

Following Pryme N.V.'s ("the Company") trading update dated October 29, 2024, Pryme has conducted a detailed analysis of operational data from its first plant, Pryme One. This analysis has informed revised projections for the plant's operational performance and has provided critical insights for the design of future plants.

Pryme One: Operational Update

As previously communicated, the projected usable capacity of Pryme One is approximately 17,000 tons of pyrolysis oil per year. While this is lower than earlier estimates, the primary purpose of Pryme One is to serve as a demonstration plant, validating Pryme's proprietary technology and providing essential input for the design of future, larger-scale facilities.

The gradual production ramp-up is progressing, with plans to systematically address operational bottlenecks throughout 2025. Pryme anticipates that Pryme One will approach its usable capacity by the end of 2025. Based on current pricing agreed with the Company's customers, this capacity level is expected to generate a positive annualized EBITDA at the plant level in 2026. However, it is important to note that the overall consolidated EBITDA for Pryme N.V. will most likely remain negative while the Company only has Pryme One in operation unless more attractive commercial terms are achieved with its customers and suppliers. In view of this, the Company is in the process of renegotiating its customer and supplier contracts.

Pryme produced 100 metric tons of pyrolysis oil in October and November 2024 leading to a YTD pyrolysis oil production of 336 metric tons. Pryme does not expect to produce meaningful volumes of pyrolysis oil for the remainder of 2024 due to extensive work on the Pryme One plant.

Future Plants: Pryme Two

Pryme's focus and ambitions remain to leverage the insights from Pryme One in order to refine the technical and economic designs of Pryme Two, the Company's anticipated next plant. While site selection studies completed earlier in 2024 identified potential locations in northern Europe, specific plans for Pryme Two are still under development. This next plant is anticipated to feature 3-5 reactor trains with an expected annual output capacity of around 50,000-80,000 tons of pyrolysis oil.

Given the adjustments to the reactor-train capacities and other design elements of Pryme One, the capital expenditure for Pryme Two is now anticipated to be significantly higher than initially estimated. The Company aims to balance this increased investment with attractive overall production costs, supported by the technical and operational insights from Pryme One. Given these changes, the Company's previous guidance for the expected economics of the Company's future plants is no longer valid.

Strategic Focus and Rollout Plan

The Company's immediate priority is the successful ramp-up and optimization of Pryme One. Specifically, the Company will seek to validate and optimize the usable capacity and related operational parameters for Pryme One such as the feedstock to oil yield rate, currently assumed to be around 65%, and the overall plant intake capacity. Insights gained from this process will form the foundation for refining the technical concept for Pryme Two. Consequently, plans for additional plants (Pryme Three and Four) will remain on hold until the technical concept for Pryme Two is finalized and sufficient funding has been secured.

Funding

As outlined in the October 2024 trading update, the slower production ramp-up of Pryme One has led to lower cash flows than initially expected. To address this liquidity shortfall and fund ongoing early engineering work for Pryme Two, Pryme intends to undertake a capital increase of approximately EUR 8-10 million as soon as practicable. This funding is critical to support operations until Pryme One achieves cash breakeven, targeted for late 2025 or early 2026, subject to external variables as described above, and to refine the technical and economic designs of Pryme Two.

Other updates

As per the date of this trading update,

- The Company had a cash balance of EUR 7.4 million.
- The net loss for October 2024 amounted to EUR 1.9 million and we expect the November 2024 losses to be similar to the October 2024 losses.
- The operational cash-burn for October was EUR 0.8 million and the expected November 2024 operational cash-burn amounts to EUR 1.4 million. The lower cash-burn rate in October was caused by the receipt of an advance subsidy payment for project Electro.

Unless the Company achieves improved commercial terms with its customers or suppliers, the Company may need to partly impair the Pryme One asset value at year-end 2024.

The Company will publish its quarterly report for the fourth quarter of 2024 on February 26, 2025.

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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 November 28, 2024 at 18:00 CET on behalf of the Company.