Pryme converts plastic waste into valuable products on an industrial scale

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Q4 2021 Presentation

24 February 2022

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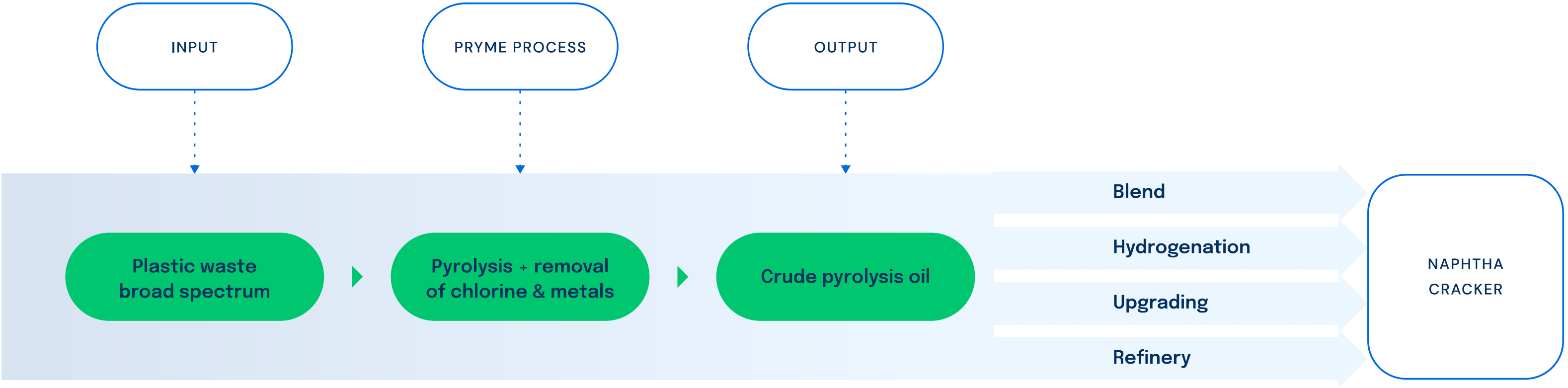
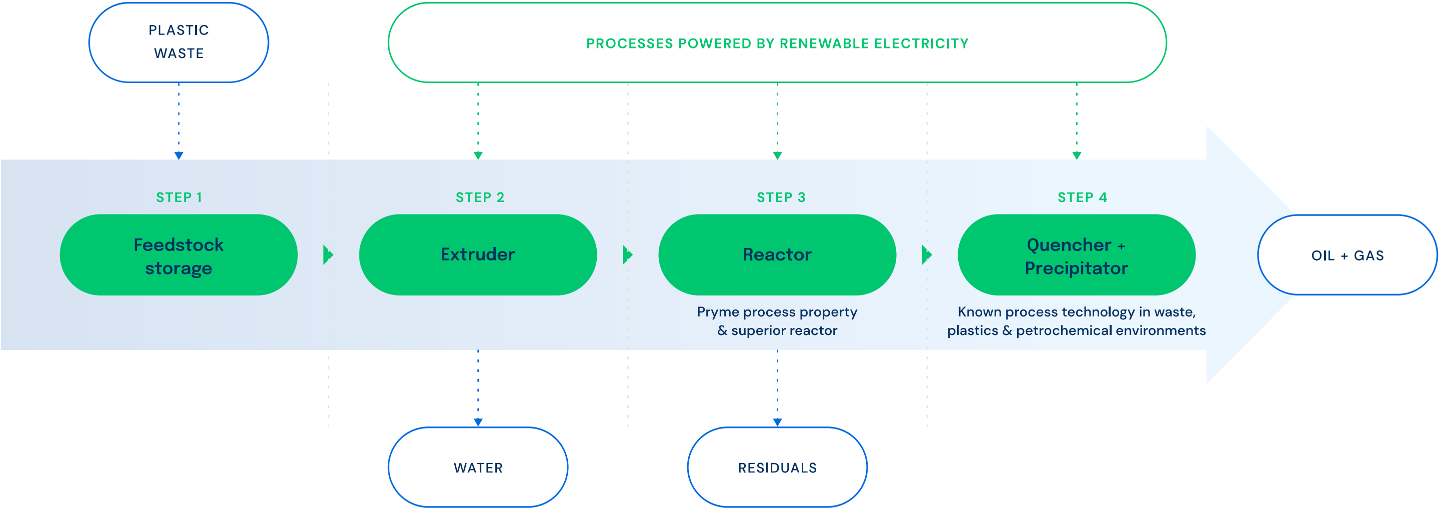
Pryme positioning: Pure play pyrolysis at petrochemical scale and low cost

- Industrial scale, pure play chemical recycling converting plastic waste into valuable products for circularity
- Focus on production of crude pyrolysis oil from broad plastic waste spectrum
- Further chemical processing by petrochemical industry, feeding into existing assets
- Pyrolysis oil will achieve the highest circular value as feedstock for naphtha crackers



