Pryme

Annual Report 2024

Pryme at a Glance

2022 → 2023 → 2024

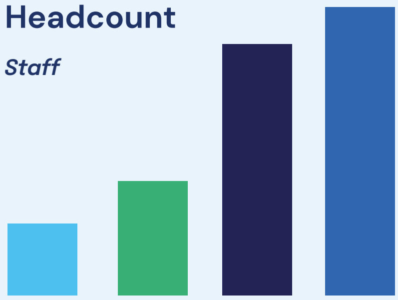
Cash balance
11.5 → 8.2 → 6.0
€ MILLION

Funds raised
26.7 → 14.8 → 21
€ MILLION

Net profit (loss)
-4.5 → -15.4 → -45.7
€ MILLION

Equity
39.8 → 39.5 → 6.6*
€ MILLION
**reflecting 25.2 impairment of assets*

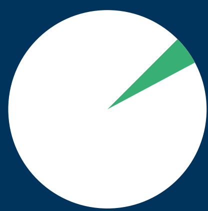
Headcount
Staff



2021	2022	2023	2024
12	19	42	48

Plastic waste processed
Max. capacity 26.000 tons

2.3%
2024: *600 tons*



2023: **0%**
2022: **0%**

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CEO Letter

Dear Shareholders and Stakeholders,

2024 was a pivotal year for Pryme. We achieved first oil production at our first production location Pryme One in Rotterdam, successfully completed over 40 production runs, and produced a total of 341 metric tons of pyrolysis oil, processing over 600 metric tons of plastic waste. These milestones mark our transition from concept to operational reality, demonstrating the viability of our technology at an industrial scale.

Despite encountering technical and supply chain challenges, our team showed remarkable resilience, teamwork, and competence, systematically addressing each issue while accumulating invaluable operational experience. Operating Pryme One has allowed us to refine our processes and identify key areas for improvement, which will enhance efficiency and reliability in 2025.

One of our major achievements was the successful ISCC PLUS certification of Pryme One as a processing unit in May 2024, which was later extended to cover our operations as a collection point. This certification underscores our commitment to sustainability and strengthens our position within the advanced recycling sector.

Like any pioneering industrial-scale project, our journey came with hurdles. In 2024, equipment failures and process inefficiencies impacted plant availability and throughput. However, through a structured action plan, we tackled issues such as vacuum system inefficiencies in the extruders, mechanical and sealing challenges in the reactor, and fouling in the condensation system. By installing new equipment, optimizing parameters, and refining feedstock selection, we have laid the foundation for a significantly improved performance in 2025.

Momentum for advanced plastic recycling continues to grow, with increasing global regulatory support and investments in circular economy solutions. Throughout the year, we strengthened our position by securing key feedstock supply partnerships and continuing negotiations to improve financial terms for Pryme One's output.

Our technology remains at the forefront of innovation, and our R&D facility in Ghent continues to play a crucial role in refining and optimizing our pyrolysis process. By leveraging insights from our test plant, we are developing the next generation of industrial-scale recycling solutions that will drive higher yields, improved oil quality and enhance efficiency.

With a clear roadmap in place, Pryme is well-positioned for a strong 2025. Our focus remains on:

- Scaling production to reach our nameplate capacity of around 17.000 tons per annum by the end of 2025
- Expanding our strategic collaboration within the supply chain to solidify our role in the circular plastics economy
- Advancing our next-generation plant design, informed by learnings from Pryme One

Pryme One serves as a foundation for future growth, and the lessons we have learned will drive the development of Pryme Two and beyond. Our mission to convert plastic waste into valuable resources at an industrial scale remains at the heart of everything we do, and we are confident that 2025 will mark the next step in realizing this vision.

To our employees, partners, investors, and stakeholders, thank you for your continued support and trust in Pryme. Together, we are shaping a more sustainable and circular future.

Sincerely,
Benoît Morelle

CEO

Board Report

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Key highlights 2024

- **Pryme One produced its first Plastic Pyrolysis Oil** (PPO) in January 2024, completed more than 40 production runs and produced a total of 341 tons of pyrolysis oil in 2024.
- **Health and safety standards** were consistently applied throughout the year. There were no 'very serious' incidents per our risk matrix and no lost time injuries during the year.
- **In the second half of 2024 Pryme performed a thorough analysis** of all technical, operational and logistical challenges and re-assessed the anticipated name-plate capacity. The analysis revealed that the name-plate processing capacity had to be adjusted downwards from 40.000 to 26.000 tons of plastic waste and the output PPO from 30.000 to around 17.000 tons. This resulted in an impairment of the Pryme One installation of € 24 million in 2024.
- **Pryme's focus regarding the start of production at Pryme One has been verifying of the technology**, improving the production process and optimizing the (production and logistical) processes and installation, rather than producing the highest possible volume of pyrolysis oil. For the test results in 2025 reference is made to note 7.5.4 (Subsequent events).
- **Pryme achieved ISCCplus certification** as a processing unit in May 2024 and extended the certification as a collection point following a successful additional ISCC PLUS audit.
- **The total organization's build-up reached 47.1 full-time equivalents (FTEs)**, solidly establishing a five-shift operation production-oriented company at the Rotterdam location.
- **Momentum for advanced recycling has grown**, with increasing global support and calls for action to advance recycling technologies. These tail winds show societal interest in reduction of plastic waste similar to carbon emission reduction.
- **Research and development activities in Ghent continued** to validate the key operating parameters in support of Pryme One testing, development of the Pryme technology and delivering on the objectives of the EU Horizon project ELECTRO.
- **Significant investments across the value chain** — from waste treatment to oil upgraders — highlight strong interest in advanced plastic recycling. Pryme is leveraging this favourable market to initiate negotiations with its main off taker for improved financial terms on the sale of Pryme One oil.
- **Efforts in feedstock evaluation** and sourcing efforts have confirmed ample supply capacity for Pryme One and future projects.
- **In March and December 2024, respectively € 12 and € 4 million of funding** was secured, with an additional funding round of € 7 million completed in Q2 2025, to cover continued operations into Q2 2026. For further information reference is made to note 7.5.4 (Subsequent events).

Market update

Pryme is at the forefront of advanced plastic recycling, responding adeptly to dynamic market and regulatory environments. Pryme's innovative technology, aimed at converting substantial volumes of plastic waste into pyrolysis oil, gained further traction, reflecting a rising interest across the value chain in circular plastic solutions.

Throughout the year, the industry's momentum was evident. Companies upstream the value chain continue to show their confidence by investing in supplementary infrastructure such as secondary sorting centres.

Neste is building a large-scale pyrolysis oil upgrader and Shell started up the upgrading plant in the Netherlands, underscoring the sector's strong growth trajectory. These developments highlighted the industry's commitment to circular plastics while positioning Pryme as a critical value chain player, supplying key raw materials for these pioneering circular plastic processes.

In parallel, the launch of the Pyrolysis Oil Index by ICIS and the later introduction of similar indices by Argus demonstrate a market shift towards more transparency and standardization in pricing. Such advancements are critical in creating a more predictable and scalable market for advanced recycling products, facilitating stakeholders across the value chain to make informed investment decisions.

Regulatory changes further shaped the landscape in which Pryme operates. The EU promotes packaging circularity and reducing the impact of packaging on the environment. The PPWR, Packaging and Packaging Waste Regulation, was published in January 2025.

For all plastics used in packaging a proportion must be made up of post-consumer recyclate (PCR): recycled material from plastics that have been released on the market, collected and recycled (thus no manufacturing waste). The PPWR states that the following minimum percentages must be achieved by 2030, per "manufacturer", per production location:

- PET for food items and drinks bottles: 30% (note: for PET drinks bottles a 25% target already applies in 2025 due to the Single Use Plastics (SUP) legislation)
- Other plastics for food items: 10%
- Other plastics: 35%

The EU's intended rules for mass balance attribution of chemically recycled content are pending. Some 33 European industry associations advocate for the adoption of a mass balance chain of custody approach that includes a fuel-use exemption, which is considered crucial for achieving the EU's 2030 recycling content targets and for supporting chemical recycling as a complementary solution to mechanical recycling.

They contend that excluding fuels from recycled content calculations could undermine mechanical recycling efforts and distort the market. The recent European Parliament's ban on the export of non-hazardous plastic waste to non-OECD countries by 2026 is set to disrupt waste management practices within the EU, pushing for more localized and sustainable recycling solutions. This regulation aligns with Pryme's mission to mitigate plastic pollution through industrial-scale recycling, highlighting the increasing need for innovative technologies like ours in a rapidly evolving market.

Pryme's strategic collaborations, including two significant agreements for the sale of pyrolysis oil from our future Pryme Two plant, underscore our robust business model and commitment to sustainable growth. These contracts reflect the viability and attractiveness of our offerings in the evolving landscape of circular plastics. In parallel, discussions were held to amend the existing legacy contract for our first plant, aiming to improve the financial terms for the Pryme One operations.

In summary,

2024 was a year of substantial progress for Pryme and the advanced recycling industry at large. With increasing global awareness, supportive investments, evolving market mechanisms, and stringent regulations, the stage is set for transformative advancements in advanced recycling technologies. Pryme remains dedicated to leading this change, offering scalable and versatile solutions that contribute to a more sustainable and circular plastic future.

Operation of "Pryme One"

In 2024, Pryme One made substantial strides producing first oil. Since early 2024, over 40 production cycles of varying lengths and rates have taken place. Approximately 341 metric tons of pyrolysis oil have been produced, processing over 600 tons of plastic waste. Despite many technical, operational and supply chain disruption related challenges, Pryme's team remained focussed on gaining operational experience.

In the second half of 2024 a thorough analysis of these challenges and issues was made. This highlighted several areas for improvement. These challenges occurred despite using proven technology blocks applied in a novel way for processing plastic waste. The main issues identified include the vacuum systems for extruders, mechanical and sealing issues with the reactor, fouling in the condensation system and improvements needed in pyrolysis oil quality. Following the analysis of challenges and issues, Pryme management developed a plan to resolve various technical and operational issues and prepared a detailed (weekly) test and production plan for 2024 and 2025. The preparation of the plan and underlying calculations revealed that the name-plate capacity of the Pryme One installation had to be adjusted downwards from 40.000 to 26.000 tons of plastic waste and the output PPO from 30.000 to around 17.000 tons. The revised business plan indicated that the value in use of Pryme One is € 24 million lower than the carrying value of the plant and equipment as of 31 December 2024. For further details reference is made to note 7.4.7 (Impairment losses).

The slow feedstock feed rates and short production runs have resulted in limited output. With the time lost during start-up and shutdown processes, the overall production efficiency needs further improvement. While we continue to work on process improvement and efficiency enhancement, Pryme intends to ramp-up towards the revised expected nameplate production of around 17.000 tons per annum by the end of 2025. Pryme One serves as a foundational installation for future plants, emphasizing process optimization and all learnings will be used as input for the Generation-2 plant design.

Health and safety

In 2024, Pryme reinforced its commitment to health and safety that included thorough safety assessments for plant modifications. This translated into an incident-free year.

Following the start of the test production at Pryme One the type of work has shifted from commissioning to operations and maintaining and improving the installation. Any changes to the process have been thoroughly risk assessed by a HAZOP (Hazard and Operability) review and a Management of Change process. Safety, both process and occupational safety, have had a prominent place in these process reviews.

During the execution of work, the team has a high level of attention to understanding health and safety risks. This applies to the work of contractors as well as to operations. The team has solidly established openness in reporting for both occupational and process safety related matters.

The year 2024 has been concluded without any 'very serious' safety incident per our risk matrix. There are no occupational accidents with absences to report. Two near-miss incidents occurred with risk of injury, which were investigated. Safety standstills were held to discuss learnings and, with input from those involved, control measures were implemented to prevent recurrence. On the environmental side some odour complaints from production have been registered, reported and followed up. Plant modifications have been put in place to strengthen the controls. This will be further expanded in 2025.

As part of the intake for the periodical health assessment (PAGO) in October 2024 a first employee health and motivation survey was done providing valuable input on the employee wellbeing. The results were overall positive with some areas for improvement. These have been discussed with the staff and actions have been initiated to further promote wellbeing, including fostering a healthy work-life balance and strengthening the leadership capabilities.

The project for ISCC PLUS (International Sustainability and Carbon Certification) certification has been successfully completed as a processing unit and as a collection point.

The team furthermore made progress on the following HSE topics:

- REACH registration
- Wastewater management
- Classifications of products and production residue (char)

Technology & lab-scale plant at Ghent University

In 2024, Pryme has made substantial progress in its research and development efforts. At its R&D centre in Ghent, Pryme operates a state-of-the-art pilot plant that mirrors the technology used at the larger-scale Rotterdam demonstration facility.

Numerous experiments were conducted at the pilot plant using various feedstocks and operating conditions, yielding valuable insights into Pryme's pyrolysis technology.

Both the pilot and demonstration plants produce similar quality of pyrolysis oil, along with non-condensable gases and dry, free-flowing solid residue.

The R&D centre has enhanced its analytical capabilities, both in expertise and equipment, to effectively assess the quality of incoming mixed plastic waste feedstock and produced pyrolytic products. This enables informed decisions and optimal feedstock recommendations for the Pryme One unit in Rotterdam.

In 2024, Pryme initiated the project "Valorization of non-Condensable Gases (NCG)". The project was carried out with Top Sector Energy subsidy from the Ministry of Economic Affairs and Climate. The primary objective of this feasibility study was an in-depth investigation into both the technical and economic viability, with the goal of making the Pryme conversion technology fully circular in the long term through NCG valorization. The emphasis of this project was on accurately identifying and analysing feasible technological solutions. The project resulted in a few potential valorization technologies which will be considered for future plants on improving the CO2 footprint of the technology.

Pryme has supplied pyrolysis oil from both its pilot and demonstration plants for the EU Horizon project ELECTRO and plans to provide additional quantities in 2025.

Moving forward in 2025

Pryme's R&D will focus on three main areas:

- Further execution of the research work related to the EU Horizon project Electro, subsidized by the European Commission. Pryme is leading a work package while also contributing to all other work packages in its role as scientific coordinator.
- Assessment and evaluation of various mixed plastic waste feedstock sources to identify the most suitable composition for Pryme's pyrolysis technology, as feedstock quality significantly impacts the produced oil quality. A comprehensive database is being developed to consolidate this information.
- Conducting experimental runs on Pryme's pilot plant to further refine and optimize its pyrolysis technology. By leveraging the pilot unit in Ghent, Pryme can extensively test different feedstocks, operating conditions, and potential catalysts or additives before applying them at the Pryme One plant in Rotterdam. This proactive approach reduces risks and accelerates the optimization process. Modifications to the pilot plant are planned to enhance the technology, aiming to further improve product quality and yield.

Pryme's funding history

Organization

The Pryme team has been solidly set-up as a test (production) operation with a 24/7 shift system, ensuring our petrochemical grade installation operates continuously. Christopher Hervé was Pryme's CEO until July 5, 2024. In the period until the new interim CEO was in place Pryme implemented a robust leadership transition arrangement to safeguard seamless operations. Pascal Spiekerman, Pryme's COO, and Frans Vollering, Pryme's CFO, assumed the management tasks and responsibilities at Pryme N.V. Additionally, Pryme's chairman of the supervisory board was involved in the managing of the company. On November 4th, 2024, Mrs. Marieke Bleyenbergh was appointed as interim Chief Executive Officer of Pryme N.V.

From the end of Q3, 2024, Pryme has established an expert group of technical and operational personnel with additional assistance from external advisors. Their work has focused on accelerating the ramp-up of production by pinpointing areas needing improvement, proposing specific improvements to the plant hardware and to procedures and implementing these changes in an efficient manner.

Our commitment to innovation is reflected in the progress at our Ghent pilot plant, a cornerstone for our research and a support mechanism for Pryme One's operations. The Head of R&D continues to develop the advancing chemical recycling technology and aligning our contributions with the EU Horizon research project ELECTRO.

The performance of the technical and operational team is essential to Pryme's success and the strong engagement of management and staff is highly appreciated. Our pioneering effort continues to be driven by a strong belief in the Pryme mission and will require commitment and resilience.

We have ensured a fair environment to promote talent development and organizational improvement. Our fully staffed team, totalling 47.1 FTEs as of 31 December 2024, stands as a testament to our readiness to meet our ambitious targets in 2025..

Feedstock

Pryme, tasked with bringing technology to market that converts plastic waste to oil, has partnered with existing waste processors to secure an adequate, ready-to-use feedstock. Pryme is integrating with existing waste systems to avoid the need for extra investments ensuring a reliable and available feedstock supply. Feedstock producers efficiently convert post-consumer and industrial plastic waste into bales and sometimes pelletized. This includes sorting, shredding, gravity separation, dust & metal extraction, drying and densification. The output meets density and moisture standards without solids, safeguarding Pryme's equipment. The quality of the input bales determines the final polyolefin content.

Europe has an adequate supply of baled material meeting Pryme's specifications. Pryme has worked with more than 8 waste suppliers. These feedstock suppliers provide varying qualities of feedstock in order for Pryme to determine the optimal feedstock blend/mix. This process enables Pryme to tap into a nearly unlimited supply of feedstock with standardized composition, density, and moisture content for its initial and future plants. During the reporting period, Pryme One received such feedstocks in quantities sufficient to support all operational activities and projects sufficient similar material is available for future Pryme projects..

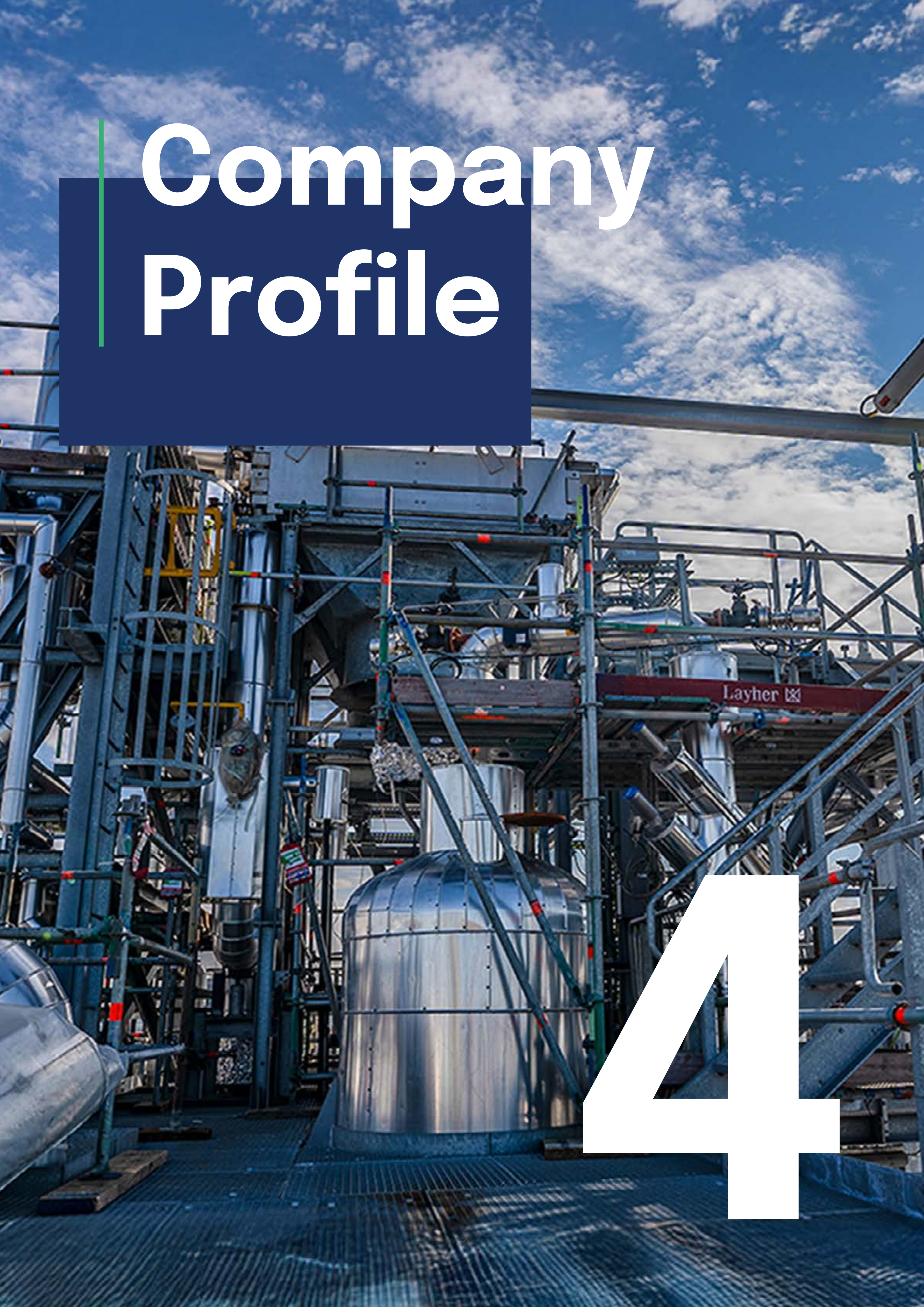
Funding and going concern

The lower-than-expected production volumes in 2024 naturally led to an increase of the overall funding needs of the company versus earlier estimates. Consequently, funding efforts were a main focus throughout 2024. These efforts led to private placement fundings in Q1 and Q4 of 2024 for € 12 million and € 4 million, respectively, with the latter being paid in in January of 2025. In addition, an unsecured loan of € 5 million was obtained from Energietransitiefonds B.V. (ETF-R), managed by Innovation Quarter (IQ), and drawn in Q4 of 2024. Although the capital markets have been difficult for most sector players throughout 2024, Pryme's largest shareholders have continued to support Pryme with capital injections in 2024. This has continued into 2025.

Based on the profit & loss and cash flows budgeted for 2025 and the strategic forecasts and plan for the year 2026, it is justified that the financial statements have been prepared on a going concern basis. Pryme management is aware that the execution of these plans are subject to material risks and uncertainties that are relevant to the expectations of the company's continuity for the period of twelve months after the preparation of the report. The likely need for additional funding in the event that the operational and financial plan for 2025 and 2026 is not fully met, leads to material uncertainties that may cast doubt on Pryme's ability to continue as a going concern.

For further details we refer to note 7.2.2. (Going concern).

Company Profile



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Pryme, the story

Pryme's journey began over a decade ago with our founder envisioning the industrialization of plastic waste recycling into pyrolysis oil. Years of research culminated in the development of a breakthrough technology, setting the stage for the construction and start-up of the first installation, Pryme One, in the Port of Rotterdam. Positioned to be Europe's largest advanced recycling facility through a single reactor, Pryme One is a testament of Pryme's commitment to innovation and sustainability, leveraging advanced technology to transform plastic waste into valuable resources, marking a significant milestone in the company's mission to lead in the circular economy.

- Euronext Oslo IPO Q1 2021
- Start of Build End of 2021
- Civil Works & Steel Erection H1 2022
- Process Blocks Installation H2 2022
- Piping, Electrical & Automation H1 2023
- Extruders Commissioning Q3 2023
  Reactor reaches 600°C
- **Production Starts**
  January 2024 First oil
- Ramp-up to capacity 2024

At Pryme, we recognize the limitations of traditional recycling, where transforming plastic directly back into its original form often isn't viable or not allowed for food-grade plastics. Our focus on advanced recycling is driven by a vision to tackle the global plastic waste crisis head-on.

We believe our cutting-edge technology not only positions us as a leader in this space but also serves as a catalyst for the broader adoption of chemical recycling, offering a sustainable pathway to keep plastics in use and out of the environment.

Benoît Morelle,
CEO of Pryme N.V.

Pryme has the largest single reactor line advanced recycling installation in Europe.

Pryme started production in January 2024. As expected, Pryme encountered a series of technical, operational and logistical challenges. The main challenges related to the vacuum systems of the extruders, mechanical and sealing issues with the reactor, odor issues and fouling in the condensation system.

As part of its operational review, Pryme has revised the nameplate capacity of its Pryme One installation. The updated estimate reflects lower-than-anticipated plant availability and oil yield performance. The reduced availability reflects process layout constraints and increased downtime related to reactor feeding and maintenance. Additionally, initial pyrolysis oil yields are expected to be around 65%, down from the original estimate of 75%. As a result, the initial annual production capacity is now projected at approximately 17.000 metric tons of pyrolysis oil.

In the autumn of 2024, Pryme prepared a revised test plan for Q4 2024 and 2025, which involves further test runs using the two extruders at higher volumes, and capacity tests to confirm the stability and output of the installation at longer runs. The plan also aims to improve the quality of the oil produced, to meet the requirements of our off takers.

These tests need to confirm whether the Pryme One installation is ready to serve as 'proof of concept' for our next generation plants, both technically and economically.

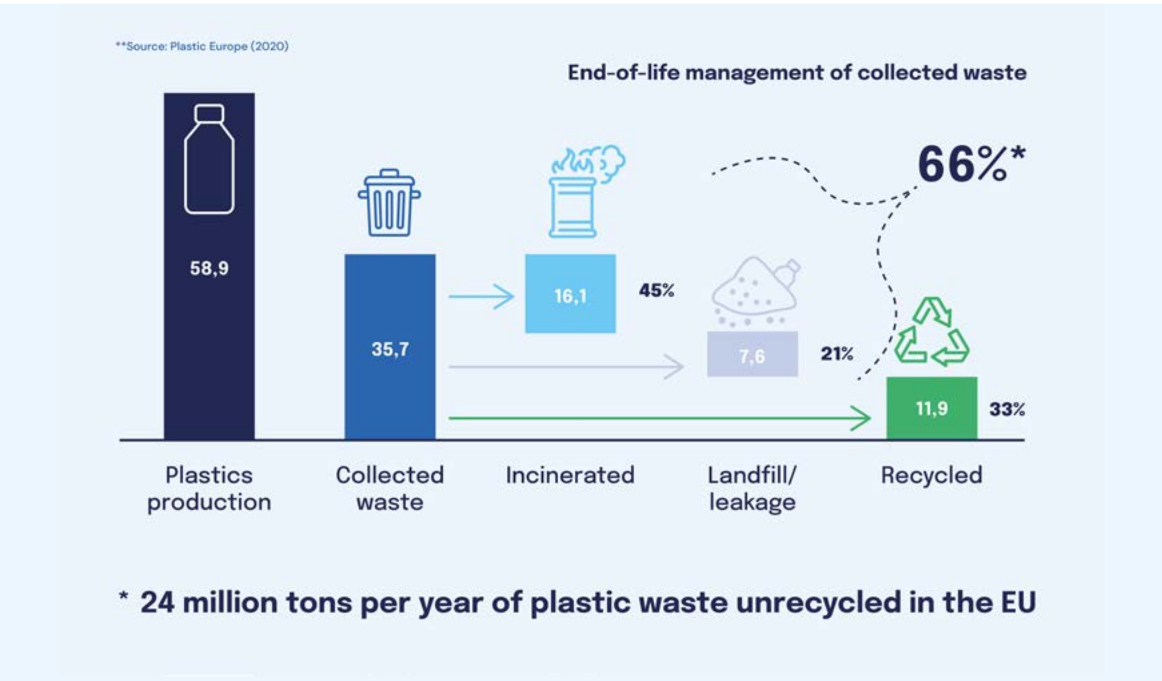
The push towards plastic recycling

Plastic recycling, one of the critical issues of our time

Pryme is strategically positioned to address the critical global challenge highlighted by the OECD, with plastic waste projected to triple by 2060 and only a fraction currently being recycled. Pryme's innovative approach in transforming mixed plastic waste into pyrolysis oil at its advanced recycling pilot plant, Pryme One, aligns with the transition to a circular economy.

This transition is crucial for sustainability, reducing reliance on virgin raw materials, lowering energy consumption, and minimizing the environmental footprint by keeping plastics in circulation and out of landfills and oceans. Pryme's technology represents a critical step toward integrating secondary raw materials into new products, thereby conserving non-renewable resources, and contributing to safeguarding the environment.

European plastics end-of-life management in 2020 (Mt)**



Social and political pressure to reduce plastic waste

Pryme is well-aligned with the increasing social and political emphasis on reducing plastic waste, as initially highlighted by the EU Barometer Survey in 2017 and confirmed by a significant increase in concern among EU citizens in the survey in 2021, which underscores public concern over the environmental impact of plastic products. The company's initiatives resonate with the EU's regulatory frameworks, such as the 2018 EU Plastics Strategy and the EU Green Deal, advocating for significant advancements in recycling practices. By pioneering in advanced recycling technology, Pryme is at the forefront of addressing these concerns. However, due to the technical, operational and logistical challenges, Pryme is making less progress than anticipated. Therefore, like some other chemical recycling companies, Pryme has postponed the design and development of the next installation (Pryme Two). The EU target of recycling 50% of plastic by 2025 is no longer achievable, however, Pryme will continue supporting the shift towards a more sustainable and circular economy in a more realistic timeframe.

