

Q1 | 2024



Consolidated Interim Report for the Period from 1 January to 31 March 2024

The Pyrum Group's KPIs at a glance

Results of operations and financial position

(EUR thousand)	1 Jan. 2024- 31 Mar. 2024	1 Jan. 2023- 31 Mar. 2023
Sales	336	218
Total output	2,177	3,188
Other operating income ¹	148	80
EBITDA ²	-1,927	-1,608
EBIT ³	-2,455	-2,162
Net income/loss	-2,684	-2,237

Net assets

(EUR thousand)	31 Mar. 2024	31 Dec. 2023
Total assets	55,724	50,926
Equity	19,969	22,380
Equity ratio ⁴	35.3%	43.9%
Available liquidity	7,065	4,275
Employees ⁵	76	73

¹ Research grants, subsidies and R&D services

² Consolidated net income for the period before depreciation, amortisation and write-downs, before financial result, before income taxes

³ Consolidated net income for the period before financial result, before income taxes

⁴ Equity/total assets

⁵ Annual average

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Preliminary remark

In this report, we provide information about the business performance of the Group of Pyrum Innovations AG in the period from 1 January 2024 to 31 March 2024 and about the prospects for future development.

The disclosures in this report have not been audited or reviewed by an auditor.

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COMPANY – OPERATING ACTIVITIES

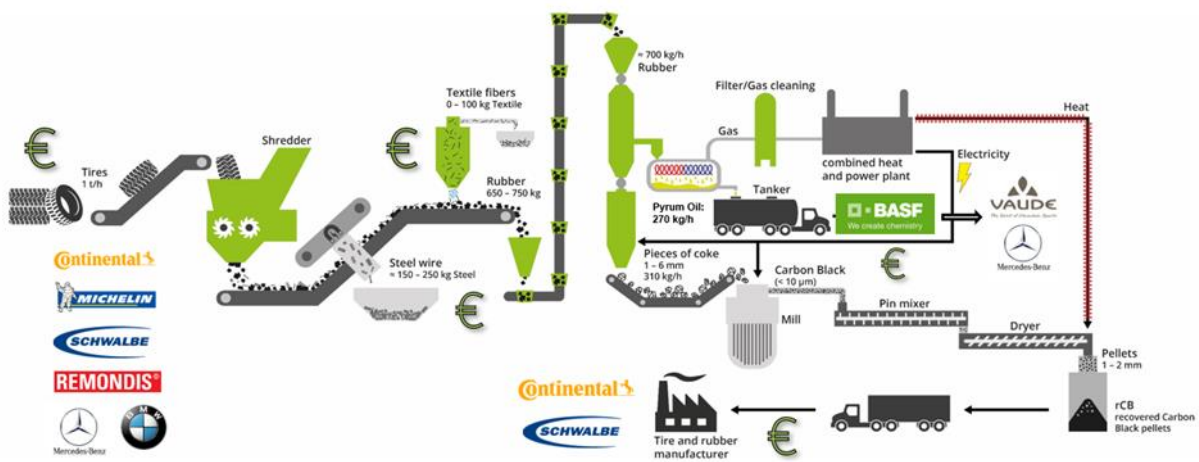
Operating activities

Pyrum Innovations AG operates with its patented thermolysis technology in the attractive recycling market for end-of-life tyres. Pyrum's thermolysis process is largely energy self-sufficient, saves significantly more carbon emissions than the recycling processes normally used for end-of-life tyres today according to the Fraunhofer Institute – especially compared to incineration at cement plants – and uses waste as input materials to produce new raw materials such as thermolysis oil, gas and recovered carbon black (rCB). Pyrum thus closes the recyclable material loop and has a sustainable business model.

As a pioneer, Pyrum Innovations AG was the first company in the end-of-life tyre recycling sector to receive, back in 2018, REACH registration from the European Chemicals Agency (ECHA) for the thermolysis oil it produces. The oil is thus recognised as an official raw material that can be used in production processes. In addition, Pyrum has received ISCC+ certification for its thermolysis oil and rCB. Both products are thus classed as sustainable and renewable raw materials. Based on the ISCC+ certification (since 2021), we can confirm to our customers that the secondary raw materials originate from sustainable production.

These successes have also been recognised by international experts and major companies in the tyre industry. For example, the tyre manufacturer Continental has held an equity interest in Pyrum since the company was first listed in Oslo in 2021 and uses recovered carbon black (rCB) from Pyrum in its Super Elastic solid tyres. BASF, which has held an equity interest in Pyrum Innovations AG since 2020 as part of its ChemCycling project, also uses thermolysis oil from Pyrum within its production network. Furthermore, Pyrum won in the Best Tyre Recycling Innovation category at the inaugural Recircle Awards in 2021 and has been nominated for the 'Grand Prix Mittelstand' by the German state of Saarland on more than one occasion.

Value chain



This diagram presents an example of how one tonne of end-of-life tyres is processed. In order to guarantee the product safety and quality of its end products, Pyrum operates its own tyre shredder. The volume flow and the quality of the input materials can thus be actively managed and monitored.

The disposal fee that Pyrum receives for accepting the tyres is used to cover the running costs of the shredder.

The proportions of steel, textiles and rubber that are recovered vary depending on whether truck, car or bicycle tyres are being processed. The tyre wire that is recovered can be directly reprocessed into new products at steel plants.