Low complexity approach based on proven technology

- Key differentiator: Bigger reactor size allows for scalability and cost efficiency
- German large-scale reactors with 80 years proven performance in comparable applications
- Electrical heating ensures a more even temperature distribution – lower risk compared to gas heated reactors
- Plastic Energy has successfully been using similar technology at modest scale (operational for +5 years)



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High demand, growing market, major players are mobilizing

Oil majors / companies	Chemicals / plastic producers	Consumer goods companies	Recycling companies
See large potential in more sustainable supply and expect chemical recycling to play a key role, investing significantly, increasing shareholder pressure		Acting on shifting consumer preferences as well as regulatory requirements	Forced by regulation and taxonomy to recycle larger volumes, which requires chemical recycling

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Key achievements since IPO

Progressed validation plant in Rotterdam towards commissioning in Q3'22 and production Q4'22

Matured the roll-out planning through identification of three permittable sites, including Amsterdam

Strategic cooperation and offtake agreement with Shell; in discussions with further strategic partners

Building team with core capabilities to deliver on execution

Built R&D capabilities through lab scale plant at University of Ghent

Rotterdam development

Renegotiated lease allowing for longer stay (5+5 years), more control and lower operating costs

Execution delays of ≈3 months (vs. Q3) due mainly to supplier bottlenecks

Start of commissioning in Q3

Key parameters

- Intake volume: ≈40k metric tonnes p/a
- Oil production: ≈30k metric tonnes p/a
- Located in port of Rotterdam
- CAPEX: EUR 34 million
- Validation of technology on an industrial scale

Concrete slabs
Q4 2021

Steel structure
March 2022

Construction
March – September 2022

Start of commissioning
Q3 2022

Start of production
Q4 2022

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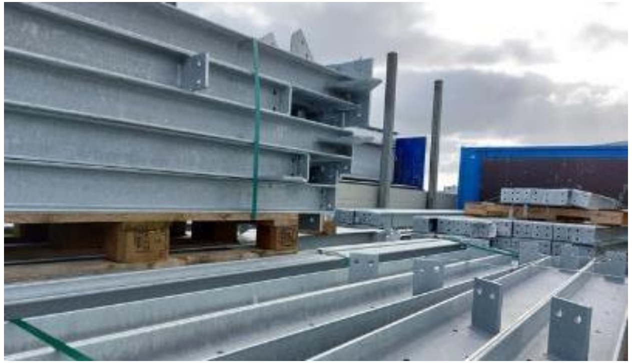
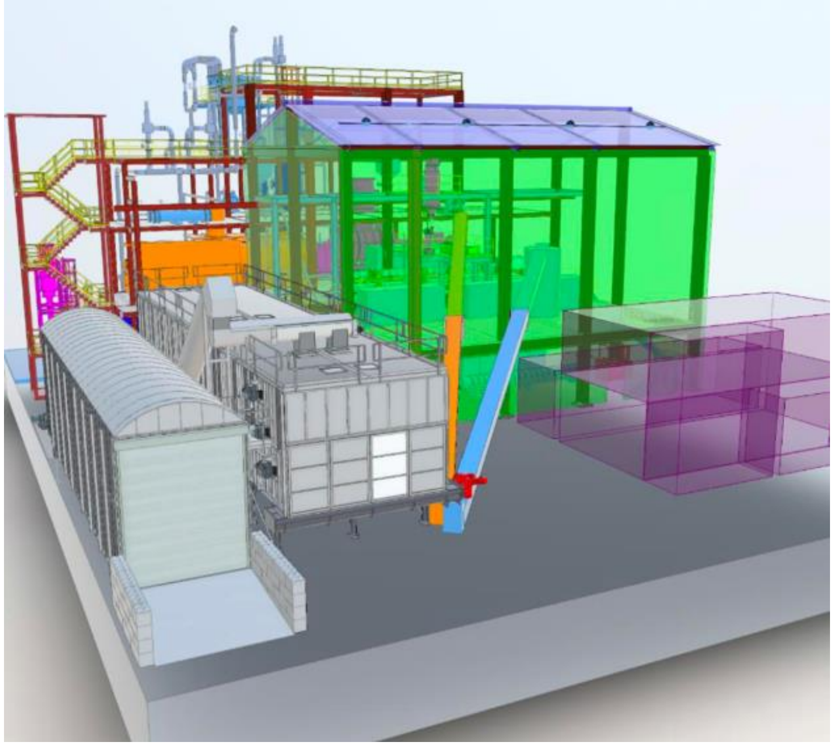
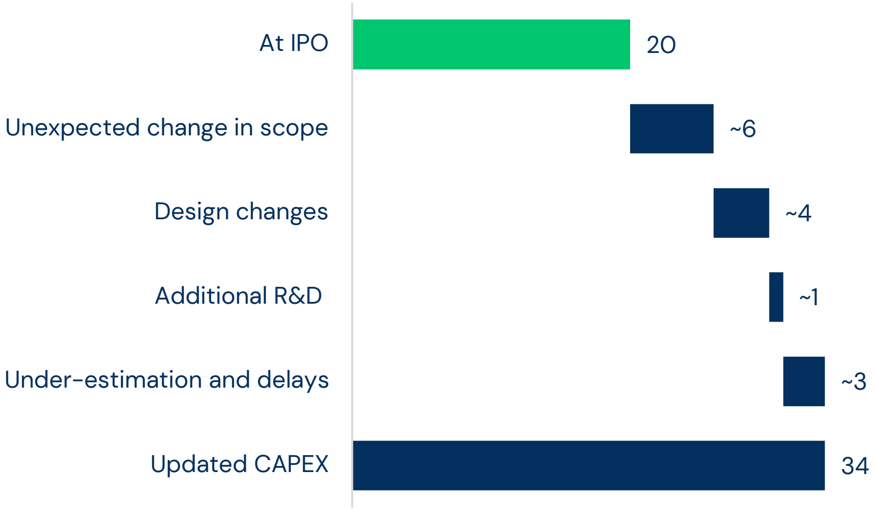
Rotterdam development





