

Following Pryme N.V.'s ("the Company") trading update dated October 29, 2024, Pryme has developed a detailed operational and production plan for 2025 for Pryme One, the Company's first plant. This plan is designed to ramp up production to industrial volumes approaching the nameplate capacity for Pryme One in the second half of 2025. As stated in earlier communications, such nameplate capacity is expected to be around 17,000 tons of pyrolysis oil production on an annual basis. This trading update is to provide further information on the production ramp-up, the resulting cashflows and current funding activities.

Pryme One: Operational Plan

The production plan involves a staged increase in production based on testing and validating operational and hardware improvements before ramping up to industrial volumes. For the first quarter in 2025, Pryme One is expected to produce between 750 and 1,000 tons of pyrolysis oil. In the second quarter production is expected to increase to a level of between 1,500 and 2,000 tons of pyrolysis oil. The Company expects the third quarter of 2025 to be the first quarter with industrial volumes of 3,000 to 3,500 tons of pyrolysis oil followed by the fourth quarter when the production is expected to reach around 4,000 tons.

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

Liquidity Implications of Pryme's Operational Plan and Ambitions

With the planned production ramp-up the Company expects the cash burn rate to decrease during the course of 2025. However, the Company does not expect to break even on a cash basis before the end of 2025. Reaching the cash breakeven level in the second half of 2025 will require improved pricing from the Company's customers. The Company is therefore in the process of renegotiating its customer and supplier contracts. An improvement in the pricing levels would, if effective already in the first half of 2025, lead to a somewhat favorable cash flow compared to the above figures.

Some additional investments in the Pryme One facility are required in the first and second quarter, and as the revenue levels increase, the associated increase in working capital will also consume some cash.

All included, Pryme expects its cash flow in 2025 to be negative for an amount around EUR (12.5) million. The breakdown by quarter indicates that all the quarters will have negative estimated cashflows in the approximate amounts of EUR (3.5), (3.0), (3.5) and (2.5) million for Q1, Q2, Q3 and Q4, respectively.

With an expected cash balance at the beginning of 2025 of around EUR 5.9 million of which around EUR 1.6 million is earmarked for specific activities related to subsidies received, this cashflow outlook forms the basis for the estimated funding needs for the Company for 2025 for around EUR 8-10 million as disclosed in Pryme's trading update on November 28, 2024.

Funding Activities

As outlined in the October and November 2024 trading updates, the longer ramp-up phase for Pryme One has led to lower cash flows than initially expected. To address this liquidity shortfall and fund ongoing early engineering work for Pryme Two, Pryme has explored the interest from sector investors and the major existing shareholders. Such early conversations indicate that up to around EUR 4 million of funding could be obtained. Based on the same early indications, additional funding above the indicated EUR 4 million level would most likely be dependent on the Company reaching certain operational and financial milestones. The Company continues to search for funding in order to satisfy its liquidity needs for 2025. If Pryme is not successful in obtaining funding above the EUR 4 million level, a further funding round is estimated to be needed in the April/May 2025 timeframe as per the above indicated expected cash flows when considering the current cash balance of the Company.

Other updates

As per the date of this trading update,

- The Company had a cash balance of EUR 6.9 million.
- The net loss for November 2024 amounted to EUR 1.8 million and we expect the December 2024 losses to be similar to the November 2024 losses.
- The cash burn for November amounted to EUR 1.7 million and the expected December 2024 operational cash-burn amounts to EUR 1.1 million.

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

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This announcement is considered by the Company to include inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 the Norwegian Securities Trading Act. This stock exchange announcement was published by René de Graaf, General Counsel of Pryme N.V., on December 10, 2024 at 18:00 CET on behalf of the Company.