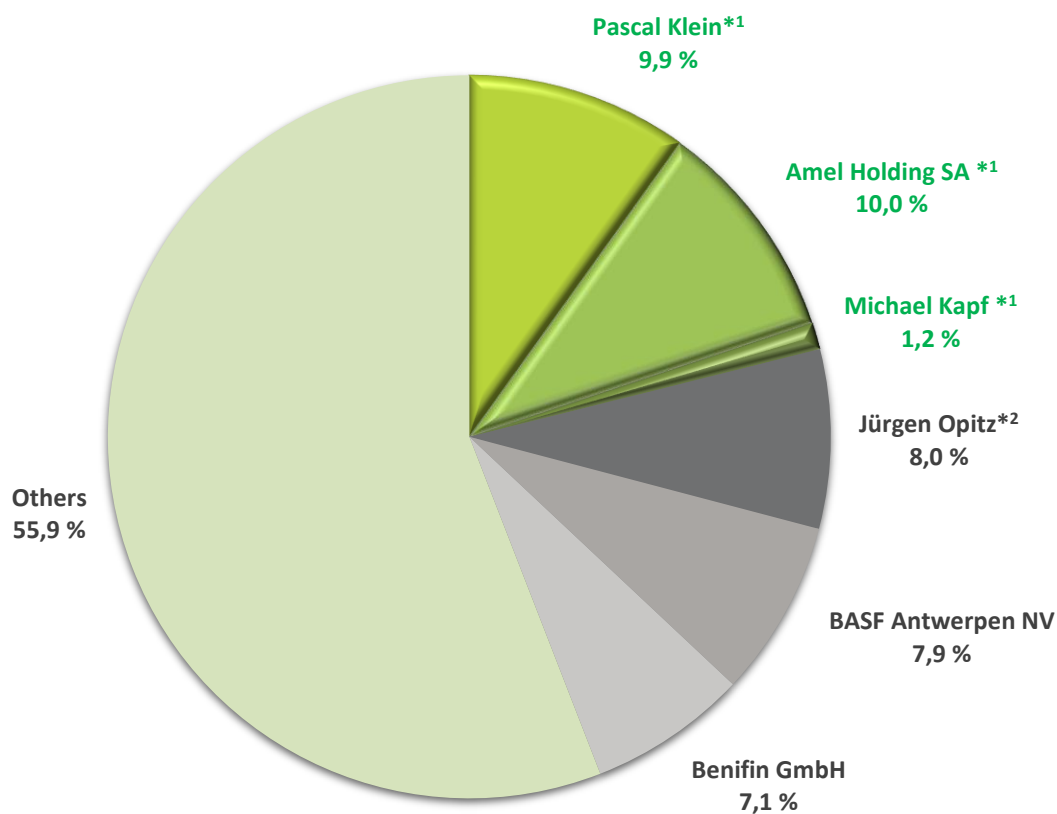
The thermolysis reactor is energy self-sufficient and operated using electricity generated from the conversion of the thermolysis gas recovered during the process. More than 150 heat sources thus ensure optimal and controllable distribution of the temperature in the reactor. This is the basis for producing high-quality thermolysis oil and recovered carbon black (rCB) repeatedly over the long term.

As there are no moving parts in the reactor, unwanted inflows of oxygen, which can arise in conventional processes such as batch ovens or rotary kilns, are consistently excluded. An optimal thermolysis process is thus guaranteed.

The waste heat created by the in-house electricity generation can be used for the process to dry the rCB pellets, resulting in an additional carbon saving compared to the current recovery mix for end-of-life tyres.

With the delivery of the thermolysis oil to BASF, which manufactures high-quality products from it, and the use of the rCB in tyre production, optimal recycling is achieved.

