



Annual Report | 2024

Annual report for the 2024 financial year

The Pyrum Group's key figures at a glance

Results of operations and financial position

(EUR thousand)	1 Jan. 2024- 31 Dec. 2024	1 Jan. 2023- 31 Dec. 2023
Sales	2,022	1,147
Total output	11,715	12,799
Other operating income ¹	1,221	715
EBITDA ²	-5,894	-7,088
EBITDA (adjusted) ³	-6,360	-7,239
EBIT ⁴	-8,915	-9,174
EBIT (adjusted) ⁵	-9,381	-9,325
Net income/loss	-10,135	-9,511

Net assets

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Total assets	65,465	50,926
Equity	22,245	22,380
Equity ratio ⁶	34.0 %	43.9 %
Available liquidity	11,740	4,275
Employees ⁷	91	73

¹ Research grants, subsidies and R&D services

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

³ Adjusted for investment grants of EUR 760 thousand (2023: EUR 151 thousand) and consulting fees for capital procurement in the amount of EUR 294 thousand (2023: EUR 0 thousand)

⁴ Consolidated net income/loss for the period before financial result, before income taxes

⁵ Adjusted for investment grants of EUR 760 thousand (2023: EUR 151 thousand) and consulting fees for capital procurement in the amount of EUR 294 thousand (2023: EUR 0 thousand)

⁶ Equity/total assets

⁷ Annual average (12 months)

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Letter from the Executive Board

Dear Shareholders, Partners and Supporters of Pyrum,

We can look back on an eventful 2024 financial year – marked by important milestones, exciting developments and also a number of challenges, which we were able to successfully overcome with the combined strength of our team and our partners. Our development continues to be strongly influenced by external factors: uncertainties on the capital markets, geopolitical conflicts and regulatory requirements. Nevertheless, we are convinced that standing still is not an option. More than ever, it is essential to develop independent, future-proof solutions. For us, innovation means not only technical progress, but also taking responsibility. That is why we are constantly working to further develop our technology, explore new approaches, and strategically advance our company. In the following, we would like to give you an overview of the most important milestones of the past year and, at the same time, an outlook for the coming months.

The successful commissioning of our two new production lines, TAD 2 and TAD 3, was the major focus of the 2024 financial year. In February 2024, during the second test run of TAD 2, the reactor was brought to 75% of its design capacity within a week instead of the planned three months. In the months that followed, we gained further valuable insights into the potential of our technology. Targeted optimization work ensured not only a smooth start-up of the second of the two new reactors, but also successful full-load tests of both lines in the last quarter. In the first quarter of 2025, commissioning of the thermolysis units was successfully completed and both production lines went into regular operation as planned.

Even though our sales almost doubled compared to last year, we still fell short of our own expectations. This was due to the still insufficient production capacity of our rCB. However, we have found a solution for this as well. With the new grinding and pelletizing plant, 1,350 kg of rCB can be produced per hour in the future. This will enable us to meet the increased demand and achieve a significant increase in sales from the second half of 2025.

We also reached an important milestone at the beginning of last year 2024 with our project in Perl-Besch, Pyrum's second plant: the approval of the development plan by the Perl municipal council. This enabled us to start preliminary work at the new site before the start of the environmental protection period. After approval of the application documents for early start of construction, the groundbreaking ceremony was originally scheduled for the second half of 2024. Although there were delays, this unplanned break proved valuable in retrospect, as we were able to incorporate valuable experience gained from the commissioning of TAD 2 and TAD 3 into the approval application. This enabled us to make the documentation comprehensive and future-proof right from the start. After receiving confirmation that our application was complete at the end of January 2025, we received the official letter with additional requirements at the beginning of April. We have now submitted all additional requirements and are awaiting the final building permit. We are looking forward to the summer and are eager to start construction soon.

We also made significant progress at the customer project level last year. In addition to the existing projects, for which building permits have been granted in Greece and the final investment decision has been made in the Czech Republic, we have succeeded in further expanding our project pipeline. With the planned plant in Sweden, we are now also entering the Scandinavian market. This is a significant

step, especially as the Nordic countries are known for their high standards of sustainability and ecological innovation. We are also planning the largest Pyrum plant to date for the Dutch energy group VTTI in Antwerp. With a recycling capacity of 90,000 tons of end-of-life tyres (ELT) per year, the plant will have four times the recycling volume of a standard Pyrum plant. This means that ten projects have now been launched or are already at an advanced stage.