By pioneering advanced recycling technology, Pryme is at the forefront of addressing these concerns, contributing to the EU recycling targets and supporting the shift towards a more sustainable and circular economy.

2018

EU Plastics Strategy: 50% of all plastic packaging to be recycled by 2025

2019

EU Green Deal: Boost efficient use of resources by moving to a clean, circular economy

2020

EU Plastic Tax of € 800 per ton on non-recyled plastic packaging waste

2021

Stringent regulation on EU exports of plastic waste

2023

EU Corporate Sustainabillity Reporting Directive (CSRD), applicable for listed SME as of FY 2026

EU JRC report: Towards a better definition and calculation of recycling

2024

EU Parliament adopts a ban on exporting of plastic waste to non-OECD countries

EU Horizon (Project ELECTRO)

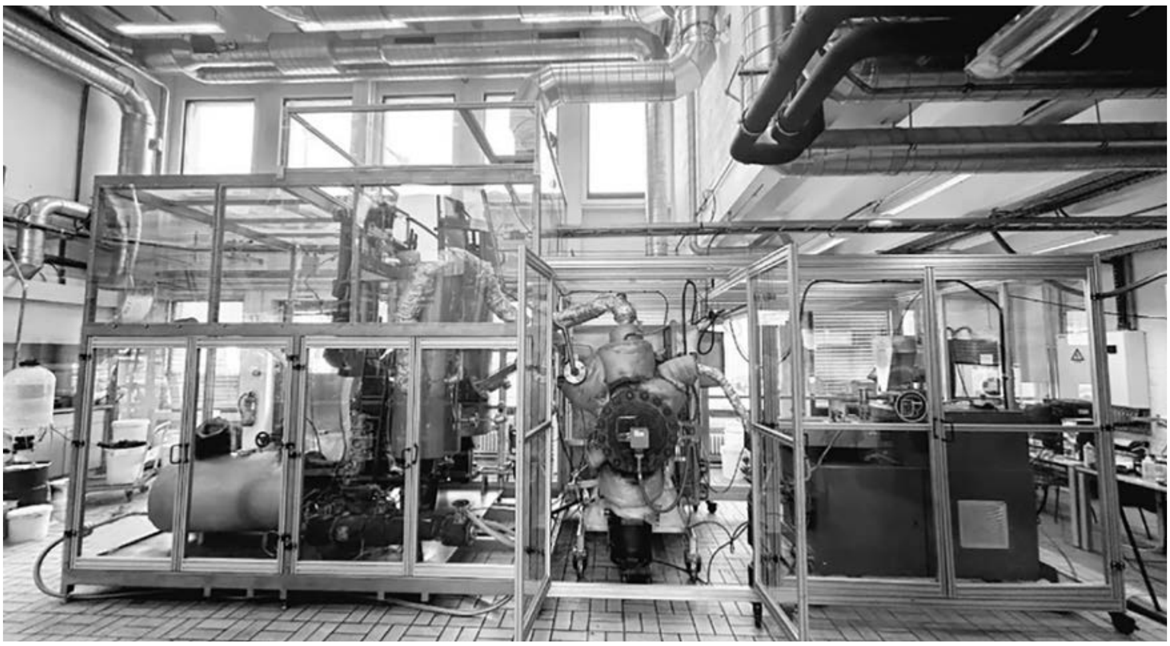
Pryme's involvement in the Project ELECTRO under the EU Horizon program represents a strategic initiative to showcase its innovative technology in linking the plastic waste and petrochemical sectors. Participating in this consortium, Pryme leverages its Rotterdam production site and Ghent R&D center to demonstrate its technology, using an electrically heated reactor for plastic waste pyrolysis at an industrial scale (TRL 7).

This project, with a total budget of € 21.4 million, where Pryme's contribution is € 8 million, offers an opportunity to enhance technology, align the interests and requirements of all companies linked in the supply chain and realize the industry's circular economic goals, supported by an EU subsidy of maximal € 4.8 million for Pryme's contributions made over the time span from September 2022 to September 2026.

The recycling industry is positioned advantageously within a market full of opportunities, driven by an abundant feedstock supply and significant demand. Increasing regulatory pressures are shifting the plastic waste sector towards circular practices, positioning recycling firms as key partners in plastic waste management. Previously, the petrochemical industry showed limited interest in recycled products like pyrolysis oil. However, EU regulations and consumer demand for sustainable practices have ignited interest in circular solutions.

“As a mother and an engineer at Pryme, I'm heartened by the chance to shape a greener future for our children. Working here, I contribute to meaningful change, however small it might seem, knowing that each step forward is a victory for our planet. It's more than a job; it's a commitment to a win-win scenario where our efforts at Pryme not only advance our industry but also protect and nurture the world we pass on to the next generation.

Zinaida Djodikromo,
Senior Project Engineer at Pryme



Advanced plastic recycling

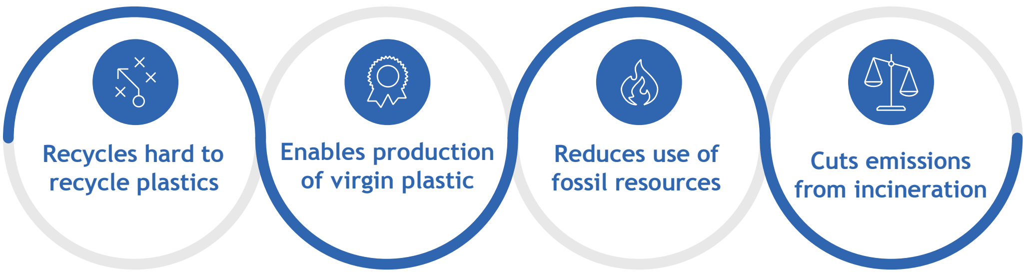
Plastic recycling refers to the process of converting plastic waste into a new form of 'second life' raw material that is suitable to produce new products. Currently, the field of plastic recycling is predominantly governed by mechanical recycling. This process maintains the integrity of plastic polymers, allowing them to be directly reused in creating new items, often in conjunction with virgin materials. However, mechanical recycling is restricted to certain plastic types and typically leads to a decrease in material quality over time.

Advanced recycling represents a cutting-edge approach to plastic waste management, offering a broad spectrum of innovative possibilities. Unlike mechanical recycling, advanced recycling deconstructs plastic waste into its fundamental molecular components. This process facilitates the transformation of plastics back into their original raw materials, which can then be reformed into new polymers or converted into petrochemical feedstock as part of the circular economy.

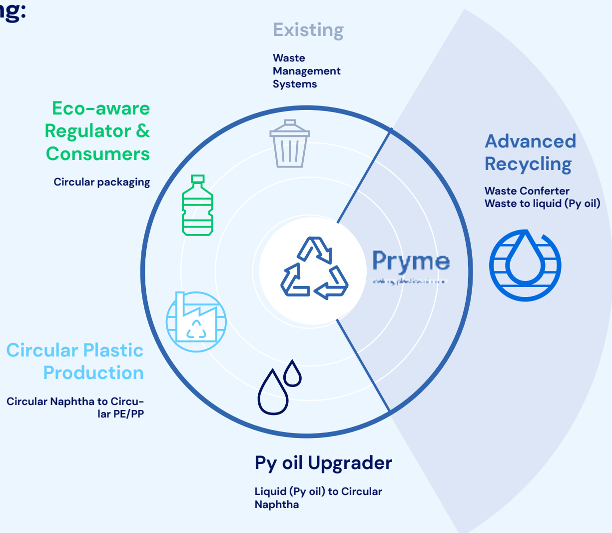
Applying its novel advanced recycling technology, Pryme expects to be able to recycle post-consumer plastic waste, predominantly consisting of polyethylene and polypropylene, in a better environmental way than regular incineration, landfill, or fossil fuel-based virgin plastics.

The potential feedstock for advanced recycling is nearly limitless, considering the substantial quantities of plastic waste and the necessity for an additional 'recycling loop' to address plastics that are predominantly incinerated, or land filled in the current system. By broadening the variety of recyclable materials, advanced recycling not only conserves the value of resources within the economy but also serves as a crucial link in balancing the supply and demand for high-quality recycled plastics.

Pillars for advanced recycling



Advanced Recycling: crafting a circular value chain



Pioneering advanced plastic recycling at an industrial scale

Pryme stands out as a pioneering cleantech enterprise dedicated to transforming mixed plastic waste into pyrolysis oil through an advanced recycling process. In the course of 2024 Pryme encountered that getting chemical recycling up to speed requires a lot of pioneering. This entails adapting proven technology (extruder, reactor) to properly handle plastic waste, learning the impact the composition of feedstock has on the pyrolysis process and oil quality. Process issues like odors and wastewater disposal, and logistical issues to find outlets for production residue (char) posed other challenges to address.

The core mission of Pryme is to foster a circular economy for plastics, achieving this through the industrial-scale implementation of advanced recycling. This approach significantly diminishes waste, cuts emissions, and curtails the reliance on fossil resources. Pryme's advanced recycling methodology plays a vital role in preserving finite resources, ensuring their value is maintained for extended periods. By converting the traditional linear model of plastic usage into a circular one, Pryme is at the forefront of tackling the global plastic waste dilemma, paving the way for a future with reduced carbon emissions from plastics production.

R&D capabilities

Pryme places a high emphasis on process excellence, recognizing its vital role in the company's success. This commitment is exemplified by the establishment of a state-of-the-art R&D facility located at Ghent University. This facility, which was fully installed and commissioned in 2022, commenced its pyrolysis test & research in 2023 and secured critical learnings throughout the year 2024.

The R&D center is dedicated to investigating the intricate relationship between the composition of the feedstock and the quality of the resulting pyrolysis oil. Additionally, it delves into the possibilities of post-treatment for pyrolysis oil. By integrating operational insights from Pryme One with cutting-edge research, the company aims to enhance its value capture significantly. This will be achieved by making strategic decisions regarding the optimal mix of feedstock, additives and pre-treatment methods in relation to the quality of pyrolysis oil and its subsequent treatment, thereby advancing Pryme's technological leadership and contributing to sustainable industry practices.

> **Our technology and strategy hold immense global promise. Our unique pyrolysis method stands out in the market for its inherent cost-effectiveness and ability to bring scalability to the swiftly evolving plastic recycling industry.**
>
> Dominique Gemoets,
> CTO at Pryme

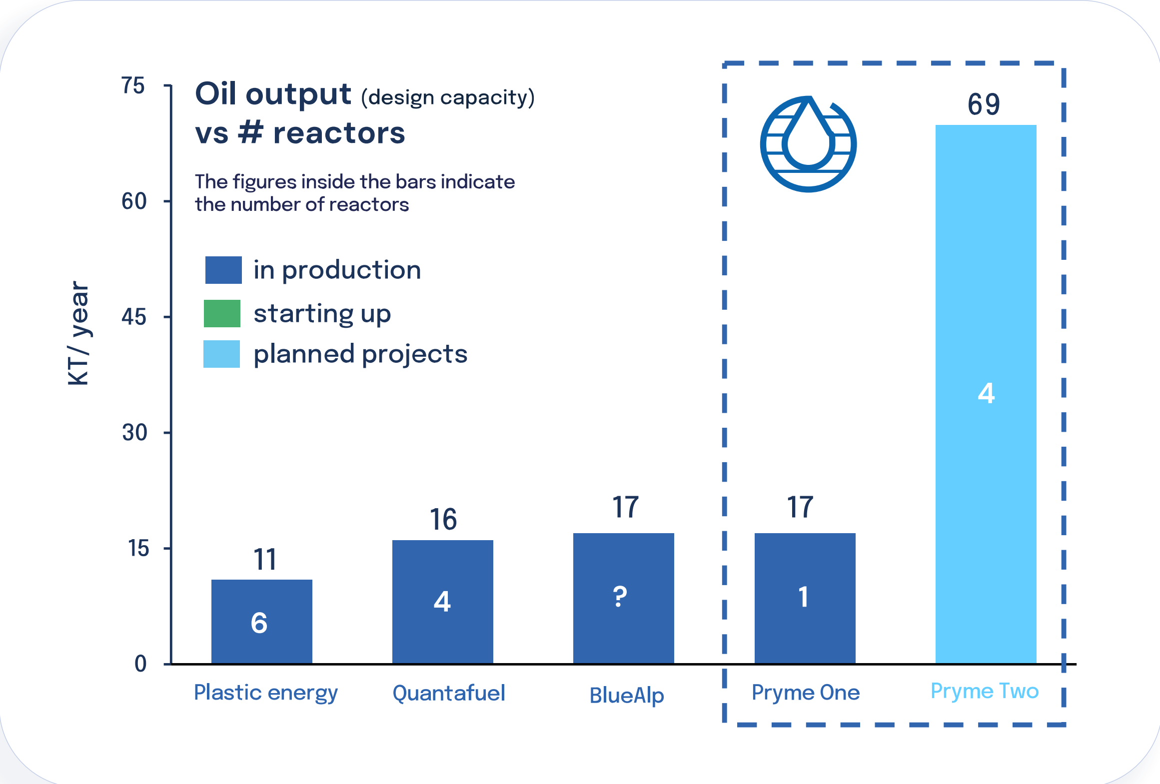
Technology

The Pryme process utilizes established equipment and technologies, which have been refined and augmented with unique, proprietary features. Central to this innovative process is a substantial and adaptable pyrolysis reactor. By leveraging proven methodologies, Pryme is aiming for reduced operational risks, enhanced cost efficiency, and decreased capital intensity compared to many of its competitors. This strategic approach not only underscores Pryme's commitment to innovation, it successfully positions the company as a leader in the field, offering a more sustainable and economically viable solution for recycling plastic waste.

Industrial capacities

Pryme's inaugural installation, known as Pryme One, is poised to set a new standard in the advanced recycling industry with a foreseen annual processing capacity of 26,000 tons of plastic waste, utilizing just a single reactor. This substantial capacity is anticipated to yield around 17,000 tons of pyrolysis oil each year, positioning Pryme One as the largest advanced recycling plant in Europe.

The scalability of Pryme's technology is a key aspect of its future growth strategy. Currently the plans for its next installation, 'Pryme Two,' have been put on hold until the Pryme One installation has provided sufficient learnings to serve as 'proof of concept'. For future plants, the company aims to significantly expand its operational scale. This expansion will involve increasing the number of reactors and modules within the facility, thereby enhancing the plant's overall capacity. Importantly, the development of Pryme Two will benefit immensely from the practical insights and operational expertise gained from Pryme One, ensuring that the new plant not only grows in size but also in efficiency and productivity.



Customer driven model

Pryme's growth strategy is deeply rooted in strategic collaborations with select suppliers and customers throughout the value chain. The company's primary business model leverages its advanced recycling technology to assist chemical companies and materials manufacturers in transitioning toward a circular and low-carbon economy. By doing so, Pryme enables its partners to reduce their dependence on fossil-based raw materials, offering them an alternative in the form of recycled plastic feedstock. This approach will not only foster sustainable industry practices but also aligns with the global trend toward environmental responsibility, positioning Pryme as a key enabler in the shift towards more sustainable industrial processes.

In 2024 Pryme has actively assessed potential locations for its next plant, evaluating both greenfield and brownfield sites. Key considerations included proximity to plastic feedstock suppliers as well as pyrolysis oil off-takers, and access to power, preferably from renewable energy sources. Suitable locations also need to have the necessary permits in place and a qualified workforce, particularly operators with experience in the petrochemical or heavy industries.

In the 4th quarter of 2024, Pryme decided to limit the efforts on site selection and fully focus on resolving the challenges of Pryme One. The launch of basic

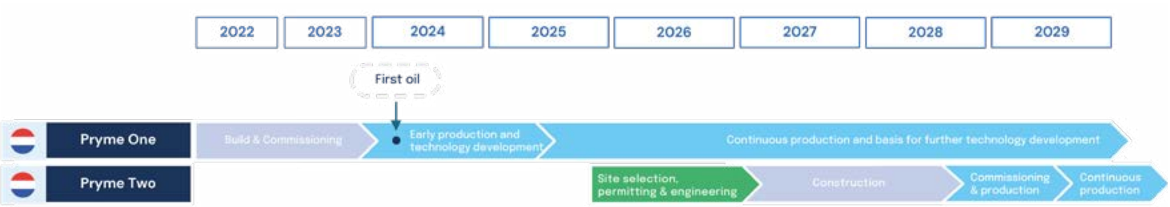
engineering for Pryme Two and the final site selection are contingent upon Pryme One proving its technological and economic viability. This milestone has not yet been achieved by the end of April 2025.
Pryme's expectations are high supported by to the robust demand for its plastic pyrolysis oil across various segments of the value chain. Remarkably, even before initiating the construction of its second plant, Pryme has secured agreements to sell a considerable portion of the production from its first two facilities. This early success underscores the market's strong appetite for Pryme's advanced recycling technology, which offers a solution for converting non-mechanically recyclable mixed plastic waste into circular polymers.

The plastic waste industry is characterized by its fragmentation and the absence of standardized feedstock quality norms and clear pricing mechanisms. Additionally, the industry faces growing regulatory scrutiny. In this challenging landscape, Pryme's completion of its first plant positions the company as a reliable and significant purchaser of plastic waste. This new status has attracted various feedstock suppliers, presenting Pryme with opportunities to secure the necessary inputs for Pryme One and to strategically align itself with the plastic waste management sector. These developments indicate Pryme's growing influence and critical role in shaping a more sustainable approach within the plastic waste recycling industry.

Growth Strategy

Once Pryme One is ready to serve as a Proof of Concept, the company intends to build a second plant. Pryme One is crucial for generating valuable data that will provide the process and design enhancements for subsequent plants. It will also deepen the company's understanding of the supply chains for feedstock and output products, and help developing a skilled workforce of operators and engineers.

The decision-making process for site selection will be influenced by various factors, including the availability and cost-effectiveness of feedstock, proximity to markets for the end products, expenses related to procurement and construction of the plant, local regulatory conditions, and the potential for local collaboration with off takers and suppliers. Availability of (renewable) power and a skilled workforce also remain key requirements.



2024 operational summary

In 2024 Pryme went through a steep learning curve during the test runs performed. Many technical, operational and logistical issues have been resolved. However, the Pryme One installation requires further tests and enhancements to serve as a Proof of Concept for Pryme Two.

The journey to commission an advanced recycling plant of this magnitude has been formidable, demanding unwavering commitment, adaptability, and innovation from the entire team, in particular management, staff, and subcontractors. Following the test runs and issues encountered in 2024, Pryme management revised the name-plate processing capacity from 40.000 tons to 26.000 tons of plastic waste.

The challenges faced during the multiple test runs in 2024 and the delay in ramping up production forced Pryme management to scale back its ambitions and focus on demonstrating Pryme One as Proof of Concept and postpone basic engineering and site selection for Pryme Two.

Pryme One is not just an operational pilot plant. It is a vital step towards realizing large-scale plastic waste recycling and it marks the beginning of a strategic deployment plan aimed at fostering sustainable growth for Pryme and achieving the significant positive impact the company envisions for the industry, people, and planet.

Governance report

5

5.1. Supervisory Board report

We are pleased to present the 2024 Supervisory Board report for Pryme N.V. and its group companies (the "Group"). 2024 was a year with many ups and downs.

More than 10 years after the founding of the company with the vision of recycling plastics at a meaningful scale, Pryme produced its first oil early in 2024 followed by much lower production volumes than expected for the full year 2024. The main reasons for the low production throughout 2024 were the slow feed rates of feedstock and short production runs. The low production rates were 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 relatively high production rates were achieved. Unfortunately, when production runs were short, significant time was lost in the start-up and shutting down of the installation. The combined effect of short runs at low production rates resulted in a low total volume produced for 2024 of 341 metric tons. For perspective, more than 40 production runs have taken place since January 2024 emphasizing the low production volume for each production run.

During 2024 Pryme 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 has proven to be dry and with low levels of hydrocarbons. Pryme has 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.

A major setback in 2024 was that, based on the operational experience in 2024, Pryme lowered the overall estimated production capacity of the Pryme One installation. The updated estimated annual feedstock intake capacity of the Pryme One plant amounts to around 26,000 metric tons rather than the 40,000 metric tons earlier assumed. Also, lower oil yields from the feedstock were estimated. The yield was originally estimated at 75%, which was lowered to initially be around 65%, 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 was estimated to initially be around 17.000 metric tons of pyrolysis oil per annum. As of the end of 2024, the company is not able to estimate to what extent this lower estimated production capacity of the Pryme One reactor train may affect the expected operational performance of Pryme's future plants.

The estimated reduction in plant capacity and the delayed ramp up of production in 2024 obviously also impacted Pryme's liquidity in 2024 as only insignificant revenues were recognized. This led to considerable efforts from the Supervisory Board to secure sufficient liquidity to safeguard Pryme's continued development and operations. These funding efforts resulted in two successful private placement funding rounds in Q1 and Q4 of 2024 for € 12 and € 4 million respectively. Also, a loan from Energietransitiefonds Rotterdam B.V., managed by Innovation Quarter (IQ), was secured in the amount of €5 million.

As the production rates had not yet improved to significantly higher production levels by the end of 2024, an enhanced testing and development plan was developed, partly with external expert assistance, for implementation in the first half of 2025. As the cash burn rate at the end of 2024 was still at a high level, additional fund-raising activities were initiated in Q4 2024. For additional information on the test plan and the 2025 funding activities, please see note 7.2.2. (Going Concern).

Financial statements for 2024

The 2024 financial statements were prepared by the Management Board and reviewed and discussed by the Supervisory Board at a meeting attended by the external auditor, Forvis Mazars Accountants. The Audit Committee discussed the financial statements and audit findings in detail with the external auditor in its meeting of 30 April 2025.

Following the review of the Independent Auditor's Report issued by Forvis Mazars Accountants as well as its findings as summarized in a report to the Supervisory Board and the Management Board, the Supervisory Board adopted the financial statements in a Supervisory Board meeting on 6 May 2025.

The Independent Auditor's Report is presented in note 8.2 of this Annual Report.

The Supervisory Board recommends that the Annual General Meeting of Shareholders on 10 June 2025:

- adopt the financial statements for the 2024 financial year;
- discharge the previous and current members of the Management Board and the persons assigned with management tasks and responsibilities on a temporary basis for their management in the year under review.
- discharge the previous and current members of the Supervisory Board for their supervision in the year under review.

Supervisory Board activities in 2024

In the year under review the Supervisory Board held 32 meetings. All Supervisory Board members were present at every meeting for the periods where they were elected, respectively served on the Supervisory Board, except for Emmanuel Colombel and Boudewijn van Vliet who were absent for one meeting each. All meetings were also attended by the Management Board except for the executive sessions of the Supervisory Board and for agenda items concerning individual members of the Management Board. Furthermore, the Chairman of the Supervisory Board as well as the other Supervisory Board members had regular contacts with the CEO, while the CFO and the Chairman of the Audit Committee were also in regular contact. The individual Supervisory Board members contacted each other for updates and to consult if and when deemed useful.

Topics discussed

As evidenced by the high number of Supervisory Board meetings in 2024, the Supervisory Board remained closely engaged in the activities of Pryme in 2024. The main focus of the Supervisory Board was the status of the ramping up of the production of Pryme One in addition to enhanced supervisory activities in conjunction with the transition phase after Christopher Hervé resigned as CEO. In addition to the more operationally focused topics above, the Supervisory Board also spent considerable time on Pryme's strategy and objectives with respect to long-term value creation.

Pryme is a young company with limited staff and management capacity. As such, the Supervisory Board played and continues to play an expanded role as it is not just supervising management but also being used intensely as a sounding board and in some instances, at the request of the Management Board, getting directly involved in operational activities that normally do not fall under the regular activities of a supervisory board.

Corporate Governance

The Supervisory Board and the Management Board, supported by the company secretary, share responsibility for Pryme Group's corporate governance structure. At least once a year the Supervisory Board discusses the corporate governance rules applicable to the company and possible changes to rules, as well as any relevant specific corporate governance topics.

There were no conflicts of interest in the year under review.

For more information on governance please refer section 5.3 (Corporate governance) as part of this governance report.

Quality of supervision

The Supervisory Board received all the information it required to fulfil its role effectively, both from the Management Board and from management.

Profile

The members of the Supervisory Board bring a wide range of skills and experience to the company from an array of backgrounds and industries. Pryme aims to achieve diversity not only in terms of experience and background including cultural background, but also in gender and age. The current composition of the Supervisory Board and Management Board does not yet reflect such aim as these boards are still a result of legacy appointments. For all new future appointments to the Supervisory Board and Management Board Pryme will strive towards a more balanced gender distribution. Currently, there are no females in the company's Supervisory Board or Management Board. In the overall organization, the gender balance at the end of December is slightly better with 36.5% of management and 12,1% of the overall employees being female.

Michiel Kool, then the vice-chair of the Supervisory Board and Boudewijn van Vliet, then a member of the Supervisory Board, tendered their resignation effective 16 December 2024. Mr. Kool's and Mr. van Vliet's resignations followed the completion of the private placement communicated on 16 December 2024 through which the ownership structure of the company significantly changed. The two largest investors in the company are represented on Pryme's Supervisory Board, each holding or controlling more than 25% of the company's shares following the December 2024 private placement. The resignations result in a smaller Pryme Supervisory Board which is considered to be more appropriate for the company's size and complexity during this stage of its development.

The aim for a diverse composition, including the specific gender composition target, applies to the composition of the Supervisory Board, the Management Board and senior management. The Supervisory Board closely monitors and encourages the Management Board's efforts towards fostering female talent across the Group. This fits Pryme's policy and fundamental principles to be an inclusive employer and our strong belief that diverse views and perspectives add value and are essential to drive innovation.

Supervisory Board committees

The Supervisory Board has established three subcommittees that function in an advisory capacity to the full Supervisory Board. As per the Company's delegation of authority policy ("DOA"), the committee work is from time to time performed by the chair of such respective committee, and sometimes as a whole committee. The committee meetings are usually carried out in conjunction with meetings of the Supervisory Board and sometimes as separate or informal meetings. The three subcommittees are the audit ("AC"), the ESG ("ESGC") and the Nomination, Succession and Remuneration ("CC") Committees.

The ESGC's work in 2024 centered around further developing Pryme's IMPACT and ESG principles, aspirations, and associated plan, which is described in more detail in the Sustainability report within the 2024 annual report.

The CC focused mainly on establishing a remuneration policy and appropriate and market conform long- and short-term inventive programs. In addition, as a segregation of duties principle, the CC was tasked with spearheading the Supervisory Board's efforts regarding risk management. Due to the overall very small size of the organization, Pryme has not established a robust succession planning process as this is considered not to be applicable in a meaningful way for the time being. The CC in conjunction with the AC, with final approval of the full Supervisory Board, keeps updating and adjusting the company's DOA as appropriate. The DOA is a central governance document within the Pryme organization as it defines the authorization levels for each function for applicable company commitments.

Throughout 2024, the AC's focus included the company's liquidity and funding situation, its DOA, the external audit plan (approach, scope and coverage, Supervisory Board involvement and key audit matters), the 2024 impairment testing, and the review of the company's quarterly, half-year, and annual reports. The AC chair typically reports the committee findings to the full Supervisory Board including the committee's recommendations.

As a result of the downsizing of the Supervisory Board in 2025, the Supervisory Board is considering changing its committee structure in 2025.

Evaluation

For 2024, the performance of the Management Board, the working methods, procedures and functioning of the Supervisory Board, its committees, and individual members, as well as the functioning of the Management Board and its individual members were all evaluated. The Supervisory Board assessed its own performance based on responses to a questionnaire submitted by the members of the Supervisory Board to the Chairman. The questionnaire covered topics such as the composition and expertise of the Supervisory Board, the frequency and quality of the meetings and meeting materials, the nature of the topics discussed during meetings and access to information. The responses provided by the Supervisory Board members indicated that the Supervisory Board continues to be a well-functioning team in its current composition.

The evaluations also confirmed that discussions between the members of the individual boards and between the Supervisory and Management Board members are both frank and constructive.

In conclusion

Over the course of 2024, Pryme reached a major milestone in producing first oil in January 2024. The ramping up of production has been significantly more difficult than expected with disappointing production volumes and plant up-time. At the same time, the company is optimistic about the future as the reasons for the production problems are much better understood than just a few months ago, including how to improve the overall performance of Pryme One. As a result of the required increased focus on improving the production performance of Pryme One, the efforts associated with Pryme's next plants have been pushed out in time and will undoubtedly lead to delays in putting additional plants in operation compared to earlier plans. The Supervisory Board supports this priority setting which means to first get Pryme One to a level where it forms a usable, meaningful and proven basis for future plant designs before venturing into specific activities related to the company's future plants. Based on the latest progress, we are of the opinion that 2025 and beyond will be exciting times for Pryme.

The members of the Supervisory Board would like to thank all Pryme's stakeholders, including customers, suppliers, and shareholders, for their commitment to Pryme. We also thank the Management Board and particularly all the employees of Pryme for their never-ending commitment and hard work.

