

PRYME N.V.

Q1 2025 Report



May 6th, 2025

Pryme N.V. – Q1 2025 Report

Forward Looking Statements

This 2025 Q1 Report (the “Report”) is produced by Pryme N.V. (the “Company” or “Pryme”) and contains several forward-looking statements relating to the business, financial performance and results of Pryme, its subsidiaries and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “forecasts”, “anticipates”, “targets”, “will”, “should”, “may”, “continue” and similar expressions.

Forward-looking statements include statements regarding objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; profit; margin, return on capital, cost or dividend targets; economic outlook and industry trends; developments of the Company’s markets; the impact of regulatory initiatives; and the strength of the Company’s competitors.

The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company, are based upon various assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third party sources. Although the Company believes that these assumptions were reasonable when made, the statements provided in this Report are solely opinions and forecasts that are uncertain and subject to risks, contingencies and other important factors which are difficult or impossible to predict and are beyond its control.

A number of factors can cause actual results to differ significantly from any anticipated development expressed or implied in this Report. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statement. The information obtained from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading.

To the Pryme shareholders,

As we close the first quarter of 2025, we remain committed to executing our strategy while adapting to operational realities. Despite technical setbacks -mainly caused by a leak on the reactor-, we made tangible progress in our testing plan although it did not allow us to validate or revise previously communicated parameters on the plant capacity.

Following the reactor repairs in January, we resumed operations in March and produced 154 tons of pyrolysis oil. While this production window was brief, it allowed to test the reactor at its maximum operating temperature and commissioning of the second extruder. The testing plan, now underway, is designed to deliver clearer insights into the plant capacity by the end of Q2.

We continue to refine both our process conditions and feedstock strategy to improve oil yield and quality. Alongside these technical efforts, we made progress in renegotiating our main sales contract to better reflect current market dynamics.

While challenges remain, we are approaching them with a structured and data-driven mindset. Our team's agility, dedication, and growing experience in running Pryme One give us confidence in our path forward.

We appreciate your continued trust and support as we build Pryme into a key contributor to the circular economy and look forward to updating you on our progress in the coming months.

Sincerely,

Benoît Morelle
CEO

Key highlights Q1 2025

- **Safety Performance:** No Lost Time Injuries (LTI) or First Aid Injuries (FAI) were recorded during the quarter. The most significant incident involved a loss of containment (LoC) on the reactor, which briefly caused a flame that was promptly extinguished without further consequence.
- **Production Volume:** Pryme produced 154 tons of pyrolysis oil between March 11 and March 31, fairly consistent with previously communicated expectations for production of up to 200 tons of pyrolysis oil in Q1 2025.

Pryme One update

In Q4, 2024, Pryme revised its estimated production capacity from around 30,000 to around 17,000 tons of pyrolysis oil based on the 2024 production data. As many of these assumptions were based on data acquired at low feed rates, Pryme developed a testing plan to verify the capacity estimates. Unfortunately, a reactor leak experienced in early January 2025 led to a delay in the start of such testing plan.

Operations resumed on March 11 following successful repairs. Between then and the end of the month, 154 tons of oil were produced across 10 batches. On March 31, operations were halted again due to vibrations detected in the reactor. While no major mechanical damage was expected, inspections in early Q2 provided definitive clarity.

Although long production runs are still lacking, initial test results are mixed. More operational data is needed to validate or revise previously communicated parameters on the plant capacity.

As part of its ongoing test plan, the reactor temperature has been increased to its maximum value and the feeding strategy of the reactors have been optimized to achieve higher production rates. Specific tests were conducted to understand the sensitivity of certain process parameters on the production and optimise production. Pryme also completed the commissioning of its second extruder to that allowed to increase the feed rate of the reactor.

In parallel, the team continued to work on improving the reliability its operations through improved tracking of downtime, implementing mechanical improvements, optimizing its process conditions and selecting better feed stock. Progress was made on the extruder vacuum systems, though mechanical and sealing issues on the reactor persist. These are expected to be resolved by the end of Q2.

In Q2, following the resolution of the vibration issue, the test plan will continue. Inspections and cleaning of key process equipment will be conducted, odor-control systems will be installed, and new feedstocks will be tested to improve oil quality. Some process modifications are also planned that to further improve the oil quality.

