

Trading Update

Pryme resumes production at Pryme One and requires additional funding.

Rotterdam, April 3rd, 2025

On March 11th, Pryme (the “Company”) resumed operations at its pilot plant, Pryme One. This day marked the first production since the beginning of January 2025 following a shutdown due to a leak in a reactor seal. The necessary repairs required significant lead times for both components and execution.

Pryme is providing the following trading update which provides information regarding the Pryme One production status, Pryme’s liquidity status, status of renegotiating Pryme’s supply contract(s), an update to Pryme’s FY 2024 financials and updates on selected other items.

Pryme One Production Status

In Q4, 2024, Pryme issued multiple trading updates where the most significant information was the reduction in the expected annual capacity of Pryme One from around 30,000 to around 17,000 tons of pyrolysis oil. Such an estimation of the Pryme One production capacity was based on observations at that time based on the 2024 production runs. Expected plant availability, feeding time of the reactor, reaction rates, feedstock to oil yields and other variables were taken into consideration when estimating the overall Pryme One production capacity. Many of these assumptions were based on data acquired at low feed rates. Consequently, Pryme developed a testing plan in order to improve the accuracy of and verify the capacity estimates. Unfortunately, the reactor leak experienced in early January 2025 led to a delay in the start of such testing plan. At the beginning of March, such testing started.

Although still early, and in the absence of long production runs, the observations so far are somewhat mixed. The facility was successfully restarted on March 11th and has produced 154 tons of pyrolysis oil. The plant was shut down on March 31st due to vibrations. The intent is now to inspect the reactor and resume production around mid-April. No major mechanical issues are expected, but this will have to be confirmed after the inspection. To date, not enough data has been gathered to confirm nor deny the parameters communicated to the market in previous updates.

The estimated production volumes mentioned in the investor presentation for Q2, Q3 and Q4, 2025 of 750-1,250, 1,500-2,500 tons and 3,000-4,000 tons of pyrolysis oil, respectively, are still expected to take place, albeit towards the low-end of the ranges unless further improvements are implemented. The testing program of Pryme One is expected to continue until the end of Q2, 2025 at which time, the production is expected to become more stable at higher levels than in Q1 and Q2, 2025.

Please note that the above operational plan and further financial implications of the performance of the Company are not intended as a guidance to Pryme’s future performance but rather is intended to inform the market of Pryme’s operational ambitions and plans for 2025.

Liquidity Status & Funding Activities

At the end of Q1, 2025, Pryme’s cash balance amounted to around € 5.7 million. The cash burn rate in Q1 was around € 4.3 million. It is expected that the Q2 and Q3 cash burn rates will be similar to that of Q1, or almost € 1.5 million per month, before the cash flow is expected to improve in Q4 due to higher levels of pyrolysis oil production as per the plan. Although the production volumes are expected to increase significantly in Q3, the cash flow effect is not expected to take place before Q4 due to estimated working capital needs. In Q4, the Company expects a reduced cash burn rate of € 2.3 million as the effects of the production volume increase are expected to affect the cash flow. For 2026, the operational cash flow is projected to reach the breakeven level due to higher production volumes and improved pricing for the pyrolysis oil. The above cash flow estimations exclude any Pryme Two expenditures as these will need to be funded separately and only after the Pryme One expected performance has been further verified.

These revised estimated quarterly cash flow figures represent a deterioration versus earlier estimates and particularly versus the expectations when the December 2024 private placement was completed. This is mainly

due to the slower ramp up of production volumes, primarily triggered by the delays due to the reactor leak described above. That leads to a higher expected funding need than previously estimated.

The December private placement raised €4 million with an additional €6 million of “put options” being conditionally issued to Pryme subject to certain operational milestones being reached. Due predominantly to the delays incurred, these conditions will most likely not be met, and most certainly not before Pryme requires additional funding.

As Pryme is due to file its 2024 Annual Report in May 2025, it is important that the Company demonstrates sufficient funding for the next twelve months in order to be able to assume going-concern treatment for its annual accounts. This leads to additional funding needs in the amount of around €7 million that will be required shortly. This increases the urgency for securing the necessary funding.

After experiencing interest from Pryme’s main and largest shareholders and general interest from sector investors, the Company believes it will succeed in obtaining sufficient funding as per the indicated amounts and timeline. However, the Company does currently not have visibility with respect to the terms on which such funding may be available although it seems likely that the pricing will be below the current trading level of the Company’s stock at the time of this trading update.

Sales Contract Renegotiation

As mentioned in earlier trading updates, quarterly reports and investor presentations, Pryme is seeking to renegotiate certain elements of its main sales contract. The key elements that are being renegotiated are pyrolysis oil pricing and specifications. The rationale for the earlier is the market prices for pyrolysis oil being higher than Pryme’s contractual pricing and more significantly the cost impact of the reduced capacity expectations for Pryme One. Such negotiations have progressed well during Q1 2025 but have not yet been concluded.

FY 2024 Financials – An Update

The Company issued its Q4, 2024 quarterly report on February 26th, 2025. Pryme does not expect any of the figures in the Q4, 2024 report pertaining to the FY 2024 figures to change significantly except for the expected impairment charge. In the Q4 report, it was stated that the estimated charge amounted to €20.4 million, but that subject to the auditing process such amount could increase by as much as €10 million. As a result of the discussions with the Company’s auditor, Pryme still expects the final determination of the 2024 impairment to be within the range indicated in the Q4, 2024 report, more specifically around €25 million.

Other updates

As per the date of this trading update,

- The Company had a cash balance of € 5.9 million.
- The net loss for January and February 2025 amounted to € 3.3 million and the Company expects the March 2025 losses to be around € 1.4 resulting in an expected Q1, 2025 loss of € 4.7 million.
- There were no revenues recognized in Q1, 2025 as no shipments of pyrolysis oil were made.
- The cash burn rate for January and February 2025 combined amounted to € 3.5 million. In March 2025, the expected cash burn rate is around € 0.8 million, resulting in an estimated Q1, 2025 cash burn rate of € 4.3 million. The cash flow figures referenced exclude any effects from funding amounts received in February 2025 following completion of the December 2024 private placement but include all other cash flow elements.

The Company is planning to publish its quarterly report for the first quarter of 2025 and the 2024 Annual Report on May 7th, 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 April 3, 2025 at 22:00 CET on behalf of the Company."