Pryme N.V.
Supervisory Board of Directors
Rotterdam, 6 May 2025

5.2. Remuneration report

5.2.1. Remuneration policy

The annual general meeting of shareholders adopted guidelines for the remuneration of the Management Board and other senior management. In accordance with these guidelines, the company has adopted a remuneration policy that provides the possibility to grant the Management Board and other eligible managers short-term variable remuneration (cash bonus) and long-term variable remuneration (restricted stock units and stock options on the company's shares) on top of the eligible participants' base pay, subject to the terms and conditions of the long-term incentive plan.

The Supervisory Board has, through the delegation of authority policy, established certain controls regarding personnel matters, including hiring decisions and compensation levels that require approval by the CEO, the chair of the Nomination, Succession and Remuneration Committee and/or the Supervisory Board.

The remuneration to the Management Board and senior management is reviewed annually by the Nomination, Succession and Remuneration Committee and the Supervisory Board. The remuneration, in accordance with the remuneration policy, is focused to align the remuneration with the business strategy through the creation of specific short-term targets that link each Management Board member's short-term incentive plan (STI plan) to the success of the company.

The intention of the long-term incentive Plan (LTI plan) is to (i) attract and retain management and staff whose services are important to the company's success, (ii) motivate such management and staff to achieve the long-term goals of the company, (iii) reward such management and staff for outstanding performance and behaviour, (iv) provide variable compensation opportunities that are competitive with those of other companies, and (v) encourage such management and staff to own common shares in the company and thus achieve an alignment of interest with shareholders in the long-term health and value of the company. The LTI plans generally have a vesting period of three years.

As such both the short-term and long-term plans are linked to the business strategy and accordingly to longer term value creation and sustainability of the company. The short-term incentive plan is higher when targets are exceeded, and no variable remuneration is payable if threshold targets are not met. This helps to ensure the alignment of the interests of the Management Board, senior management, and staff with the interests of the company's stakeholders.

Pryme does not grant any personal loans, guarantees or advance payments to members of the Supervisory Board or Management Board.

5.2.2. Remuneration report Management Board

The remuneration of the members of the Management Board encompasses the following components:

- Base salary or management fees
- Short-term incentive plan (STI plan, in cash)
- Long-term incentive plan (LTI plan) in the form of Restricted Share Units ("RSUs") and Stock Options ("Options")
- For Management Board members under employment agreement: Pension plan and associated risk insurance benefits

The short-term incentive plan scorecard consists of targets related to:

- Pryme One (test plant) performance
- Health, Safety and Environment (HSE)
- Environment, Social and Governance (ESG)
- Roll-out (preparing for new sites)

Base salary and or management fee, indexation included, are in accordance with the remuneration policy. The annual base salary and or management fee of the Management Board members are based on the level of responsibility and performance.

Members of the Management Board contracted via an employment contract may participate in the company's pension plan and disability insurance. The pension plan consists of a defined contribution pension scheme and risk insurances in case of passing away or disability of the participant. The contribution amounts to 20% of the annual pensionable earnings; the employer assumes 60% of the contribution amount, the employee assumes 40%. In 2024 the maximum eligible pensionable earnings amount to € 137.800 (2023: € 128.810) and the statutory offset is € 17.545 (2023: € 16.322). The risk insurances encompass i) partner pension, ii) orphan pension, iii) surviving dependants' benefit insurance (ANW-hiaat, optional and paid by employee) and iv) non-contributory continuation of pension accrual in the event of occupational disability. There are no arrangements for early retirement.

The Supervisory Board may determine that a member of the Management Board is entitled to compensation for the loss of income resulting from a non-voluntary termination as Management Board member. In line with the Dutch Corporate Governance Code, any severance payment is limited to maximum one year's base salary. In 2023 the Supervisory Board accepted the resignation of Ferdinand Lupescu (CFO) as Pryme's CFO effective March 31, 2024, and agreed upon a monetary compensation of maximum € 63 thousand, subject to terms and conditions, paid in July 2024.

For a breakdown of the Management Board remuneration refer to note 7.7.14 (Remuneration of Management Board and Supervisory Board).

In 2022, 2023 and 2024, as part of the LTI plan, the company awarded the Management Board with equity instruments consisting of RSUs and Stock Options with a vesting period of three years, with 1/3 vesting each year. For further details reference is made to the table "Number of RSUs and Stock Options awarded and outstanding to Management Board" below.

Number of RSUs and Stock Options awarded and outstanding to Management Board

Number of RSUs and stock options awarded and outstanding to Management Board													
	LTI Plan	Start date performance period	End date performance period	Expiration date stack options	Excercise price options in NOK	RSU's awarded	Stock options awarded	Vesting years				RSU's unvested as at 31 December 2024	Stock options unvested as at 31 December 2024
								2023	2024	2025	2026		
Outstanding and unvested RSU's awarded													
Christopher Hervé (CEO)	2022	23-6-2022	6-5-2025	2032	11,33	68.850	98.250	55.700	55.700	-	-	-	-
	2023	6-5-2023	6-5-2026	2023	16,49	53.700	64.200	-	39.300	-	-	-	-
Ferdinand Lupescu (CFO)	2023	6-5-2023	6-5-2026	2023	16,49	27.300	32.550	-	19.950	-	-	-	-
Total Management Board members						**149.850**	**195.000**	**55.700**	**114.950**	**-**	**-**	**-**	**-**

Note: Following the resignations in 2024 of Christopher Hervé and Ferdinand Lupescu, all unvested Stock Options, in total 97.250, have been forfeited. None of the vested Stock Options, in total 97.750, have been exercised and according to the internal guidelines have been forfeited as well.

5.2.3. Remuneration Supervisory Board

The extraordinary general meeting of shareholders on 11 October 2021 granted the current chair and the previous vice-chair of the Supervisory Board 60,000 Stock Options with a strike of NOK 51.20 for the entire term of their appointment until the annual general meeting of shareholders to be held in 2025 and that on the date of grant were scheduled to vest in four equal installments on the dates of the annual general meeting of shareholders to be held in 2022, 2023, 2024 and 2025 (the “2021 Grant of Stock Options”). The 2021 Grant of Stock Options had a single vesting with 15,000 Stock Options for the benefit of each chair and the previous vice-chair of the Supervisory Board on 22 June 2022 and was otherwise superseded by the 2022 Grant of Stock Options. This grant consisted of 60,000 Stock Options with a strike of NOK 10 for each Supervisory Board member for the entire term of his appointment until the annual general meeting of shareholders to be held in 2026. Vesting of the grant has been scheduled in four equal installments on the dates of the annual general meeting of shareholders to be held in 2023, 2024, 2025 and 2026 (the “2022 Grant of Stock Options”).

The remuneration of Supervisory Board members has been authorized by the general meeting of shareholders on 9 April 2024 and consists of:

- A fixed remuneration of € 25.000 for each Supervisory Board member per each AGM period.
- For the members of any of the Company’s sub-committees (the Audit, Governance and Compliance Committee, the Nomination, Succession and Remuneration Committee and the ESG committee) a fixed remuneration of € 2.500 annually will be paid in addition to the fixed supervisory board compensation. Such committee remuneration is limited to € 5.000 annually for each supervisory board member.
- The chairman and vice-chairman, if applicable, of the supervisory board will receive 50% and 25% additional fixed compensation compared to the general supervisory board members, respectively.

Each Supervisory Board member is subject to a Supervisory Board Director agreement. All Stock Options under the 2022 Grant of Stock Options have vested on the date of issue of new shares on 18 April 2023 in completion of Pryme N.V.’s private placement process pursuant to the change of control clause in the Supervisory Board Director agreements on the basis of Infinity Recycling B.V. on that occasion having gained a controlling interest in the company as the managing director of both Circular Rotterdam B.V. (at the time owning 27.5 % of the shares in Pryme N.V.) and Circular Plastics Coöperatief U.A. (at the time owning 13.81 % of the shares in Pryme N.V.) and who together at such time reached a combined 41.31 % of the shares in Pryme N.V. Pursuant to the Supervisory Board Director agreements, each Supervisory Board member is entitled to exercise his Stock Options during any exercise window that the company opens on a regular basis during his tenure on the Supervisory Board and during a period of six months after resignation.

In the EGM held on 9 April 2024, 30,000 Stock Options with a strike of NOK 11 were awarded to each Supervisory Board member, with exception of Emmanuel Colombel, for the entire term of his appointment until the annual general meeting of shareholders to be held in 2026. On the date of grant the Stock Options were scheduled to vest in two equal installments on the dates of the annual general meeting of shareholders to be held in 2025 and 2026. In the same EGM, Emmanuel Colombel was appointed as Supervisory Board Member for three years, until the AGM 2027, and was awarded 45.000 Stock Options, vesting in three equal installments on the dates of the annual general meeting of shareholders to be held in 2025, 2026 and 2027 (the "2024 Grant of Stock Options").

As a separate form of remuneration, a Supervisory Board member may be entitled to consultancy fees as may be agreed under a management consultancy contract between a Supervisory Board member and the company in respect of non-recurring special activities which do not normally fall under the activities of Supervisory Board members. Such applied for the chair of the Supervisory Board in 2024 in respect of his services in the process of the company's private placement of shares in March 2024 and in respect of his services during the CEO transition period in 2024.

For a breakdown of the remuneration in 2024 to the members of the Supervisory Board refer to note 7.7.14.

For a breakdown of the number of Stock Options that have been awarded and that have vested to the members of the Supervisory Board, refer the table below:

Number of equity instruments outstanding and awarded to the Supervisory Board

Number of equity instruments outstanding and awarded to the Supervisory Board														
	Main conditions of equity-settled share based payments					Information regarding financial reporting 2024								
	EGM	Start date performance period	End date performance period	Expiration date stock options	Excercise price options in NOK	RSU's awarded	Stock options awarded	Vesting years					RSU's unvested as at 31 December 2024	Stock options unvested as at 31 December 2024
								2023	2024	2025	2026	2027		
Outstanding and unvested RSUs awarded														
Henning Jensen (Chairman)	2021	11-10-2021	22-6-2022	2026	51,20		15.000	-	-	-	-	-	-	-
	2022	23-6-2022	AGM 2026	2026	10,00		90.000	90.000	-	-	-	-	-	-
	2024	9-4-2024	AGM 2026	2026	11,0	57.118	45.000	-	-	22.500	22.500	-	57.118	45.000
Michiel Kool (Vice-chairman)	2021	11-10-2021	22-6-2022	16-6-2025	51,20		15.000	-	-	-	-	-	-	-
	2022	23-6-2022	AGM 2026	16-6-2025	10,00		75.000	75.000	-	-	-	-	-	-
	2024	9-4-2024	AGM 2026	16-6-2025	11,00		37.500	-	-	-	-	-	-	-
Jan Willem Muller	2022	23-6-2022	AGM 2026	2026	10,00		60.000	60.000	-	-	-	-	-	-
	2024	9-4-2024	AGM 2026	2026	11,0		30.000	-		15.000	15.000	-	-	30.000
Boudewijn van Vliet	2022	23-6-2022	AGM 2026	16-6-2025	11,00		30.000	-	-	-	-	-	-	-
	2024	9-4-2024	AGM 2026	16-6-2025	11,0		30.000	-	-	-	-	-	-	-
Emmanuel Colombel	2024	9-4-2024	AGM 2027	2027	11,0		45.000	-	-	15.000	15.000	15.000	-	45.000
Total Supervisory Board members							**502.500**	**285.000**	**-**	**52.200**	**52.200**	**15.000**	**57.118**	**120.000**

5.3. Corporate governance

Corporate governance structure and legal framework

Pryme N.V. is a Dutch public limited company based and registered in Rotterdam, the Netherlands. Pryme's shares are listed on Euronext Oslo Growth market, a multilateral trade facility (symbol: PRYME, ISIN: NL0015000521 during the reporting period, ISIN NL0015002E73 as from 5 March 2025).

Two-tier board

Pryme has a two-tier governance structure consisting of the Management Board and the Supervisory Board. The general meeting of shareholders constitutes the company's third governing body. In the following sections, we provide information on these governing bodies and their respective roles and responsibilities.

Legal framework

Pryme's corporate governance framework is based on the requirements of the Dutch Civil Code, the company's articles of association, the applicable securities laws and regulations and the company's internal delegation of authority policy. Pryme N.V.'s articles of association are published on the company's website. Pryme N.V. is committed to conform to the Dutch Corporate Governance Code (the "Code"), most recently updated on 20 December 2022, and enshrined in the Dutch Civil Code applicable to large companies. The Code regulates the relationships between the Management Board, the Supervisory Board, and the general meeting of shareholders. Pryme N.V. conforms to the Code on a voluntary basis given both the company's current market capitalization and its listing outside the Netherlands. Pryme adheres to the 'comply or explain'-principle as set out in the Code. Accordingly, deviations from the Code are explained in this Corporate governance section of the Governance report. In line with the Code, sustainable long-term value creation is the key consideration for the Management Board and Supervisory Board when determining strategy and making or approving decisions, with stakeholder interests taken into careful consideration.

Management Board

The Management Board is the statutory executive body and, together with the senior management team, is responsible for the day-to-day management of Pryme. It formulates and implements the company's (business) strategy and policies and may take any actions necessary or useful for achieving Pryme's objectives, except those prohibited by or expressly attributed to the Supervisory Board or the general meeting of shareholders. The Management Board must submit certain important decisions to the Supervisory Board or the general meeting of shareholders for approval. In performing its duties, the Management Board must act in the best interests of the company and its business.

Composition

The Management Board consists of one or more managing directors, the number to be determined by the Supervisory Board. The Supervisory Board is authorised to make binding nominations for the appointment of a Management Board member to the general meeting of shareholders. Each Management Board member is appointed by the general meeting of shareholders for no more than four years. A Management Board member may be reappointed for a term of no more than four years at a time.

Following the resignation of Christopher Hervé, the Supervisory Board appointed Pryme's interim CFO Frans Vollering and Pryme's COO Pascal Spiekerman van Weezelenburg to assume the management tasks and responsibilities on a temporary basis as from 5 July 2024. Said appointments were made in accordance with the Company's articles and associations and Dutch corporate law. Frans Vollering and Pascal Spiekerman van Weezelenburg resigned on 4 November 2024 and were succeeded in their role by the Supervisory Board's appointment of Mrs. Marieke Bleyenbergh, an external interim manager with more than 25 years of international experience from the petrochemicals, specialty chemicals and refining industries, on a temporary basis.*

During 2024 the Management Board consisted of the following directors:

Name	Position	Date of initial appointment	Resignation
Christopher Hervé	CEO	2 May 2022	5 July 2024
Ferdinand Lupescu	CFO	27 June 2023	31 March 2024

* On 8 March, 2025, Benoît Morelle was named interim CEO replacing Marieke Bleyenbergh who resigned effective 7 March, 2025.

Due to the close involvement of the Supervisory Board and the high frequency of Supervisory Board meetings, no separate Management Board meetings took place in 2024.

Evaluation

The performance of the Management Board and its individual members is evaluated at closed sessions of the Supervisory Board, with the findings communicated by the chair to the Management Board.

Remuneration to the Management Board

The information on the remuneration policy for Management Board members and their individual remunerations and benefits can be found in the Remuneration report of the Governance report 2024. The annual general meeting of shareholders of 4 June 2024 supported the adoption of the guidelines for remuneration of management board members, senior executives and other staff for their application until the annual general meeting in 2026.

Shares owned by Management Board members

No Management Board members were in function on 31 December 2024. Mr. Lupescu and Mr. Hervé resigned on respectively 31 March 2024 and 5 July 2024 and were removed from the company's primary insider list. The company holds no information on their shareholdings in Pryme N.V. per 31 December 2024.

Supervisory Board

The Supervisory Board supervises the policies of the Management Board and the general conduct of affairs of the company and its business, and it assists the Management Board with advice. In performing their duties, the Supervisory Board members act in accordance with the interests of the company and its business.

Composition and independence

The Supervisory Board, in accordance with the articles of association of the company, consists of at least three members appointed by the general meeting of shareholders. At least half of the supervisory board members must be independent. During the year 2024, the Supervisory Board consisted of the following members:

Name	Gender	Age	Nationality	Position	Status	Date of (re)appointment	Year of possible re-election / date of resignation
Henning Jensen	Male	64	Norwegian	Chair	Independent	2 May 2022	2026 AGM
Michiel Kool	Male	65	Dutch	Vice-chair	Independent	2 May 2022	Until 16 December 2024
Jan Willem Muller	Male	48	Dutch	Member	Non-independent	2 May 2022	2026 AGM
Boudewijn van Vliet	Male	52	Dutch	Member	Non-independent	11 November 2022	Until 16 December 2024
Emmanuel Colombel	Male	51	French	Member	Non-independent	9 April 2024	2027 AGM

All present members of the Supervisory Board were appointed through to the annual general meeting of shareholders to be held in 2026, except for Emmanuel Colombel whose tenure runs through the 2027 annual general meeting of shareholders.

Following the voluntary resignations by Michiel Kool and Boudewijn van Vliet on 16 December 2024, the Supervisory Board consists of two non-independent members, Mr. Jan Willem Muller, closely associated with the Company's shareholders Circular Plastics Coöperatief U.A. and Circular Rotterdam B.V., and Mr. Emmanuel Colombel, closely associated with the Company's shareholder Taranis Investment Limited, and of one independent supervisory board member, Mr. Henning E. Jensen, who continues to serve as chairman of the supervisory board. The independence of the supervisory board is ensured with the right for the chair to cast two votes on decision topics and to carry the casting vote in the case of a tie in votes in accordance with the company's current articles of association.

Henning E. Jensen
CHAIR
Supervisory Board

Jan Willem Muller
MEMBER
Supervisory Board

Emmanuel Colombel
MEMBER
Supervisory Board

Composition of the Supervisory Board subcommittees

The Supervisory Board operates the following subcommittees that report to the full Supervisory Board in accordance with their respective charters:

Subcommittees	Henning Jensen	Michiel Kool	Jan Willem Muller	Boudewijn van Vliet	Emmanuel Colombel
Audit, Governance and Compliance committee	Chair	Member*			
Nomination, Succession and Remuneration committee	Member	Chair*		Member*	
Environmental, Social and Governance committee	Member	Member*	Chair		

* Until 16 December 2024

Supervisory Board meetings

The Supervisory Board held 32 meetings in 2024. The company's funding activities for the capital raise through private placements in March and December 2024 and the challenges in the ramping up of production at Pryme's first production facility Pryme One in Rotterdam accounted for the large number of meetings throughout the financial year. The Supervisory Board is supported by the company secretary.

Remuneration to the Supervisory Board

The information on the remuneration to the Supervisory Board members can be found in the Remuneration report of the Governance report 2024.

Evaluation

At least once per year, the Supervisory Board evaluates its own performance and that of its individual members. More information on the evaluation of the Supervisory Board in 2024 can be found in the Supervisory Board report as part of the Governance report.

General meeting of shareholders

The annual general meeting of shareholders is held within six months after the end of every financial year. The main purpose of the annual general meeting of shareholders is to decide on matters as specified in Pryme N.V.'s articles of association and under Dutch law, such as the discussion of the annual report, the adoption of the annual accounts and the discharge of the Management Board and Supervisory Board members of their respective management and supervision duties.

Extraordinary general meetings of shareholders are held if the Management Board or the Supervisory Board deem it necessary, or at the written request, specifying the issues to be discussed, of one or more shareholders who, alone or jointly, represent at least one tenth of Pryme's issued share capital.

A general meeting of shareholders is called by a convening notice issued by the Management Board or the Supervisory Board. Shareholders who, alone or jointly, represent at least 10% of the company's issued capital may ask for items to be added to the agenda in accordance with the terms and conditions in the articles of association.

Notices to convene a general meeting of shareholders are published via the stock exchange communication channels (https:// newsweb.oslobors.no) no later than 15 days prior to the meeting. Furthermore, the notice is sent to all known shareholders on the same date. Supporting information, such as proposals for resolutions to be considered by the general meeting and recommendations by the Nomination, Succession and Remuneration committee, are enclosed with the notice and made available at the same time. The supporting material is sufficiently detailed and comprehensive to allow all shareholders to form a view on all matters to be considered at the general meeting.

The notice calling a general meeting provides information on the procedures the shareholders must observe prior to and at the general meeting, including the procedure for representation by proxy. Every shareholder may attend, speak at and vote at a general meeting. Shareholders who wish to attend a general meeting in person or by an authorized representative are requested to notify the company prior to the general meeting within the timeline and in accordance with the provisions set forth in the notice for the general meeting.

Shareholders who cannot attend a general meeting may vote by proxy. Forms for the granting of proxies are enclosed with the notice for the general meeting. The form of proxy includes provisions that allow for instructions on the voting on each individual agenda item. The company will nominate a person who will be available to vote on behalf of the shareholders as their proxy. Unless Dutch law or the articles of association require a larger majority, resolutions of the general meeting are adopted by a simple majority of the votes cast.

The chair of the Supervisory Board and the CEO will attend the general meeting and to the extent possible, other members of the Supervisory Board and the members of the Management Board will also attend. Any person nominated for appointment as Management Board member or Supervisory Board member, will attend the general meeting at which votes will be cast on his or her nomination. The chair of the general meeting designates a secretary to keep the minutes of the meeting.

In 2024 extraordinary general meeting of shareholders were held on 9 April 2024 and 25 June 2024. The annual general meeting of shareholders was held on 4 June 2024. The protocols of the general meetings of shareholders were published via the stock exchange communication channels (https:// newsweb.oslobors.no) on the respective dates of the general meeting.

Shares issued

The company's total number of issued shares per 1 January 2024 was 48,386,416. The company issued 2,052,156 shares on 23 April 2024 in partial completion of its private placement of shares of March 2024, such with approval of the extraordinary general meeting of shareholders on 9 April 2024. The company issued 109,050 shares on 6 May 2024 in completion of the company's obligations for the vestings of Restricted Stock Units under its Long-Term Incentive (LTI) Plans for the years 2022 and 2023. The company issued 10,620,777 shares on 17 September 2024. This issue of shares took place in order to satisfy and to fully convert the convertible loan of EUR 10,056,814 from Taranis Investment Limited to Pryme N.V. that replaced Taranis' previous subscription to 10,620,777 shares in the Company's private placement of 25 March 2024, as such private placement was approved by the Company's extraordinary general meeting on 9 April 2024 and the conversion of the allocated shares into the convertible loan was approved by the Company's extraordinary general meeting on 25 June 2024.

The total number of issued shares per 31 December 2024 was 61,168,399, amounting to a total issued capital per 31 December 2024 at par value of € 3,058,419.95*. All issued shares have been fully paid-up. The shares in Pryme are freely tradeable and there are no restrictions on the tradability of the shares.

The company's shares are registered in the register held by the Norwegian Central Securities Depository at Euronext Securities Oslo/Verdipapirsentralen ASA (the ESO register, also known as the VPS register), under the name of the company's shareholders or their nominee holding a VPS registration number.

*Refer note 7.5.4: As a subsequent event, the company issued 26,936,041 shares on 4 February 2025 in completion of its private placement of shares of 16 December 2024, such with approval of the extraordinary general meeting of shareholders on 14 January 2025.

Dividend policy

The company has not yet established a dividend policy pending the commencement of operational activities. The company will establish a dividend policy once normal operations start generating revenues and earnings.

Financial reporting

Pryme publishes quarterly financial statements in addition to the annual report. Internal reports are produced monthly and quarterly, in which the actual performance is analyzed and evaluated against budget and forecasts.

The Audit, Governance and Compliance committee performs a preliminary review of the quarterly (consolidated) financial statements and annual report prior to discussions with the Supervisory Board, with a particular emphasis on any material valuations and estimates that have been made. The external auditor is invited to attend Audit Committee meetings.

Major internal policies

The company has put in place the internal policies and governance principles that it believes are appropriate for the current size and scope of its business activities. Internal policies and controls will expand commensurate with the growth of the company. The company has established and maintains Health, Safety, Environment and Quality (HSEQ), Remuneration, Insider Trading and Delegation of Authority policies. In addition, charters are in place for the Audit, Governance and Compliance committee and for the Nomination, Succession and Remuneration committee and the Environmental, Social and Governance (ESG) committee. The company has developed and implemented its Code of Conduct and its Personal Data Protection Policy and a suite of HR related protocols in respect of equal opportunity, diversity, non-discrimination, non-harassment and mutual respect.

Risk management and internal control

Risk assessment and mitigation is a management responsibility. Its objective is to identify, evaluate, and manage risks that could impact on Pryme's ability to achieve its goals. Due to its small size, Pryme has not established a formal internal control system other than sound principles of division of responsibilities and all relevant internal control measures. The Supervisory Board will ensure that such systems are put in place as soon as the company's size and scope justify this. Refer note 7.2.4 for the company's developments undertaken on financial risk management.

Auditor

Considering its current small size and limited scope the company has elected to not have an internal audit department. This will be reassessed as the company grows in scope and scale.

The external auditor presents the main elements of the plan for the auditing of the company to the Audit, Governance and Compliance committee on an annual basis in accordance with its engagement letter. The auditor participates in the Supervisory Board meeting where the annual report is approved. The auditor further meets with the Supervisory Board without the management of the company present at least once a year. The Audit, Governance and Compliance committee and the Management Board maintain regular contact with the external auditor and discuss the audit plan, the findings and the auditor's report.

The Annual General Meeting on 4 June 2024 appointed Forvis Mazars Acountants N.V. as the company's external auditor for the annual accounts for the financial year ending 31 December 2024.

The proposal for appointment of the company's external auditor for the annual accounts for the financial year ending 2025 will be submitted to the company's annual general meeting of shareholders in 2025, in line with the Dutch Corporate Governance Code.

Related party transactions

The information on related party transactions can be found in note 7.5.3 to the Financial Statements.

Compliance with laws and regulations

Pryme's reputation and license to operate depend on responsible business conduct. The company is committed to complying with all applicable laws and regulations. Pryme is committed to uphold leadership in its operations on safety, health and environmental protection and does not tolerate bribery, corruption, fraud, violations of trade sanctions, anti-money-laundering and anti-competition laws, or any other illegal or unethical conduct in any form by anyone working for or on behalf of the company. These principles are central in the company's code of conduct. The Management Board has the overall responsibility and accountability for compliance and reports on the topic to the Audit, Governance and Compliance committee.

Focus on sustainability

The company's IMPACT and ESG strategy focuses on achieving positive environmental impacts, guided by a commitment to the Sustainable Development Goals, ESG regulatory frameworks and the IFRS Accounting Standards-EU. Pryme operates a comprehensive governance structure to oversee its sustainability actions, driven by its IMPACT management committee under guidance from the Environmental, Social and Governance (ESG) committee. Refer Chapter 6 (Sustainability report) for more information.

Remuneration philosophy and equity participation plan

The annual general meeting of shareholders on 4 June 2024 adopted guidelines for the remuneration of the Management Board and other senior management. In accordance with these guidelines, the company's remuneration policy provides the possibility to grant the Management Board and other eligible managers short-term variable remuneration (cash bonus) and long-term variable remuneration (restricted stock units and stock options on the company's shares) on top of the eligible participants' base pay.

Vestings of the equity awards to the eligible participants under the long-term incentive plans for the financial years 2022 and 2023 took place on 6 May 2024 for 109.550 restricted stock units, 256,900 stock options at the strike price of NOK 11.33 and 106,750 stock options at the strike price of NOK 16.49. The company awarded the eligible participants under the long-term incentive plan for the financial year 2024 197,400 restricted stock units and 708,000 stock options at the strike price of NOK 6.69 on 29 October 2024, vesting one-third each of 6 May 2025, 6 May 2026 and 6 May 2027, on the basis of the approval given by the annual general meeting of shareholders on 4 June 2024.

Reference is made to note 7.3.8 for the outstanding equity awards to the eligible participants as of 31 December 2024, to note 5.2.3 for the outstanding equity awards to the Supervisory Board as of 31 December 2024, and to note 7.3.10 to the outstanding equity award to the lender of the company's € 5 million loan.

The Supervisory Board has, through the Delegation of Authority policy, established certain controls with regard to personnel matters, including hiring decisions and compensation levels that require approval by the CEO, the chair of the Nomination, Succession and Remuneration committee and or the Supervisory Board.

Corporate governance statement

The company has endorsed the Dutch Corporate Governance Code on a voluntary basis since being listed on Euronext Oslo Growth market, a multilateral trading facility, on 15 February 2021. Pryme acknowledges the importance of good corporate governance and agrees with the principles and best practice provisions of the Dutch Corporate Governance Code. We will pursue appropriate steps to apply its principles and best practice provisions commensurate with the growth and development of the company and its organization.

Compliance with the Dutch Corporate Governance Code

Pryme is committed to applying the principles and best practice provisions of the Dutch Corporate Governance Code. The following provides an overview of points where Pryme deviates from the Dutch Corporate Governance Code with brief explanations of the reasons therefor.