In December 2024, the Sales & Operations Planning (S&OP) framework was strengthened and tested during live operations to enhance coordination with suppliers and customers. Supplier evaluation procedures were also implemented to support more effective feedstock sourcing

Other notables and further descriptions of activities and accomplishments for the reporting period:

- **Sales Contract Update**

As disclosed in prior updates, Pryme is actively renegotiating elements of its primary sales contract. Discussions focus on pricing and product specifications, reflecting the current higher market prices and the financial implications of revised capacity expectations. These negotiations made good progress during Q1 but have not yet been finalized.

- **Funding**

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 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.

- Increase of share capital and share consolidation

With approval of the shareholders meeting of 14 January 2025, the Company increased its authorized capital to € 15.0 million, divided into 300,000,000 shares on 14 January 2025 and it executed a consolidation of the shares in the Company in the ratio of ten (10) to one (1) on 3 March 2025; each 10 shares gave 1 new share. Consequently, the number of shares issued in the Company as of 3 March 2025 was reduced to 8,810,444, each with a par value of € 0.50. The share consolidation also led to a change in the Company's ISIN; from 4 March 2025, the Company trades under ISIN NL0015002E73.

- IMPACT/ ESG

Pryme operates in a hazardous petrochemical environment, where safety remains a top priority. No Lost Time Injuries (LTI) or First Aid Injuries (FAI) occurred during the quarter. However, one significant incident did take place: a loss of containment (LoC) on the reactor briefly resulted in a flame, which was swiftly extinguished without further consequences.

As part of ongoing process improvements, slight modifications were made to operations, resulting in the creation of a new wastewater stream. In collaboration with the relevant authorities and the industrial wastewater treatment facility, extensive testing of these streams is planned to ensure compliance and environmental responsibility.

In parallel, progress has been made in environmental performance. The engineering and procurement phases for new emission-reduction systems have been completed. Installation is scheduled for Q2 and is expected to effectively resolve the odor issues experienced in 2024.

Pryme also continues to strengthen its operational insights. Mass balance is being closely monitored, and this data will be instrumental in the upcoming Life Cycle Analysis (LCA). As communicated earlier, the LCA was postponed to ensure it reflects data from stable production conditions, which are now being achieved.

Additionally, enhancing cybersecurity awareness remains a key organizational focus. In January 2025, a dedicated training program for management and staff was launched. Cybersecurity awareness will be continuously monitored to support our commitment to digital resilience.

- Organization and board

The Company's supervisory board appointed Mr. Benoît Morelle as interim CEO assigned with the management tasks and responsibilities of the Company's management board on a temporary basis. The appointment took effect on 8 March 2025, succeeding Mrs. Marieke Bleyenbergh who resigned per the same day.

Subsequent events

- On 10 April 2025, the Company completed a private placement with gross proceeds of € 7 million for 5.655.652 new shares at an offer price of €1.2377 per share, subject to shareholder approval. In conjunction with this private placement, it was also considered to prepare and carry out a potential subsequent offering, subject to shareholder approval and other conditions, designed to reduce the dilution effects of the private placement for the shareholders who did not participate in the private placement.
- In an extraordinary general meeting on 28 April 2025, Pryme's shareholders (i) approved the private placement of 10 April 2025 and authorized the supervisory board to issue 5.655.652 new shares in the Company's capital, (ii) authorized the supervisory board to resolve to carry out a subsequent offering to the shareholders who did not participate in the private placement of up to 1.233.208 new shares at the offer price per share of NOK 15.00 equal to that in the private placement, and (iii) authorized certain amendments to the Company's articles of association.
- On 29 April 2025 Pryme informed the market that the reactor experienced product leakage from around the discharge valve. Pryme took immediate control of the following thermal incident and fire, and terminated production. There were no injuries to any personnel. The Company will investigate the incident and the operation of the discharge valve for technical improvement of the reactor in its operation. Considering the lead times for delivery of components for repair, Pryme provisionally estimates that production cannot be resumed for a period of 4 – 8 weeks. Whereas no guidance can be given as to Pryme's future performance, the earlier estimated production volume within the range from 750 – 1,250 tons of pyrolysis oil for Q2, 2025 no longer is valid and will be adjusted depending on actual downtime during repairs of the installation.

Outlook 2025

Pryme maintains the production volume guidance shared in the Q4 2024 report for Q3 and Q4 2025. The production forecast for Q2 has been adjusted downward related to the downtime as a result of the incident on 29 April 2025. Significant uncertainty remains regarding the production figures of Q2 2025, as the root cause analysis and inspection of the affected area have not yet been completed.