Shareholder structure of Pyrum Innovations AG as at 31 March 2024

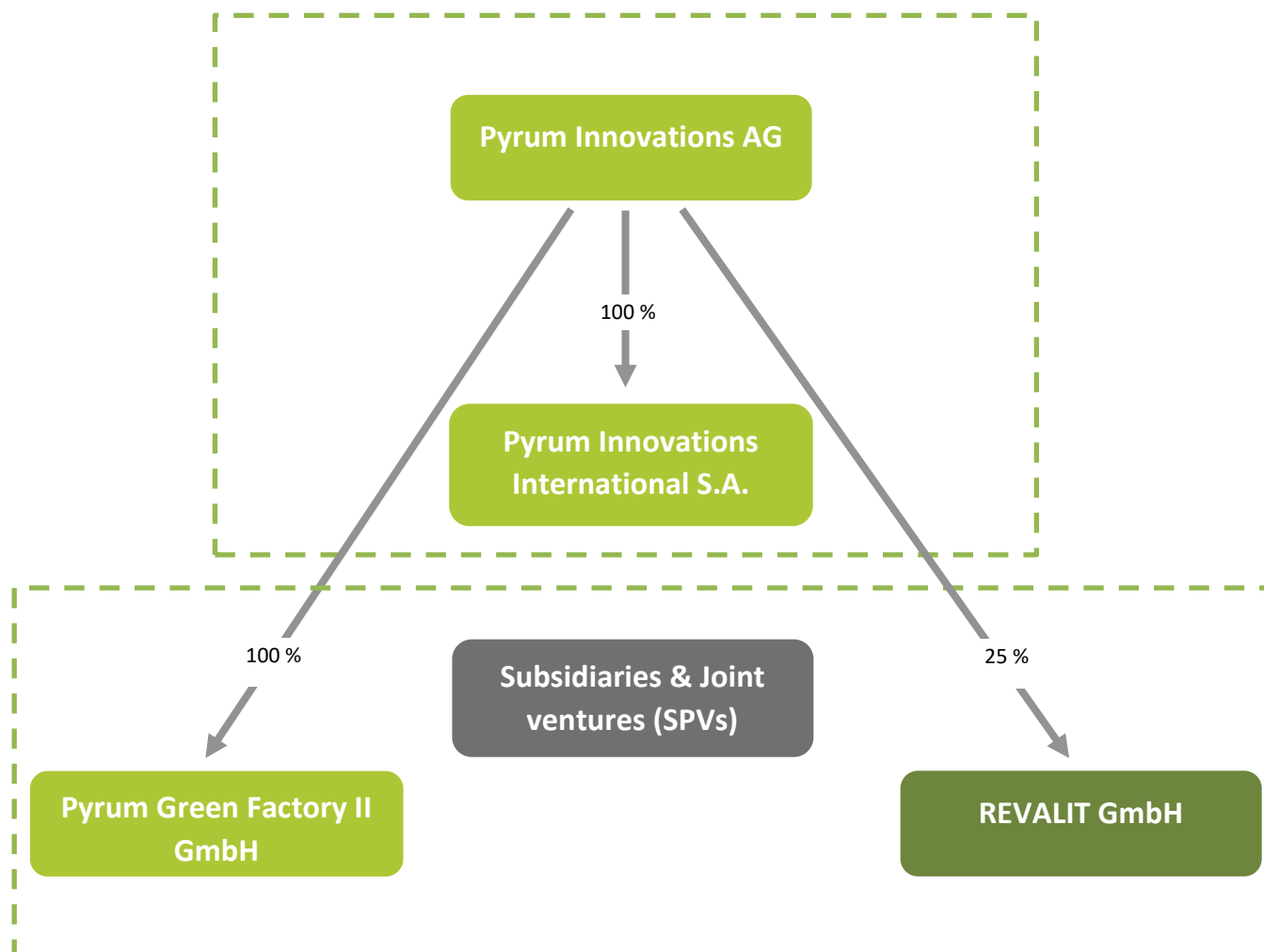


*1 Major founding shareholders

*2 Including attributable shares

→ Approximately 5,400 shareholders were recorded in the share register as at 31 March 2024.

Group structure



- ▶ **Pyrum Innovations AG**, based in Dillingen/Saar, Germany, runs the operating business, while **Pyrum Innovations International S.A.**, based in Schengen, Luxembourg, owns the intellectual property and all patents.
- ▶ **Pyrum Innovations AG** has licensed the intellectual property of **Pyrum Innovations International S.A.**
- ▶ **Pyrum GreenFactory II GmbH** is the project and operating company founded in January 2024 for the future plant in Perl-Besch.

Development of economic conditions

According to the Federal Statistical Office (Destatis), gross domestic product (GDP) in Germany rose slightly by 0.2% in the first quarter of 2024 compared to the fourth quarter of 2023, adjusted for price, seasonal and calendar effects⁶. It had previously fallen by 0.5% at the end of 2023 compared to the third quarter of 2023. In a year-on-year comparison, GDP in the first three months of 2024 was 0.2% lower than in the first quarter of 2023, adjusted for price and calendar effects. The slight growth compared to the previous quarter was driven by increases in construction investment and exports. Private consumer spending, on the other hand, declined. Economic growth in Germany thus remained at a low level in international comparison with other industrialised countries.

By contrast, the inflation rate in Germany stabilised further in March 2024 at 2.2% compared to the same month of the previous year⁷. In January and February 2024, it had stood at 2.9% and 2.5% respectively. This meant that the inflation rate in March 2024 was as low as it had last been in May 2021 (also +2.2%). The decline in energy prices in particular dampened the inflation rate. Despite the price brakes on energy products that have been removed since January 2024 and the CO₂ price increase, which also took effect on the prices of fossil fuels such as fuels, heating oil and natural gas from January 2024, energy prices in March 2024 were 2.7% lower than in the same month of the previous year.

Around the world, more than 1.6 billion new tyres are sold on the tyre market each year.⁸ In Germany, just under 44.5 million car, van and truck tyres were sold in 2023, according to the German Tyre Retail and Vulcanisation Trade Association.⁹ Accordingly, there will be roughly the same amount of used tyres later on. According to research by SWR, this amounts to around 700,000 tonnes per year in Germany alone.¹⁰ By comparison, a standard Pyrum thermolysis plant with three reactors has a recycling capacity of around 20,000 tonnes of end-of-life tyres per year. At the same time, according to a feasibility study by Chemnitz University of Technology on behalf of the German Tyre Retail and Vulcanisation Trade Association, a deficit is emerging in the recycling capacity available for end-of-life tyres in Germany.¹¹

This deficit could lead to increased illegal dumping, rising disposal costs and higher exports of end-of-life tyres. Half of end-of-life and used tyres in the EU are already transported abroad.¹² Accordingly, demand for the acceptance of end-of-life tyres remains high. At a macroeconomic level, the circular economy is garnering increasing public attention. In conjunction with the energy transition, there is a growing focus on sustainable products, which is also affecting regulatory conditions. For example, the incineration of end-of-life tyres entails ever-higher costs for carbon emissions.

Based on the EU Commission's strategy, the European Parliament has also taken initial action aimed at reducing the microplastics released into the environment by 30% by 2030. As a result of the amendment of the REACH Regulation, trading in bulk polymers with an average diameter of < 5 mm

⁶ Destatis: Press release 173 of 30 April 2024

⁷ Destatis: Press release 150 of 12 April 2024

⁸ BlackCycle Project: Press release of 3 September 2020

⁹ Bundesverband Reifenhandel und Vulkaniseur-Handwerk (German Tyre Retail and Vulcanisation Trade Association): Press release of 25 August 2024

¹⁰ SWR "Vollbild": Press release of 9 August 2022

¹¹ Chemnitz University of Technology: Neue Nutzungsperspektiven und Anwendungsfelder für Altreifenzyklal of 24 January 2022

¹² World Business Council for Sustainable Development (WBCSD): Global ELT Management (2019)

will be banned by 2031 at the latest.¹³ These materials also include polymers and the rubber granulate found in end-of-life tyres. For context, around 1.2 million tonnes of end-of-life tyres are shredded every year in the EU. 42% of the rubber granulate obtained from this is used as filler for artificial turf pitches, making this the most widespread recycling application for end-of-life tyres for decades. The ban on bulk polymers resulting from the amendment will inevitably have a major impact on the market.

Pyrum Innovations AG can make a decisive contribution to the desired transformation of the economy with the recycling of end-of-life tyres in materials recycling.

¹³ Ecoelastika: Annual Report 2022

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RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

Results of operations

The provisional figures for the reporting period are followed by the respective figures for the same period of the previous year in brackets.