Diversity of Management Board members

The Management Board seeks to promote diversity among its members in terms of age, gender, nationality, industry experience, background, skills, knowledge, and insights. During 2024 the board lacked gender diversity. The persons appointed by the Supervisory Board to assume the duties and responsibilities of the Management Board on a temporary basis following the resignation of Christopher Hervé were two male persons during the period from 5 July until 4 November 2024 (Messrs. Vollering and Spiekerman van Weezelenburg) and one female (Mrs. Bleyenbergh) as from 4 November 2024. Pryme aims to appoint future Management Board members that will contribute towards meeting gender diversity expectations.

Remuneration of the Supervisory Board members includes stock option awards

The shareholders of the company have approved that the compensation to the Supervisory Board members consists of a cash compensation and stock option awards. The rationale for this is that the company wishes to be prudent with cash outlays and wishes to reinforce Supervisory Board orientation to longer-term value creation in the interest of shareholders. There is no plan to modify this philosophy in the short-term. Refer the Remuneration report of the Governance report 2024 for more information.

Composition of the Supervisory Board subcommittees

The chairman of the Supervisory Board, upon his appointment as chair on 2 May 2022, has remained the chairman of the Audit, Governance and Compliance committee given the size of the Supervisory Board and the chair's significant subject matter expertise.

Independence and diversity of Supervisory Board members

The majority of the Supervisory Board members is non-independent, but independence of the Supervisory Board is ensured with the right for the chair to cast two votes on decision topics and to carry the casting vote in the case of a tie in votes in accordance with the company's current articles of association. The Supervisory Board seeks to promote diversity among its members in terms of age, gender, nationality, industry experience, background, skills, knowledge, and insights and has been selected based on these characteristics and required levels of independence and size. The board has diverse nationalities but lacks gender diversity. Pryme aims to appoint future Supervisory Board members that will contribute towards meeting gender diversity expectations.

Succession plan for the Management Board

Given the size of the company, it is difficult to establish a meaningful internal succession plan for the members of the Management Board. Once the company reaches critical mass it will implement a proper succession plan for its Management Board and other key positions.

Self-assessment

The Supervisory and Management Boards are committed to conducting an annual self-assessment. The Supervisory Board undertook a self-assessment in December 2024. More information on the evaluation by the Supervisory Board can be found in the Supervisory Board report as part of the Governance report. The Management Board will conduct its self-assessment in 2025 when a new CEO and managing director is expected to have been appointed to the Management Board.

Internal controls – absence of internal audit department

As explained earlier, the company has, considering its current small size and limited scope, elected to not have an internal audit department or additional internal control procedures except for the controls described in notes 5.4 (Risk management) and 7.2.4 (Financial risk management). Further internal control measures, including an internal audit function, will be put in place over time, commensurate with the growth in scope and scale of the company.

5.4. Risk management

The main risks, apart from the financial risks, identified as a threat to the achievement of Pryme's objectives are listed below. These risks have been evaluated by the Management Board as being the most relevant. The company distinguishes between Financial, Technology, Operations, Commercial and Legal Compliance risks. Reference is made to note 7.2.4 for financial risk management.

Technology risks

- Intellectual property protection Pryme technology
- Technology is not working as anticipated at large scale
- Output quality of production is not up to required specifications
- Dependency on key suppliers for critical components in the installation

Legal and compliance risks

- License to operate Plant One (environmental permits)
- Changes in laws and (sustainability) regulations
- Compliance with applicable listing rules and regulations

Operations risks

- Process Safety related risks of operations Pryme pyrolisis installation
- Recruit and retain highly skilled and engaged management and staff
- Continuity lease agreement site Plant One, necessary permits included
- Handling hazardous substances
- Cybersecurity and ICT

Commercial risks

- Availability of sufficient feedstock at the right price and composition
- Off-take agreements PYROLYSIS OIL at market prices.

Based on the risk assessment, mitigating actions are put in place to manage these risks. Periodically the Management Board and the Supervisory Board update and evaluate the risk analysis and implement or adapt the necessary mitigating actions. Pryme is working hard to step by step document various control measures and policies in order to strengthen the internal control system and demonstrate compliance with laws and regulations as well as with internal policies.

Sustainability Report

6

Introduction

At Pryme, our mission is to create a transformative societal and environmental impact by implementing our advanced (chemical) recycling technology on an industrial scale as a concrete solution to addressing the global plastic waste crisis by converting mixed plastic waste into pyrolysis oil. This addresses the world's plastic waste problem and supports circular economy goals, whilst reducing energy usage, limiting GHG emissions and saving valuable natural resources.

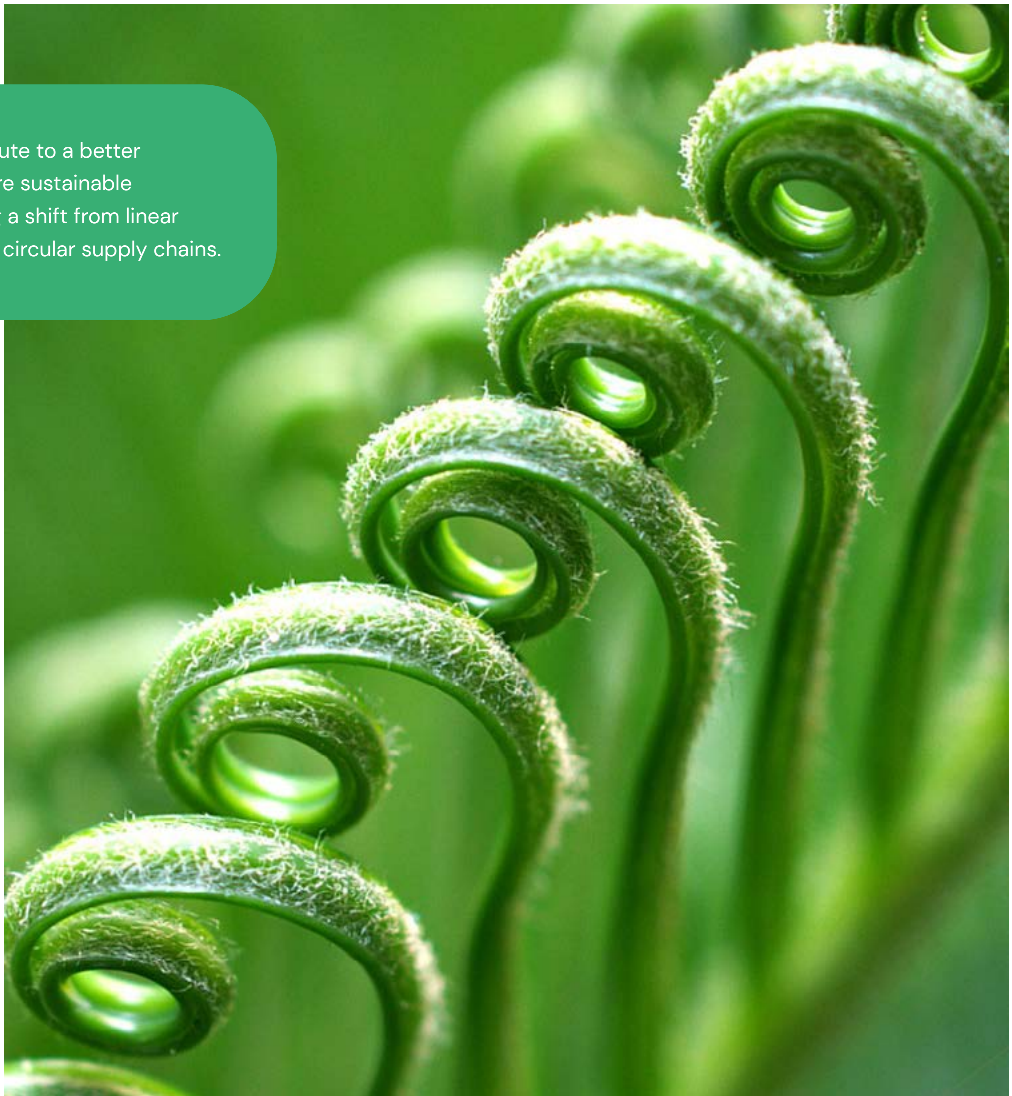
Advanced recycling of mixed plastic waste, predominantly consisting of polyethylene (PE) and polypropylene (PP), can be considered as a complementary process to mechanical recycling and is offering a solution to linear models resulting in incineration and landfill. In 2025, once production efficiency is reaching a normal level, the environmental impact (mainly energy usage, GHG emissions and disposal of wastewater) needs to be validated by a Life Cycle Assessment (LCA) and, where feasible, reduced.

Pryme's IMPACT & ESG strategy focuses on achieving positive environmental impact whilst improving its ESG profile, guided by a commitment to the Sustainable Development Goals (SDGs), ESG regulatory frameworks (CSRD/ ESRS) and the IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

Pryme has not applied the new guidelines IFRS S1 and IFRS S2 that have been issued in June 2023 but are not effective yet. Pryme management does not anticipate that application of the new IFRS Standards will have a material impact on the entity's financial statements in the period of initial application.

Despite not yet applying the new IFRS S1 and S2 guidelines, Pryme, on a voluntary basis and supported by its 'circular economy' investors, has begun integrating qualitative sustainability information into its reporting, demonstrating its leadership ambition in sustainable chemical recycling. This initiative underlines Pryme's commitment to transparency, accountability, and long-term value creation for all stakeholders, solidifying its position as a frontrunner in sustainable chemical recycling within the circular economy.

Our goal is to contribute to a better environment and more sustainable economy by enabling a shift from linear 'take, make, waste' to circular supply chains.



Pryme's ambition and strategy

Circularity

where the focus is on converting mixed plastic waste into pyrolysis oil establishing a closed-loop system for plastic, reducing emissions while conserving 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,

Health, Safety, and Environment (HSE)

emphasizing rigorous standards to ensure a safe workplace for our workforce and contractors. 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 and

Social Responsibility and Innovation

beyond our contribution in addressing society's environmental challenges, we recognize our responsibility to positively impact on societal and governance aspects by actively supporting diversity and inclusion in our workforce, applying ethical business practices to all stakeholders and pioneering sustainable technologies through our in-house research & development activities.

Each pillar represents Pryme's commitment to advancing the circular economy, prioritizing safety and environmental stewardship, and fostering innovation and ethical practices.

Sustainability impacts, risks, and opportunities

Pryme's IMPACT & ESG strategy is based on impact risk analysis and materiality assessment of its operations as well as the value chain to determine its sustainability impacts, risks, and opportunities (IRO). This includes evaluating its circular economy efforts, energy usage, emissions, and collaboration within the value chain to optimize resources and processes.

Pryme emphasizes the importance of retaining key staff, ensuring operational safety, and aligning with sustainability standards to support its ambition to be leading in sustainable chemical recycling and to contributing positively to the environment and society.

Key material sustainability matters (impacts) identified include:

- contributions to the circular economy,
- energy and materials efficiency,
- GHG emissions reduction,
- waste water treatment and disposal,
- compliance with EU taxonomy and HSE regulations.

Business model and value chain

Pryme is an innovative cleantech company focused on converting mixed plastic waste streams into pyrolysis oil through advanced (chemical) recycling at an industrial scale. Advanced (chemical) recycling is an innovative technology to plastic waste recycling that breaks the plastic waste down to its constituent molecular parts. This enables bringing plastic waste back to the original raw materials as petrochemical feedstock (second-life feedstock) which can be reconstituted into new polymers. Advanced recycling expands the range of waste materials that can be recycled, reduces the necessary resources in our economy and bridges the gap between supply and demand for high-quality, virgin-like, recycled plastics..

The conversion process requires energy (electricity) to heat the reactor and to run the extruders, pre-heating systems and the internal transport flows of plastic waste and pyrolysis oil. The market demand for pyrolysis oil is favorable and boosted by increasing regulatory pressure, such as the 2030 targets for recycled content of the European Packaging and Packaging Waste Regulation (PPWR), Industrial Emissions Directive (IED), the Clean Industrial Deal, and others that will drive demand for circular materials and promote circular alternatives over landfill and incineration of plastics.

Raw feedstock for advanced recycling is virtually unlimited given the large volumes of plastic waste and the need for a complementary "recycling loop" for plastics that are mostly incinerated, landfilled or dispersed in the environment in the current situation. Pryme claims the intellectual property (IP) with respect to its specific chemical recycling process and technology in existing patent applications in the EU, the United States and Canada

Following the start of production in January 2024, the ongoing value chain analysis and stakeholder management highlights Pryme's efforts to optimize production processes, procurement of plastic waste, energy consumption, additives, and efficiently manage outputs including pyrolysis oil, non-condensable gases, and other waste, demonstrating its commitment to improving the circular plastics value stream and contributing to environmental sustainability.

Circularity and chemical recycling

Pryme quickly recognized the need to integrate with established industry systems to secure a competitive, reliable, and, crucially, traceable supply chain for its industrial scale pilot plant in Rotterdam. By connecting with top-tier plastic waste converters, all with proven track records of adherence to circular and regulatory compliance, Pryme ensures its ability to convert mixed plastic waste into pyrolysis oil that will meet customer certification requirements.

Central to Pryme's mission is not just converting mixed plastic waste but proving that it can be done while creating value through significant reductions in GHG emission, energy usage and resources depletion, presenting a Life Cycle Assessment (LCA) compelling to regulators, off-takers, and consumers worldwide. This validates advanced recycling as a sustainable solution. Pryme's technology teams have implemented systems to collect over approximately 1.500 data points in real-time from their operations. This data collection will enable Pryme to develop a robust LCA and, more importantly, forecast improvements based on anticipated enhancements to the installation. This process underlines the company's commitment to reducing emissions, energy usage, and waste, while contributing to the circular economy.

During the initial phase of Pryme's operations and the commencement of commercial production of pyrolysis oil, the production process may experience inefficiencies. Pryme's objective is to progressively enhance its production process. It is important to acknowledge that optimizing a novel and innovative production process will necessitate time. Pryme's management is dedicated to this optimization process and aims to efficiently allocate resources, both human and otherwise, to achieve this goal.

Health, safety, and environment

Pryme operates in the highly regulated and closely monitored chemical industry, where it has effectively demonstrated compliance with leading Health, Safety, and Environment (HSE) standards to external parties and regulatory bodies. This achievement is confirmed by positive external audits and recognized by visitors from across the petrochemical sector to the Pryme One site.

In the recruitment process of operators, the candidates' decision to join Pryme is significantly influenced by their confidence in the company's HSE standards and procedures. This not only reflects the effectiveness of Pryme's internal monitoring & reporting tools but also underscores the impactful HSE culture it has established as part of its core values.

Social responsibility and innovation

The company fosters a culture of diversity, equality, inclusion, and innovation, with a strong desire to achieve positive impact. Through its R&D efforts, Pryme is at the forefront of developing technologies and practices that align with its social responsibility and innovation goals. Pryme is an active participant in Project ELECTRO, a collaborative initiative under the EU Horizon research and innovation program, with 12 other partners. This project aims to demonstrate innovative technologies that connect plastic waste management with the petrochemical industry, offering sustainable, low-carbon solutions for olefin and polyolefin production. Pryme's involvement focuses on showcasing the production of pyrolysis oil from mixed plastic waste, using an electrically heated reactor at an industrial scale. This project supports technological advancement in collaboration with experts from Ghent University and other partners, contributes to the development of sustainable circular solutions and delivers insights into the downstream market requirements.

With a focus on advancing their technology, Pryme management has assembled a diverse and professional team, spanning various ages, origins, genders, and nationalities, all committed to the company's IMPACT goals. Despite all efforts, Pryme has not yet achieved the desired mix of men and women, especially in operations.

Throughout the year 2024, HR standards were fully implemented and are consistently being enhanced, ensuring Pryme's growth is on solid ground and aligns with industry benchmarks as the employee base increases.

Sustainability governance within Pryme

Pryme has established a comprehensive governance structure to oversee its sustainability efforts, represented by the IMPACT Committee and ESG Committee. The IMPACT Committee, led by the CEO and comprised of key management members, is tasked with developing IMPACT & ESG strategy, ensuring regulatory compliance, and monitoring with IMPACT & ESG performance indicators. It collaborates closely with the ESG Committee of the Supervisory Board, which provides guidance and monitors the execution of ESG strategies. Together, these committees enable Pryme to align its sustainability practices with investor expectations, regulatory requirements, and internal risk management processes, ensuring a proactive approach to sustainability governance as well as drive the execution of its IMPACT strategy.

Next steps in 2025

Next steps in the execution of Pryme's IMPACT strategy will encompass, subject to progress production ramp-up:

- Life Cycle Assessment, based on stable and close to full capacity production volumes
- Double materiality assessment
- Mass-balance calculations
- Stakeholder management and further roll-out of various governance policies

Metrics and targets

In line with the interests of some of our shareholders (dark green investment funds), Pryme started to compile IMPACT & ESG key performance indicators (KPI's). The KPIs consistently tracked on a quarterly basis mainly relate to social and governance aspects. In 2024 Pryme started monitoring environmental KPIs. This logically relates to the fact that Pryme has produced its first oil and is in the process of ramping up. This will be further expanded and updated in 2025 once Pryme achieves stable production.

The targets set for the Management Board in 2024 encompassed

- Quantitative targets: HSE, number of 'very serious' incidents and number of lost time incidents
- Qualitative targets: ESG/IMPACT roadmap actions and deliverables.

The KPI's monitored over 2024 have been evaluated and serve as a basis to set the targets for 2025. Recording and reporting of IMPACT data requires actual production and GHG emissions data, which require measurements based on stable and near full capacity production. Pryme management expects that the anticipated IMPACT targets can be developed in 2025 and will be available for target setting for the financial year 2026.

Benoît Morelle
CEO

Henning E. Jensen
CHAIR
Supervisory Board

Jan Willem Muller
MEMBER
Supervisory Board

Emmanuel Colombel
MEMBER
Supervisory Board

Financial Statements

7

7.1. Consolidated Financial Statements

7.1.1. Consolidated Statement of Financial Position

Consolidated Statement of Financial Position			
in €000	Notes	31-12-2024	31-12-2023
Assets			
Non-current assets			
Intangible assets			
Development costs	7.3.1	4.905	6.132
Property, plant, and equipment			
Plant and equipment	7.3.2	10.104	39.038
R&D equipment	7.3.2	623	775
Office improvements & furniture	7.3.2	74	107
Right of use assets	7.3.3	3.311	5.661
Financial assets			
Other amounts receivable		250	175
TOTAL NON-CURRENT ASSETS		**19.268**	**51.888**
Current assets			
Inventories	7.3.4	267	83
Trade receivables, other receivables and prepaid expenses	7.3.5	899	1.432
Cash & cash equivalents	7.3.6	5.996	8.204
		7.162	9.719
Assets held for sale	7.3.14	2.975	0
TOTAL CURRENT ASSETS		**10.137**	**9.719**
TOTAL ASSETS		**29.405**	**61.607**
Equity & Liabilities			
Group equity	7.1.3	6.592	39.479
Provisions			
Provisions for decommissioning	7.3.9	670	638
Liabilities			
Non-current liabilities			
Government grants	7.3.11	1.631	1.949
Loans from third parties	7.3.10	11.099	6.901
Leasing liabilities	7.3.3	2.703	5.136
Deferred taxes	7.3.13	23	0
Other liabilities	7.3.10	0	272
TOTAL NON-CURRENT LIABILITIES		**15.457**	**14.258**
Current liabilities			
Loans to third parties	7.3.12	892	756
Leasing liabilities	7.3.3	720	668
Trade payables	7.3.12	1.055	1.713
Payables relating to taxes and social security contributions	7.3.12	103	202
Other liabilities and accrued expenses	7.3.12	1.204	3.893
		3.974	7.232
Liabilities directly associated with the assets held for sale	7.3.14	2.712	0
TOTAL CURRENT LIABILITIES		**6.686**	**7.232**
TOTAL EQUITY AND LIABILITIES		**29.405**	**61.607**

7.1.2. Consolidated Statement of Profit and Loss

Consolidated Statement of Profit and Loss

in € 000	Notes	2024		2023	
Revenues	7.4.1		102		0
Change in inventories		-74		0	
Costs of raw materials, energy and utilities	7.4.2	-953		0	
Personnel expenses	7.4.3	-6.151		-3.981	
Social security premiums and pension costs	7.4.4	-637		-461	
Other operating expenses	7.4.5	-5.480		-2.799	
TOTAL EXPENSES			**-13.295**		**-7.240**
Operating income (EBITDA)			**-13.193**		**-7.240**
Depreciation and amortization	7.4.6		-6.444		-958
Impairment losses	7.4.7		-24.000		-4.900
Operating result (EBIT)			**-43.637**		**-13.098**
Financial income	7.4.8		228		303
Financial expenses	7.4.8		-899		-156
Profit before taxes			**-44.307**		**-12.952**
Income tax	7.4.9		-1		0
Profit (loss) from continuing operations			**-43.308**		**-12.952**
Discontinued operations	7.3.14		-1.406		-2.459
Net profit (loss)			**-45.714**		**-15.411**
Basic earnings as per ordinary share (in EUR)	7.5.5		-0,86		-0,35
Diluted earnings as per ordinary share (in EUR)	7.5.5		-0,86		-0,35
Earnings as per ordinary share - continued operations					
Basic earnings as per ordinary share (in EUR)	7.5.5		-0,84		-0,30
Diluted earnings as per ordinary share (in EUR)	7.5.5		-0,84		-0,30

The comparatives 2023 have been represented as a result of separating the discontinued operations. Reference is made to note 7.3.14.

A Statement of Other Comprehensive Income (OCI) is not disclosed as there are no OCI components.

7.1.3. Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity

in € 000		Share capital	Share premium reserve	Share-based payments reserve	General reserve	Total equity
	Notes	**7.3.7**	**7.3.7**	**7.3.8**	**7.3.7**	
Balance as of 31 December 2022		**1.648**	**45.880**	**112**	**-7.859**	**39.781**
Result for the period					-15.411	-15.411
Issue of shares (Private Placement)	7.3.7	768	13.936			14.704
Accrued for LTI plan	7.3.8			406		406
Issue of RSUs and excercise options LTI plan	7.3.8	3	58	-62	1	0
Balance as of 31 December 2023		**2.419**	**59.874**	**455**	**-23.269**	**39.479**
Result for the period					-45.714	-45.714
Issue of shares (Private Placement)	7.3.7	634	11.308			11.942
Accrued for LTI plan	7.3.8			886		886
Issue of RSUs and excercise options LTI plan	7.3.8	5	133	-246	108	0
Balance as of 31 December 2024		**3.058**	**71.315**	**1.095**	**-68.875**	**6.592**

7.1.4. Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows			
in € 000	Notes	2024	2023
Cash flow from operating activities			
Net income after taxes continuing operations	7.1.2	-44.308	-12.952
Net income after taxes from discontinued operations	7.1.2	-1.406	-2.459
Net income after taxes		-45.714	-15.411
Adjustments to reconcile operating result to net cash flows:			
Depreciation and amortization	7.3.1	6.995	1.127
Impairment PPE	7.4.7	25.200	7.163
LTI Plan	7.3.8	885	405
Interest charges related to leases	7.1.2	359	296
Cancellation lease	7.3.3	1	-2
Movements in provisions	7.3.9	32	638
Movements in government grants	7.3.11	-959	-371
Finance income and expense (non-lease)	7.4.8	443	-315
Movements in working capital			
Movements in inventories	7.1.1	-184	-83
Movements accounts receivable	7.3.5	-153	349
Movements trade payables	7.3.12	-657	764
Movements in other payables	7.3.12	-2.925	492
Interest received		243	278
Interest paid		-852	-748
Net cash flow from operating activities		**-17.286**	**-5.419**
Cash flow from investment activities			
Purchase of property, plant, and equipment	7.3.2	-1.694	-13.939
Increase (-)/ decrease (+) financial assets	7.1.1	-75	67
Government grants received in advance	7.3.11	1.386	2.357
Net cash flow from investment activities		**-382**	**-11.516**
Cash flow from financing activities			
Private placement	7.1.3	11.942	14.704
Payments arising from leasing liabilities	7.3.3	-693	-760
Payments arising from financing	7.3.10	-813	-541
Term loan facility	7.3.10	5.000	-
Proceeds sale and lease-back	7.3.10	133	499
Repayment other non-current liabilities	7.3.10	-109	-283
Net cash flow from financing activities		**15.460**	**13.619**
TOTAL CASH FLOW		**-2.208**	**-3.315**
Cash and cash equivalents at the beginning of the period	7.1.1	8.204	11.519
Net increase in cash and cash equivalents in the period		-2.208	-3.315
Cash and cash equivalents at the end of the period	7.1.1	5.996	8.204

In October 2022 Pryme entered into a sale and leaseback transaction of installation components. In 2024 Pryme received the remaining receivable of € 133 thousand.

The movement in government grants (€ 959 thousand) relates to the utilization of the EU Horizon (Project ELECTRO) government grant (€ 844 thousand) and the TSE grant regarding the valorization of non-condensable gases (€ 115 thousand) in the income statement. In 2024 the amount of government grants received in advance amounted to € 887 thousand, consisting of the ELECTRO grant for € 526 thousand and the TSE grant for € 361 thousand.

7.2. Main notes to the Consolidated Financial Statements

7.2.1. General Information

Main activities of the entity

The activities of the Pryme group of companies ("Group") consist of the development and application of innovative technology in the field of processing plastic waste into pyrolysis oil. Going forward the main revenue stream will relate to the production and sale of pyrolysis oil generated from plastic waste.

Disclosure of Group structure Pryme N.V.

Pryme N.V. is the head of the Group and parent company of Pryme Management B.V. and CCT International B.V. Following an internal restructuring on 30 December 2024, Pryme Management B.V. acquired all shares in both CCT Circular CleanTech B.V. and CCT Circular CleanTech Amsterdam B.V. from CCT International B.V. Information on other related party transactions within the Group is provided in note 7.5.3.

Accounting principles

As of the financial year 2024 Pryme N.V. applies the International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union ("IFRS Accounting Standards-EU") for the consolidated financial statements. As per Part 9, Book 2 DCC, Pryme uses the option to apply the accounting policies as used in the consolidated financial statements (article 362(8) DCC) for the company financial statements. By applying this option, reconciliation is maintained between group equity and company equity.

7.2.2. Going concern

We draw attention to the fact that on 31 December 2024, the company incurred a loss of € 45.7 million in 2024 (2023: € 15.4 million) and that the company's total assets exceed its liabilities by € 6.6 million. This primarily reflects the group's ongoing scale-up phase. Please note that included in the 2024 losses is a non-cash impairment charge of €25.2 million. At the end of 2024, Pryme's cash balance amounted to around € 6.0 million.

The cash burn rate in Q1, 2025 was around €4.3 million. As per plan, it is expected that the Q2 and Q3 cash burn rates will be similar to that of Q1, 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 as early as in Q3, the cash flow effect is not expected to reflect this before Q4 mainly due to estimated additional 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 expected production volumes and improved pricing assumptions for the pyrolysis oil, but most likely not before the second half of 2026. This means that unless the assumptions of the operational and financial plans are accomplished, there is a high probability of Pryme needing additional liquidity within the next 12 months, most likely at the beginning of 2026.
In summary, the expected overall cash outflows, excluding any funding cash flows and any expenditures for future plants, are expected to amount to around €15 million in 2025.

With the funding inflow from the December 2024 private placement received in January 2025 and the committed and expected funding inflow from the pledged and binding private placement subscriptions in April 2025 of €7 million, the overall certain sources of funds amount to around €17 million (€6 million + €4 million + €7 million). The plan and expectation are that Pryme will be operating around the breakeven level in 2026 due to higher production volumes combined with improved and higher pricing for the pyrolysis oil. Thus, the available liquidity of around €17 million is assumed to meet the overall liquidity needs of the company for the period until 12 months after the issuance of this report if, and only if, the company's underlying plan assumptions are met. The cash position for the period after the 12 months period is yet uncertain and depends on the effect of the company's underlying plan and execution thereof.

The above cash flow estimations are based on significant judgements and assessments by the company on the operational cashflows and that these can be negatively or positively impacted by the different assumptions used. Examples of critical unfavorable elements in the underlying assumptions are i) the feasibility of the Pryme technology, ii) further delays in timing and pace of the increase of production, and iii) Pryme's ability to meet the customers' product specifications. On the contrary, examples of potentially positive elements compared to the assumption would include i) improved product pricing (as the company is currently negotiating) ii) an acceleration of the ramping up of production volumes and iii) cost reductions which have not yet been developed as they would depend heavily on the causes of shortfall in production volumes. Most likely, in the event of Pryme not achieving the planned and expected ramp up in production volumes for the next 12 months, the company would need to seek additional funding as described above.