- Q2 2025: up to 250 tons
- Q3 2025: 1,500–2,500 tons
- Q4 2025: 3,000–4,000 tons

At this stage, production is expected toward the lower end of each range unless further improvements are realized. Following completion of the repairs of the reactor from the incident on 29 April 2025, the testing plan is pursued through the end of Q2, after which more stable and higher production levels are anticipated.

2025 1st QUARTER INTERIM FINANCIAL STATEMENTS

- UNAUDITED FIGURES –

Consolidated Statement of Financial Position		
<i>(In EUR * 1,000)</i>	31-3-2025	31-12-2024
Assets		
Non-current assets		
Intangible assets		
Development costs	4.599	4.905
Property, plant, and equipment		
Plant and equipment	9.840	10.104
R&D equipment	636	623
Office improvements & furniture	65	74
Right-of-use assets	3.344	3.311
Financial assets		
Other amounts receivable	250	250
Deferred taxes	-	-
Total non-current assets	18.736	19.268
Current assets		
Inventories	509	267
Trade receivables, other receivables and prepaid expenses	792	899
Cash & cash equivalents	5.731	5.996
	7.032	7.162
Assets held for sale	3.004	2.975
Total current Assets	10.036	10.137
Total Assets	28.771	29.405
Equity & Liabilities		
Group Equity	6.989	6.592
Provisions		
Provision for decommissioning	678	670
Liabilities		
Non-current liabilities		
Government grants	1.106	1.631
Payables to banks	10.893	11.099
Leasing liabilities	2.728	2.703
Deferred taxes	23	23
Total non-current liabilities	14.750	15.457
Current liabilities		
Payables to banks	1.016	892
Leasing liabilities	762	720
Trade payables	892	1.055
Payables relating to taxes and social security contributions	70	103
Other liabilities and accrued expenses	939	1.204
	3.679	3.974
Liabilities directly associated with the assets for sale	2.675	2.712
Total current liabilities	6.354	6.686
Total equity and liabilities	28.771	29.405

Notes to the Consolidated Statement of Financial Position

The financial statements in this Q1 2025 report are unaudited.

Accounting policies

There were no reclassifications or changes in accounting policy in the first quarter of 2025.

Financial position

In the Q4 2024 report, issued on 26 February 2025, Pryme recognized an impairment of EUR 20.4 million related to the Pryme One installation and reported that the impairment charge, pending the final review and audit, may increase up to a maximum of EUR 30 million. After final review the impairment has of the Pryme One installation has been determined on EUR 24.0 million.

In addition to the impairment of the Pryme One installation, another impairment of EUR 1.2 million has been recognized in 2024 related to the assets held for sale (Amsterdam site).

Capital expenditure amounted to EUR 225 thousand in the first quarter of 2025. Expenses mainly relate to the emissions control system that will be installed in Q2 and the wastewater discharge.

Related party transactions

In Q1 2025 no related party transactions occurred other than the completion of the private placement of shares with Taranis Investment Limited and Circular Plastics Coöperatief U.A.

Consolidated Statement of Profit and Loss		
<i>(In EUR * 1,000)</i>	Q1 2025	2024
Revenues	0	102
Change in inventories	218	-74
Costs of raw materials, energy and utilities	-137	-953
Personnel expenses	-1500	-6151
Social security premiums and pension costs	-127	-637
Other operating expenses	-949	-5.480
Total expenses	-2.495	-13.295
Operating income (EBITDA)	-2.495	-13.193
Depreciation and amortization	-939	-6.444
Impairment losses	0	-24.000
Operating result (EBIT)	-3.434	-43.637
Financial income	32	229
Financial expenses	-314	-899
Profit before taxes	-3.716	-44.307
Income tax	0	-1
Profit (loss) from continuing operations	-3.716	-44.308
Discontinued operations	-66	-1.406
Net profit (loss)	-3.782	-45.714

Notes to the Consolidated Statement of Profit and Loss

- In Q1 2025 Pryme produced 154 metric tons of pyrolysis oil compared to 236 in the full year 2024. No sales were recognized in Q1 2025 related to the off-spec quality of the pyrolysis oil product and additional sample testing. This is reflected in the increase in inventories.
- The depreciation and amortization costs in Q1 2025 are significantly lower than in 2024. This mainly relates to the EUR 24.0 million impairment of the Pryme One installation in 2024.
- In Q1 2025 Pryme recognized EUR 731 thousand (2024: EUR 529 thousand) of the EU Horizon (Project ELECTRO) subsidy related to the use of the Pryme Installation for test purposes. The subsidy has been deducted from the Pryme One costs.