Rotterdam capex increased substantially from EUR 20 to 34 million

Capex bridge (EUR million)



- There has been a necessary renegotiation with PlantOne about what investments should be borne by which party
- As part of the renegotiation of the lease to 5+5* years, Pryme will need to increase its infrastructure capex by EUR 6 million (coolers, chillers, tank storage, gas infrastructure, flare)
- Design (EUR 4 million) of the validation plant modified to reduce risk, including raising the extruders to shorten melt pipe and reflow of heavy fraction of about EUR 3 million. Also included is EUR 1 million for plastic storage and pre-treatment (debaling/shredding) to give maximum flexibility and learning curve on feedstock.
- Ghent capex of about EUR 1 million; a key generator for potential subsidies
- Capex increase of about EUR 3 million related to price increases and delays

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Note (*): The 5 year option requires agreement between both parties.

Site acquisition in the Port of Amsterdam

- Pryme has acquired the long-term lease (45 years) on an industrial plot on the Port of Amsterdam
- The site comes with a 3,500m^2 concrete slab, a permit for a pyrolysis plant with annual capacity of 35k metric tons, as well as some facility infrastructure and equipment
- Pryme seeks to expand the permit to 160k metric tons annually in order to facilitate a “typical plant”
- Rare opportunity that fits neatly into Pryme’s roll-out strategy that accelerates rollout timeline by 6-9 months
- Purchase price for the lease contract EUR 3.5 million. Annual lease of EUR 120k associated with the contract
- Attractive cost price: Cost of the installed concrete slab by itself is above EUR 4 million

R&D Center at Ghent University

- Located at the University of Ghent, Belgium, operational in Q2 22
- Our R&D center will be the center of expertise for further process improvements
- The R&D Center enables us to tune the processes in Rotterdam through small scale operation with continuous data collection and analysis.
- Key to gain understanding of feedstock quality and associated output product spec, which will be key to developing an efficient value chain
- Develop testing protocols and standards in order to optimize the overall industrial processes

Our team – 17 in total

Jos van der Endt
Founder & CEO*

Rik Van Meirhaeghe
Business Development

Stephan Anzenhofer
CFO*

Boudewijn van Vliet
Executive Director

Rene de Graaf
General Counsel

Wim Van den Broeck
Build Director

Sander Schiereck
Plant Manager

Pascal Spiekerman
HSEQ Director

Joeri Dieltjens
CTO

Caroline Lievens
R&D Manager

* Recruitment process for new CEO and CFO in progress

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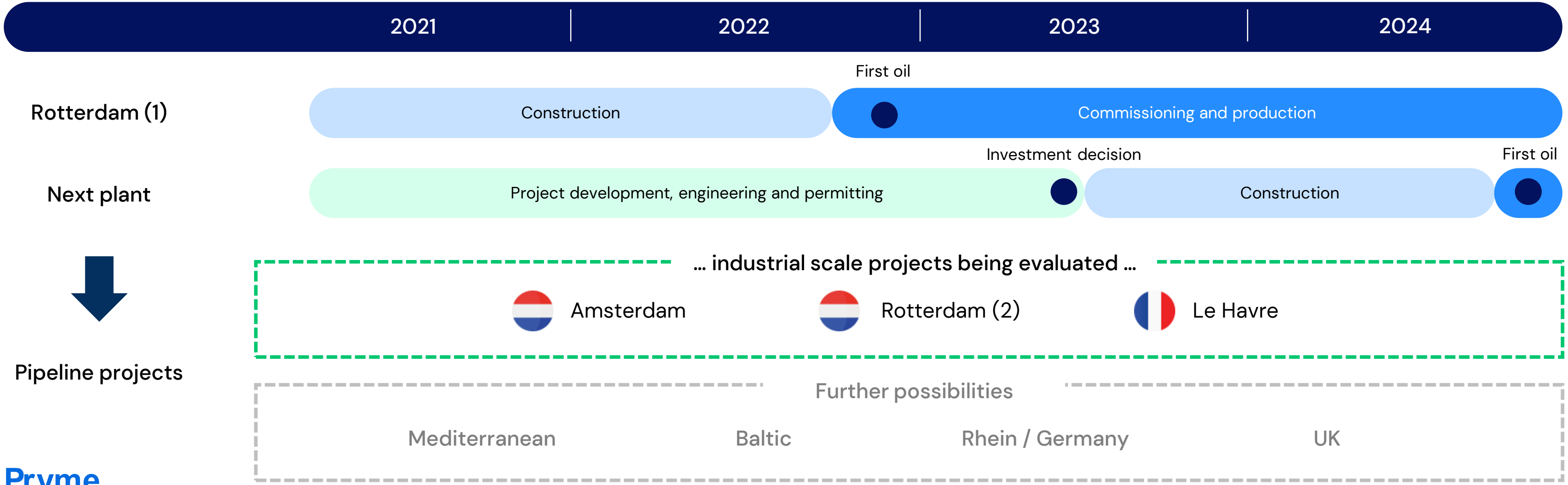
Pryme roll-out strategy