One event followed another: during the reporting period, we succeeded in concluding a framework agreement with Continental for the long-term purchase of our rCB for a period of ten years. Until today long-term contracts are unusual in the automotive industry. The norm here is one to two years, at most five. Especially in the current climate, which is characterized by great uncertainty in the sales markets for rCB – not least due to the war in Ukraine – stable partnerships are becoming increasingly important. This made it all the more crucial for us and our partners, Continental and, most recently, Schwalbe, to create long-term purchase security. This secures the offtake of rCB for at least two Pyrum plants. In addition, other automotive manufacturers have already expressed interest in contracts of a similar scope.

With the long-term purchase agreements with Continental and Schwalbe for our rCB and BASF for our thermolysis oil, the only thing missing from our rollout plan is the expansion of our production capacities. As you can imagine, building new plants requires significant investment. And the time for investment is not tomorrow, but right now. We want to continue to advance the company and our technology. In order to consistently develop Pyrum and our technology, we decided last year to increase our capital, which not only provided us with fresh equity but also brought Schwalbe on board as another important key investor. The capital increase enables us to press ahead with the construction of our second plant in Perl and to increase our share in the joint venture plant in the Czech Republic to up to 49%, thereby also increasing our share of the revenue from this planned plant.

We would like to take this opportunity to thank you for your trust. We want to continue growing Pyrum together with you – even if this means making courageous decisions from time to time.

Finally, we would like to mention a special highlight that we are very proud of. Last year, sports legend Felix Magath visited us at our factory premises in Dillingen. We are all the more delighted that Mr. Magath is so convinced of our vision and business model that he approached us on his own initiative. His conviction in Pyrum has prompted him not only to actively support us, but also to act as a brand ambassador for Pyrum. Through his extensive network, he will not only enable Pyrum to access new investor groups that were previously out of our reach, but also to raise awareness of the issue at a political level. Unfortunately, we have noticed that Pyrum is still unknown to most politicians and that the potential of our technology is therefore often underestimated! Most politicians even assume that Pyrum technology is so far in the future that they do not even consider incorporating our technological capabilities into current legislation as state of the art. There is a clear need for intensive public relations work in this area. Mr. Magath will provide us with significant support through his high profile, his reputation as a man of action, and his extensive network in politics and the media. The trust he has placed in us not only confirms the relevance of our work, but also opens up valuable prospects for Pyrum's future.

I hope this overview has given you a better understanding of the most important highlights of 2024 and the past few months. We already have our sights set on the next milestones and are working hard to continue Pyrum's success in 2025. We look forward to continuing on the Pyrum journey with you and to an exciting 2025.

Best Regards!



Yours Pascal Klein
CEO of Pyrum Innovations AG

Report of the Supervisory Board

Dear Shareholders,

The 2024 financial year was particularly marked for Pyrum Innovations AG by the completion of construction work and the start of commissioning of the new TAD 2 and TAD 3 reactors as well as the planning and the start of assembly of the new pelletizing and milling plant at the main plant in Dillingen/Saar. This means that the expansion of the Dillingen site, which will triple processing capacity to 20,000 tonnes of end-of-life tyres per year and the corresponding output of oil and recovered carbon black (rCB), is now in the final stages. The purchase of rCB has been secured through long-term contracts with Continental and Schwalbe. On the raw materials side, several agreements, including with Continental, have secured the supply of used tyres. The implementation of the next Pyrum plant of “Pyrum GreenFactory II GmbH” in Perl/Besch is continuing steadily. Final approval for construction is expected in Q2 2025. The further development of the business continued to be driven by targeted customer acquisition for the construction of new recycling plants. Engineering services and preliminary planning, which are necessary as a first step for the construction of plants, as well as further steps were continued, including plans for recycling plants in the Czech Republic, Greece, the United Kingdom, Sweden, and Belgium. The capital increase against cash contributions implemented in October 2024, excluding shareholders' subscription rights, was another milestone in the success story of Pyrum Innovations AG for the financing of the Pyrum GreenFactory II GmbH. The successful placement on the market generated gross issue proceeds of around EUR 10 million for the company.

However, I would like to express my particular gratitude to you, our shareholders, for the trust you have placed in Pyrum Innovations AG, the Executive Board, and the entire workforce over the past financial year.

CONTINUOUS DIALOGUE WITH THE EXECUTIVE BOARD

In financial year 2024, we fulfilled our supervisory and advisory duties as the Supervisory Board with the utmost care in accordance with the statutory provisions, the Articles of Association, and the Rules of Procedure. We were regularly informed by the Executive Board through written and oral reports on the state of the company and actively accompanied and supported it in its management, strategic development, and significant business events.

In addition, the Executive Board and Supervisory Board jointly discussed business development, corporate policy, and planning in detail. Measures requiring the approval of the Supervisory Board and decisions of fundamental importance to the company were discussed in detail with the Executive Board. The cooperation was always characterized by a trusting and open exchange of views.