The Pyrum Innovations Group generated **sales** of EUR 336 thousand in the first quarter of 2024. This represents an increase of 54% over the same period of the previous year (EUR 218 thousand). In particular, sales proceeds for the rCB obtained fell well short of expectations, despite sales prices of more than EUR 900 per tonne. Pelletisation operations have been stable since August 2023. However, despite steady increases in production volumes, it is still limited to a maximum of 350 kg per hour rather than the intended 500 kg per hour (for the plant that processes the material from the existing thermolysis plant in Dillingen). A comprehensive overview of the current situation and future expectations is provided in the recently published 2023 Annual Report, which is referenced here.

The **change in inventories of finished goods and work in progress** increased significantly year-on-year to EUR 226 thousand (EUR 12 thousand).

With the plant expansion in Dillingen progressing as planned, **own work capitalised** amounted to EUR 1,615 thousand (EUR 2,958 thousand). The decline corresponds to the reduction in the cost of materials required for the generation of own work as the plant expansion draws closer to completion.

Total output decreased by 32% year-on-year to EUR 2,177 thousand (EUR 3,188 thousand) due to the lower level of own work capitalised in the reporting period.

Other operating income was 85% higher than in the same period of the previous year at EUR 148 thousand (EUR 80 thousand).

The **cost of materials** includes not only raw materials and supplies, but also the cost of materials required for the production of own work capitalised. The reported cost of materials in the first three months of 2024 was EUR 1,791 thousand (EUR 2,892 thousand). This includes EUR 1,478 thousand required for the generation of own work.

Personnel expenses increased by 32% to EUR 1,565 thousand (EUR 1,189 thousand) due to the personnel requirements for capacity expansion and inflation-related wage adjustments.

Depreciation and amortisation amounted to EUR 528 thousand (EUR 554 thousand) and resulted on the one hand from regular depreciation of completed plants (Pyrum Innovations AG) and on the other hand with EUR 217 thousand from the depreciation of patents (Pyrum Innovations International S.A.). The reduction resulted from the end of amortisation for the first construction phase of the existing plant at Pyrum Innovations AG.

Other operating expenses were higher than in the same period of the previous year, amounting to EUR 888 thousand (EUR 787 thousand). The first quarter of 2024 includes EUR 83 thousand (EUR 78 thousand) for current costs of stock exchange listings.

Interest expenses increased by EUR 157 thousand to EUR 231 thousand (EUR 74 thousand). In particular, this was as a result of the convertible loan, which has now been paid out in full, and the additional borrowing since end of Q1 2023.

The **consolidated net result for the period** was EUR -2,684 thousand (EUR -2,237 thousand).

Net assets

Intangible assets were amortised by EUR 227 thousand in the period under review. The value on the reporting date thus declined to EUR 5,411 thousand (31 December 2023: EUR 5,638 thousand).

Compared to 31 December 2023, **tangible assets** increased to EUR 40,796 thousand (EUR 39,458 thousand). The main driver was EUR 649 thousand for advance payments made and assets under construction in connection with the plant expansion in Dillingen as well as € 966 thousand for advance payments and assets under construction for the new Pyrum GreenFactory II plant in Perl-Besch.

The **financial assets** in the amount of EUR 27 thousand relate to the contributions to the investment in REVALIT GmbH (SPV), less the pro rata accumulated result. Pyrum GreenFactory II was provided with EUR 5,000 thousand in equity by Pyrum Innovations AG. The company is consolidated as a wholly owned subsidiary, meaning that there are no effects from a Group perspective.

Total fixed assets amounted to EUR 46,235 thousand (31 December 2023: EUR 45,126 thousand).

Inventories increased to EUR 574 thousand (31 December 2023: EUR 446 thousand).

Trade receivables increased to EUR 158 thousand (31 December 2023: EUR 101 thousand).

Other assets increased to EUR 1,436 thousand (EUR 702 thousand) due to a temporary increase in input tax refund claims.

Total assets increased to EUR 55,724 thousand (EUR 50,926 thousand).

Financial position

Capital structure

The Pyrum Group's **equity base** amounted to EUR 19,696 thousand as at 31 March 2023 (31 December 2023: EUR 22,380 thousand).

Due to the consolidated net loss in the reporting period, the **equity ratio** declined to 35.3% (31 December 2023: 43,9%).

Liabilities to banks decreased to EUR 3,483 thousand as at 31 March 2024 (31 December 2023: EUR 3,599 thousand) as a result of scheduled repayments.

Liabilities from advance payments increased to EUR 751 thousand (EUR 651 thousand).

Trade payables fell by EUR 772 thousand to EUR 1,441 thousand (31 December 2023: EUR 2,213 thousand).

Other liabilities increased to EUR 27,018 thousand as at 31 March 2024 (31 December 2023: EUR 18,895 thousand). The increase was mainly driven by a further loan instalment of EUR 8,300 thousand from BASF for the construction of the plant in Perl.

Liquidity position

The company continuously monitors the available liquidity and potential investment effects. To preserve liquidity, land purchases are usually refinanced in the long term in order to secure the roll-out planning.

The **cash in hand and bank balances** amounted to EUR 7,273 thousand as of 31 March 2024 (31 December 2023: EUR 4,483 thousand).

Cash flow statement

The cash flow statement has been prepared in accordance with the requirements of German Accounting Standard GAS 21. In the first quarter 2024, the negative **cash flow from operating activities** increased to EUR -2,851 thousand compared to the same period of the previous year (EUR -1,680 thousand). It should be noted that short term input tax refund claims increased by EUR 742 thousand in the first quarter of 2024, in particular due to investments by Pyrum GreenFactory II GmbH, while there was a positive effect from the optimisation of input tax refund processes in the previous year.

Cash flow from investing activities totalled EUR -2,106 thousand due to investments in the expansion of the plant at the Dillingen site and initial investments at the Perl site, compared to EUR -3,214 thousand in the same period of the previous year.