- Develop multiple sites for construction on an ongoing basis: permitted and ready to go subject to funding
- Ambition to build a portfolio of plants across Europe with a typical, standardized, modular plant design
- A typical plant will have an intake capacity of ~160k metric tons and will produce ~120k metric tons of oil annually
- Given the developed state of the Amsterdam site, it is likely that this will be the first plant to be built following validation in Rotterdam



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Attractive project economics

Illustrative plant economics	Unit	Rotterdam Phase 1 30k MT output p.a.	Typical plant 120k MT output p.a.
Output price	EUR / MT output	850	850
Feedstock cost	EUR / MT output	333	333
Energy cost	EUR / MT output	140	90
Other plant opex	EUR / MT output	170	130
Plant EBITDA contribution	EUR / MT output	207	297
Plant EBITDA contribution	EUR million	6	36
Investments (incl. working cap.)	EUR million	35	113
EBITDA return on invested capital	%	17%	32%

Increased pyrolysis oil price, but also increased plastic sourcing cost. Pryme believes the pyrolysis oil pricing risk is mostly mitigated through the correlation between oil output prices and feedstock input prices.

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Note: Figures shown at full run-rate production, subject to gradual ramp-up. The figures include only costs associated with the plant operations. MT = metric tonnes

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Update on funding need

Uses (EUR million)	
Remaining Rotterdam capex	22.0
Amsterdam site acquisition	3.5
Est. opex until mid 2023	4.7
Working capital and general corporate purposes	3.0
Total uses	**33.2**

Sources (EUR million)	
Cash balance 31 December 2021	8.2
Rabobank equipment financing	8.0
Estimated grants and subsidies (EU Horizon project)	2.0
New financing needed	15.0
Total sources	**33.2**

- Pryme is contemplating to raise new equity to finance its business plan
- Pareto Securities has been engaged as financial advisor
- With EUR 15m new funding, we plan to achieve:
  - Successful production from Rotterdam Phase 1
  - Developed pipeline of growth projects
  - Full functionality for R&D center (Ghent)
  - Readiness for larger scale rollout

Investment case summary

- Positioned in an attractive market with large growth potential: Pure-play plastics pyrolysis at real industrial scale
- Constructing first plant on a small industrial scale to validate and fine-tune technical processes. Production starting Q4 2022
- Cost-efficiency and scalability makes Pryme an ideal partner to petrochemical industry
- Agreement and close collaboration with Shell. In discussions with further strategic partners
- Maturing pipeline of industrial scale projects with attractive expected project economics and return on capital

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Financial statements: Profit and loss

All figures in Euro	2020	Q1	Q2	Q3	Q4	2021
Operating revenue	--	--	--	--	--	--
Cost of Sales	--	--	--	--	--	--
Gross Margin	--	--	--	--	--	--
Operating expenses						
Wages & Salaries	11,778	3,000	2,700	16,472	38,819	60,991
Oher expenses employee benefits	212,500	157,302	219,866	228,076	489,567	1,094,811
Housing expenses	89,311	42,557	50,411	64,027	71,843	228,838
Audit & Accounting	101,262	23,109	29,339	13,552	25,970	91,970
Legal advisory	81,922	25,744	149,893	22,633	112,148	310,418
Insurances	62,295	--	--	30,482	10,843	41,325
Other operating expenses	28,644	12,333	56,467	200,962	196,610	466,372
Total operating expenses	587,712	264,045	508,676	576,204	945,800	2,294,725
Depreciation	--	67	170	1,493	(1,730)	--
Operating result	(587,712)	(264,112)	(508,846)	(577,697)	(944,070)	(2,294,725)
Financial income / (expense)	1,846	(11,792)	(19,993)	(17,699)	(13,346)	(62,830)
EBIT	(585,866)	(275,904)	(528,839)	(595,396)	(957,416)	(2,357,555)
Income tax expense	--	--	--	--	--	--
Total of result after tax	**(585,866)**	**(275,904)**	**(528,839)**	**(595,396)**	**(957,416)**	**(2,357,555)**

