-1.990,7</b>	
Financial income / (expense)	-81,8	-52,8	
<b>Profit before taxes</b>	<b>-3.081,1</b>	<b>-2.043,5</b>	
Income tax	-	-	
<b>Net Income</b>	<b>-3.081,1</b>	<b>-2.043,5</b>	

## Consolidated Statement of Changes in Equity

(in EUR * 1,000)	Issued capital	Share premium	Legal & statutory	Retained earnings	Total equity
<b>Balance at 31 December 2021</b>	15,0	30.055,0	3.148,2	-6.464,8	26.753,4
Result for the period	-	-	-	-2.043,5	-2.043,5
Change in nominal value	735,0	-735,0	-	-	-
Capital increase*	898,2	16.559,9	-	-	17.458,1
Addition to legal reserves related to development costs	-	-	5,3	-5,3	-
<b>Balance at 30 June 2022</b>	1.648,2	45.879,8	3.153,5	-8.513,6	42.167,9
<b>Balance at 31 December 2022</b>	<b>1.648,2</b>	<b>45.879,8</b>	<b>3.431,6</b>	<b>-11.178,8</b>	<b>39.780,8</b>
Result for the period	-	-	-	-3.081,1	-3.081,1
Long-term incentive plan	-	-	-	120,6	120,6
Addition to legal reserves related to development costs	-	-	50,7	-50,7	-
Capital increase **	768,4	13.973,6	-	-	14.741,9
<b>Balance at 30 June 2023</b>	<b>2.416,5</b>	<b>59.853,4</b>	<b>3.482,3</b>	<b>-14.190,1</b>	<b>51.562,2</b>

\* In 2022 Pryme increased equity by issuing capital shares in a private placement of 15,381,470 shares on May 2, 2022 and a subsequent public placement of 2,582,352 shares on June 27, 2022, with combined net proceeds of raising EUR 17,458 equity.

\*\* On April 18, 2023 Pryme increased its equity by issuing capital shares in a private placement of 15,367,044 shares, raising net proceeds of EUR 14,742 equity.

## Consolidated Statement of Cash Flows

(in EUR * 1,000)	Half Year 1 2023	Half Year 1 2022
<b>Cash flows from / used in operating activities</b>		
Operating income	-2.999,3	-1.990,7
Amortization and depreciation	506,7	205,4
Other non-cash adjustments		
Long-term incentive plan	120,6	-
Income tax refund (+)/ payment (-)	-	-
Exchange rate differences	-	-
Movements in current assets	364,8	-292,5
Movements in current liabilities	-2.754,8	2.738,6
<b>Total cash flows from / used in operations</b>	<b>-4.762,0</b>	<b>660,8</b>
Interest received (paid)	-81,8	-52,8
<b>Total cash flow from / used in operating activities</b>	<b>-4.843,8</b>	<b>608,0</b>
<b>Cash flows from investment activities</b>		
Intangible fixed assets	-50,7	-50,1
Tangible fixed Assets	-5.674,8	-11.260,5
Financial fixed assets	-8,3	-193,4
<b>Total cash flow from investment activities</b>	<b>-5.733,8</b>	<b>-11.504,0</b>
<b>Cash flow from financing activities</b>		
Capital increases	14.741,9	17.499,3
Right of use assets	-1.574,9	-2.003,6
Sale and lease-back	-179,2	-
Investment subsidy received in advance	2.227,1	-
Other long-term liabilities	-101,5	323,9
Interest bearing loans and borrowings	1.045,7	1.808,2
<b>Total cash flow from financing activities</b>	<b>16.159,1</b>	<b>17.627,9</b>
<b>Total cash flow</b>	<b>5.581,5</b>	<b>6.731,8</b>
Cash and cash equivalents at the beginning of the period	11.519,1	8.240,7
Total cash flow in the period	5.581,5	6.731,8
<b>Cash and cash equivalents at the end of the period</b>	<b>17.100,6</b>	<b>14.972,5</b>



# Notes to the Interim Consolidated Financial Statements

## 1. GENERAL INFORMATION

The activities of Pryme N.V. and its subsidiaries consist of the development and application of innovative technology in the field of processing plastic waste into pyrolysis oil. These interim consolidated financial statements for the first half year of 2023 contain the figures of the Company and its consolidated group companies.