Additionally, it should be noted that the above cash flow estimations exclude any Pryme Two expenditures as these have not been included in either the budget nor in the current strategic plan as the validation of the company's first plant will need to be completed before any expenditures for future plants are budgeted and planned. This represents the current prioritizations of Pryme. Pryme is aware that undertaking activities associated with future plants will require additional funding.

In accordance with the applicable accounting principles, the company confirms that the financial statements have been prepared under the assumption of a going concern. This assumption is based on the profit & loss and cash flows budgeted for 2025 and the strategic forecasts and plan for the year 2026. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The likely need for required additional funding in the event that the operational and financial plan for 2025 and 2026 is not fully met leads to material uncertainties that many cast doubt on Pryme's ability to continue as a going concern.

7.2.3. Material accounting policies

Basis of Preparation

The financial statements for the year ended 31 December 2024 and onwards are prepared in accordance with the IFRS Accounting Standards-EU. The consolidated and company financial statements have been prepared on a historical cost basis. The consolidated and company financial statements are presented in euros and all values are rounded to the nearest thousand (€ 000), except when otherwise indicated.

Application of new and revised standards and interpretations

The overview below shows the new and revised standards that have been issued with an effective date of 1 January 2025 and later. These standards will therefore be applied in the Annual report 2025 and later.

Standards and interpretations not yet effective

IASB and IFRS IC documents	(Expected) EU effective date
IFRS Standards and interpretations	
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	1 January 2027
IFRS 19 Subsidiaries without Public Accountability (issued on 9 May 2024)	1 January 2027
Amendments	
Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	1 January 2026
Annual Improvements Volume 11 (issued on 18 July 2024)	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)	1 January 2026

According to our assessment, these new IFRS standards will have no material impact on Pryme's financial statements in the period of initial application.

Basis of consolidation

Financial information relating to Group companies and other legal entities controlled by Pryme N.V., has been consolidated in the financial statements of Pryme N.V. The consolidated financial statements have been prepared in accordance with the accounting principles of Pryme N.V.

Financial information relating to the Group companies is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions.

The subsidiaries included in the consolidation are:

- Pryme Management B.V., Rotterdam (100%)
- CCT Circular CleanTech B.V., Kapelle (100%);
- CCT International B.V., Antwerpen-Berchem (100%)
- CCT Circular CleanTech Amsterdam B.V., Amsterdam (100%)

Subsidiaries are entities controlled by the Group. Pryme controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases, using consistent accounting policies.

Summary of significant accounting policies

The Group's material accounting policies are described in the relevant individual notes to the Consolidated financial statements or otherwise stated below. These policies have been consistently applied to the years presented, unless otherwise stated.

The individual notes are listed in the table of contents.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is due to be settled within twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. All subsidiaries report in euros.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity of longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received as well as income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, leases included, are not recognized in the cash flow statement. Payments of lease installments qualify as repayments of borrowings under cash used in financing activities and as interest charged under cash generated from operating activities.

7.2.4. Financial risk management

The main financial risks identified by the Management Board to achieve Pryme's objectives are elaborated below:

- Safeguard sufficient funding – Reference is made to note 7.2.2 (Going concern)
- Interest rate risk – Interest rate risk applies both to interest received on the excess cash position, which is linked to the European Short-term Rate (ESTR) and impact on the pricing of external funding and (new) leasing agreements.
- Credit risk – Currently this risk is low as Pryme started commercial test production of Pryme One with low volumes and therefore has a low level of receivables.
- Liquidity risk – This risk is managed based on monthly cash flow forecasts to avoid liquidity constraints.
- Fraud risk, mitigated by:
    - Setting the tone at the top that any fraud is not tolerated
    - Segregation of duties and other internal control measures
    - Introduction of a code of conduct, formalizing the best practices in place
    - Continuous awareness communication and request to speak-up regarding any (suspicion of) non-compliance with our ethical standards

Based on the risk assessment, mitigating actions are put in place to manage these risks. Periodically the Management Board and the Supervisory Board update and review these risks and take appropriate action, if needed.

Capital management

Capital structure

in € 000	Notes	31-12-2024	31-12-2023
Leasing liabilities and other non-current liabilities	7.1.1	15.414	13.733
Grants	7.3.11	1.631	1.949
Trade payables and other payables and accrued expenses	7.1.1	2.362	5.808
Less: Cash and cash equivalents	7.1.1	-5.996	-8.204
Net debt		13.411	13.286
Equity	7.1.3	6.592	39.479
Total Equity and Net debt		20.004	52.765
Gearing ratio		67.0%	25.2%

Capital includes issued capital, share premium and all other equity reserves attributable to the shareholders and the net debt position. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objective when managing capital is to safeguard its ability to continue as a going concern (see note 7.2.2) in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Pryme is a capital-intensive company. Pryme's funding strategy is directed at establishing and maintaining an optimal financing structure that takes into account the current asset base as well as the current and future investment plans. As a start-up company Pryme may fail to timely obtain the necessary equity, grants, or debt funding, which could prevent the company from continuing as a going concern and preventing the company from executing its strategy to roll-out the "proof of concept plant" Pryme One and start building larger plants. Pryme works actively to maintain and further expand the current funding base.

The Group manages its capital structure and aims to expand the gearing ratio, which is 'net debt' divided by total equity plus net debt. The Group's policy is to move to a gearing ratio between 20% and 40%. Within net debt the Group includes interest bearing (leasing) loans and borrowings, trade and other payables, less cash and cash equivalents. Given the nature of the long-term asset base, the company needs a large proportion of long-term funding, either equity, financing, or hybrid funding. As a result of the impairment losses of € 25.2 million in total in 2024, the gearing ratio increased significantly above the preferred range. The impairment losses relate to Pryme One (€ 24.0 million, refer to note 7.4.7 (Impairment losses)), and the Amsterdam site (€ 1.2 million, refer to note 7.3.14 (Assets held for sale)). Therefore, additional (equity) funding is required.

To achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets (financial) conditions attached to government grants, lease agreements and other interest-bearing loans and borrowings that define capital structure requirements. These agreements do not contain obligations to meet certain financial ratios. There have been no breaches of the (financial) conditions in the current period.

No changes were made in the objectives, policies, or processes for managing capital during the years ending on 31 December 2024 and 31 December 2023.

7.2.5. Significant estimates and judgements

The preparation of the Pryme consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures, and the disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Despite management's best efforts to accurately estimate such amounts, future results could materially differ from those estimates.

The following management insights, estimates and assumptions, given the nature of Pryme's activities, might have significant impact on the financial statements. The key elements of uncertainty in the estimates and judgements are as follows:

Key estimates

- Estimates and assumptions related to impairment test of Pryme One (note 7.4.7), impairment of intangible assets (note 7.4.7), and assets held for sale (note 7.3.14)
- Estimating the incremental borrowing rate
- Valuation deferred tax asset (note 7.3.13)
- Residual value and provision for decommissioning Pryme One

Key judgements

- Anticipated duration of the leasing contract for the Pryme One site (note 7.3.3)
- Useful life of Plant and Equipment Pryme One (note 7.4.5)
- Useful life of intangible assets (note 7.3.1)

Estimates and assumptions related to impairment test of Pryme One and intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation should be based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. This information is not available.

The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget 2025 and a forecast for the next 7 years. Pryme is not committed to significant future investments that will enhance the performance of the assets of the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows, production efficiency and cost level growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the CGU Pryme One are further explained in note 7.4.7.

Similar to the impairment testing for Pryme One, the value in use of the intangible assets (development costs) have been tested. Based on the anticipated revenues of Pryme One and the agreed upon Intellectual Property fees, the value in use exceeds the carrying value of the intellectual property. For further details we refer to note 7.3.1.

The impairment test on the assets held for sale is based on a valuation report of an external real estate broker.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. Main source of information are the interest rates charged on new contracts. Comparing these interest rates and international benchmark interest percentages for large, mature chemical companies, we notice that for Pryme as small start-up entity, the cost of (asset-backed) debt on average lies approximately 5% above the interest rate of Dutch government bonds with a duration of 10 years.

Anticipated duration of the leasing contract for the Pryme One site

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. For the Pryme One site, the Group assumes to make use of the extension option for 5 years starting as of 1 March 2027 till 29 February 2032, unless the lessor gives notice of termination. Pryme further assumes to continue the lease of the main components (a reactor, two extruders and a walking floor) of the installation. For further details regarding leasing, we refer to note 7.3.3.

In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Useful life of Plant and Equipment Pryme One

The useful life of Pryme One is closely connected to the anticipated period the Pryme One installation will be used for testing and generating process data as input for the design, construction, and production process of future larger chemical recycling plants. Pryme Management assumes that the Pryme One plant will be used for 8 years until 29 February 2032, in line with the assumed duration of the lease contract of the Pryme One site.

Useful life of intangible assets

The useful life of the asset is estimated at 5 years (straight-line), taking into consideration the anticipated technological obsolescence (rapid changes in technology), which might reflect a reduction of the future economic benefits.

Valuation deferred tax asset

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Taking into account the lack of track record for Pryme to generate profits, the uncertainties surrounding the Pryme business model and activities and the significant period anticipated to recover these losses, Pryme only recognized deferred tax assets up to the level of the deferred tax liability related to right-of-use assets recognized in the financial statements of 2024.

For further details reference is made to note 7.3.13.Residual value and provision for decommissioning Pryme One
Pryme has recognized a provision for decommissioning obligations associated with the Pryme One site and installation.

Our assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The estimates and the underlying assumptions are reviewed on a regular basis. Adjustments are made in the period in which the estimates were reviewed, if the adjustment affects that period, or in the relevant period and the future periods if the adjustment affects both current and future periods.

7.3. Notes to the Consolidated Statement of Financial Position

7.3.1. Intangible Assets

Accounting policies

Intangible assets are stated at cost less accumulated amortization and impairment losses. Impairment testing is executed if an impairment trigger is identified. This is relevant if the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its recoverable amount. With regards to the determination as to whether an intangible asset is subject to impairment.

Research costs are recognized in the consolidated profit and loss account. Expenditure on development projects is capitalized as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realized) and the cost can be determined reliably. The amortization of capitalized development costs commences at the time when commercial production starts and takes place over the expected future useful life of the asset. The useful life of the asset is estimated at 5 years (straight-line).

Movements in intangible assets

Intangible Assets			
in € 000	Note	Development costs	Total
Cost			
At 31 December 2022	7.1.1	**6.132**	**6.132**
Additions - internally developed		0	0
At 31 December 2023	7.1.1	**6.132**	**6.132**
Additions - internally developed		0	0
At 31 December 2024	7.1.1	**6.132**	**6.132**
Amortization and impairment			
At 31 December 2022		**0**	**0**
Amortization	7.4.6	0	0
At 31 December 2023		**0**	**0**
Amortization	7.4.6	1.226	1.226
At 31 December 2024		**1.226**	**1.226**
Net book value			
At 31 December 2022	7.1.1	6.132	6.132
At 31 December 2023	7.1.1	6.132	6.132
At 31 December 2024	7.1.1	4.905	4.905

The development costs encompass all the efforts spent on:

- Intellectual property and know-how regarding the conversion of plastic waste into a form of (pyrolysis) oil, including (claims to) patents, trademarks, etc.
- All developed design, engineering (software), tools and equipment for the above process.
- All documentation of process modules, manufacturing methods and software programs.

Amortisation started on 1 January 2024, after commencing commercial production at plant Pryme One. The remaining amortization period is therefore 4 years. Impairment testing confirmed that the carrying value is below the recoverable amount.

No borrowing costs directly attributable to the development costs have been capitalized as part of the intangible asset.

Impairment development costs

The recoverable amount of the development costs in respect of the CGU CCT International B.V. is determined based on a value in use calculation using the cash flow projections for Pryme One covering a seven-year period. This period is in line with the expected economic life of Pryme One. As a result of this analysis, management did not identify an impairment for this CGU. Impairment testing confirmed that the carrying value is below the recoverable amount. Reference is made to note 7.4.7.

7.3.2. Property, plant, and equipment - owned assets

Accounting policies

Property, plant, and equipment mainly comprises plant and equipment of Pryme One (Rotterdam) and our labscale plant at Ghent University.

Plant and equipment are broken down into their components and carried at cost, net of accumulated straight-line depreciation and less any impairment losses. Borrowing costs that are directly attributable to the construction of the plant form part of the cost of Plant and equipment. This also applies to the (financially) leased equipment reported under this section. Other borrowing costs are recognised as an expense. Costs encompass the initial cost plus other direct acquisition costs (duties and transport) and installation costs that can be allocated directly, such as design and engineering costs as well as hours of own employees and contractors. Investment grants are deducted from the costs.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item are expected and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of repairs and maintenance that do not increase the future economic benefits are recognized as expenses.To the extent that dismantling obligations exist at the end of the useful life, these estimated costs and any amendments thereto are included in the cost of the assets.

Impairments expected at year-end of the reporting period are considered (see note 7.4.7).

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful economic lives as follows:

- Land: No depreciation
- Plant and equipment 8 years
- R&D facility equipment 4 years
- Office furniture and equipment 3-5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and reported as an adjustment of the depreciation or amortization of the assets involved. In 2024 no such gains or losses are included in the consolidated statement of profit and loss.

Movements in property, plant, and equipment – owned assets

Property, plant and equipment						
in € 000	Notes	Machinery under construction	Plant and equipment	R&D equipment	Office improvements and furniture	Total
Cost						
At 31 December 2022		**33.818**	**4.063**	**0**	**70**	**37.951**
Additions		14.301	0	39	62	14.403
Transfer completed installation		-48.119	47.130	990	0	0
Government grant (DEI subsidy)		0	-4.992	0	0	-4.992
At 31 December 2023		**0**	**46.201**	**1.029**	**132**	**47.362**
Additions		0	1.584	110	0	1.694
Transfer assets held for sale	7.3.14	0	-4.063	0	0	-4.063
At 31 December 2024		**0**	**43.722**	**1.138**	**132**	**44.992**
Depreciation and impairment						
At 31 December 2022		**0**	**0**	**0**	**0**	**0**
Depreciation		0	0	-254	-25	-279
Impairment		0	-7.163	0	0	-7.163
At 31 December 2023		**0**	**-7.163**	**-254**	**-25**	**-7.442**
Depreciation		0	-4.719	-261	-33	-5.013
Impairment	7.4.7	0	-24.000	0	0	-24.000
Transfer assets held for sale	7.3.14	0	2.263	0	0	2.263
At 31 December 2024		**0**	**-33.619**	**-515**	**-58**	**-34.192**
Net book value						
At 31 December 2022		33.818	4.063	0	70	37.951
At 31 December 2023		0	39.038	775	107	39.920
At 31 December 2024	7.1.1	0	10.104	623	74	10.801

The Amsterdam site (plant, and equipment not used in production process) mainly relates to plant and equipment and is held for sale. The purchase price of the site amounted € 3.5 million, plus the acquisition of an overdue ground lease liability of € 544 thousand. Reference is made to note 7.3.14 (Assets held for sale).

Impairments relate to components which will not deliver future economic benefits. These impairment losses are recognized in the Statement of Profit and Loss. Reference is made to note 7.4.7 regarding impairment testing.

The additions in Plant and equipment and R&D equipment of € 1.6 million and € 110 thousand relate to the Pryme One plant in Rotterdam and the R&D facility at Ghent University (Belgium), respectively. Depreciation started after commencing commercial production at Pryme One as of 1 January 2024. The Lab installation (R&D equipment) in Ghent is in use and being depreciated as of 1 January 2023.

7.3.3. Leases

Accounting policies

Identification as lease contract

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for a consideration. Pryme applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets. In line with the nature of its activities, Pryme has long-term land leases and leases of other non-current assets such as Plant and equipment and company cars. Most of the contracts contain extension options.

Some contracts contain both lease and non-lease components. Pryme allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements in general do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes by Pryme.

Right-of-use assets

Pryme recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery — 8 to 10 years
- Lab scale R&D equipment (UGhent University) — 4 years
- Motor vehicles and other equipment — 3 to 5 years
- Office space — 1,5 to 4 years

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Pryme is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

In case the ownership of the leased asset transfers to Pryme at the end of the lease term, the cost reflects the exercise of a purchase option. The right-of-use assets are also subject to impairment. We refer to the accounting policies in note 7.4.7 (Impairment losses). Right-of-use assets that are part of the assets held for sale are reported separately. We refer to note 7.3.14 (Assets held for sale).

Leasing liabilities

At the commencement date of the lease, Pryme recognises leasing liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

Lease payments are allocated between a principal and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The principal amount of the lease payment is deducted from the lease liability.

Some lease arrangements do contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition. To the extent that dismantling obligations exist at the end of the useful life, these estimated costs and any amendments thereto are included in the cost of the assets or decommissioning costs are expected to be offset against the proceeds of the materials disposed of.

Leasing liabilities that are directly associated with assets held for sale are reported separately. We refer to note 7.3.14.

Short-term leases and leases of low-value assets

Pryme applies the short-term lease recognition exemption to its short-term leases of equipment, cars, and office space i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment and software that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Incremental borrowing rate

The lease payments are in almost all instances discounted using the incremental borrowing rate of Pryme. This is because the interest rate implicit in the lease can in most instances not be readily determined. The incremental borrowing rate is the rate that Pryme would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment with similar terms, security and conditions.

As a basis for the calculation of the interest rate, a risk-free rate is used, being the interest rate on Dutch government securities, plus 5 percentage points. The incremental borrowing rate for new leases in 2024 is set at 8.0%.

Movements in property, plant, and equipment – leased assets

Leasehold equipment includes the extruders, reactor, walking floor and some other equipment installed and in use at Plant On, office space as well as some vehicles.

Movements of the carrying amounts of Right-of-use assets:

Movements of the carrying amounts of Right-of-use assets					
in € 000	Notes	Land and Buildings	Plant and equipment	Vehicles	Total
Purchase price of operating assets		4.652	0	225	4.877
Accumulated depreciation		-1.031	0	-46	-1.077
Carrying amount as of 31 December 2022		**3.621**	**0**	**179**	**3.801**
Additions		149	607	82	838
Depreciation expense		-646	-152	-50	-848
Remeasurements		1.890	17	16	1.923
Divestment purchase price		-80	0	-73	-154
Divestment accumulated depreciation		80	0	21	102
Carrying amount as of 31 December 2023	7.1.1	**5.015**	**471**	**175**	**5.661**
Purchase price of operating assets		6.611	623	250	7.484
Accumulated depreciation		-1.596	-152	-75	-1.823
Carrying amount as of 31 December 2023	7.1.1	**5.015**	**471**	**175**	**5.661**
Additions		0	0	115	115
Depreciation expense		-470	-208	-78	-756
Remeasurements		207	0	1	208
Divestment purchase price		0	0	-102	-102
Divestment accumulated depreciation		0	0	55	55
Assets held for sale	7.3.14	-1.870	0	0	-1.870
Carrying amount as of 31 December 2024	7.1.1	**2.881**	**263**	**167**	**3.311**
Purchase price of operating assets		4.842	623	265	5.730
Accumulated depreciation		-1.961	-360	-98	-2.419
Carrying amount as of 31 December 2024	7.1.1	**2.881**	**263**	**167**	**3.311**

The remeasurement of € 1.9 million in 2023 mainly related to the extended scope of the lease contract of the Pryme One location, from February 2027 to February 2032.

Movements of lease liabilities:

Movements of lease liabilities			
in € 000	Notes	2024	2023
As at 1 January		**5.804**	**3.857**
Additions		115	838
Accretion of interest		359	296
Remeasurements		200	1.923
Divestments		-45	-54
Payments		-1.052	-1.056
Assets held for sale	7.3.14	-1.958	0
As at 31 December		**3.423**	**5.804**
Current	7.1.1	720	668
Non-current	7.1.1	2.703	5.136

Lease expenses recognised in the consolidated statement of profit and loss:

Lease expenses recognised in the consolidated statement of profit and loss			
in € 000	Notes	2024	2023
Depreciation expense of right-of-use assets	7.4.6	712	848
Interest expense on lease liabilities	7.4.8	227	296
Interest expense on lease liabilities assets held for sale	7.3.14	133	128
Expense relating to short-term leases	7.4.5	766	441
Total amount recognized in the Profit and Loss		1.838	1,713

Pryme had non-cash additions to right-of-use assets and lease liabilities of €323 thousand in 2024 (€ 2.8 million in 2023). There are no future cash outflows relating to leases that have not yet commenced.

Lease commitments:

As of 31 December 2024 and 31 December 2023, there are no material leases to which Pryme has committed, but which have not yet commenced.

Maturity analysis - Contractual undiscounted lease cash flows as of 31 December 2024:

Maturity analysis - Contractual undiscounted lease cash flows as of 31 December 2024				
in € 000	Within one year	One to five years	More than five years	Total
Contractual undiscounted lease cash flows - Land and buildings	-592	-2.197	-1.230	-4.019
Contractual undiscounted lease cash flows - Plant and equipment	233	64	0	297
Contractual undiscounted lease cash flows - Transport	73	113	0	186
At 31 December 2024	**-286**	**-2.019**	**-1.230**	**-3.535**
Lease liabilities included in the Statement of Financial Position as of 31 December 2024				**3.423**
Current				**720**
Non-current				**2.703**

Maturity analysis - Contractual undiscounted lease cash flows as of 31 December 2023				
in € 000	Within one year	One to five years	More than five years	Total
Contractual undiscounted lease cash flows - Land and buildings	714	2.734	7.188	10.636
Contractual undiscounted lease cash flows - Plant and equipment	233	303	0	536
Contractual undiscounted lease cash flows - Transport	66	132	0	198
At 31 December 2023	**1.013**	**3.170**	**7.188**	**11.371**
Lease liabilities included in the Statement of Financial Position as of 31 December 2023				**4.239**
Current				**756**
Non-current				**3.482**

The average weighted duration of the lease commitments is 77 months (6.4 years). The Pryme One installation accounts for € 4.0 million of the total contractual undiscounted lease cash flows.

Lease extension and termination options:

Pryme has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with Pryme's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The lease agreement with Plant One Rotterdam (Pryme One site) offers the option to extend the lease term after the current term ending 28 February 2027. Currently Pryme has the intention to extend this lease with another five-year term up to and including 29 February 2032, unless the lessor give notice of termination. After this date the lease can be continued for consecutive periods of one year, subject to termination by both lessee and lessor with a notice period of twelve months.

Therefore, there are no material undiscounted potential future lease payments relating to periods following the exercise date of extension options that is not already included in the lease term.

7.3.4. Inventories

Accounting policies

Inventories are valued at the lower of cost and net realisable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the tax authorities), and transport, handling, and other costs directly attributable to the acquisition of finished goods, materials, and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour and energy. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings, equipment and right-of-use assets used in the production process, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The value of produced pyrolysis oil is recognized by applying the standard cost per ton.

Inventories

Inventories			
in € 000	Notes	31/12/2024	31/12/2023
Feedstock plastic waste - Raw materials		89	55
Pyrolysis oil		176	26
Other inventories		2	3
	7.1.1	267	83

Inventory of Pryme consist of plastic waste purchased in bulk quantities (bales, pellets), additives and produced pyrolysis oil and are valued at the lower of cost and net realisable value.

7.3.5. Trade receivables, other receivables, and prepaid expenses

Accounting policies

Receivables and accrued income are initially valued at the fair value of the consideration to be received unconditionally, including transaction costs, if material. Receivables are subsequently valued at the amortized cost price. If there is no premium or discount and there are no transaction costs, the amortized cost price equals the nominal value of the accounts receivable.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Provisions for bad debts are deducted from the carrying amount of the receivables from third-party customers.

Other receivables and prepaid expenses are valued at amortized cost.

Trade receivables, other receivables, and prepaid expenses

Trade receivables, other receivables, and prepaid expenses			
in € 000	Notes	31-12-2024	31-12-2023
Taxes and social security charges		490	428
Other amounts receivable		169	731
Accruals and prepaid expenses		240	273
	7.1.1	899	1.432

Taxes and social security charges:

Taxes and social security charges			
in € 000	Notes	31-12-2024	31-12-2023
Value added tax		412	408
Pension premium company contributions		78	19
		490	428

Other receivables:

Other receivables			
in € 000	Notes	31/12/2024	31/12/2023
Receivables related to the sale and lease back transaction	7.3.3	0	133
Subsidies receivable	7.3.11	0	499
Other amounts receivable		169	99
		169	731

Both the receivables related to the sale and leaseback transaction with Rabo Lease B.V. and the subsidy receivable related to the DEI grant have been collected in 2024.

7.3.6. Cash and cash equivalents

Accounting policies

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than three months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Cash and cash equivalents:

Cash and cash equivalents			
in € 000	Notes	31/12/2024	31/12/2023
Rabobank		5.669	8.007
ING Bank		327	198
	7.1.1	5.996	8.204

As of April 2023, Pryme NV entered into an interest rate agreement with Rabobank. The interest rate is determined by the Euro Short Term Rate (€STR) with a discount of 60 base points and was continued for 2024. All bank balances held by the entity are available for use by the group. The interest rate agreement has been extended until 31 December 2025 under the same conditions.

7.3.7. Share capital and other reserves

Authorized share capital:

Authorized share capital			
in € 000	Number of shares	31-12-2024	31-12-2023
Ordinary shares of € 0,05 each	75.000.000	3.750	3.750
		3.750	3.750

Ordinary shares issued and fully paid (nominal value):

Ordinary shares issued and fully paid (nominal value)			
in € 000	Notes	2024	2023
At 1 January		2.419	1.648
Issue of ordinary shares		634	768
Issue ordinary shares related to LTI Plan	7.3.8	5	3
At 31 December		3.058	2.419

The company has one class of ordinary shares which carry no right to fixed income. Each share confers the right to cast one vote at the company's general meeting.

Ordinary shares issued and fully paid (number of shares):

Ordinary shares issued and fully paid			
	Notes	2024	2023
		# shares	# shares
At 1 January		48.386.416	32.963.822
Issue of ordinary shares		12.672.933	15.367.044
Issue ordinary shares related to LTI Plan	7.3.8	109.050	55.550
At 31 December		61.168.399	48.386.416

At the General Meeting of Shareholders on 27 June 2023 the Supervisory Board asked for and received authorization to issue 4.833.086 shares. This authorization may be used to issue shares under the LTI plan. Reference is made to note 7.5.5 for all awards of shares and options by the Supervisory Board.

At the Extraordinary General Meeting of Shareholders on 9 April 2024 the Supervisory Board received authorization to issue 12.672.933 shares through a private placement of new shares with gross proceeds of € 12 million (price € 0,9469 per share). For further details regarding awarded shares and stock options, and the issue of shares, reference is made to note 7.5.5.

Share premium reserve			
in € 000	Notes	2024	2023
At 1 January		59.874	45.880
Issue of ordinary shares (Private Placement)		11.308	13.936
Issue of ordinary shares related to LTI Plan	7.3.8	133	58
At 31 December		71.315	59.874

Nature and purpose of the share premium reserve

The Share Premium related to the issue of shares (private placements) comprises of the difference between the subscription price and the nominal value of the shares. All costs incurred related to the issue of shares are deducted from the proceeds of the issue of shares. In case of issuing ordinary shares related to the vesting of shares according to the LTI plan, the difference between the accrued Share-based Reserve and the nominal value of the shares is added to the Share Premium Reserve, less all costs incurred directly related to the issue of these shares.

General reserve:

General reserve			
in € 000	Notes	2024	2023
At 1 January		-23.269	-7.859
Appropration of result		-45.714	-15.411
Issue of RSUs and exercise options LTI plan		108	1
At 31 December		-68.875	-23.269

Nature and purpose of the General reserve:

The movements in the General reserve only relate to the appropriation of result. The commitments related to the equity-settled share-based payments (LTI plan) provided to (i) Supervisory Board members, and to (ii) employees and contractors, including key management personnel, as part of their remuneration, are recognized in the Share-based Payments Reserve. For further details with regard to the LTI plan reference is made to note 7.3.8.

The commitment to Energietransitiefonds B.V. to provide 300.000 shares (RSUs) at the date of repayment of the loan is recognized as an equity-settled share-based payment. Reference is made to note 7.3.8 and note 7.3.10.

In 2024 and 2023 no dividends have been declared nor distributed.

At the general meeting of shareholders on 27 June 2023 the Supervisory Board asked for and received authorization to issue 4.833.086 shares. This authorization has been used in respect of the LTI plans in 2023 and 2024.

7.3.8. Share-based payments

Accounting policies

The Pryme long-term incentive plan (LTI plan) consists of two components: Restricted Stock Units ("RSUs") and Stock Options ("Options"). RSU's are valued at market value at the grant date. This also applies to share-based payments to external service providers. The fair value of the Options is estimated at the grant date using an option pricing model, considering the terms and conditions on which the Options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest. The Options can be exercised up to ten years after the date of the grant and taking into account the vesting period. The scheme is equity-settled and only allows cash settlement at the discretion of the company. Pryme does not have a past practice of cash settlement for these Options. Pryme accounts for the LTI plan as an equity-settled plan.