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Note: Unaudited figures except for FY 2020

Financial statements: Cash flow

All figures in Euro	2020	Q1	Q2	Q3	Q4	2021
Cash flow from operating activities	0	0	0	0	0	0
Operating result	(587,712)	(264,112)	(508,846)	(577,697)	(944,070)	(2,294,725)
Adjustments for	0	0	0	0	0	0
Depreciation	0	67	170	1,493	(1,730)	0
Changes in working capital	0	0	0	0	0	0
Movements accounts receivable	331,229	14,414	(139,596)	(34,692)	(13,344)	(173,218)
Movements in other payables	155,131	156,614	(294,500)	1,157,204	(1,204,618)	(185,300)
Total cash flows from operations	(101,352)	(93,017)	(942,772)	546,308	(2,163,762)	(2,653,243)
Financial income	1,846	(11,792)	(19,993)	(17,699)	(13,346)	(62,830)
Total cash flow from operating activities	(99,506)	(104,809)	(962,765)	528,609	(2,177,108)	(2,716,073)
	0	0	0	0	0	0
Cash flow from investment activities	0	0	0	0	0	0
Purchase of intangible fixed assets	0	0	0	0	(857,536)	(857,536)
Purchase of tangible fixed assets	(471,873)	(2,921,092)	(2,769,415)	(2,082,821)	(3,045,590)	(10,818,918)
Purchase of financial fixed assets	(138)	0	(4,891)	(2,700)	(5,858)	(13,449)
Total cash flow from investment activities	(472,011)	(2,921,092)	(2,774,306)	(2,085,521)	(3,908,984)	(11,689,903)
	0	0	0	0	0	0
Cash flow from financing activities	0	0	0	0	0	0
Public placement	0	24,820,419	(5,000)	5,000	0	24,820,419
Expenses relating to public placement	0	(2,111,579)	(8,327)	(59,143)	5,126	(2,173,923)
	0	0	0	0	0	0
Total cash flow from financing activities	0	22,708,840	(13,327)	(54,143)	5,126	22,646,496
	0	0	0	0	0	0
Total cash flow	**(571,517)**	**19,682,939**	**(3,750,398)**	**(1,611,055)**	**(6,080,966)**	**8,240,520**
	0	0	0	0	0	0
Cash and cash equivalents at the beginning of the period	571,671	154	0	0	0	154
Total cash flow in the period	(571,517)	19,682,939	(3,750,398)	(1,611,055)	(6,080,966)	8,240,520
Cash and cash equivalents at the end of the period	**154**	**19,683,092**	**(3,750,397)**	**(1,611,055)**	**(6,080,966)**	**8,240,674**

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Note: Unaudited figures except for FY 2020

Financial statements: Balance sheet

All figures in Euro	31.12.2020	31.03.2021	30.06.2021	30.09.2021	31.12.2021
Assets					
Fixed Assets					
Intangible fixed assets					
Development costs	2,290,674	2,290,674	2,290,674	2,290,674	3,148,210
Tangible fixed assets					
Machinery	8,729,086	11,646,775	14,407,587	16,480,255	19,550,504
Other fixed assets	2,500	5,836	14,269	22,929	0
Financial fixed assets					
Other amounts receivable	37,303	37,303	42,194	44,894	50,752
Total fixed assets	11,059,563	13,980,588	16,754,724	18,838,752	22,749,466
Current assets					
Receivables	1,105,942	1,091,528	1,231,125	1,265,816	1,279,160
Cash & cash equivalents	154	19,683,092	15,932,694	14,321,640	8,240,674
Total Assets	12,165,659	34,755,209	33,918,543	34,426,208	32,269,300
Equity & Liabilities					
Equity	6,469,699	28,902,635	28,360,469	27,710,930	26,758,639
Long Term liabilities					
Accruals and deferred income	4,991,511	4,991,511	4,991,511	4,991,511	4,991,511
Current liabilities					
Trade payables	585,297	733,759	473,879	1,613,139	350,561
Other liabilities	119,152	127,304	92,684	110,628	168,589
	12,165,659	34,755,209	33,918,543	34,426,208	32,269,300

Note: Unaudited figures except for FY 2020

Q4 summary

- Renegotiation of agreements with PlantOne
- Modified planning due to change in scope and delays on some machinery
- Construction of steel structure to commence in March
- Start of commissioning in Q3 and start of production Q4
- Identification of Amsterdam site that led to successful bid in February 2022
- Hired head of R&D
- Award of EU Horizon grant project for low-carbon plastics
- Total Q4 cash spent EUR 6.1 million of which CAPEX amounts to EUR 5.2 million and OPEX EUR 0.9 million. The OPEX figure includes one-off items in the amount of EUR 0.2 million. The normalized OPEX quarterly run rate amounts to around EUR 0.7 million going into 2022