Cash flow from financing activities increased to EUR 7,747 thousand (EUR 1,098 thousand). This was mainly due to the payment of a further loan instalment from BASF in the amount of EUR 8,300 thousand.

(EUR thousand)	1 Jan. 2024 31 Mar. 2024	1 Jan. 2023- 31 Mar. 2023
Cash flow from operating activities	-2,851	-1,680
Cash flow from investing activities	-2,106	-3,214
Cash flow from financing activities	7,747	1,098
Net change in cash funds	2,790	-3,796
Cash funds at beginning of period	4,275	12,519
Cash funds at end of period	7,065	8,723

The Group companies were always able to fulfil their payment obligations.



Report on own and customer projects



Development at the main plant in Dillingen/Saar

Expansion of Dillingen TAD 2 & 3

The development of the site expansion at the main plant in Dillingen/Saar was explained in detail in the 2023 Annual Report, to which particular reference is made here.

As part of the commissioning of the TAD 2 power generation unit, the maximum capacity tests of the individual turbines began in April 2024. The test of turbine 1 has already been successfully completed. During the commissioning of the remaining four turbines, it became apparent that the manufacturer would have to make improvements as part of the warranty. This was accepted and work has already begun. Within the next two months, all maximum capacity tests are to be run successively.

In May, the third and final reactor was started up at the main plant in Dillingen/Saar. The company is thus on the finishing straight of the site expansion. By transferring the knowledge gained from the commissioning of TAD 2 as well as minor optimisations, TAD 3 was put into operation smoothly. The third line is currently already producing at 400 kg/h, which corresponds to a throughput of approx. 55%. The throughput is to be successively increased to 75% over the next three months. TAD 2 continues to operate unchanged with a throughput of 75-80%.

A jet mill will be used in future for the plant expansion in Dillingen. The required pelletising plant was ordered after extensive material tests were completed by the manufacturer. The first parts of the grinding plant have already been delivered to Germany and are currently in storage. Due to the technical integration with the pelletising system, installation is still planned for the end of 2024.

Current (customer) projects in plant construction

Pyrum's team is currently working on the implementation of several new plant construction projects in parallel to the commissioning at the company headquarters in Dillingen/Saar to advance the roll-out of its patented technology and to create additional recycling capacities at other locations in the short and medium term. As the pipeline is very well filled with projects, the acquisition of new projects is being postponed for the time being. Activities in 2024 will focus on the respective approval procedures and the considerations specific to the sites.

Own plant in the Saarland

After the Management Board of Pyrum Innovations AG decided in November 2023 not to pursue the construction of a plant on the originally planned site in Homburg/Saar, the goals set for the new site in Perl-Besch were already realised in February of the current year. Following the approval of the responsible municipal council for the change request to the development plan, preparatory measures for the development and site preparation of the first construction phase at the new Pyrum site could already be carried out on an area of 8,800 m² at the end of February.

In May, the Perl municipal council voted on the legally effective amendment to the development plan and approved the amendment to the statutes and thus the new development plan by a majority. Accordingly, only the construction of a tyre thermolysis plant of Pyrum GreenFactory II GmbH was approved on the property. The implementation agreement between the municipality of Perl and Pyrum Innovations AG was also signed, which, among other things, stipulates the forest compensation areas for the building site. The amendment to the articles of association was published by the municipality of Perl in the official gazette at the end of May.

The final application documents for the early start of construction are currently being prepared and should be finalised and submitted by the beginning of August 2024. Once the application documents have been approved, the ground-breaking ceremony will take place at the new site in Perl-Besch. Construction is currently scheduled to start at the beginning of October 2024.

Czechia

On 25 September 2023, Pyrum Innovations AG signed a consulting agreement with a subsidiary of a Czech energy group to construct a Pyrum thermolysis plant in Czechia to prepare for the approval of the tyre recycling plant and submit the building application. The final investment decision will be made by the end of 2024. Scheduled to start operations in 2026, the new plant will have a capacity of 20,000 tonnes of end-of-life tyres per year and is being built near the Czech border with Germany. The Czech partner, which operates in energy and recycling management, already has a power plant on the site and therefore has a gas turbine which will co-generate electricity from the thermolysis gas, allowing

the company to benefit from synergies and existing structures in the planning and realisation of the new plant.

A joint venture (special purpose vehicle (SPV)) will be set up to build and operate the new plant, in which Pyrum is expected to hold at least 30%.

As part of the preparations for the licence application, representatives of the Czech authorities had the opportunity to visit the company's headquarters in Dillingen at the end of April to see the technology and its readiness for series production for themselves. The feedback was very positive.

Greece ("Thermo Lysi SA")

In the third quarter of 2023, Pyrum Innovations AG signed a contract for the planning of a new plant in Greece. Pyrum has been commissioned to perform all the necessary planning that will be used for the submission of the documents required under Greek law for a construction and operating licence for the new plant. The plant of the Greek project company Thermo Lysi SA is to be built about 140 km north of Athens. It will have a capacity of 20,000 tonnes of end-of-life tyres per year and will thus be able to cover almost half of the total amount of end-of-life tyres in Greece. The country produces about 45,000 tonnes of end-of-life tyres per year. The new plant will help to sustainably recycle these end-of-life tyres and recover valuable resources. Pyrum is expected to hold an equity interest of 15% in the project company.

The positive decision on the subsidy application for the project in Greece, which was expected in the first half of the year, has not yet been received at the time of publication. Ecoelastika, the non-profit distribution system for used tyres in Greece, has also not yet issued a positive decision on securing the tyre volume. Meanwhile, work on the amendment application for the construction and operation of a waste tyre thermolysis plant is nearing completion. The latest findings from the planning phase are currently being incorporated.