In addition to the four regular meetings of the Supervisory Board on 18 March 2024, 13 May 2024, 23 September 2024, and 10 December 2024, six extraordinary meetings of the Supervisory Board were held during the reporting year. The meetings were generally held in person and some were held as video conferences.

At the Supervisory Board meetings, the Executive Board provided comprehensive information on the situation and development of the company. All significant steps relating to the strategic orientation

and important individual measures were coordinated with the Supervisory Board. The Supervisory Board had sufficient opportunity to critically examine the reports and proposed resolutions of the Executive Board and to satisfy itself that the company was being managed properly.

Outside of the meetings, the members of the Supervisory Board were also informed regularly and promptly by written and verbal reports on the course of business, the financial and earnings situation, corporate planning, opportunities and risks, and relevant individual topics.

FOCUS OF THE SUPERVISORY BOARD MEETINGS

At all meetings, the Supervisory Board discussed the comprehensive, detailed reports of the Executive Board in detail, reviewed the development of the company and strategic issues with the Executive Board, and discussed the overall economic environment.

In view of the expansion of business activities, the meetings in the 2024 financial year focused on recurring topics relating to financing in connection with the expansion of the Dillingen site, the construction of the new plant in Saarland, and other projects. To this end, options such as capital increases, bonds, and loans were again considered and discussed in detail. As part of the capital increase that was ultimately decided upon, various options and partners for its implementation were evaluated. Naturally, the Supervisory Board also dealt with the operation and development of the existing plants and the progress in the expansion of the Dillingen plant, in particular the commissioning of the TAD 2 and TAD 3 reactors and the new pelletizing plant and milling plant. On the personnel side, the contract extension for Executive Board member Kai Winkelmann and the establishment of a long-term incentive program for Executive Board members Klein and Winkelmann were of great importance. Another important item was the departure of Michael Kapf, the Executive Board member responsible in particular for human resources, and the resulting redistribution of tasks among the remaining Executive Board members. Further details and essential topics are provided in the company's annual report.

Due to its small size, the Supervisory Board has so far refrained from forming Supervisory Board committees for reasons of efficiency.

INDIVIDUALIZED DISCLOSURE OF MEETING ATTENDANCE

The attendance rate of members at Supervisory Board meetings was almost 100%. The meetings were generally held in person and some were held via video conference. The attendance of Supervisory Board members at Supervisory Board meetings is disclosed below on an individual basis:

	Number of meetings	Attendance in %
Alf Schmidt (Chairman)	[10/10]	[100]
Renata Bandov	[10/10]	[100]
Jürgen Opitz	[8/10]	[80]
Matthias Lindner	[10/10]	[100]
Hans-Jürgen Maas	[9/10]	[90]

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS 2024

The annual financial statements and the consolidated financial statements prepared as of 31 December 2024, were prepared by the Executive Board of Pyrum Innovations AG in accordance with the provisions of the German Commercial Code (HGB), whereby the notes and the consolidated notes were combined. BRBD Reger Hecht GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Eschborn, audited the annual financial statements, the consolidated financial statements, and the combined management report and issued an unqualified audit opinion. The auditor conducted the audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the *Institut der Wirtschaftsprüfer* (IDW – Institute of Public Auditors in Germany).

The financial statements and the auditor's report were made available to all members of the Supervisory Board in good time so that they could be examined in detail and discussed.

The auditor attended the Supervisory Board meetings on 6 May 2025, and 14 May 2025 to discuss the annual financial statements and reported on the main findings of the audit. The questions raised by the members of the Supervisory Board were discussed in detail. The Supervisory Board's own review of the annual and consolidated financial statements did not give rise to any objections, hence we concur with the auditor's findings.

The annual financial statements and the consolidated financial statements as at 31 December 2024 prepared by the Executive Board of Pyrum Innovations AG were approved at the Supervisory Board meeting on 14 May 2025, and the annual financial statements were thus adopted at the same time.

CHANGES TO THE SUPERVISORY BOARD AND EXECUTIVE BOARD

There were no changes in the composition of the Supervisory Board of Pyrum Innovations AG in the 2024 reporting year. Mr. Michael Kapf resigned from the Executive Board of Pyrum Innovations AG with effect from 14 October 2024. The Supervisory Board would like to take this opportunity to thank Mr. Michael Kapf for his outstanding work, who will continue to be available to the company in another role.