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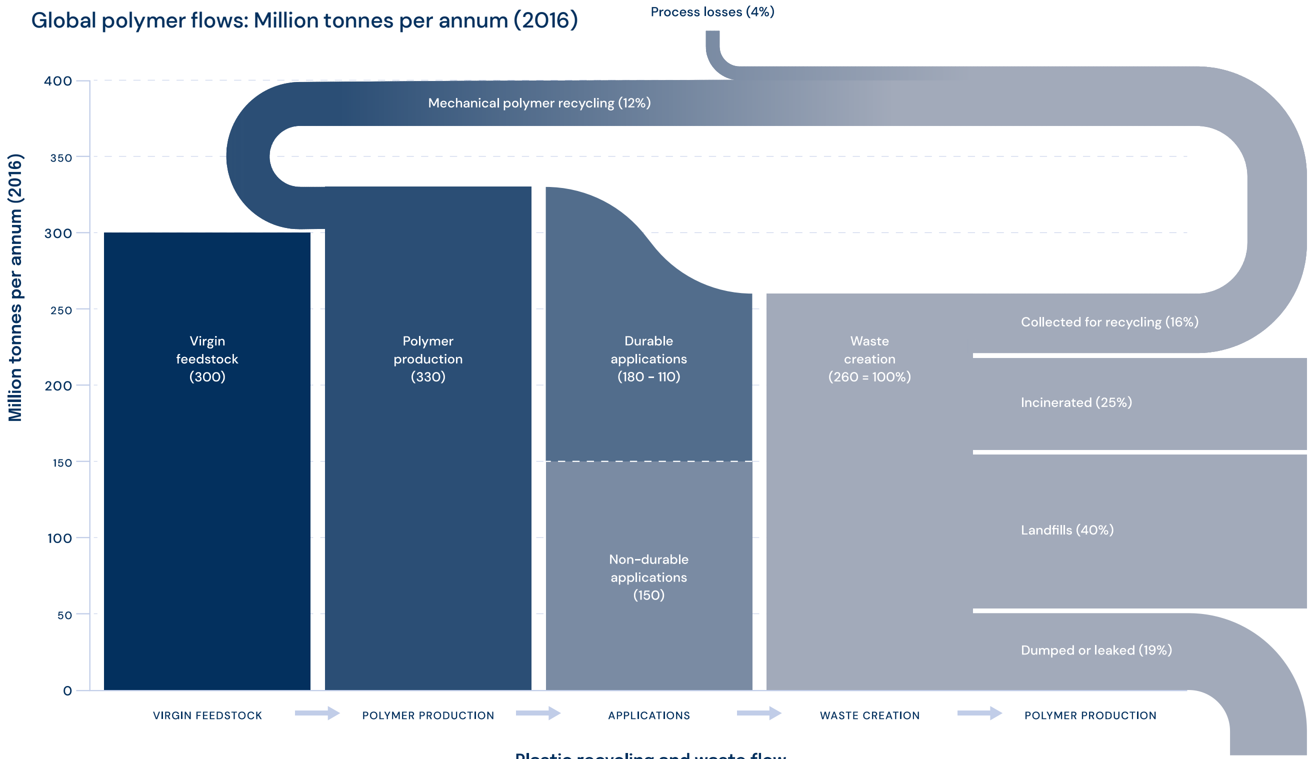
Majority of plastic waste goes to landfill or incineration

Global polymer flows: Million tonnes per annum (2016)



Plastic recycling and waste flow

- Currently less than 20% collected for recycling
- Enormous potential to utilize waste streams that currently go to landfill and incineration
- McKinsey estimates that ~50% could be collected for recycling by 2030

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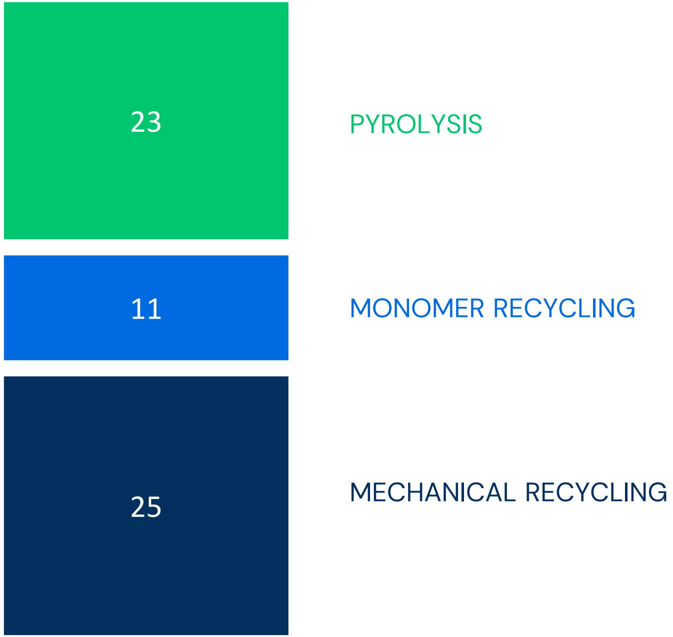
Source: McKinsey: How plastics-waste recycling could transform the chemical industry (December 2018)