Consolidated Statement of Changes in Equity					
(In EUR * 1,000)	Share capital	Share premium reserve	Share-based payments reserve	General reserve	Total equity
Balance as of 31 December 2024	3.058	71.315	1.095	-68.876	6.592
Result for the period				-3.782	-3.782
Issue of shares (Private Placement)	1.347	2.653			4.000
Accrued for LTI plan			179		179
Balance as of 31 March 2025	4.405	73.968	1.274	-72.658	6.989

With approval of the extraordinary general meeting of shareholders of 14 January 2025, the Company issued 26.936.041 new shares and received the proceeds of EUR 4.0 million in February 2025 in fulfilment of the private placement completed on 16 December 2024.

Consolidated Statement of Cash Flow

(In EUR * 1,000)

	Q1 2025	2024
Cash Flows from/used in operating activities		
Net income after taxes continuing operations	(3.716)	(44.308)
Net income after taxes from discontinued operations	(66)	(1.406)
Net income after taxes	-3.782	-45.714
<u>Adjustments to reconcile net income to net cash flows</u>		
Amortization and depreciation	985	6.995
Impairment PPE	0	25.200
Long-term incentive plan	179	885
Interest charges related to leases	86	359
Cancellation lease	0	1
Movements in provisions	8	32
Movement in government grants	-843	-959
Finance income and expense (non-lease)	228	443
<u>Movements in working capital</u>		
Movements in inventory	-242	-184
Movements accounts receivable	103	-153
Movements in trade payable	-163	-657
Movements in other payables	-279	-2.925
Interest received	35	243
Interest paid	-140	-852
Net Cash Flow from operating activities	-3.824	-17.286
Cash Flow from investment activities		
Purchase of Property Plant & Equipment	-225	-1.694
Increase/decrease of Financial Assets	0	-75
Government grants received in advance	72	1.386
Net Cash Flow from investment activities	-153	-382
Cash Flow from financing activities		
Private placement	4.000	11.942
Payments arising from bank financing	-196	-813
Payments arising from lease liabilities	-150	-693
Term loan facility	113	5.000
Proceeds sale and lease-back	0	133
Repayment other non-current liabilities	-55	-109
Net Cash Flow from Financing Activities	3.712	15.460
Total Cash Flow for period	-265	-2.208
Cash and cash equivalents at the beginning of the period	5.996	8.204
Net Cash Flow in the period	-265	-2.208
Cash and cash equivalents at the end of the period	5.731	5.996

STATEMENT BY THE MANAGEMENT BOARD

The Management Board has today considered and approved the 2025 Q1 Report of Pryme N.V. for the period from 01.01.2025 through 31.03.2025. We confirm, to the best of our knowledge, that the financial information contained in this report has been prepared in accordance with the International Financial Accounting Standards-EU (IFRS) and gives a true and fair view of Pryme N.V. and its group companies' assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the updates in this report include a fair review of important events that have occurred during the first quarter of the financial year 2025 and that their impact on the condensed set of consolidated financial statements is reflected adequately.

Rotterdam, May 6th, 2025

Management Board Pryme N.V.

Benoît Morelle

CEO

Supervisory Board Pryme N.V.

Henning E. Jensen

Emmanuel Colombel

Jan Willem Muller

About Pryme | www.pryme-cleantech.com

Pryme N.V. is an innovative cleantech company focused on converting plastic waste into valuable products through chemical recycling on an industrial scale. Its efficient and scalable technology is based on a proven pyrolysis process that has been further developed and enhanced with proprietary characteristics. The company has initialized production at its first plant in the port of Rotterdam, with an expected nameplate intake capacity of about 26,000 tons of plastic waste annually. Pryme's ambition is to contribute to a low-carbon, circular plastic economy and to realize the large rollout potential of its technology through the development of a broad portfolio of owned-operated plants with strategic partners. The company is listed on Euronext Oslo Growth market. Pryme can be followed on LinkedIn.