The Management Board approved these interim consolidated financial statements on 22 August 2022.

### Basis of preparation

This condensed consolidated interim financial information, for the six months ended June 30, 2023, has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022, particularly to the section First time adoption of IFRS.

### Accounting policies

The accounting policies are consistent with those of the annual financial statements for the year ended December 31, 2022, as described in those annual financial statements, in particular with the restated statements in accordance with IFRS.

### Critical accounting estimates and judgments

The preparation of the interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant estimates of judgments made by management in applying Pryme's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

## 2. RISKS AND UNCERTAINTIES

Risks and opportunities for the financial year are subject to a high level of internal and external uncertainties that are continuously monitored, evaluated and, if applicable, taken into account in planning during the year. Management considers the main risks that the Company is facing in the short-term to be:

- The most significant risks the Company is facing relate to the completion of its first plant and the associated start of production. While the Company has secured a fixed engineering, procurement, and construction contract (fixed for time of delivery and price) for the construction of the Company's first plant, there are numerous risks associated with the finalization of the construction, including risks of delay, risks of termination of construction contracts by a third parties, the risk or need for variation orders and amendments resulting in additional need for capital, the risk of failure by key suppliers to deliver necessary equipment and the risk of not obtaining necessary permissions and permits from public authorities. Furthermore, there is a risk that the Company's technology will not perform optimally at scale once the first plant is constructed. There is an inherent risk that the first plant may e.g. require improvements or adjustments which may delay or limit full-scale and/or stable operation of the plant.
- Once the first plant starts production, the Company will be dependent on a steady supply of feedstock having the required quality and delivered in the required quantity. Failure from suppliers to deliver on either or both of these could negatively impact the quality and quantity of the Company's products. In addition, the Company

risks surging prices of feedstock if alternate sources of feedstock need to be developed and utilized in the short term.

- Although the energy prices in Europe have shown a reduction after peaking at the end of 2022, energy prices remain high and highly volatile. Significant increases in energy prices may adversely affect the Company's overall financial performance.
- The overall inflation level remains high posing risks related to the Company's operational costs, particularly those of feedstock and people related costs.
- As a small Company, Pryme is very dependent on a small team of key personnel for its success and if failing to attract and retain qualified employees, including senior management, this may adversely affect the Company's future performance.
- The Company is heavily reliant on complex machinery for its operations and reactor process. The plant components may suffer unexpected malfunctions from time to time and will be dependent on the swift availability of repairs and spare parts to resume operations, which may not be available in the short term.

For a more exhaustive listing of the Company's risk factors, please see such listings in previously published investor presentations and prospectus.

### 3. LEASES

Set out below are the carrying amounts of Pryme's leased (right of use) assets and lease liabilities and the movements during the period.

(in EUR * 1,000)	Land & buildings	Machinery & installations	Transport	Total leased assets	Lease liabilities
Carrying amount at 31 December 2022	3.621,3	8.318,5	179,4	12.119,2	-12.055,0
Additions	702,4	837,0	-	1.303,3	-1.303,3
Depreciation	-315,7	-47,8	-25,7	-389,2	-
Remeasurement	63,7	-	-	63,7	-63,7
Unwinding interest	-	236,1	-	236,1	-380,9
Lease payments	-	-	-	-	913,3
<b>Carrying amount at 30 June 2023</b>	<b>4.071,7</b>	<b>9.343,7</b>	<b>153,7</b>	<b>13.333,0</b>	<b>-12.889,6</b>

The total cash outflows for leases, including short-term leases amounted to EUR 916.0k (HY1 2022: EUR 206.1k). The weighted average lease term at 30 June 2023 was 12.4 years (30 June 2022: 4.6 years).