Chemical recycling: growth potential

Growth in global profit pool from 2016 to 2030 (billion USD)



Market Opportunity

A significant increase of pyrolysis based recycling is needed to fill a large part of the gap on the plastics disposal-reuse spectrum

Pyrolysis provides an alternative to recycle plastic waste for which no feasible mechanical recycling option exists

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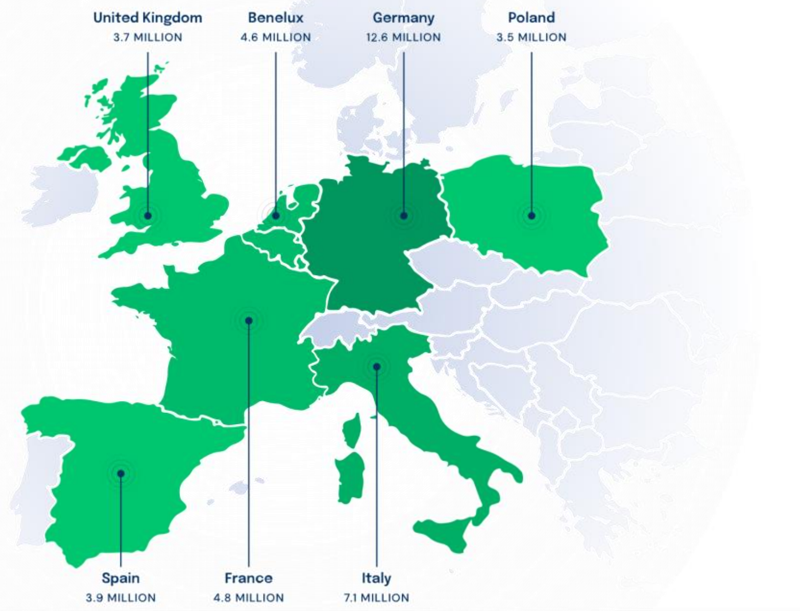
Source: McKinsey: How plastics-waste recycling could transform the chemical industry (December 2018)

Strategic cooperation with Shell

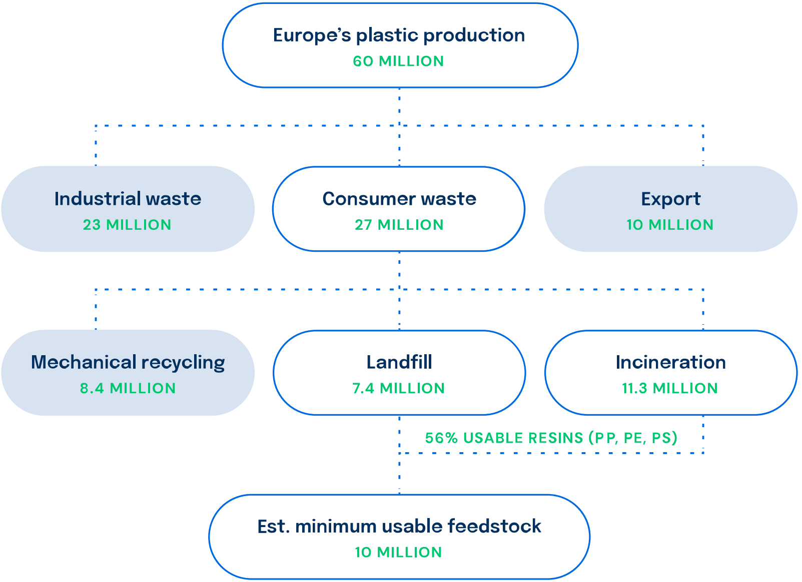
- Joint development of the value chain to achieve plastic circularity with existing petrochemical assets
- Product supply from first plant and subsequent plants in Rhine delta
- Will take our crude pyrolysis oil to upgrade in their facilities
- Important partner that validates Pryme’s strategy towards plastic waste industry
- Coordinated approach to feedstock market
- Non-exclusive, allowing for developments with other petrochemical companies in parallel

At least 10 million tonnes of usable European feedstock

Plastics demand by country (in tonnes)



Feedstock overview (in tonnes)



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Source: Plastics – The Facts 2019; Company research