Bremen – REMONDIS

In mid-November 2023, Pyrum and the recycling company REMONDIS initiated the planning phase for a joint Pyrum plant for recycling end-of-life tyres by signing a letter of intent. The plant will be located on a site owned by Weserport GmbH in the port area of Bremen, a subsidiary of REMONDIS' sister company, Rhenus. It will have a recycling capacity of 20,000 tonnes of end-of-life tyres per year. The site should be available for the planned development from the second quarter of 2025. Assuming that the investment is approved by all involved, which should happen by the end of 2024, it is intended that Pyrum will hold an equity interest of 33% in the SPV.

An application conference to define the scope for the preparation of the licence application is planned for the second half of the year.

Emleben - UNITANK

The memorandum of understanding (MoU) entered into with UNITANK Betriebs- und Verwaltungs GmbH in September 2022 envisages implementing up to ten joint plants by 2030. The suitability of the site for potentially the first joint project in Emleben (Thuringia) is currently being carefully examined, and discussions have already been held with local government representatives and utility companies in order to co-ordinate which special site-specific features will need to be taken into account and to ensure the supply to the public grid in the required extent at an early stage. In collaboration with the partner UNITANK, extensive preliminary work is already in progress at the project level for the pre-engineering, the drafting of a business plan and preparations for the ownership structure planned in future for a potential joint venture for building and operating a plant. Simultaneously, UNITANK is already holding discussions with future suppliers for the tyre input and with potential customers for the end products. The target regions for the next joint plants are also being coordinated with UNITANK.

Work on the consulting agreement has progressed further and takes into account the latest findings from the application conference that has been held in the meantime. At the same time, detailed layout planning is continuing, which means that external service providers can be commissioned to prepare the approval documents as soon as the agreement has been signed.

Sweden ("GreenTech Recycling Tires AB")

At the end of February 2024, a consulting agreement was signed between GreenTech Recycling Tires AB and Pyrum Innovations AG to build a joint thermolysis plant in Sweden. It is intended that Pyrum will hold an interest of up to EUR 3 million in the SPV, provided that the financing from GreenTech is assured in full.

The suitability assessment of the site in Sweden has already begun. The kick-off in Billingsfors, together with the customer and an engineering office based in Sweden, also took place as planned. The Swedish engineering office is currently examining the synergies that can be harnessed at the site in close cooperation with Pyrum. The kick-off for the approval planning for the project is scheduled for the end of July 2024. The two partners are aiming to build a facility with a recycling capacity of 20,000 tonnes of end-of-life tyres per year. It is due to start production in 2027.

Other projects

In addition to the projects described above, Pyrum Innovations AG has a well-filled pipeline of attractive projects in their early stages, such as the potential construction of a plant in the United Kingdom with SUEZ and other projects in Germany and Europe.

Supplementary Report and Outlook

Significant events after 31 March 2024

On 16 May 2024, the municipal council of Perl voted on the amendment to the development plan for the site of the new Pyrum-owned plant in Perl Besch and approved the amendment to the statutes and thus the new development plan by a majority. At the same time, the implementation agreement between the municipality of Perl and Pyrum Innovations AG was signed, which, among other things, stipulates the forest compensation area for the building site. The amendment to the statutes was publicly announced by the municipality of Perl at the end of May.

The final application documents for the early start of construction are currently being prepared and are expected to be finalised and submitted by the beginning of August 2024.

The warm commissioning of reactor 3 at the main plant in Dillingen/Saar began at the end of May 2024. This means that the second reactor of the site expansion has now also been heated to 650°C for the first time. The findings from the previous commissioning of TAD 2 were transferred in full to TAD 3 and additional minor adjustments were made on this basis, which contributed to the successful start-up of the new reactor. TAD 3 is currently running at a throughput of 55% and is to be gradually ramped up to 75% over the next three months.

As part of the expansion of production at its main plant in Dillingen, Pyrum has extended the REACH registration for its thermolysis oil produced from end-of-life tyres. The extension of the registration entitles Pyrum to manufacture and import more than 1,000 tons of thermolysis oil per year. The company implemented the extension at an early stage in order to avoid a limitation in the context of the increasing production volumes due to TAD 2 & 3.

In June 2024, Pyrum and BASF agreed on the short-term disbursement of the third loan tranche of EUR 6,000 thousand for the construction of the new plant in Perl.

Risks and opportunities

The identification of risks and opportunities and the introduction of measures to contain risks are a core issue for corporate governance.

There have been no material changes in the assessments of opportunities and risks in the reporting period since the preparation of 2023 annual report and consolidated financial statements. Please refer to the Annual Report 2023 for detailed opportunity and risk assessments.

Overall assessment of the risk and opportunity situation

There are currently no risks that pose a threat to the company as a going concern. The business opportunities outweigh the potential risks.

Future economic conditions

In its current forecast from April 2024, the International Monetary Fund (IMF) expects global growth to remain at the previous year's level of 3.2%¹⁴. Economic output is therefore expected to remain solid, but below the historical average (2000-2019) of 3.8%. The reasons for this are high borrowing costs and the withdrawal of fiscal policy support on the one hand and the increasingly apparent geopolitical fragmentation on the other. For the eurozone, the IMF expects a slight year-on-year increase in gross domestic product of 0.8% for 2024 as a whole. For economic development in Germany, the IMF anticipates a slight increase in economic output of 0.2%.

In its spring report, the German Council of Economic Experts comes to the same conclusion with an expected economic growth rate of 0.2%¹⁵. Over the course of 2024, world trade and global industrial production as well as private consumption in Germany are likely to increase. In addition, inflation in Germany is expected to slow further in the current year. The German Council of Economic Experts is forecasting inflation rates of 2.4% and 2.1% in 2024 and 2025 respectively. However, it emphasises that geopolitical uncertainty poses a significant risk to economic development and inflation. Uncertainty factors include the ongoing war in Ukraine and the conflict in the Middle East as a result of Hamas' terrorist attack on Israel. An escalation of the Middle East conflict could cause energy prices to rise again.