Set out below are the amounts recognized in the income statement during the period:

(in EUR * 1,000)	Half Year 1 2023	Half Year 1 2022
Depreciation	-389,2	-181,4
Interest Expenses on lease liabilities	-144,8	-35,8
Lease Expenses - short term leases	-2,72	0
<b>Total</b>	<b>-536,8</b>	<b>-217,1</b>



## NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- 4.** Plastic waste purchased (Euro 8.0k) for the purpose of testing the production facility in the commissioning phase is accounted for as a capital expenditure due to its planned use solely for the purpose of testing and validating the production facility.
- 5.** Investment subsidy received in advance has increased by EUR 2,227.1k in the first half year 2023 following an advance payment received as part of the EU Horizon 2021 program.
- 6.** The balance of Interest-bearing loans and borrowings, both non-current and current, increased by EUR 1,045.7k in the first six months of 2023 as Pryme entered into new right-of-use contracts for equipment for Pryme One as well as CPI updates and other adjustments for the rental of facilities for Pryme One.
- 7.** Per 30 June 2023 the Other liabilities & accruals amount to EUR 337.8 k, which is, compared to year-end 2022 a reduction of EUR 3,264.8k. The year-end 2022 position to a large extent related to costs still to be received in invoices for the construction of Pryme One. As we are moving closer towards the end of the construction project, no accrual for investment related costs has been included in the 30 June 2023 Financial Statements.

## NOTES TO CONSOLIDATED STATEMENT OF INCOME

- 8.** Following the build-up of the organization Personnel costs have increased, both at the management and operational levels. We employed 26 FTEs and 19 FTEs per 30 June 2023 and 31 December 2022 respectively.
- 9.** The rise in SG&A expenses was caused by increases in several cost items, predominantly from IT, insurance, consultancy, auditing and facility services.
- 10.** Depreciation expenses increased from EUR 205.4k in HY1 2022 to EUR 506.7k in HY1 2023. In 2023 Pryme started depreciating its lab facility. Furthermore, new right of use contracts and remeasurements of existing contracts drove the increase in depreciation expenses for the Right of Use assets.

## RESTATEMENTS

### 11. Restatements in the financial position as per 31 December 2022

#### Consolidated statement of financial position

(in EUR * 1,000)	31 December 2022	Restatements	31 December 2022 restated	Notes
<b>Assets</b>				
<i>Intangible fixed assets</i>				
Development costs	3.431,6	-	3.431,6	
<i>Tangible fixed assets</i>				
Land & buildings	4.063,3	543,9	3.519,4	11.1
Machinery and installations	28.268,8	-7.595,9	35.864,7	11.1
Right of use assets	12.119,2	7.052,0	5.067,2	11.1
<i>Financial fixed assets</i>				
Other amounts receivable	241,9	-	241,9	
<b>Total non-current assets</b>	<b>48.124,8</b>	<b>-</b>	<b>48.124,8</b>	
Receivables & accrued income	2.290,4	-	2.290,4	
Cash & cash equivalents	11.519,1	-	11.519,1	
<b>Total current assets</b>	<b>13.809,5</b>	<b>-</b>	<b>13.809,5</b>	
<b>Total assets</b>	<b>61.934,3</b>	<b>-</b>	<b>61.934,3</b>	
<b>Equity</b>				
Share capital	1.648,2	-	1.648,2	
Share premium	45.879,8	-	45.879,8	
Legal & statutory	3.431,6	-	3.431,6	
Retained earnings	-11.178,8	-	-11.178,8	
<b>Total equity</b>	<b>39.780,8</b>	<b>-</b>	<b>39.780,8</b>	
<b>Liabilities</b>				
<i>Non-current liabilities</i>				
Investment subsidy received in advance	4.991,5	-	4.991,5	
Leasing liabilities to banks	7.656,7	-	7.656,7	
Other long-term liabilities	555,2	-	555,2	
Interest bearing loans and borrowings (>1 year)	3.252,6	-383,1	3.635,8	11.2
<b>Total non-current liabilities</b>	<b>16.456,0</b>	<b>-383,1</b>	<b>16.839,2</b>	
<i>Current liabilities</i>				
Leasing liabilities to banks	541,3	-	541,3	
Interest bearing loans and borrowings (<1 year)	604,4	383,1	221,3	11.2
Trade payables	948,6	-	948,6	
Payables related to taxes and social security contributions	0,7	-	0,7	
Other liabilities & accruals	3.602,6	-	3.602,6	
<b>Total current liabilities</b>	<b>5.697,5</b>	<b>383,1</b>	<b>5.314,4</b>	
<b>Total equity and liabilities</b>	<b>61.934,3</b>	<b>-</b>	<b>61.934,3</b>	



**NOTE 11.1** – Restatement of sales and leaseback assets to Right of use assets and non-Right of use assets to Land & buildings.