Pryme has elected to present the accrued LTI plan and other share-based payment amounts under the Share-based payments reserve as part of equity. The entity recognizes an increase in equity when the services (performance provided by eligible supervisory board members, directors, managers, contractors, employees and other external service providers) are received. The value of the services rendered is assumed to be equal to the market value of the equity instruments at the date of the grant. The exercise price of the Options is equal to the market price of the underlying shares on the date of grant. The costs are incurred equally over the vesting period of the awarded equity instruments.

At vesting of Restricted Stock Units (RSUs) and when Options are exercised, the accrued amounts are transferred to the Share premium reserve. Any excess of cash received from employees at settlement over the accrued amount of Options is transferred to the General Reserves and no longer earmarked under accrued amounts LTI plan. In case of a shortfall the additional costs of the settlement are incurred as cost in the Statement of Profit and Loss. After the expiry of options, the accrued amounts LTI plan are transferred to the General reserve in a similar manner.

Long-term incentive plan and other Share-based payments

In 2022, 2023 and 2024, Pryme has awarded equity instruments, Restricted Stock Units (“RSUs”) and or Stock Options (“Options”), to its employees, contractors, and supervisory board members in accordance with the authority granted to Pryme’s supervisory board (“SB”) by Pryme’s general shareholders meetings on multiple occasions. In 2024, in connection with a term loan facility provided by Energietransitiefonds B.V., Pryme committed to provide 300.000 RSUs at the time of repayment of the loan. This commitment is considered a share-based payment and is recognized accordingly.

The company operates a share-based LTI plan, which is classified as equity-settled share-based payment plan. Vesting is dependent on being in service with the company during the vesting period. As a principal, awarded equity instruments will be expensed over the vesting period of the equity instruments.

The intention of this plan is to (i) attract and retain management and staff whose services are important to the Company’s success, (ii) motivate such management and staff to achieve the long-term goals of the Company, (iii) reward such management and staff for outstanding performance and behaviour, (iv) provide variable compensation opportunities that are competitive with those of other companies, and (v) encourage such management and staff to own common shares of the company and thus achieve an alignment of interest with shareholders in the long-term health and value of the company.

The LTI plan makes use of two components: RSUs and Options. The LTI plan defines the terms for both components of the grant. The other share-payment commitment currently only consists of RSUs.

Expenses recognised for employee and other services received during the year:

Expenses recognised for employee and other services received during the year			
in € 000	Notes	2024	2023
Expenses arising from equity settled share based payment transactions (RSUs)		412	108
Expenses arising from equity settled share based payment transactions (Options)		473	298
Total expenses airing from share based payment transactions		**885**	**406**

Movements share-based payments accrual reported in the Statement of changes of equity:

Movements share-based payments accrual reported in the Statement of changes of equity			
in € 000	Notes	2024	2023
Balance as of 1 January	7.1.3	455	112
Accrued		886	406
Issue of RSUs and exercise options		-138	-62
Forfeited RSUs and options		-108	0
Balance as of 31 December	7.1.3	**1.095**	**455**

During the year, a reclassification was made from Share-based payments reserve to Share premium reserve in the amount of € 133 thousand (2023: € 59 thousand) and share capital € 5 thousand (2023: € 3 thousand) related to the vesting and issue of RSUs. Forfeited RSUs and Options resulted in a release of € 108 thousand of the Share-based payments reserve in 2024. In 2023 the release of € 1 thousand related to a settlement of Options.

Overview equity instruments awarded, the number of RSUs and Options, strike prices and expiration dates for the Options and vesting years:

Outstanding and unvested equity instruments awarded	Total	Expiration date	Vesting years					
			2022	2023	2024	2025	2026	2027
Outstanding and unvested RSUs awarded	1.030.218		0	0	0	124.900	374.518	530.800
Options awarded								
Strike price:								
NOK 51,20	30.000	2025	30.000	0	0	0	0	0
NOK 16,49	223.500	2033	0	0	74.500	74.500	74.500	0
NOK 11,33	487.450	2032	0	39.150	224.150	224.150	0	0
NOK 10,00	340.000	2026/2032	0	285.000	7.500	23.750	13.750	10.000
NOK 11,00	120.000	2034	0	0	0	52.500	52.500	15.000
NOK 6,69	708.000	2034	0	0	0	236.000	236.000	236.000
Options awarded	1.908.950		30.000	324.150	306.150	610.900	376.750	261.000
Total equity instruments awarded	**2.939.168**		**30.000**	**324.150**	**306.150**	**735.800**	**751.268**	**791.800**
Weighted averages exercise price options (NOK)	10,58							
Number of outstanding shares as of December 31, 2024	61.168.399							0

LTI plans and other Share-based payments - RSUs

As part of the LTI plans 2022, 2023 and 2024 the company has awarded RSUs to eligible management, contractors, and staff members as well as to an external service provider. Generally, the RSUs vest equally in three years. The first vesting period terminates one year after the grant year. The full costs of the LTI plan and other Share-based payments are borne by the company.

The movements in outstanding LTI plan shares awarded to eligible management, contractors and staff members can be summarised as follows:

Movements during the year - RSUs	Notes	2024	Weighted average stock price	2023	Weighted average stock price at grant date
		Number		Number	
			€ 1		€ 1
Outstanding as of 1 January		260.850	1,29	168.300	1,10
Granted during the year		957.668	0,75	165.000	1,41
Forfeited during the year	1)	-79.250	1,31	-16.900	1,10
Exercised during the year		-109.050	1,27	-55.550	1,10
Expired during the year		0		0	
Outstanding as of 31 December		1.030.218	0,79	260.850	1,29

Note 1: Forfeited RSUs during the year fully relate to LTI-participants leaving the company.

LTI plan – Options

On an annual basis and on certain other occasions, Options under the LTI plan may be conditionally granted to eligible management, contractors, and staff members. The Options generally vest yearly over a three-year vesting period. In some specific situations Options have been awarded with deviating vesting periods.

The vested options have an exercise period of 10 years after the grant year, after which the Option expires.

The movements in outstanding LTI plan share options awarded to the supervisory board, management, contractors, and staff members can be summarised as follows:

Movements during the year - Options	Notes	2024	Weighted average	2023	Weighted average exercise price
	1)	Number		Number	
			NOK 1		NOK 1
Outstanding as of 1 January		1.265.900	13,16	557.700	12,76
Granted during the year		917.250	7,80	722.900	13,49
Forfeited during the year		-274.200	13,20	-13.100	11,33
Exercised during the year		0	N/A	-1.600	11,33
Expired during the year		0	N/A	0	N/A
Outstanding as of 31 December		**1.908.950**	10,58	**1.265.900**	13,16
Exercisable as of 31 December	2)	660.300	13,13	388.500	12,43

Note 1: The weighted average exercise prices are calculated based on the NOK-exchange rate as of the grant date of the Option awards from time to time.

Note 2: The Options exercisable as of 31 December 2024 refer to the Options awarded to the Supervisory Board members (315.000) and management, contractors, and staff (345.300). The Options awarded to the Supervisory Board members can only be exercised after the end of their term. The other Options can be exercised till the expiration in 2032, 2033 or 2034.

The exercise price of the Options is equal to the market price of the underlying shares on the date of grant.

The maturity date of the awards to the Supervisory Board in 2022 is 4 years. As the Supervisory Board expects the major movements in share price for Pryme to take place within 4 years of the grant date, it was decided to value the Options to the Supervisory Board members at the same value as regular awards under the 2022 LTI plan.

Under certain circumstances, at discretion of the Company, a cash settlement is possible.

As of 2023 the fair value of the Options under the equity-settled share-based payment plans are determined using the Black-Scholes valuation model.

The significant parameters into this model were the following:

Valuation model parameters for Stock Options granted under LTI plan 2023 and 2024:	Notes	2024	2023
Weighted average fair values at the measurement date (€, 30 days VWAP)		1,075	1,408
Dividend yield (%)		0	0
Expected volatility (%)		70,7	70,7
Risk-free interest rate (%)		3,475	3,475
Expected life of Stock Options (years)		10	10
Weighted average share price (€, 12 months VWAP)		0,51	1,498
Model used	1)	Black-Scholes	Black-Scholes

Note 1: For the awards under the LTI plan 2023 and 2024, the valuations applied are strictly in accordance with the Black-Scholes model as trading volumes, patterns and stock price volatility have approached general market levels compared to the situation before 2023. Thus from 2023 onwards, the Black-Scholes model is used as the valuation model for equity awards.

It should be noted that, as is generally customary, a 3-month period is applied for the volatility estimation. A sensitivity analysis where the period used for the volatility calculation was increased to 6 and 12 months showed no significant differences to the model output using a 3-month period. Therefore the 3-month period is used.

7.3.9. Provision for decommissioning

Accounting policies

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. As part of the identification and measurement of the plant and equipment (Pryme One), a provision for decommissioning is recognized. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

Provision for decommissioning

Provision for decommissioning			
in € 000	Notes	2024	2023
Balance as of 1 January	7.1.1	638	0
Addition		32	638
Balance as of 31 December	7.1.1	**670**	**638**

Pryme is committed to decommissioning the "Plant One Rotterdam" site at the end of the extended lease term (1 March 2032), subject to a further extension of the lease term mutually agreed upon by the lessor and the lessee. The provision for decommissioning encompasses a best estimate of the discounted costs to dismantle the Pryme One installation at the expected end of the lease (March 2032).

7.3.10. Non-current liabilities

Accounting policies

On initial recognition other long-term liabilities are recognized at fair value. After initial recognition other long-term liabilities are recognized at amortized cost, being the amount received considering premiums or discounts and transaction costs. This is usually the nominal value.

For the accounting treatment of non-current liabilities related to leasing and government grants we refer to respectively the notes 7.3.3 and 7.3.11.

Non-current liabilities carried at amortized cost:

Non-current liabilities carried at amortized cost			
in € 000	Notes	31-12-2024	31-12-2023
Loans from third parties		11.099	6.901
Other liabilities	7.3.14	0	272
	7.1.1	11.099	7.173

The loans from third parties relate to the outstanding monthly installments of leased equipment following a sale and leaseback transaction of € 6.1 million (2023: € 6.9 million) in respect of leased equipment and a loan drawn in 2024 (€ 5 million). The loan related to leased equipment is elaborated below.

Sale and leaseback transaction

In October 2022 Pryme entered in a sale and lease back transaction covering the following equipment for a total consideration of € 8.2 million:

- 2 extruders
- Reactor
- Walking Floor

The lease-term of these assets is 102 months (8,5 years), and the interest rate amounts 5,8%. The residual value is determined at 12,5% of the initial cost. The consideration amounted to € 8.2 million of which € 7.6 million was collected in 2022. The remaining amount of € 607 thousand was received upon payment of the outstanding instalments to the equipment suppliers in 2023 (€ 474 thousand) and 2024 (€ 133 thousand).

The reason for entering into this sale and leaseback transaction was improving Pryme's financial structure and liquidity position. As security for the (financial) leasing liability the legal ownership of the equipment remains with the lessor. At the end of the lease term Pryme has three options: 1) return the equipment, 2) extend for 12 months or more or 3) purchase the equipment for 12,5% of the original purchase price.

The transaction was not accounted for as a sale-and-leaseback transaction in scope of IFRS 16, but as a financing transaction. The transfer of the asset did not meet the requirements of a sale in terms of IFRS 15.

Pryme received a waiver from Rabobank related to the equipment lease agreement, allowing Pryme non-compliance with the revenue convenant (minimum sales 2024 of at least € 6 million) under the condition that no later than 1 July 2025, Pryme will have realized an additional equity contribution (or other subordinated funding) of at least € 6 million in addition to the private placement of € 4 million in January 2025.

Term loan facility:

In June 2024 Pryme has entered into an unsecured term loan facility agreement with Netherlands based Energietransitiefonds B.V.
(ETF-R) in the amount of € 4 million or, at Pryme's option, € 5 million with a term until June 2027. The interest rate of the loan is 9.0% p.a. No principal payments will take place before maturity unless the loan is repaid early. Accrued interest will be paid on a quarterly basis except during a grace period that applies until July 2025. In addition to the interest payments, the Company will issue 300.000 new shares in its capital to ETF-R for no consideration upon repayment or early prepayment of the loan. Pryme called the loan under the term loan facility agreement for the amount of € 5 million on 18 October 2024.

Maturity analysis – Non-current liabilities undiscounted cash flows:

Maturity analysis - Non-current liabilities undiscounted cash flows

in € 000	Within one years	One to five years	More than five years	Total
Undiscounted cash flows - financed equipment	1.179	5.895	295	7.369
Undiscounted cash flows - term loan facility	541	5.638	0	6.179
At 31 December 2024	**1.720**	**11.533**	**295**	**13.548**
Non-current liabilities included in the Statement of Financial Position as of 31 December 2024				**11.991**
Current				**892**
Non-current				**11.099**

For a detailed analysis of risks arising from financial instruments please refer to the Financial Risk Management section (included under note 7.2.4).

7.3.11. Government grants

Accounting policies

Government grants are recognised at nominal value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a deduction of the relevant expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. For grants related to assets Pryme has chosen to reduce the carrying amount of the asset. The grant is then recognised in the Statement of Profit and Loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

Grant amounts received in advance initially are presented as deferred income.

Government grants:

Government grants			
in € 000	Notes	31-12-2024	31-12-2023
EU Horizon (ELECTRO) received in advance		1.631	1.949
	7.1.1	1.631	1.949

EU Horizon Project ELECTRO

In 2022 Pryme joined a consortium of 13 partners within the Project ELECTRO under the EU Horizon research and innovation program, which targets demonstration of innovative technology concepts that link the waste and petrochemical industries and provide sustainable, low-carbon and scalable circular solutions for olefin and polyolefin production. Both Pryme's R&D center and Pryme's first production site (Pryme One) in Rotterdam participate in the execution of the project activities.

Pryme's role is to demonstrate on an industrial scale (TRL 7) the new application of proven technology, being an innovative modular extruder for optimal pre-treatment of plastic waste combined with an electrically heated reactor for the catalytic pyrolysis of plastic waste. The main product, pyrolysis oil, will be used as second-life feedstock for steam crackers operated by project partners. Apart from additional funding this project is an opportunity to further develop Pryme's technology in close collaboration with subject matter experts at Ghent University and consortium partners and gain valuable insights in the requirements of the downstream market.

The project spend is expected to amount € 21.4 million through August 2026, among which Pryme's share is the largest with an overall budgeted R&D and innovation cost of € 8 million. The EU financially supports the EU Horizon program. Pryme is eligible to receive a subsidy of up to € 4.8 million. In 2024 Pryme received an advance payment of € 0.5 million (2023: € 2.3 million).

In 2024 Pryme incurred € 1.5 million (2023: € 0.8 million) eligible costs related to this project and the related subsidy amounted to € 0.8 million, which has been deducted from the relevant cost line-items.

Topsector Energie (TSE) grant valorization non-condensable gases

In 2024 Pryme was awarded a TSE grant for a feasibility study regarding the valorization of non-condensable gases. The primary objective of the study is to investigate technological and economic viability, with the aim to make Pryme's conversion technology completely circular by means of non-condensable gas valorization. This is crucial to create a sustainable process and achieve substantial GHG-emission reductions.

The project period ran from 1 March 2024 until 28 February 2025 and the maximum subsidy amount is € 481 thousand. In 2024 Pryme received advance payments for in total € 361 thousand. The TSE grant as of 31 December 2024 amounts to € 246 thousand and is a current liability. Reference is made to note 7.3.12.

In 2024 Pryme incurred € 164 thousand eligible costs related to this project and the related subsidy amounted to € 115 thousand, which has been deducted from the relevant cost line-items.

Subsidies deducted from cost line-items

Subsidies deducted from cost line-items			
in € 000	Notes	2024	2023
Capitalized personnel costs Development costs		0	76
Personnel costs		247	140
General expense and rent Plant One installation		245	36
Deprecation plant and equipment	7.4.6	467	119
Total		959	371

7.3.12. Trade payables, other liabilities, and accrued expenses

Accounting policies

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at amortized cost. This is usually the nominal value.

Trade payables, other liabilities, and accrued expenses:

Trade payables, other liabilities and accrued expenses			
in € 000	Notes	31-12-2024	31-12-2023
Loans from third parties		892	756
Lease liabilities	7.3.3	720	668
Trade payables	7.1.1	1.055	1.713
Payables relating to taxes and social security contributions	7.1.1	103	202
Other liabilities and accrued expenses	7.1.1	1.204	3.893
	7.1.1	3.974	7.232

Trade payables mainly relate to suppliers of equipment and services on behalf of the operation and enhancements of Pryme One.

Payables relating to taxes and social security contributions:

Payables relating to taxes and social security contributions			
in € 000	Notes	31-12-2024	31-12-2023
Wage tax		103	202
		103	202

Other liabilities and accrued expenses:

Other liabilities and accrued expenses			
in € 000	Notes	31-12-2024	31-12-2023
Accruals and invoices to be received		625	3.119
Ground lease Amsterdam	7.3.14	0	109
Liability concrete floor	7.3.10	0	174
Grants received in advance (TSE)		246	0
Accrued vacation pay		132	72
Employee bonuses		92	319
Unused vacation days		44	42
Audit costs		64	59
Net wages		2	-1
		1.204	3.893

Accruals and invoices to be received mainly relate to the operation and enhancements of Pryme One and accrued interest relating to the Energietransitiefonds loan. Interest on this loan is paid on a quarterly basis except during a grace period that applies until July 2025. For further details regarding the repayment obligations other non-current liabilities, we refer to note 7.3.10.

7.3.13. Deferred taxes

Accounting policies

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Pryme offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities

			Temporary differences				
in € 000	Notes	Carry forward losses	Right-of-use assets	Lease liabilities	Plant and equipment decommissioning	Provision for decommissioning	Total
Assets/ (liabilities)	7.1.1	-	-954	954	-	-	-
Balance 31 December 2022		-	-954	954	-	-	-
Movements							
Statement of Profit and Loss	7.1.2	129	-489	525	-165		-
Balance 31 December 2023		129	-1.443	1.479	-165	-	-
Assets/ (liabilities)	7.1.1	129	-1.443	1.479	-165	-	-
Balance 31 December 2023		129	-1.443	1.479	-165	-	-
Movements							
Statements of Profit and Loss	7.1.2	-129	106	-95	16	102	-
Balance 31 December 2024		0	-1.337	1.384	-149	102	-
Assets/ (liabilities)	7.1.1	0	-855	879	-149	102	-23
Deferred taxes related to assets held for sale	7.3.14	-	-482	505	-	-	23
Balance 31 December 2024		0	-1.337	1.384	-149	102	-

Deferred tax liabilities have been recognized related to the right-of-use assets (leases) and plant and equipment (recognition plant and equipment decommissioning).

The unused tax losses as of 31 December 2024 amount € 71.1 million (31 December 2023: € 25.4 million), subject to an applicable effective tax rate in The Netherlands of 25,8%. According to the current Dutch tax law, unused tax losses may be compensated with future taxable profits for an indefinite period of time.

Pryme recognizes deferred tax assets up to the level of the deferred tax liabilities (€ 1.0 million related to continued activities and € 0,5 million related to discontinued activities) to reflect that Pryme will not be in a tax paying position in The Netherlands in the upcoming years.

7.3.14. Assets held for sale

Accounting policies

Assets are only classified as assets held for sale if the sale is highly probable and management is committed to a plan to sell the asset (or disposal group). Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Assets that meet the criteria to be classified as held for sale have to be presented separately in the statement of financial position and the results of discontinued operations have to be presented separately in the Statement of Profit and Loss.

Non-current assets shall be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets classified as non-current shall not be reclassified as current assets until they meet the criteria to be classified as held for sale. An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

Deferred tax assets are measured based on a 'going concern' basis.

Assets held for sale

On February 6th, 2024, Pryme decided to sell the Amsterdam site. The assets and liabilities related to the site are held by CCT Circular Cleantech Amsterdam B.V. These discontinued operations will encompass all site related activities and all assets and liabilities. Therefore, on the balance sheet as of 31 December 2024 all related assets and liabilities have been reclassified as net assets directly associated with the anticipated sale. The site dimensions and availability of utilities do not meet Pryme's selection criteria for a Pryme Two site.

Pryme management has intensified its efforts to sell the Amsterdam site in the course of 2024. The site characteristics and ground lease conditions lead to a limited number of potential buyers. Therefore, the timing of the disposal is surrounded by uncertainty.

Financial position

Financial position

in € 000	Notes	2024
Assets		
Plant and equipment (carrying value)	7.3.2	600
Right-of-use assets related to ground lease	7.3.3	1.870
Deferred taxes	7.3.13	505
Assets held for sale		2.975
Liabilities		
Non-current leasing liabilities related to ground lease	7.3.3	1.950
Non-current liability related to overdue ground lease terms	7.3.10	163
Deferred taxes	7.3.13	482
Current leasing liabilities related to ground lease		8
Current liability related to overdue ground lease terms		109
Liabilities directly associated with assets held for sale		2.712
Net assets directly associated with the anticipated disposal		263

Plant and equipment are the main assets and encompass the foundations and (utilities) infrastructure at the Amsterdam site. The carrying value consists of the purchase price of € 4.1 million minus an impairment of € 3.5 million in total (2024: € 1.2 million, 2023: € 2.3 million). The carrying value amount to € 0.6 million and reflects the fair value less costs to sell.

Considering the specific nature of the Amsterdam site (harbor location, zoning plan of the plot and specific conditions of the ground lease contract) and the slow sales process so far, Pryme management engaged a specialized broker to provide an updated valuation report. This valuation report has been used as input for the impairment test as of 31 December 2024.

The valuation report indicates two valuation scenarios, depending on whether the potential buyer has activities in line with the current zoning plan of Petroleumhaven Amsterdam and if the buyer can make use of the foundations and (utilities) infrastructure on site. In the valuation, no value has been recognized related to the ground lease contract taking into consideration the condition that the specific usage of the site should relate to converting high caloric waste into oil products. Given the niche market for these type of sites, Pryme management has valued the site at € 0.6 million (selling costs for buyer). This translates into an additional impairment of € 1.2 million in 2024 (impairment 2023: € 2.3 million).

The ground lease agreement (right-of-use assets related to ground lease) related to this plot of land expires in 2067.

Other liabilities concern the overdue ground lease related to the Amsterdam site. The repayment terms of the overdue ground lease as of 31 December 2024 comprises five fixed bi-annual installments of € 54.395, due in January and July until full redemption. No interest costs apply. The non-current liabilities amount to € 163 thousand, and the current liability amounts to € 109 thousand.

Statement of Profit and loss			
in € 000	Notes	2024	2023
Housing expenses		-21	-12
Energy expenses		-10	-7
General expenses		0	0
Other operating expenses		-31	-19
Deprecation right of use assets		-43	-50
Impairment		-1.200	-2.263
Operating result (EBIT)		-1.274	-2.332
Financial income		1	1
Financial expenses		-133	-128
Profit before taxes		-1.406	-2.459
Income tax		-	-
Net profit (loss)		-1.406	-2.459

7.4. Notes to the Consolidated Statement of Profit and Loss

7.4.1. Revenue from contracts with customers

Accounting policies

Pryme converts plastic waste into pyrolysis oil. Revenue from contracts with customers is recognised using the output method. According to the output method revenue is recognized based on direct measurements of the value of the goods transferred to the customer. The value of the goods is determined by the number of units (metric tons) delivered to the carrier nominated by the customer (FCA Plant conditions).

The volumes transferred are measured reliably and consistently by tank storage meters as well as through weighbridges for the road tankers. The consideration reflects the volumes measured against the prices per metric ton to which Pryme is entitled according to the agreements with customers. Revenue from contracts with customers according to the contractual conditions typically is recognized upon delivery of the pyrolysis oil (FCA). Generally, this will be upon delivery - measured by flowmeters - into the road tanker, usually nominated and paid for by the customer.

Revenue from contracts with customers

Revenue from contracts with customers			
in € 000	Notes	2024	2023
Revenue from contracts with customers		102	0
	7.1.2	102	0

Pryme has agreed upon several contracts with customers committing the delivery of pyrolysis oil volumes at predetermined price formulas and within certain product specifications (composition pyrolysis oil). The transaction price as per metric ton pyrolysis oil is determined at the time of the delivery, based on the price formula and benchmarks, like market pricing as per ton of plastic waste monthly published by EUWID, agreed upon in the respective customer contracts. The consideration is calculated by multiplying the number of metric tons delivered and the transaction price, from time to time. The consideration does neither encompass a financing component nor variable components apart from the pricing formula agreed upon. Invoices may be issued on a monthly basis, however recognition of sales is determined as per delivery. Payment conditions generally are 15 days after invoice date.

The committed minimum volumes are spread over several years and dependent on the Pryme production volumes achieved on an annualized basis. The full production volumes of Pryme One for 2025 already has been committed to customers. The committed volumes for delivery from 2026 through 2031 for Pryme One and Pryme Two are 86% of the total production capacity.

Segment information

Pryme's current business activities are not organized on the basis of differences in related products and services or differences in geographical areas of operations. As such, management assesses that Pryme has a single reportable segment. In terms of the entity-wide disclosures the only material non-current assets present, apart from the assets related to Pryme One and the assets held for sale (Amsterdam site), concern the intellectual property which is owned by CCT International B.V. (Belgium). Reference is made to note 7.3.1 for the further details.

7.4.2. Costs of raw materials, energy, and utilities

The costs of raw materials reflect the costs of plastic waste feedstock, mark-ups for inbound transport costs and plastic waste inventory costs included. Energy and utility costs mainly encompass electricity, gas, water and nitrogen.

7.4.3. Personnel expenses

Accounting policies

Short-term employee benefits: wages, salaries, costs for contractors, social security contributions, annual leave and sickness absenteeism, incentives and non-monetary benefits are recognized in the year in which the related services are rendered by employees and contractors. Contractor costs are reported under personnel costs if contractors perform similar work as own employees.

Termination benefits are payable when employment is terminated by Pryme before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Pryme recognizes termination benefits as soon as management has taken the decision to make someone redundant and has communicated the termination during the reporting period.

Accruals for expenses related to incentive plans are set-up in a systematic way where contractually obliged or where there is a past practice that has created a constructive obligation. For the accounting policies related to share-based payments and pensions, please refer to respectively note 7.3.8 and 7.4.4.

Capitalized personnel expenses are costs directly attributable to the construction of Pryme One or the development costs related to our lab-scale plant at Ghent University. Capitalized costs need to meet the recognition criteria and are capitalized as part of respectively the costs of plant & equipment and intangible assets.

The total remuneration of the Management Board amounts to € 491 thousand (2023: € 665 thousand). For further details refer to note 7.7.14.

Personnel expenses			
in € 000	Notes	2024	2023
Salaries and wages		2.701	2.163
Contracted personnel		2.802	2.112
Government subsidy for R&D		-247	-135
Other wage subsidies		-35	-68
LTI plan	7.3.8	735	339
Other employee related expenses		195	552
		6.151	4.962
Capitalized personnel costs		0	-981
		6.151	3.981

Key management are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Within Pryme the members of the Management Board and the Supervisory Board are considered key management.
For further details regarding the long-term incentive plan, we refer to note 7.3.8.

Pension expenses

Contingent pension obligations related to guaranteed returns on pension plan assets in Belgium are not reported due to the low materiality. The minimum guaranteed return on these pension plan assets amounts to 2%. At the end of the financial year 2024 the pension plan assets amount to less than € 100 thousand and therefore the risk is considered not material.

Movements of number of own employees and contractors:

Movements of number of own employees and contractors				
	Headcount		Full Time Equivalent (FTE)	
	2024	2023	2024	2023
Number at 1 January	42	19	41,6	19,0
New hires	16	31	15,5	30,6
Leavers	-10	-8	-10,0	-8,0
Number at 31 December	48	42	47,1	41,6
Own staff at 31 December	29	27	28,6	26,6
Contracted staff at 31 December	19	15	18,5	15,0

During the year under review, Pryme on average employed respectively engaged 42.4 (2023 31.5) employees and contractors (in FTE).

7.4.4. Social security premiums and pension costs

Social security premiums and pension costs			
in € 000	Notes	2024	2023
Social security premiums company contribution		449	341
Pension premiums company contribution		187	119
		637	461

Both the Dutch Pension Plan and the Belgium Pension Plan are characterized as defined contribution plans.
The Belgian Pension Plan is part of an employee insurance policy ("Groepsverzekering") with a minimum guaranteed return on investments of 2% per annum on the plan assets. Taking into consideration that the Pension Plan in Belgium only was set up in 2023, retrospectively back to 2022, and as of 31 December 2024 the Plan only covers 3 employees, the plan assets and minimum return guarantee are deemed not material. Therefor the reported pension costs are equal to the pension premiums incurred in 2024 resp. 2023. Given the amounts being not material no further actuarial calculations have been carried out.