¹⁴ IWF: World Economic Outlook Update April 2024

¹⁵ German Council of Economic Experts: Spring Report 2024

Outlook for Pyrum Innovations AG and the Group in 2024

The forecasts of the business performance in 2024, already published as part of the 2023 annual financial statements, are based on certain assumptions concerning the successful acquisition of financing, an easing of the situation in supply chains and prices for plant components and energy as well as the costs of steel construction stabilising at a high level. Further increases in the cost of materials, energy and financing in 2024 would have a negative impact on sales and earnings performance.

Pyrum Innovations AG unchanged expects an increase in consolidated sales and sales of the AG from the operation of the plant to between EUR 2.5 million and EUR 3.5 million in 2024 as well as sales from consulting agreements with customers of around EUR 0.5 million. Overall, sales of between EUR 3.0 million and EUR 4.0 million are therefore expected.

With the expected successful conclusion of plant purchase agreements, the scheduled realisation of the construction of the new plant in Perl and the delivery of the new pelleting plant, the company unchanged expects total output for the AG and the Group to be in the range of EUR 25 million to EUR 30 million in the 2024 financial year.

The Group's earnings before interest and taxes are expected to be in the range of EUR -11.0 million to EUR -13.0 million in 2024 in view of the high level of investing activity and the planned further expansion of the workforce. The EBIT of Pyrum Innovations AG is expected to be in the range of EUR -10.0 million to EUR -12.0 million.

For the planned growth, further financing is essential to build additional plants and cover the currently still negative cash flows. The core focus of the management is therefore currently directed at obtaining relevant financing commitments. Capital increases are also planned in the future in order to maintain a healthy balance sheet structure.

The company continues to pursue the goal of achieving the planned growth through a mix of organic growth based on its own plants and by participating in joint customer projects (SPVs).

Pyrum Innovations AG

Dillingen / Saar, 27 June 2024

Pascal Klein
CEO

Michael Kapf
Member of the Executive Board

Kai Winkelmann
CFO

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Consolidated interim balance sheet as of 31 March 2024

ASSETS (In EUR)

	31 March 2024	31 December 2023
A. Non-current assets		
I. Non-current intangible assets		
1. Self-created rights and licences in such rights	53,267.00	58,261.00
2. Acquired rights and licences in such rights	5,297,173.79	5,518,847.79
3. Intangible assets under development	60,535.33	60,535.33
	5,410,976.12	5,637,644.12
II. Property, plant, and equipment		
1. Land and buildings	3,931,906.84	3,956,416.84
2. Technical equipment and machinery	7,572,870.32	4,042,909.32
3. Other equipment, operating and office equipment	1,033,586.00	1,076,448.00
4. Advances paid and assets under construction	28,257,759.11	30,382,206.43
	40,796,122.27	39,457,980.59
III. Non-current financial assets		
Shares in associates	27,421.62	29,921.62
Total non-current assets	46,234,520.01	45,125,546.33
B. Current assets		
I. Inventories		
1. Raw materials and supplies	194,900.00	194,900.00
2. Work in progress	208,908.32	164,692.43
3. Finished and unfinished goods	170,034.13	86,601.81
	573,842.45	446,194.24
II. Receivables and other current assets		
1. Trade receivables	158,493.41	101,067.04
2. Other current assets	1,436,318.55	702,080.57
	1,594,811.96	803,147.61
III. Cash at hand and in bank	7,272,764.03	4,482,957.30
Total current assets	9,441,418.44	5,732,299.15
C. Deferred expenses	47,766.57	68,295.57
Total assets	55,723,705.02	50,926,141.05

Consolidated interim balance sheet as of 31 March 2024

EQUITY AND LIABILITIES (In EUR)

	31 March 2024	31 December 2023
A. Equity		
I. Subscribed Capital	3,253,735.00	3,253,735.00
II. Capital Reserves	52,058,141.06	52,058,141.06
III. Accumulated Losses	-35,616,134.98	-32,932,016.31
Total Equity	19,695,741.08	22,379,859.75
B. Provisions and Accrued Liabilities		
Other provisions and accrued liabilities	3,335,348.46	3,188,022.43
C. Liabilities		
1. Liabilities to banks	3,482,987.22	3,599,173.73
2. Advance payments received	751,022.40	651,115.00
3. Trade payables	1,440,986.31	2,212,942.15
4. Other liabilities	27,017,619.55	18,895,027.99
Total liabilities	32,692,615.48	25,358,258.87
Total equity and liabilities	55,723,705.02	50,926,141.05

Consolidated income statement for the first quarter 2024

(In EUR)	1 Jan. - 31 Mar. 2024	1 Jan. - 31 Mar. 2023
1. Revenues	335,871.57	217,782.83
2. Increase of finished and unfinished goods	225,824.00	12,396.40
3. Other own work capitalised	1,615,282.35	2,957,754.81
4. Total output	2,176,977.92	3,187,934.04
5. Other operating income	147,679.37	79,816.88
6. Expenses for materials		
a) Expenses for raw materials and supplies	1,350,623.63	2,343,574.91
b) Expenses for purchased services	441,027.93	548,304.26
	1,791,651.56	2,891,879.17
7. Personnel expenses		
a) Wages and salaries	1,330,883.89	1,010,376.90
b) Social security contributions and expenses for pension provision	233,803.47	178,404.41
	1,564,687.36	1,188,781.31
8. Depreciation, amortisation and write-downs of intangible non-current assets and property, plant, and equipment	528,199.13	554,282.47
9. Other operating expenses	887,514.57	787,283.30
10. Other interest and similar income	5,127.32	2,265.85
11. Interest and similar expenses	231,413.24	73,847.14
12. Cost of equity valuation of associates	2,500.00	3,000.00
13. Result after taxes	-2,676,181.25	-2,229,056.62
14. Other taxes	7,937.42	7,645.90
15. Net income for the periode	-2,684,118.67	-2,236,702.52