In 2022 Pryme entered into agreements for the sale and lease-back of equipment with a total value of EUR 8.2 million. Up to year-end 2022 actual payments made for the equipment amounted to EUR 7.758,9k and was disclosed in the annual report 2022 as Machinery and Installations. As the sale and lease-back agreements qualify as Right of use assets, the capitalized amounts have been restated to the line Right of use assets.

Part of the acquisition price of land is a deferred payment. The deferred payments have been recognized as Right of use asset in the annual report 2022. As the deferred payment agreement does not contain conditions to qualify as Right of use assets, the EUR 543,9k capitalized value has been restated to Land & Buildings.

**NOTE 11.2** – Restatement of payments <1 year of monthly payments on a land rental contract to current liabilities

In 2022 Pryme entered into a long-term agreement for the lease of land and offices to accommodate the Pryme One production location. The short-term payable position of this contract was disclosed in the annual report 2022 as Interest bearing loans and borrowings under Non-current Liabilities. This has been restated to Interest bearing loans and borrowings under Current Liabilities.

Furthermore, the short-term position of the Interest-bearing loans was determined by using the total cash outflow of the lease terms. This has been updated into the short-term part of the remaining liability of the Interest-bearing loans.





# The Pryme Share



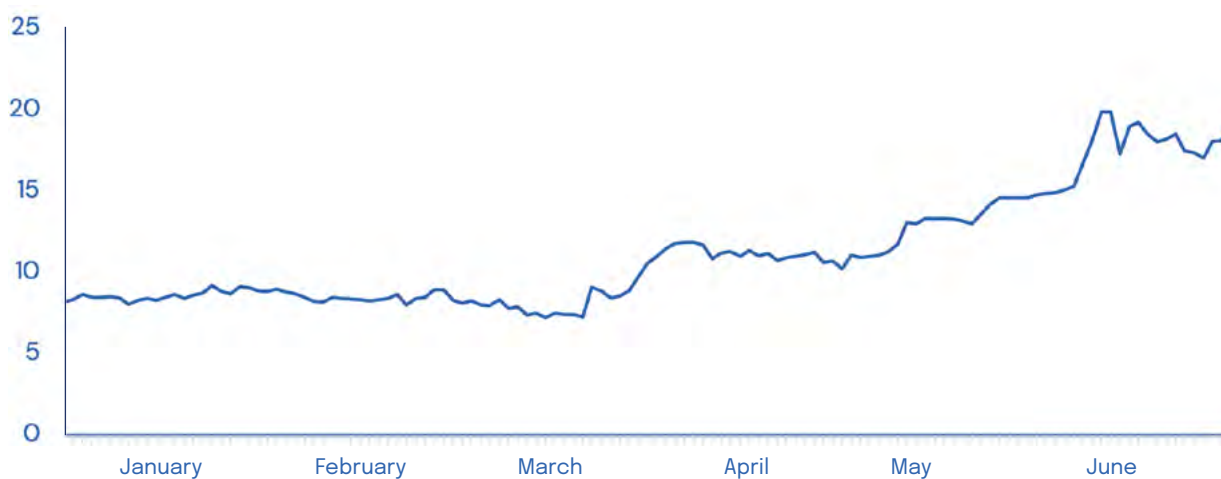
## SHARES, ISSUED CAPITAL AND SHARE PREMIUM

The below table details the movements in the number of shares, the issued capital and the share premium:

		Numbers	Amounts in EUR * 1,000	
		Issued shares	Issued capital	Share premium
Balance at 31 December 2021		15.000.000	15,0	30.055,0
Change of nominal value per share	2 May 2022	-	735,0	-735,0
Issue of Shares	2 May 2022 and 27 June 2022	17.963.822	898,2	16.559,9
<b>Balance at 30 June 2022</b>		<b>32.963.822</b>	<b>1.648,2</b>	<b>45.879,8</b>
Balance at 31 December 2022		32.963.822	1.648,2	45.879,8
Issue of Shares	18 April 2023	15.367.044	768,4	13.973,6
<b>Balance at 30 June 2023</b>		<b>48.330.866</b>	<b>2.416,5</b>	<b>59.853,4</b>