Supportive EU regulation

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

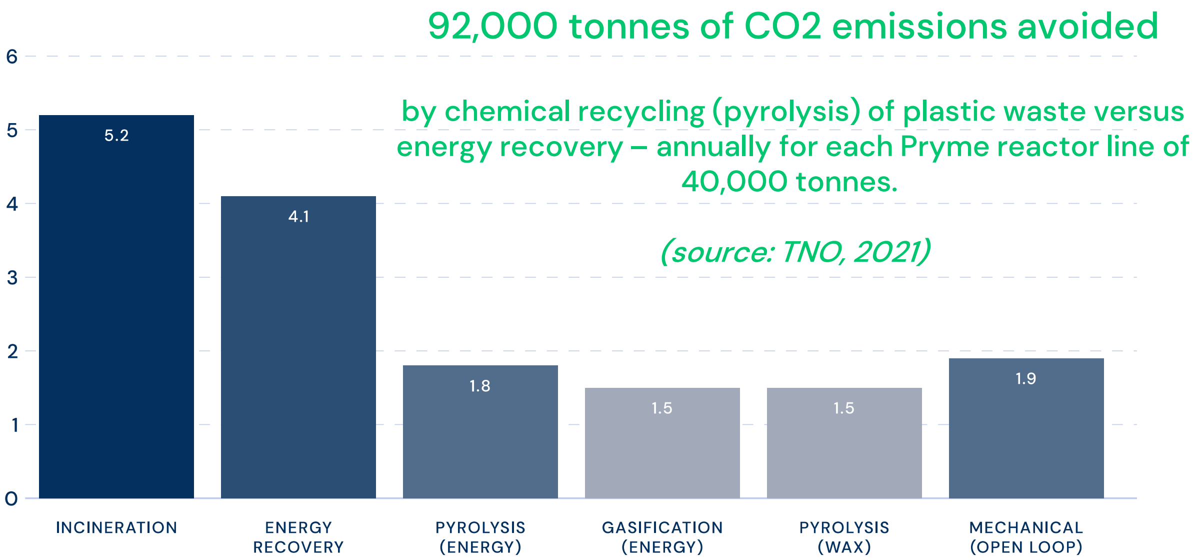
EU Plastic Tax of EUR 800 per tonne on non-recycled plastic packaging waste

2021

Stringent regulation on EU exports of plastic waste

Chemical recycling: sustainability case

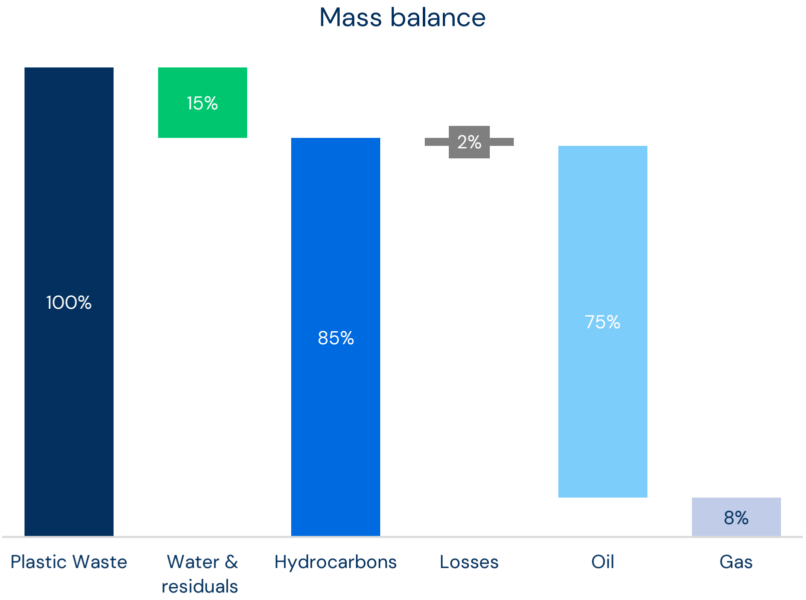
Climate impact per plastic recycling technology:
Kilograms CO_2 eq. / kilograms polyolefins



- Reduction of need for virgin oil and gas
- Increase in resource efficiency by diverting waste otherwise destined for incineration or landfill
- Possibility to upcycle mixed plastic waste to food-grade packaging
- Complementing mechanical recycling

Process yields

- **5 tonnes per hour**
- High capacity reactor and strong scalability
- Low carbonization
- Proprietary process IP
- 100% plastic conversion
- Efficient heating technology



Renegotiated lease with PlantOne

- The original lease agreement was no longer deemed fit for purpose due to the relative size of the Pryme operations
- Lease increased to 5 + 5* years
- Pricing of power and gas now priced on wholesale prices plus a mark-up
- Change of scope and control: Pryme now responsible to build and finance items such as chillers, coolers, tank storage, flare, gas infrastructure
- Clear protocol on structural involvement of operators from PlantOne in plant operations, as well as training hub for operators of rollout plants
- Better use of advantages of the PlantOne model (shared resources, in house knowledge applicable to Pryme, umbrella permit geared toward testing of new technologies)
- Long-term positioning of Rotterdam plant as our competency center for industrial-scale technology developments

Note (*): The 5 year option requires agreement between both parties.

ir@pryme-cleantech.com

www.pryme-cleantech.com

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