Company contributions to pension premiums for Management Board memebers for the year ended 31 December 2024 amounted to € 7 thousand (2023: € 9 thousand).

7.4.5. Other operating Expenses

Accounting policies

Operating expenses are recognized in the Statement of Profit and Loss when incurred. This is when services are received, or goods are consumed. In addition, operating expenses can result from a decrease in future economic benefits related to a decrease of an asset or an increase of a liability that has arisen and which can be measured reliably. Costs relating to business development projects are recognized in the year in which the costs are incurred.

Other operating expenses:

Other operating expenses			
in € 000	Notes	2024	2023
Short-term lease expenses	7.3.3	766	441
SG&A expenses		4.714	2.358
	7.1.2	5.479	2.799

The Short-term lease expenses mainly consist of short-term equipment and storage space leases (< 12 months) and some low value leases. For all leases with a duration longer than 12 months, please see note 7.3.3.

The Sales, General & Administration (SG&A) expenses are broken down below.

SG&A expenses:

SG&A expenses			
in € 000	Notes	2024	2023
Rent expenses		282	105
Energy and water		1.023	526
Operating and maintenance expenses		1.162	162
Communication and marketing expenses		49	66
Travel and subsistence expenses		8	23
Office expenses		65	42
ICT expenses		218	298
Fees related to audit Annual report		182	137
Fees for other audit services		15	0
Fees for tax advisory services		8	7
Other non-audit services and (non Forvis Mazars) accounting expenses		63	117
Stock exchange related expenses		59	83
Supervisory Board expenses	7.7.8	305	113
Legal advisory expenses		9	163
Consultancy fees		272	248
Insurance premiums		829	139
Other general expenses		164	128
		4.714	**2.358**

In 2024 Pryme continued testing and started production. This resulted in higher housing expenses (storage space), energy and water consumption and operating and maintenance expenses.

The R&D related expenses (CCT International B.V.) amounted to € 993 thousand (2023: € 1.177 thousand).

Pryme further upgraded and secured its (outsourced) IT networks, internet connections, data storage and data security to keep up with the growth of the organization. Some ancillary IT tools implemented in 2023, were enhanced in 2024. This resulted in a lower level of IT expenses.

The audit fees related to the annual report fully relate to the audit 2024 performed by Forvis Mazars Accountants N.V. and encompass also additional one-off costs for the finalization of the first-time adoption of the IFRS Accounting Standards-EU in 2023.

Other SG&A expenses reflect the growing maturity of the Pryme organization and an increase of external advisors expenses related to certification (ISCC+) and product registration (REACH).

The total Supervisory Board fixed annual fees incurred for 2024 amounted € 124 thousand (2023: € 113 thousand). For further details, please see note 7.7.14.

The insurance premiums mainly relate to the coverage of property damage/ business interruption regarding the Pryme One installation as of 1 March 2024.

7.4.6. Depreciation and amortization

Accounting policies

The accounting policies for intangible assets and property, plant and equipment are described in respectively note 7.3.1 and 7.3.2. The residual value and useful life of intangible assets and property, plant and equipment are reviewed annually and adjusted if necessary. For the key accounting policies with regards to the right-of-use assets recognized in relation to the leases, we refer to note 7.3.3.

Key accounting estimates and judgements

Plant and equipment at Pryme One form a substantial part of the total assets of the company. The useful life and residual value as determined by the Management Board, based on its estimates and assumptions, have a major impact on the measurement and determination of the results. The useful life of plant and equipment is estimated based on their useful lives, taking into account the duration of the lease of the Pryme One site, and the economic benefits from the utilization of the plant, and equipment.

Depreciation and amortization:

Depreciation and amortization			
in € 000	Notes	2024	2023
Depreciation plant and equipment	7.3.2	5.013	279
Depreciation right-of-use assets	7.3.3	712	798
Amortization of intangible asets	7.3.1	1.226	0
Release EU Horizon grant (Project ELECTRO)	7.3.11	-467	-119
Depreciation absorbed in production		-41	0
Depreciation and amortization	7.1.2	6.444	958

Depreciation of property, plant, and equipment of Pryme One as well as amortization of the intangible assets started on 1 January 2024, when commercial production started.

7.4.7. Impairment losses

Accounting policies

All non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment annually.

If it is determined that assets are impaired, the carrying amounts of those assets are written down to their recoverable amount. Impairments of a cash-generating unit are allocated to individual assets of the cash-generating unit on a proportionate basis. Impairments of intangible assets and property, plant and equipment are presented in the statement of Profit and Loss. Impairments are reversed to the extent that the events or circumstances that triggered the original impairment have changed.

Losses on the sale of assets are presented separately and are recognized as soon as they are foreseen.

Impairment losses recognized in Profit and Loss

Impairment losses recognized in Profit and Loss			
in € 000	Notes	2024	2023
Impairment plant and equipment	7.3.2	24.000	4.900
Impairment losses recognized in Profit and Loss	7.1.2	24.000	4.900

Impairment testing

As of 31 December 2024, like 2023, Pryme management has identified cash-generating units (CGU's) based on separately identifiable and largely independent cash flows. Based on the company's structure it has identified the following relevant CGU's:

- Pryme Management B.V. (principal, commercial and operational management Pryme Group)
- CCT International B.V. (owner intellectual property)
- CCT Circular CleanTech B.V. (owner Pryme One).

The cash flow projections in the DCF-model to calculate the value in use for Pryme One, currently the only operating unit within Pryme Group, are based on revenues, operating expenses, and capital expenditures of the approved budget for the coming year and the six consecutive planning years (2025 – 2032). The cash flows in the DCF-model beyond the budget 2025 are based on:

- Annual capacity measured in intake of plastic feedstock (2025: 10 thousand mT, 2026: 25 thousand mT and as of 2029: 26 thousand mT)
- Average annual capacity utilization rates
- Yield rate of finished product pyrolysis oil to input of plastic feedstock
- Average expected selling price per mT
- Variable costs per ton of pyrolysis oil
- Fixed costs of Pryme One
- License and management fees
- Limited anticipated future capital expenditures

The present value of the expected cost for the decommissioning of an asset after its use is expected to amount to € 670 thousand. Reference is made to note 7.3.9.

Given that the cash flows are estimated before taxes, the discount rate used to calculate the present value of the cash flows is a pre-tax rate based on the risk-free rates for bonds issued by the Dutch government, adjusted for a risk premium related to Pryme as a small-size start-up company and the risks specific to the assets. The cashflows in the impairment test 2024 were discounted at a rate of 11.4% (2023: 11.4%) on a pre-tax basis.

In October 2024, based on operational experience gained since the start of the production in January 2024, Pryme has significantly lowered the overall production expectations of the Pryme One installation. The main reasons for the lower estimated production capacity relate to the overall process layout and the oil yield levels. Operational experience indicated more downtime for reactor feeding and equipment maintenance and cleaning, resulting in a lower plant availability than previously assumed. Therefore, the estimated annual feedstock intake has been reduced from 40,000 to 26.000 metric tons.

The operational experience also indicated lower oil yields from the feedstock than originally estimated. The expected feedstock to pyrolysis oil yield had to be revised from 75% to approximately 65%, with higher yields to be achieved through the optimization and fine-tuning of the Pryme One installation over time. Consequently, the production capacity of Pryme One has been revised downward from 30.000 to around 17.000 metric tons of pyrolysis oil per annum.

Based on the impairment analysis Pryme management assessed, taking into consideration sensitivity analyses on deviations to the assumptions underlying the DCF-model, that the recoverable value, i.e. the value in use of Pryme One, amounts to € 13.6 million. The carrying value of the assets of the Cash Generating Unit (CGU) Pryme One amounts to € 37.6 million as of 31 December 2024. Therefore, an impairment of € 24 million has been recognized in 2024.

For the development costs of CCT International B.V. (intellectual property) the impairment test confirmed that the generated net cash flows are sufficient to support the value in use of the intangible assets. Potential additional licensing fees from future plants, prudently, have not been factored in.

Pryme Management B.V. is acting as the principal, providing commercial and operational management, for the Pryme Group activities. No impairment is anticipated for this CGU.

In February 2024 Pryme Management has decided to sell the Amsterdam site. Considering the market dynamics and a recent valuation report, an additional impairment of € 1.2 million (2023: € 2.3 million) has been recognized. Reference is made to note 7.3.14 (Assets held for sale) for further details.

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7.4.8. Financial income and expenses

Accounting policies

General and specific interest costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time (> 1 year) before being ready for their intended use.

Interest expenses are expensed in the period in which they are incurred. Interest expenses related to leases are reported on a separate line. Interest income from excess cash at hand, based on an interest rate agreement, is recognized in the period when the interest is earned.

Finance income and costs:

Finance income and costs			
in € 000	Notes	2024	2023
Interest and similar income		228	303
Interest expenses leases	7.3.3	-227	-168
Other financing expenses		-672	-7
Currency translation differences		-1	18
Interest and similar expenses		-899	-156
Financial income / (expense)	7.1.2	-670	147

Finance income is mainly resulting from interest income on excess cash at hand. The interest on excess cash at hand is based on an interest rate agreement valid as of April 2023 and extended in 2024, with the Euro Short-Term Rate (€STR) as reference rate.

Interest expenses related to leases are reported on a separate line. For further details we refer to note 7.3.3.

Other financing expenses increased significantly. At the end of December 2023, the construction of Pryme One was completed and in January 2024 production was started. Therefor no interest was capitalized in 2024 (2023: € 464 thousand) related to the equipment financing. The average capitalization rate in 2023 was 5.8%. In October 2024, the Company drew the unsecured loan in the amount of € 5 million. Reference is made to note 7.3.10.

The amounts of interest paid and received have been disclosed in the Consolidated Statement of Cash Flows (refer to note 7.1.4).

7.4.9. Income taxes

Accounting policies

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Pryme operates and generates taxable income.

Deferred tax
Reference is made to the accounting policies regarding deferred taxes in note 7.3.13.

Income taxes:

Income taxes			
in € 000	Notes	2024	2023
Current taxes		-1	0
Income taxes	7.1.2	-1	0

A deferred tax asset for the carried forward losses is valued at nil, since it is our estimation that considering the uncertainty of future developments coupled with the lack of a track record for the Group, the prudent approach is to value this asset at nil.

All Dutch entities are part of a fiscal unity for corporate income tax in The Netherlands. No taxable income has been generated, both in 2024 and 2023. Current tax for the Pryme fiscal unity amounts to € 0. The unused tax losses as of 31 December 2023 amount to € 66.3 million (31 December 2023: € 25.4 million), subject to an applicable effective tax rate in The Netherlands of 25,8%. According to the current Dutch tax law, unused tax losses may be compensated with future taxable profits for an indefinite period of time.

7.5. Other notes to the Consolidated Financial Statements

7.5.1. Contingent Assets and Liabilities

Contingent assets relate to corporate income taxes. Currently Pryme does not recognize all deferred tax assets related to losses due to the high level of uncertainty regarding the level of future profits, timing included, necessary to recovering these taxes.

For further information see note 7.3.13.

7.5.2. Commitments & guarantees, rights, and arrangements

Disclosure of off-balance commitments

Pryme N.V. is liable (parent guarantee) for the execution and payment of all commitments according to the (facility) agreement between Plant One Rotterdam (POR) and CCT Circular CleanTech B.V. The guarantee covers the full length of the agreement which expires on 1 March 2027 and which will extend for another five years until 1 March 2032, unless terminated by either party before March 2027.

Disclosure of off-balance-sheet rights and arrangements

On February 1, 2024, following renegotiations with Shell, Pryme amended the supply contract with Shell on conditions that the company expected to materially improve the financial performance of Pryme One. The revised terms further establish Shell as the primary customer for the pyrolysis oil produced by Pryme in building a robust and attractive supply chain for both parties. Starting November 2024, Pryme and Shell have renewed negotiations of the supply contract in light of market price developments, product specifications and the financial implications of Pryme's revised capacity expectations.

In 2023 Pryme Group concluded offtake agreements with two large companies in respectively the Food and Chemical industry to offtake respectively at least 6.6% and 10% of the available production of the future Pryme Two.

7.5.3. Related party transactions

Key management

Key management is defined as those persons having legal authority and responsibility for planning, directing, and controlling the activities of Pryme, directly or indirectly, including any director (whether executive or otherwise). Our key management comprises the members of the Management Board and the Supervisory Board.
For further information regarding the composition and remuneration of the Management Board and the Supervisory Board we refer to note 7.7.14.

Transactions with Supervisory Board members and Management Board members

No loans, advances or guarantees have been provided to current or former members of the Supervisory Board and Management Board. For both years presented, the Group has not conducted any transactions with companies in which Board members and/or persons closely related to them have a significant financial interest, with exception of consultancy services provided by Taranis Investment Limited for a total consideration of € 40 thousand and Abacus Consulting AG as described below.

Both in 2024 as well as 2023, certain Supervisory Board members charged consultancy fees for non-recurring activities that do not normally fall under the activities of Supervisory Board members. In 2024 these consultancy fees amounted to € 59 thousand (2023: € 55 thousand) and in 2024 fully encompass consultancy fees related to Henning Jensen, charged by his management company Abacus Consulting AG. The activities performed by Henning Jensen mainly related to additional support during the CEO transition period (€ 28 thousand) and coordination of private placements (€ 31 thousand). Additionally, Henning Jensen received € 28 thousand in RSUs with regard to the support during the CEO transition period..

We refer to note 7.7.14 (Remuneration of Management Board and Supervisory Board).
List of related parties of the Group:
- Infinity Recycling B.V. is managing director of Circular Rotterdam B.V. and Circular Plastics Coöperatief U.A.
- SIX SIS AG is the nominee for shares hold by Stichting Multistrat.

List of related parties of the Group:

List of related parties of the Group			
Name	Relationship	Number of shares	Interest in Pryme N.V.
Circular Rotterdam B.V.*/ J.W. Muller	Main shareholder and member of Supervisory Board	13.290.416	21.73%
SIX SIS AG/ Stichting Multistrat B.R. van Vliet**	Main shareholder and member of Supervisory Board	11.456.359	18.73%
Taranis Investment Limited/ E. Colombel	Main shareholder and member of Supervisory Board	10.620.777	17.36%
Circular Plastics Coöperatief U.A.*/ J.W. Muller	Main shareholder and member of Supervisory Board	8.724.532	14.26%
Abacus Consulting A.G./ H. E. Jensen	Chair of the Supervisory Board	0	0.00%
OMNIS C.V./ J. van der Endt/	Former CEO (until 2 May 2022) and shareholder	2.499.240	4.09%

Infinity Recycling B.V. is the managing director of Circular Rotterdam B.V. and Circular Plastics Coöperatief U.A.

Summary of the transactions with the related parties

In June 2024, the company and NIVUS BV, a company closely associated with J. van der Endt, the company's first CEO, terminated the consultancy agreement between them which originally had a term until May 2026 for a consideration of € 54 thousand.

In June 2024, the company's group company Pryme Management B.V. entered into a management services agreement with Taranis Investment Limited, a company closely associate with Emmanuel Colombel, a member of the Supervisory Board, to procure their services in data collection and analysis of possible locations for next plant, for a term until 30 July 2024. The fees charged under the agreement amounted to € 40 thousand. The transactions with Abacus Consulting AG, a party related to Henning Jensen, are described in the paragraph 'Transactions with Supervisory Board members and Management Board members' above.

No further material related party transactions have been entered into during both financial years presented in these financial statements. Transactions between the legal entities making part of Pryme Group are not listed separately. Reference is made to note 7.2.3 (Basis of consolidation).

Summary of the balances receivable/(payable) with the related parties

Pryme does not have any balances receivable/ payable with the related parties as of 31 December 2024.

Commitments with related parties

On April 5, 2022, the Company entered into a 5-year brokerage agreement with Infinity Recycling B.V. ("Infinity"). Subject to conditions on availability of product given the Company's other prior commitments, the Company has committed to making available an agreed percentage of its production volume from Pryme One, and of subsequent plants, for Infinity's brokering of such volume to third parties against compensation to Infinity of a limited brokerage fee/commission on such applicable production volume.

7.5.4. Subsequent events

As a start-up company Pryme develops at a high pace. Therefore, various important events occurred since the 31 December 2024 balance sheet date and the date the financial statements in this annual report were authorized for issue by the Management Board and Supervisory Board on 6 May 2025..

The following is a summary of these events.

- In 2025, Pryme continues to testing the Pryme One installation. This includes testing of the various components at or near full capacity, both individually and collectively. These tests are important to ramp up the Pryme One production and must provide a solid experience-based basis for Pryme's future plant design. Such testing is planned to take place throughout Q1 and Q2 2025, before moving into stable and continuous production.

- At the extraordinary general meeting on 14 January 2025 the Supervisory Board asked for and received authorization (i) to issue 26.936.041 new shares for total proceeds of € 4 million in completion of the private placement of 16 December 2024, (ii) to grant 40.404.062 options to the subscribers in the private placement of 16 December 2024 to acquire up to 40,404,062 shares in the company at a price of € 0.1485 per share (investor call options), and to accept up to 40.404.062 put options affording the company the right to sell up to 40.404.062 shares to the subscribers in the private placement of 16 December 2024 at a price of € 0.1485 per share, subject to certain conditions precedent (company put options), and provided that the total number of shares issued under the investor call options and the company put options does not exceed 40.404.062 shares (the number of shares and the subscription price to be adjusted accordingly after the 10-for-1 share consolidation which took place on 3 March 2025), (iii) to increase the authorized capital of the company from € 3.75 to € 15.0 million, with the nominal value per share being € 0.05 each, and (iv) to consolidate its shares: each ten (10) old shares will give one (1) new share.

- On 14 January 2025, increased its authorized capital to € 15.0 million, divided into 300.000.000 shares.
- On 27 January 2025, Pryme received a waiver from Rabobank related to the equipment lease agreement, allowing Pryme non-compliance with the revenue convenant (minimum sales 2024 of at least € 6 million) under the condition that no later than 1 July 2025, Pryme will have realized an additional equity contribution (or other subordinated funding) of at least € 6 million in addition to the private placement of € 4 million in January 2025.
- On 4 February 2025, Pryme issued 26.936.041 new shares in its capital, for a total consideration of € 4 million, in completion of the private placement of 16 December 2024 allocated to the existing shareholders Circular Plastics Coöperatief U.A. and Taranis Investment Limited.
- On 3 March 2025 after close of trading hours, Pryme consolidated its shares: each ten (10) old shares gave one (1) new share. The share consolidation took effect after the end of trading on Euronext Growth Oslo on 3 March 2025 and before commencement of trading on 4 March 2025.
- As a consequence of the share consolidation on 3 March 2025, the number of shares issued in the company as of 3 March 2025 is 8.810.444, each with a par value of € 0.50 per share.
- In connection with the share consolidation on 3 March 2025, the company's ISIN code as of 4 March 2025 is NL0015002E73
- On 8 March, 2025, Benoît Morelle was named CEO replacing Marieke Bleyenbergh who resigned effective 7 March, 2025.
- On 10 April 2025, a private placement with gross proceeds of € 7 million for 5.655.652 new shares at an offer price of €1.2377 per share was completed subject to shareholder approval. In conjunction with this private placement, it was also decided to execute a potential subsequent offering, subject to shareholder approval and inter alia market conditions, in order to offer shareholders the opportunity to acquire shares at the same terms as the subscribers to the private placement at a subscription price of NOK 15.00 per share.
- In an extraordinary general meeting on 28 April 2025, Pryme's shareholders approved and authorized (i) the issuing of 5.655.652 new shares in order to fulfil the 10 April 2025 private placement, (ii) the issuing of up to 1.233.208 new shares in order to fulfil the potential subsequent offering, and (iii) certain amendments to the Company's articles of association.

7.5.5. Earnings per share – number of shares

Shareholder information

Pryme was admitted to the Euronext Growth exchange in Oslo on 15 February, 2021 with ticker/ ISIN being PRYME / PRYME. OL / NL00150005Z1 and IPO price of NOK 51,20.

Shareholder information	Unit of measure	2024	2023
Admitted shares	# of shares	61.168.399	48.386.416
Trading days	# of days	256	255
Average daily trading volume	# of shares	83.143	61.016
Highest daily trading volume	# of shares	1.337.180	572.121
Share price start of the year	NOK	11,30	7,90
Highest closing share price	NOK	11,70	19,90
Lowest closing share price	NOK	1,45	7,24
Average trading share price	NOK	5,93	12,10
Share price on December 31	NOK	1,55	10,80
Market capitalization	NOK	94.811.018	522.573.293
Market capitalization	EUR	8.047.107	46.700.026

Investor Relations

Pryme strives to provide relevant information to all stakeholders and to ensure that this information is complete, consistent, accurate, relevant, and timely disclosed to all stakeholders. Information is provided through annual and half year reports, quarterly interim updates, press releases and investor presentations. The related documents are available on Pryme's website.

Pryme complies with the rules and regulations of the Dutch Financial Markets Authority (AFM), the International Financial Reporting Standards (IFRS), and the rulebook of the Euronext Oslo Growth market (stock exchange regulations).

Earnings per share – number of shares

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the time-weighted average number of outstanding shares. The weighted average number of outstanding shares was 52.904.331 in 2024 (2023: 43.747.911).

In calculating the diluted earnings per ordinary share, the time-weighted average number of outstanding shares is adjusted for the dilutive effects of the equity-settled share-based LTI plan and other share-based payment commitments. The other share-based payment commitment refers to 300.000 shares committed to Energiefonds B.V. at the date of repayment of the term loan. Reference is made to note 7.3.10.

As of 31 December 2024, according to the LTI plans 2022 and 2023, 660.300 share options have been vested but not exercised. When the vesting conditions of the equity-settled share-based payment LTI plan 2022, 2023 and 2024 are met and all stock options would be exercised, this would result in a further increase of 1.908.950 shares outstanding, which will have a dilutive effect.

During 2024, the LTI plan 2022 and 2023 resulted in vesting of 109.050 shares (2023: 55.550). The dilutive effect of non-vested RSUs as of 31 December 2024 amounts to 1.030.218 shares. For more information, reference is made to note 7.3.8.

Time-weighted average number and diluted time-weighted average of outstanding shares

Time-weighted average number and diluted time-weighted average of outstanding shares	Notes	2024	2023
		# of shares	# of shares
Outstanding ordinary shares at 1 January		48.386.416	32.963.822
Issue of ordinary shares	7.3.7	12.672.933	15.367.044
Vesting shares LTI plan	7.3.8	109.050	55.550
Basic weighted average number of ordinary shares		**52.904.331**	**43.747.911**
Issue of ordinary shares after closing financial year		26.936.041	2.052.156
Award ordinary shares to Energietransitiefonds B.V.		300.000	0
Awarded non-vested RSU's LTI Plan		1.030.218	260.850
Awarded non-exercized stock options LTI Plan		1.908.950	1.265.900
Call options awared in combination with private placement		40.404.062	0
Outstanding ordinary shares at 31 December	7.3.7	**61.168.399**	**48.386.416**
Outstanding number of ordinary shares, including potential dilutive effect, at 31 December		**131.747.670**	**51.965.322**

On 4 February 2025 Pryme issued 26.936.041 shares in order to satisfy the company's private placement of 16 December 2024. The issue price was € 0.1485 per share, corresponding to NOK 1.7340 per share.

In combination with the private placement of 16 December 2024, Pryme also granted 40.404.062 options to the subscribers in the private placement of 16 December 2024 to acquire up to 40,404,062 shares in the company at a price of € 0.1485 per share (investor call options), and to accept up to 40.404.062 put options affording the company the right to sell up to 40.404.062 shares to the subscribers in the private placement of 16 December 2024 at a price of € 0.1485 per share, subject to certain conditions precedent (company put options), and provided that the total number of shares issued under the investor call options and the company put options does not exceed 40.404.062 shares (the number of shares and the subscription price to be adjusted accordingly after the 10-for-1 share consolidation which took place on 3 March 2025).

In an extraordinary general meeting on 28 April 2025, Pryme's shareholders approved and authorized (i) the issuing of 5.655.652 new shares in order to fulfil the 10 April 2025 private placement, (ii) the issuing of up to 1.233.208 new shares in order to fulfil the potential subsequent offering, and (iii) certain amendments to the Company's articles of association.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Following completion of the share consolidation, with a ratio from 10 to 1, on 4 March 2025, the number of outstanding shares decreased accordingly. The par value as per share increased from € 0.05 to € 0.50.

The profit/ (loss) attributable to ordinary shares for the basic and diluted earnings per share calculations is depicted in the table below. Due to the losses in 2024 and 2023, the potential dilutive shares have an anti-dilutive effect and therefore diluted earnings per share have been set at the same level as the basic earnings per share.

Profit/(loss) attributable to shareholders			
in € 000	Notes	2024	2023
Profit/(loss) attributable to shareholders	7.1.2	-45.714	-15.411
Earnings as per share:			
Basic earnings as per ordinary share (in €)	7.1.2	-0.86	-0.35
Diluted earnings as per ordinary share (in €)	7.1.2	-0.86	-0.35
Earnings as per share - continued operations			
Basic earnings as per ordinary share (in €)	7.1.2	-0.84	-0.30
Diluted earnings as per ordinary share (in €)	7.1.2	-0.84	-0.30
Earnings as per share - discontinued operations			
Basic earnings as per ordinary share (in €)		-0.03	-0,06
Diluted earnings as per ordinary share (in €)		-0.03	-0,06

Overview top 20 shareholders as of 31 December 2024

Overview top 20 shareholders as of 31 December 2024				
Rank	Holding	Stake%	Name	Type of account
1	20.053.730	32,78	SIX SIS AG*	nominee
2	13.290.416	21,73	Circular Rotterdam B.V.	ordinary
3	8.724.532	14,26	Circular Plastics Coöperatief U.A.	ordinary
4	2.499.240	4,09	Omnis C.V.	ordinary
5	2.443.962	4,00	CLEARSTREAM BANKING S.A.	nominee
6	1.711.022	2,80	NORDNET LIVSFORSIKRING AS	ordinary
7	1.270.850	2,08	Nordnet Bank AB	nominee
8	611.971	1,00	Van Meirhaeghe	ordinary
9	600.000	0,98	LMJ Holding AS	ordinary
10	500.000	0,82	LONBERG	ordinary
11	419.000	0,69	THORSNES	ordinary
12	400.016	0,65	Saxo Bank A/S	nominee
13	388.977	0,64	AS CLIPPER	ordinary
14	305.008	0,50	WINGER	ordinary
15	299.662	0,49	Morgan Stanley & Co Int. Plc.	nominee
16	219.940	0,36	MEDIANORD AS	ordinary
17	201.721	0,33	SIRING	ordinary
18	200.00	0,33	MATHISEN	ordinary
19	192.688	0,32	BAKLUND	ordinary
20	171.367	0,28	NEW 2020 AS	ordinary

* SIX SIS AG includes 10.620.777 shares held by Taranis Investment Limited

7.6. Company Financial Statements 2024

7.6.1. Company Statement of Financial Position

Parent Company Statement of Financial Position			
in € 000	Notes	31-12-2024	31-12-2023
Assets			
Non-current assets			
Financial non-current assets			
Shares in group companies	7.7.2	2.733	221
Receivables from group companies	7.7.2	8.019	34.350
Security deposits	7.7.2	9	9
Total non-current assets		**10.761**	**34.580**
Current assets			
Other receivables and accrued expenses	7.7.3	23	82
Cash & cash equivalents	7.7.4	1.100	6.347
Total Current Assets		**1.122**	**6.430**
TOTAL ASSETS		**11.883**	**41.009**
Equity & Liabilities			
Equity	7.7.5		
Share capital	7.7.5	3.058	2.419
Share premium reserve	7.7.5	71.315	59.874
Share-based payments reserve	7.7.5	1.095	455
General reserve	7.7.5	-68.875	-23.269
		6.592	**39.479**
Provision for subsidiaries	7.7.6	**0**	**1.242**
Liabilities			
Non-current liabilities			
Payables to banks		5.000	0
Total non-current liabilities		**5.000**	**0**
Current liabilities			
Accounts payables	7.7.7	59	35
Payables relating to taxes and social security contributions	7.7.7	0	13
Other liabilities and accrued expenses	7.7.7	232	240
Total current liabilities		**291**	**288**
Total Equity and Liabilities		**11.883**	**41.009**

7.6.2. Company Statement of Profit and Loss

Company Statement of Profit and Loss			
in € 000	Notes	2024	2023
Operating expenses			
Personnel costs	7.7.9	-477	-863
Social security premiums and pension costs	7.7.10	-6	-8
Depreciation right-of-use assets		0	-30
Other Operational Expenses	7.7.11	-854	-792
Total operating expenses		**-1.336**	**-1.692**
Operating result (EBIT)		**-1.336**	**-1.692**
Financial income / (expense)	7.7.12	2.489	2.061
Profit before taxes		**1.152**	**369**
Income tax		-	-
Share in result from participations	7.7.13	-46.867	-15.779
Net profit (loss)		**-45.714**	**-15.411**

7.7. Notes to the Parent Company Financial Statements

7.7.1. General information

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the result, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

According to Part 9, Book 2 DCC, Pryme uses the option to apply the accounting policies of the consolidated financial statements (article 362 (8) DCC) to prepare the company financial statements (combination 3).