The share price development of the Pryme share during the first six months of 2023 was as follows:

### Pryme Share price (in NOK)





## Top-20 Shareholders in Pryme NV on June 30, 2023

Rank	Holding	Stake (%)	Name
1	13'290'416	27.5	Circular Rotterdam B.V
2	10'406'953	21.53	SIX SIS AG
3	6'672'376	13.81	Circular Plastics Coöperatief U.A.
4	6'057'500	12.53	Omnis C.V
5	1'200'000	2.48	Van Meirhaeghe
6	1'073'088	2.22	NORDNET LIVS-FORSIKRING AS
7	698'830	1.45	Nordnet Bank AB
8	484'584	1.00	The Bank of New York Mellon SA/NV
9	428'389	0,89	CLEARSTREAM BANKING S.A.
10	418'404	0.87	THORSNES

Rank	Holding	Stake (%)	Name
11	388'977	0.80	AS CLIPPER
12	225'000	0.47	BERGEN KOMMUNALE PENSJONS-KASSE
13	181'245	0.38	NEW 2020 AS
14	175'781	0.36	State Street Bank and Trust Comp
15	159'622	0.33	Saxo Bank A/S
16	145'165	0.30	UBS Switzerland AG
17	131'833	0.27	Nordea Bank Abp
18	131'631	0.27	J.P. Morgan SE
19	130'325	0.27	KARAGOZ
20	125'000	0.26	HELLE

## Outstanding equity instruments

Select members of the Company's management, staff and supervisory board have been granted equity instruments (RSUs and stock options) under the Company's 2022 and 2023 LTI programs and AGM approved supervisory board compensation. The table below provides an overview of such awards and the number of shares and options, strike prices and expiration dates for the options and vesting dates.

As indicated in the table, if the Company were to issue new shares in order to satisfy all its equity instrument obligations under the awards listed, the dilution effect would be 3,3% as of June 30, 2023.

	Total	Expiration date	Vesting years					
			2022	2023	2024	2025	2026	2027
Outstanding and unvested RSUs awarded:	324.300			55.550	108.100	108.100	52.550	
Outstanding and unvested stock options awarded:								
Strike Price:								
NOK 51,20	30.000	2025	30.000					
NOK 16,49	283.950	2033			94.650	94.650	94.650	
NOK 11,33	595.300	2032		75.100	260.100	260.100		
NOK 10,00	340.000	2026/2032		285.000	7.500	23.750	13.750	10.000
Outstanding and unvested stock options awarded:	1.249.250		30.000	360.100	362.250	378.500	108.400	10.000
<b>Total Instruments awarded</b>	<b>1.573.550</b>		<b>30.000</b>	<b>415.650</b>	<b>470.350</b>	<b>486.600</b>	<b>160.950</b>	<b>10.000</b>
Number of Outstanding shares as of June 30, 2023	48.330.866							

# Contact information

## General

CEO

Christopher Hervé

[ir@pryme-cleantech.com](mailto:ir@pryme-cleantech.com)

CFO

Ferdinand Lupescu

[christopher.herve@pryme-cleantech.com](mailto:christopher.herve@pryme-cleantech.com)

[ferry.lupescu@pryme-cleantech.com](mailto:ferry.lupescu@pryme-cleantech.com)

## € Financial calendar

2 November 2023	Publication of 2023 Q3 interim update
8 February 2024	Publication of 2023 Q4 report
6 May 2024	Publication of 2023 Annual Report
6 May 2024	Publication of 2024 Q1 interim update
4 June 2024	Annual General Meeting
2 August 2024	Publication of 2024 H1 Report

# About Pryme

About Pryme: <https://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 is currently commissioning its first plant in the port of Rotterdam with an initial annual intake of about 40,000 tons, which will start production in 2023.

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 broad portfolio of owned-operated plants with strategic partners.

The company is listed on the Euronext Oslo Growth market.

 Pryme can be followed on [LinkedIn](#).

For investor inquiries: [ir@pryme-cleantech.com](mailto:ir@pryme-cleantech.com)