Consolidated cash flow statement for the first quarter 2024

(In EUR)	1 Jan. - 31 Mar. 2024	1 Jan. - 31 Mar. 2024
Net income/loss for the period	-2,684,119	-2,236,702
Depreciation, amortisation of non-current assets / reversals of write-downs of non-current assets	528,199	554,282
Increase/decrease in provisions	163,127	113,411
Other non-cash expenses/income	2,500	3,000
Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities	-899,069	321,573
Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-168,218	-475,328
Interest expenses/income	210,485	73,679
Miscellaneous other income not attributable to cash flow from operating activities	-3,870	-34,172
Cash flow from operating activities	-2,850,965	-1,680,257
Payments for investments in non-current assets	0	-27,597
Payments for investments in property, plant and equipment	-2,111,292	-3,186,062
Interests received	5,127	25
Cash flow from investing activities	-2,106,165	-3,213,634
Proceeds from short- or long-term (financial) loans	8,300,000	0
Payments from the redemption of (financial) loans	-321,937	-334,231
Proceeds from grants/subsidies received	0	1,506,000
Interests paid	-231,413	-73,847
Cash flow from financing activities	7,746,650	1,097,922
Net change in cash funds	2,789,520	-3,795,969
Cash funds at beginning of period	4,275,304	12,518,505
Cash funds at end of period	7,064,824	8,722,536

Consolidated statement of changes in equity as of 31 March 2024

(In EUR)	Subscribed capital	Capital reserve			Total reserves	Consolidated loss carried forward	Consolidated net loss	Consolidated balance sheet loss	Total group equity
		according to §272 Para. 2 No. 1 - 3 HGB	according to § 272 Para. 2 No. 4 HGB	Total					
As of 1 January 2023	3,253,735.00	43,815,165.06	8,242,976.00	52,058,141.06	52,058,141.06	-15,612,428.62	-7,808,110.67	-23,420,539.29	31,891,336.77
Allocation to/withdrawal from reserves						-7,808,110.67	7,808,110.67		0.00
Net loss for the period							-2,236,702.52	-2,236,702.52	-2,236,702.52
As of 31 March 2023	3,253,735.00	43,815,165.06	8,242,976.00	52,058,141.06	52,058,141.06	-23,420,539.29	-2,236,702.52	-25,657,241.81	29,654,634.25
As of 1 January 2024	3,253,735.00	43,815,165.06	8,242,976.00	52,058,141.06	52,058,141.06	-23,420,539.29	-9,511,477.02	-32,932,016.31	22,379,859.75
Allocation to/withdrawal from reserves						-9,511,477.02	9,511,477.02		0.00
Net loss for the period							-2,684,118.67	-2,684,118.67	-2,684,118.67
As of 31 March 2024	<u>3,253,735.00</u>	<u>43,815,165.06</u>	<u>8,242,976.00</u>	<u>52,058,141.06</u>	<u>52,058,141.06</u>	<u>-32,932,016.31</u>	<u>-2,684,118.67</u>	<u>-35,616,134.98</u>	<u>19,695,741.08</u>

Consolidated gross statement of changes in non-current assets for the first quarter 2024

(In EUR)	1 January 2024	Acquisition and production costs			31 March 2024	Cumulative depreciation and amortisation				Book value	
		Additions	Disposals	Reclassifications		1 January 2024	Additions	Disposals	31 March 2024	31 March 2024	31 December 2023
I. Non-current intangible assets											
1. Self-created rights and licences in such rights	99,875.19	0.00	0.00	0.00	99,875.19	41,614.19	4,994.00	0.00	46,608.19	53,267.00	58,261.00
2. Acquired rights and licences in such rights	7,532,174.76	0.00	0.00	0.00	7,532,174.76	2,013,326.97	221,674.00	0.00	2,235,000.97	5,297,173.79	5,518,847.79
3. Intangible assets under development	60,535.33	0.00	0.00	0.00	60,535.33	0.00	0.00	0.00	0.00	60,535.33	60,535.33
	7,692,585.28	0.00	0.00	0.00	7,692,585.28	2,054,941.16	226,688.00	0.00	2,281,609.16	5,410,976.12	5,637,644.12
II. Property, plant, and equipment											
1. Land and buildings	4,156,338.33	0.00	0.00	0.00	4,156,338.33	199,921.49	24,510.00	0.00	224,431.49	3,931,906.84	3,956,416.84
2. Technical equipment and machinery	11,094,082.87	0.00	0.00	3,739,729.67	14,833,812.54	7,051,173.55	209,768.67	0.00	7,260,942.22	7,572,870.32	4,042,909.32
3. Other equipment, operating and office equipment	2,193,528.36	24,390.46	0.00	0.00	2,217,918.82	1,117,080.36	67,252.46	0.00	1,184,332.82	1,033,586.00	1,076,448.00
4. Advances paid and assets under construction	30,382,206.43	1,615,282.35	0.00	-3,739,729.67	28,257,759.11	0.00	0.00	0.00	0.00	28,257,759.11	30,382,206.43
	47,826,155.99	1,639,672.81	0.00	0.00	49,465,828.80	8,368,175.40	301,531.13	0.00	8,669,706.53	40,796,122.27	39,457,980.59
III. Non-current financial assets											
Shares in associates	50,000.00	0.00	0.00	0.00	50,000.00	20,078.38	2,500.00	0.00	22,578.38	27,421.62	29,921.62
	55,568,741.27	1,639,672.81	0.00	0.00	57,208,414.08	10,443,194.94	530,699.13	0.00	10,973,894.07	46,234,520.01	45,125,546.33

Financial calendar for 2024

18 July 2024	Annual General Meeting
27 September 2024	Publication of the half-yearly report as at 30 June 2024
22 November 2024	Publication of the quarterly report as at 30 September 2024
25 – 27 November 2024	German Equity Forum, Frankfurt

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