The registered offices and business address of Pryme N.V. are Fascinatio Boulevard 220, 3065 WB Rotterdam, the Netherlands. Pryme N.V. is registered at the Dutch Chamber of Commerce under number 75055449.

Going concern

In accordance with the applicable accounting principles, we confirm that the financial statements for the parent company have been prepared under the assumption of a going concern, consistent with the financial statements on a consolidated basis for the Pryme Group. This assumption is based on the profit & loss and cash flows budgeted for 2025 and the strategic forecasts and plan for the year 2026.

For further details and explanations, please see section 7.2.2 (Going concern) on a consolidated basis.

7.7.2. Financial non-current assets

Accounting policies

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regards to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as Pryme N.V. can be held fully or partially liable for the debts of the participation or has the firm intention of enabling the participation to settle its debts, a provision is recognized.

Newly acquired participations are initially recognized at the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognized in the profit and loss account.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognized and charged to the profit and loss account.

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortized cost price, which is, in general, equal to the nominal value. For determining the value, any impairment is taken into account.

Security deposits are valued at nominal value.

Financial non-current assets and subsidiaries:

Financial non-current assets			
in € 000	Notes	31-12-2024	31-12-2023
Subsidiaries		2.733	221
Receivables from group companies		8.019	34.350
Security deposits		9	9
	7.6.1	**10.761**	**34.580**
Subsidiaries			
in € 000	Notes	31-12-2024	31-12-2023
CCT International B.V.	7.7.6	2.733	0
Pryme Management B.V.		0	221
	7.6.1	**2.733**	**221**
Receivables from group companies:			
in € 000	Notes	31-12-2024	31-12-2023
Current account CCT Circular Cleantech B.V.		1.096	30.661
Current account CCT International B.V.	7.7.6	92	0
Current account CCT Circular Cleantech Amsterdam B.V.		145	3.650
Current account Pryme Management B.V.		6.685	38
	7.6.1	**8.019**	**34.350**

CCT International B.V. performs research and development at our lab-scale pyrolysis plant at Ghent University. CCT Circular CleanTech B.V. is the operating company running the industrial scale test plant “Pryme One” in the Botlek area (Rotterdam). CCT Circular CleanTech Amsterdam B.V. is the owner of a potential Pryme production site in the Amsterdam harbor area. Currently this site is not in use.

Pryme Management B.V. was established in June 2023 and is the 100% parent company of both CCT Circular CleanTech B.V. and CCT Circular CleanTech Amsterdam B.V. as of 30 December 2024. This company operates as the operational holding of the Pryme Group. The activities entail business development and all commercial, legal, finance affairs for the entire Pryme Group.

All subsidiaries are, directly or indirectly, 100% owned by Pryme N.V.

Movements in financial non-current assets:

Movements in financial non-current assets					
in € 000	Notes	Subsidiaries	Receivables from group companies	Security deposits	TOTAL
Balance as of 31 December 2023	7.6.1	221	34.350	9	34.580
Share in results		-46.867			-46.867
Capital contributions		55.000			55.000
Movement provision for subsidiaries	7.7.6	-5.621			-5.621
Other movements			-26.331	0	-26.331
Balance as of 31 December 2024	7.6.1	2.733	8.019	9	10.761

The receivables from group companies are governed by Current Account Agreements. The current agreements have a duration of two years from 1 January 2023 until 31 December 2024. The interest rate is 5% (2023: 5%) on an annual basis. The interest is calculated on a quarterly basis and added to the receivables. Considering the long-term nature of these balances the receivables are disclosed under non-current financial assets.

The other movements relate to regular movements in intercompany balances with regards to operations and to an internal refinancing that has been realized in December 2024. Pryme N.V. handed over the Pryme group internal treasury role to Pryme Management B.V.. Consequently, the internal funding largely moved from Pryme N.V. to Pryme Management B.V., which is reflected in the other movements.

7.7.3. Other receivables and accrued expenses

Other receivables and accrued expenses			
in € 000	Notes	31-12-2024	31-12-2023
Taxes and social security charges - Value added tax		12	11
Other amounts receivable		10	23
Accruals and prepaid expenses		0	49
	7.6.1	**23**	**82**

7.7.4. Cash

Cash and cash equivalents			
in € 000	Notes	31-12-2024	31-12-2023
Rabobank		1.099	6.347
ING Bank NV		1	1
	7.6.1	**1.100**	**6.347**

7.7.5. Share capital and other reserves

Accounting policies

Reference is made to the accounting policies and notes regarding Share Capital, Share Premium Reserve and General Reserve in note 7.3.7 (consolidated equity) and the Share-based payments Reserve in note 7.3.8.

Company share capital and other reserves:

Company share capital and other reserves						
in € 000		Share capital	Share premium reserve	Share-based payments reserve	General reserve	Total equity
	Notes	7.3.7	7.3.7	7.3.8	7.3.7	7.3.7
Balance as of 31 December 2023		**2.419**	**59.874**	**455**	**-23.269**	**39.479**
Result for the period	7.6.2				-45.714	-45.714
Issue of shares (Private Placement)	7.3.7	634	11.308			11.942
Accrued for LTI plan	7.3.8			886		886
Issue of RSUs and excercise options LTI plan	7.3.8	5	133	-246	108	0
Balance as of 31 December 2024		**3.058**	**71.315**	**1.095**	**-68.875**	**6.592**

Appropriation of results

The management proposes that the result for the financial year 2024 amounting to € 45.7 million negative should be transferred to the general reserves. Such transfer requires the approval from the company's shareholder meeting.

7.7.6. Provision for subsidiaries

Accounting policies

Subsidiaries with negative net asset value are valued at nil. Other long-term interests in the subsidiaries that are in substance part of the net investment (such as receivables from group companies) are taken into account in this valuation.

In case the Company fully or partly guarantees the liabilities of the subsidiaries concerned or has the effective obligation to enable the subsidiaries to pay its (share of the) liabilities, a provision is recognized.

Provision for subsidiaries			
in € 000	Notes	2024	2023
Balance as of 1 January	7.6.1	1.242	0
Addition Pryme Management B.V. resp. CCT International B.V.		7.360	12.980
Release CCT International B.V.		-12.980	0
Set-off receivables from group CCT International B.V.		11.738	-11.738
Set-off receivables Pryme Management B.V.		-7.360	0
Balance as of 31 December	7.6.1	**0**	**1.242**

The provision for subsidiaries fully relates to Pryme Management B.V.
Pryme N.V. has the effective obligation to its subsidiary Pryme Management B.V. to pay its (share of the) liabilities and therefor a provision has been recognized. Pryme N.V. annually issues a letter of support confirming that Pryme N.V. will not claim its amount receivable towards Pryme Management B.V. and will continue to provide sufficient financing to enable Pryme Management B.V. to continue its activities for at least one year. New contracts are in place as of 31 December 2024 running until 31 December 2026.

A proportion of the receivable in current account from Pryme Management B.V. (€ 7.4 million) has been set-off with the provision for subsidiaries to reflect the net exposure of Pryme N.V. regarding Pryme Management B.V.

7.7.7. Current liabilities

Current liabilities			
in € 000	Notes	31-12-2024	31-12-2023
Accounts payable	7.6.1	**59**	**35**
Payables relating to taxes and social security contributions			
Wage taxes		0	13
	7.6.1	**0**	**13**
Other liabilities and accrued expenses			
Accruals and deferred income		111	100
Audit costs		30	39
Short-term bonus		0	101
Accrued financing expenses		91	0
	7.6.1	**232**	**240**

Accounts payable are outstanding amounts to suppliers and service providers. The accruals and deferred income as of 31 December 2024 consist for € 62 thousand (2023: € 83 thousand) of accrued Supervisory Board fees.

The accrued financing expenses reflects the accrued interest on the term loan facility provided by Energietransitiefonds B.V. Reference is made to note 7.3.10.

7.7.8. Deferred taxes

For the notes regarding the deferred tax position reference is made to note 7.3.13. As of 31 December 2024, there is no deferred tax position at Pryme N.V..

7.7.9. Personnel expenses

Personnel expenses			
in € 000	Notes	2024	2023
Salaries and wages		166	273
Contracted personnel		95	494
Long-term incentive plan		50	25
Other employee related expenses		165	71
	7.6.2	**477**	**863**

7.7.10. Pension and other employee benefits

Social security premiums and pension costs			
in € 000	Notes	2024	2023
Social security premiums company contribution		6	8
	7.6.2	6	8

7.7.11. Other operating expenses

Other operating expenses			
in € 000	Notes	2024	2023
Communication and marketing expenses		25	33
Housing expenses		45	12
Fee related to audit Annual report		148	110
Audit and accounting expenses		41	75
Stock exchange related expenses		59	83
Supervisory Board fees	7.7.14	186	113
LTI Plan Supervisory Board		119	55
Legal advisory		0	1
IT expenses		23	101
Consultancy fees		137	82
Insurance		58	110
Other general expenses		11	18
		854	**792**

In June 2023 Pryme Management B.V. was established. As of the 1st of July 2023, this entity serves as the principal of Pryme Group and all commercial, operational, and financial management has been transferred to this company. In 2024 all operational and IT expenses no longer are recognized in Pryme N.V., which is reflected by the decrease of these expenses compared to 2023.

The audit fees related to the Annual report 2023 of Pryme N.V. encompass additional one-off costs for the first-time adoption of the IFRS Accounting Standards-EU.

7.7.12. Financial income and expenses

Financial income/(expense)			
in € 000	Notes	2024	2023
Interest and similar income			
Interest of receivables from Circular CleanTech B.V.		1.655	1.460
Interest of receivables from CCT International B.V.		542	159
Interest of receivables from Circular CleanTech Amsterdam B.V.		165	145
Interest of receivables from Pryme Management B.V.		121	4
Interest current account bank		204	280
Interest and similar expenses			
Bank interest expenses		-3	-4
Interest leases		0	-1
Currency translation differences		-1	18
Financing expenses		-195	0
	7.6.2	**2.489**	**2.061**

The interest rate on intercompany accounts amounts to 5% in 2024 (5% in 2023). On the outstanding balance on bank accounts the company receives an interest rate, adjusted from time to time, based on the Euro short-term rate minus a discount of 60 base points.

7.7.13. Share in result participations

Share in result participations			
in € 000	Notes	2024	2023
CCT International B.V.		-33.286	-15.400
Pryme Management B.V.		-13.581	-379
	7.6.2	-46.867	-15.779

7.7.14. Remuneration of Management Board and Supervisory Board

The remuneration of the Management Board amounted to € 491 thousand (2023: € 665 thousand). For further details regarding the remuneration policy refer to note 5.2.2

Breakdown of the remuneration in 2024 of the members of the Management Board

Amounts in EUR 1,000	Position	Base salary/ management fees	Short-term incentive 1)	Long-term incentive-share based payments				Post-employee benefits	Severnance payments	TOTAL remuneration
				Stock options		Restricted Share Units (RSU's)				
				Vested 2)	IFRS costs	Vested 2)	IFRS costs			Entitlement 3)
Marieke Bleyenbergh	CEO									
2024 (as of 4 November 2024)		94	–	–	–	–	–	–	–	94
Christopher Hervé	CEO									
2024(until 5 july 2024)		181	–	50	25	42	25	–	–	273
2023		295	101	25	42	25	42	–	–	446
Ferdinand Lupescu	CFO									
2024 (until 30 June 2024)		91	–	13	4	13	4	7	–	124
2023 (as of 1 June 2023)		92	32	–	9	–	9	9	63	196
Former Management Board members:										
Rik van Meirhaeghe	Director									
2023	Consultant	23	–	–	–	–	–	–	–	23
TOTAL										
2024 Entitlements 3)		366	–	63		55		7	–	491
2024 IFRS costs		272	–		30		29			331
2023 Entitlements 3)		410	133	25		25		9	63	665
2023 IFR costs		410	133		51		51	9	63	716

1) The supervisory board has appoined Mrs. Bleyenbergh to assume the management tasks and responsibilities of the management board on a temporary basis as from 4 November 2024 on the basis of article 14.13 of the company's articles of association and in line with section 134 paragraph 4 of Book 2 Dutch Civil Code. Mrs. Bleyenbergh assumed this role as an independent contractor against the base management fee reflected in the table. During the period from 5 July 2024 until 4 November 2024, the company's interim CFO Mr. Frans Vollering and the company's COO Mr. Pascal Spiekerman van Weezelenburg assumed the management tasks and responsibilities of the management board on a temporary basis next to their functions as interim CFO, respectively COO, against no additional remuneration or compensation.

2) Short-term incentives are determined at discretion of the Supervisory Board and reflect a best estimate of the bonus over the reporting period.

3) The vested value of share options and Restricted Share Units (RSU) is calculated based on the value at award date.

4) Entitlements are defined as i) base salary and/ or fixed management fees, ii) short-term incentive (which relates to the performance of the financial year), iii) the monetary value of the vested part of the long-term share-based incentive plan, iv) post-employee benefits (pension contributions) and v) severance payments. Remimbursed (travel) expenses and company cars (CFO only) are not disclosed in this overview.

The remuneration of the Supervisory Board amounted to € 162 thousand (2023: €387 thousand). In note 5.2.3 further details regarding the remuneration policy are disclosed.

Breakdown of the remuneration in 2024 of the members of the Supervisory Board

Amounts in EUR 1,000	Position	Annual fees 1)	Consultancy	Long-term incentive - Share based payments				TOTAL
			fees 2)	Share options		Restricted Share Units (RSU's)		Remuneration
				Vested 3)	IFRS cost	Vested	IFRS cost	Entitlement 4)
Henning Jensen	Chairman							
2024		42	59	–	22	–	9	101
2023		38	38	17	17	–	–	92
Michiel Kool	Vice-chairman							
2024 (until 16 December)		31	–	–	40	–	–	31
2023		33	8	14	14	–	–	54
Jan Willem Muller	Member							
2024		25	–	–	14	–	–	25
2023		23	–	12	12	–	–	35
Boudewijn van Vliet	Member							
2024 (until 16 December)		19	–	–	32	–	–	19
2023		20	–	12	12	–	–	13
Emmanuel Colombel	Member							
2024 (from 9 April)		16	–	–	3	–	–	16
Former Supervisory Board members:								
Jos van der Endt								
2024		–	54	–	–	–	–	54
2023		–	10	–	–	–	–	10
TOTAL								
2024 Entitlements 3)		124	59	–		–		182
2024 IFRS costs		124	59	–		–		292
2023 Entitlements 3)		113	55	55		–		223
2023 IFRS costs		113	55		55		–	222

1) Fees consist of the regular Supervisory Board fees and additional fees related to Supervisory Board sub-committees.

2) Consultancy fees relate to non-recurring activities that do not normally fall under the actitivities of Supervisory Board members. Further, Henning Jensen was awarded 57.118 RSUs (market value EUR 27.916) as additional compensation for his activities during the CEO transition period. In 2024 the consultancy agreement with Jos van der Endt was terminated for a consideration of EUR 54.000.

3) The vested value of share options is equal to the fair value of the Options at award date. Options not exercised before 16 June 2025 by Mr. Kool and Mr. van Vliet will be forfeited.

4) Entitlements are defined as i) Supervisory Board fees, ii) consultancy fees and iii) the monetary value of the vested part of the long-term share-based incentive plan.

7.7.15. Responsibility Statement

The Management Board and the Supervisory Board of Directors of Pryme N.V. confirm, to the best of their knowledge, that the financial statements for the period 1 January to 31 December 2024 for both the parent company and for the consolidated Pryme group, have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the company's and the group's assets, liabilities, financial position, and profit or loss of the entity and the group taken as a whole. We also confirm that the Board and Governance reports include a true and fair view of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties the group and the company face.

Rotterdam,
6 May 2025

Pryme N.V.

Benoît Morelle
CEO

Henning E. Jensen
CHAIR
Supervisory Board

Emmanuel Colombel
MEMBER
Supervisory Board

Jan Willem Muller
MEMBER
Supervisory Board

Other information

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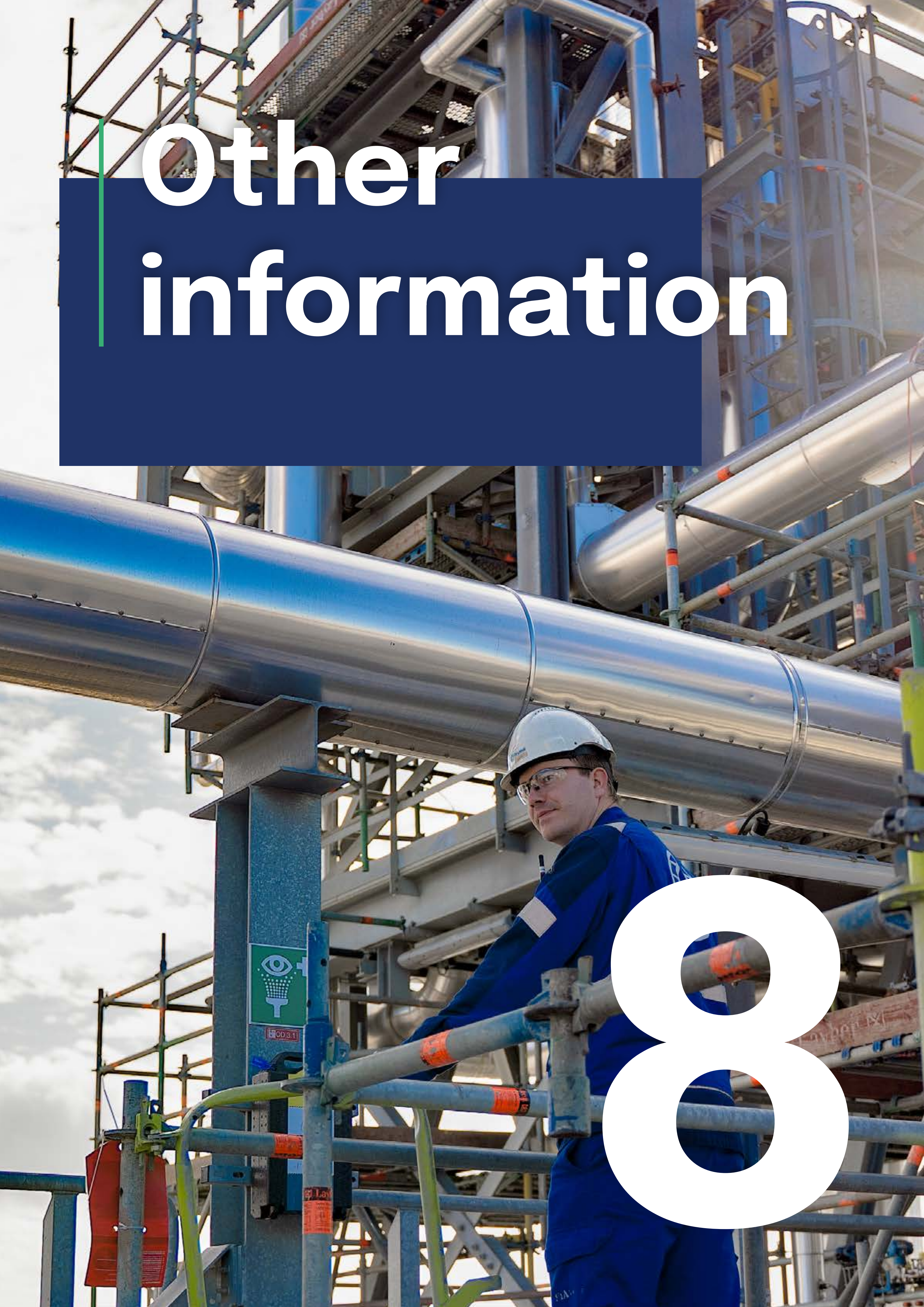

8.1. Appropriation of results

Under article 20 of the company's Articles of Association, the result for the year is at the disposal of the General Meeting of shareholders, which can allocate the results either wholly or partly to the formation of or addition to one or more general or specific reserve funds. The proposal of the Board to allocate the results for the year to the general reserves has been incorporated into these financial statements,

The management proposes that the results for the financial year 2024 amounting to € 45.7 million negative should be transferred to the general reserves. Such a transfer requires approval from the company's shareholder meeting.

The financial statements reflect this proposal.

8.2. Auditor's report

Independent auditor's report

To the Management Board and Supervisory Board of Pryme N.V.

Report on the audit of the financial statements as at 31 December 2024 included in the Annual Report

Our opinion

We have audited the accompanying financial statements for the year ended 31 December 2024 (hereafter "financial statements") of Pryme N.V. (hereafter "Company" refers to the legal entity, and "Group" refers to the Consolidated level), based in Rotterdam, the Netherlands. The Company is the head of a group of entities ("components"). The financial information of this group is included in the 2024 consolidated financial statements of the Group. The financial statements include the 2024 consolidated financial statements and the 2024 company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for 2024 in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code.

The 2024 Consolidated Financial Statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the following statements for 2024: the consolidated statement of profit and loss and, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes comprising a summary of the material accounting policies and other explanatory information

The 2024 Company Financial Statements comprise:

- the company statement of financial position as at 31 December 2024;
- the company statement of Profit and Loss for 2024; and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group and the Company in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw your attention to the "Going concern assumption" section 7.2.2 in the 2024 Consolidated Financial Statements where it is confirmed that these financial statements are based on the going concern assumption. Our opinion is not modified in respect of this matter.

The going concern assessment involved complex and subjective judgements. The general principles for the preparation of the financial statements and going concern assumption are set out in note 7.2.2 (Going Concern). Our responsibilities, as well as the responsibilities of the management board, related to going concern under the prevailing accounting standards are outlined in the "Description of responsibilities regarding the financial statements" section below.

The management board has prepared the financial statements on a going concern basis. When preparing the financial statements, the management board made an assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future. We note that the cash flow estimations are based on significant judgements and assessments by the company on the operational cashflows and that these can be negatively or positively impacted by the different assumptions used.

We discussed and evaluated the specific assessment with the management board exercising professional judgment and maintaining professional scepticism. Our main procedures to assess the management board assessment are as follow:

- We held discussions with management to understand their plans and actions to mitigate the risks associated with the material uncertainties. This included evaluating the feasibility and effectiveness of these plans;
- We reviewed management's assessment of the group's ability to continue as a going concern, including the assumptions and projections used in their cash flow forecasts;
- We considered whether the management board assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- We performed reviews on management's cash flow forecasts to assess the impact of changes in key assumptions on the group's ability to continue as a going concern;
- We evaluated the consistency of information used in the Management Board going concern assessment (including cash flow projections) and information obtained through auditing other areas such as impairment assessments;
- We inquired with the entity's management board and supervisory board members regarding the existence of litigation and claims and the reasonableness of management's assessments of their outcome and the estimate of their financial implications;
- We performed audit procedures regarding subsequent events to identify those that either mitigate or otherwise affect the entity's ability to continue as a going concern;
- We analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- We have read the minutes of the management board and supervisory board and relevant committees for

reference to financing difficulties;
- We examined the disclosures in the financial statements regarding the material uncertainties related to going concern. We ensured that these disclosures appropriately describe the principal events or conditions that may cast significant doubt on the group's ability to continue as a going concern and management's plans to address these events or conditions.

Based on these procedures, we conclude that the financial statements have been appropriately prepared on the basis of the group's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information above relating to our audit approach on going concern and the following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality
Based on our professional judgement we determined the materiality for the financial statements as a whole at € 525.000 The materiality is based on the total assets of the group. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Audits of group entities (components) were performed using materiality levels determined by the judgement of the group audit team.

We communicated with the Audit Committee that misstatements in excess of € 15.750, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit
Pryme N.V. is at the head of a group of entities. The financial information of this group is included in the 2024 consolidated financial statements of Pryme N.V.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Group, its environment, controls and critical process, to consider qualitative factors in order to ensure that we obtained sufficient audit evidence.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements whether due to fraud or error and then designed and performed audit procedures responsive to those risks. In particular, we looked at where management made subjective judgement such as making assumptions on significant accounting estimates.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out on the components. Our group audit is focusing on components in terms of audit risk and or where significant risks or complex activities were present, leading to full scope audits and specific scope audits having been performed Pryme N.V., CCT Circular Cleantech B.V. and CCT International B.V.. For smaller components, we performed substantive audit procedures on material but non-significant financial statement line items, along with analytical procedures, to corroborate our assessment that there are no remaining risks of material misstatements.

We performed audit procedures at group level on areas such as consolidation, financial statement disclosures and impairment testing for intangible and tangible assets . Specialists were involved in the areas of valuation.
By performing the procedures mentioned above we have been able to obtain sufficient and appropriate audit evidence about the consolidated and company financial information and to provide an opinion on the financial statements as a whole.

Audit approach fraud risks

We refer to paragraph 'Compliance with laws and regulations' in the Governance Report of Pryme N.V. for the fraud risk assessment.

As part of our procedures of identifying fraud risks, we evaluated fraud risks factors with respect to financial reporting fraud, misappropriation of assets and corruption. We identified the following fraud risks and performed the following specific procedures:

Fraud risk: management override of controls	Our specific audit response
Management is ordinarily in a unique position to adjust the financial statements by overriding controls that otherwise appear to be operating effectively. In this context, we paid attention to: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements, such as manual journal entries made close to the year-end date, consolidation adjustments, and reclassifications. • Potential biases in estimates, such as impairment of tangible and intangible assets. • Significant transactions, if any, outside the normal course of business.	Amongst others, we have performed the following audit procedures: • We obtained an understanding of the internal control framework and evaluated the design and implementation of the relevant controls in the financial closing process. • We paid specific attention to the estimates and assumptions related to the impairment test of Pryme One. • We made inquiries of individuals with different levels of responsibility involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • We performed audit procedures on journal entries in various processes, including the closing and consolidation processes, based on fraud selection criteria such as material adjustments made during the course of preparing the financial statements. For these journal entries, we tested the appropriateness by obtaining supporting documentation.

In addition, we also performed the following more general procedures in relation to the fraud risk:

- we have incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures by testing immaterial revenue balances
- we evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- we assessed the outcomes of other audit procedures, considering whether there are findings that could suggest fraud or non-compliance with laws and regulations.

We have not identified a fraud risk related to revenue recognition as the revenue present for the year ended 2024 is not material.

Non-compliance with laws and regulations
We obtained an understanding of the relevant laws and regulations applicable to the company. We conducted discussions with, among others, the Management and Supervisory board to ascertain whether compliance with laws and regulations that could have a direct or indirect material impact on the financial statements has been achieved. Additionally, we gathered information about legal proceedings and potential claims.

Our observations
The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

Our key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

Key Audit Matter	How our scope addressed this matter
Impairment Testing of Pryme One The group accounting policies and further financial information regarding the impairment are set out in note 7.4.7 of the consolidated financial statements. For purposes of impairment testing, tangible and intangible fixed assets are grouped into Cash Generating Units (CGUs). For the CGU "Pryme One," management is required to assess the recoverable amount due to indications of a possible impairment. In view of the inherent uncertainties, including those related to the projection of sales volumes, sale prices, margins, and discount rates in management's impairment tests, an increased level of judgment is involved for CGUs. As a result of impairment testing for the current year, an impairment loss of €24 million has been recognized. Given the high level of judgment made by management to estimate the recoverable amount used in management's impairment tests for Pryme One, the impairment testing was a key audit matter.	We involved our valuation specialists during our audit procedures. Our audit procedures included the following: • We evaluated the design effectiveness of controls related to the impairment assessment, including the appropriateness of management's assessment of the CGU, indicators of impairment, discount rates, and forecasts. • We assessed and evaluated the reasonableness of key assumptions in the value-in-use calculations, including the projected revenue, operating margin, discount rates, and growth rates used in the value-in-use model. • We benchmarked key assumptions and challenged management by comparing the assumptions to the historic and actual performance of the company. • We engaged our internal valuation experts to assist us in evaluating the appropriateness of the value-in-use impairment models, including the key assumptions and supporting documentation, and concluded on the overall reasonableness. • We verified the mathematical accuracy of the models and agreed these models with relevant data. • We evaluated the reasonableness of the disclosures made in the financial statements in relation to the carrying value of tangible and intangible fixed assets.

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Introduction
- CEO letter;
- Board report;
- Company Profile;
- Governance Report
- Sustainability Report;
- Other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

No prohibited non-audit services

We have not provided prohibited non-audit services on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis of forming an opinion on the financial statements. We are also responsible for the direction, supervision, and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 6 May 2025
Forvis Mazars Accountants N.V.

M. Vazel RA

Pryme

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