OUTLOOK

The current global situation is characterized by geopolitical tensions, economic uncertainty, and global supply chain problems. Despite a slight recovery trend, the economy remains volatile, with rising interest rates, inflation, and geopolitical risks continuing to cause uncertainty. The new US administration has also contributed to this by creating uncertainty in international trade relations through protectionist trade policies, tax reforms, and deregulation measures. The US withdrawal from the Paris Climate Agreement, the promotion of fossil fuels, and the weakening of environmental authorities in the US could have a negative impact on the further development of Pyrum Innovations AG.

However, there are currently no clear global trends indicating that countries outside the US are scaling back climate protection. Some countries have delayed projects or regulations in order to prioritize economic stability, particularly in light of geopolitical tensions and energy crises.

Used tyres continue to pose a significant environmental problem as they contain materials that are difficult to break down and can release toxic substances if disposed of improperly. Current measures include stricter recycling requirements in the EU, increased investment in thermolysis for raw material recovery, and initiatives to promote the circular economy in various countries. Examples include initiatives in the EU, where a revised regulation on the treatment of end-of-life tyres (ELT) is being worked on to curb illegal disposal; in Canada, programs are being implemented to recycle ELT in asphalt and other building materials; Australia is focusing on recycling initiatives and export bans on unprocessed ELT; and in India, extended producer responsibility (EPR) has been introduced, which obliges producers to take back and recycle their products. It is clear that the global trend towards protecting the climate and reducing CO₂ emissions is unbroken.

Pyrum Innovations remains unique with its unique thermolysis technology and ongoing production with recovery of oil and carbon black from used tyres. Here, the team is doing everything in its power not only to maintain its technological lead, but also to expand it further.

The Supervisory Board would like to express its thanks and appreciation to the Executive Board and all employees for their work in the 2024 financial year.

Dillingen, 14 May 2025

The Supervisory Board

Alf Schmidt
Chairman



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Pyrum shares

Performance of Pyrum's shares in the 2024 financial year

The Pyrum share opened on **2 January 2024** at a price of **EUR 32.20**. The share reached its highest price in 2024 on 12 February 2024 with a price of EUR 49.60 and its low of EUR 22.50 on 9 September 2024. The closing price on **30 December 2024** was **EUR 27.60**.

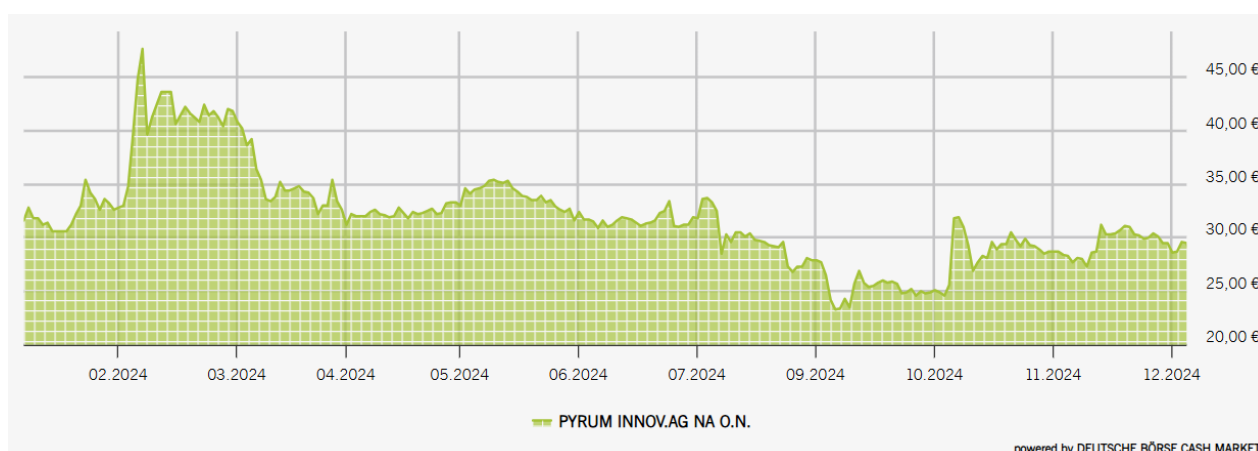
Basic info

ISIN	DE000A2G8ZX8
Ticker symbol	FRA: PYR OSLO: PYRUM
Trading segment	FRA: SCALE OSLO: Euronext Growth Market
1st trading day	30 September 2021

Key figures

Price on 2 Jan. 2024	EUR 32.20
Highest price (12 Feb. 2024)	EUR 49.60
Lowest price (9 Sep. 2024)	EUR 22.50
Closing price on 30 Dec. 2024	EUR 27.60
Number of shares (31 Dec. 2024)	3.62 million

Pyrum's share price development in 2024



Shareholder structure of Pyrum Innovations AG as at 31 December 2024

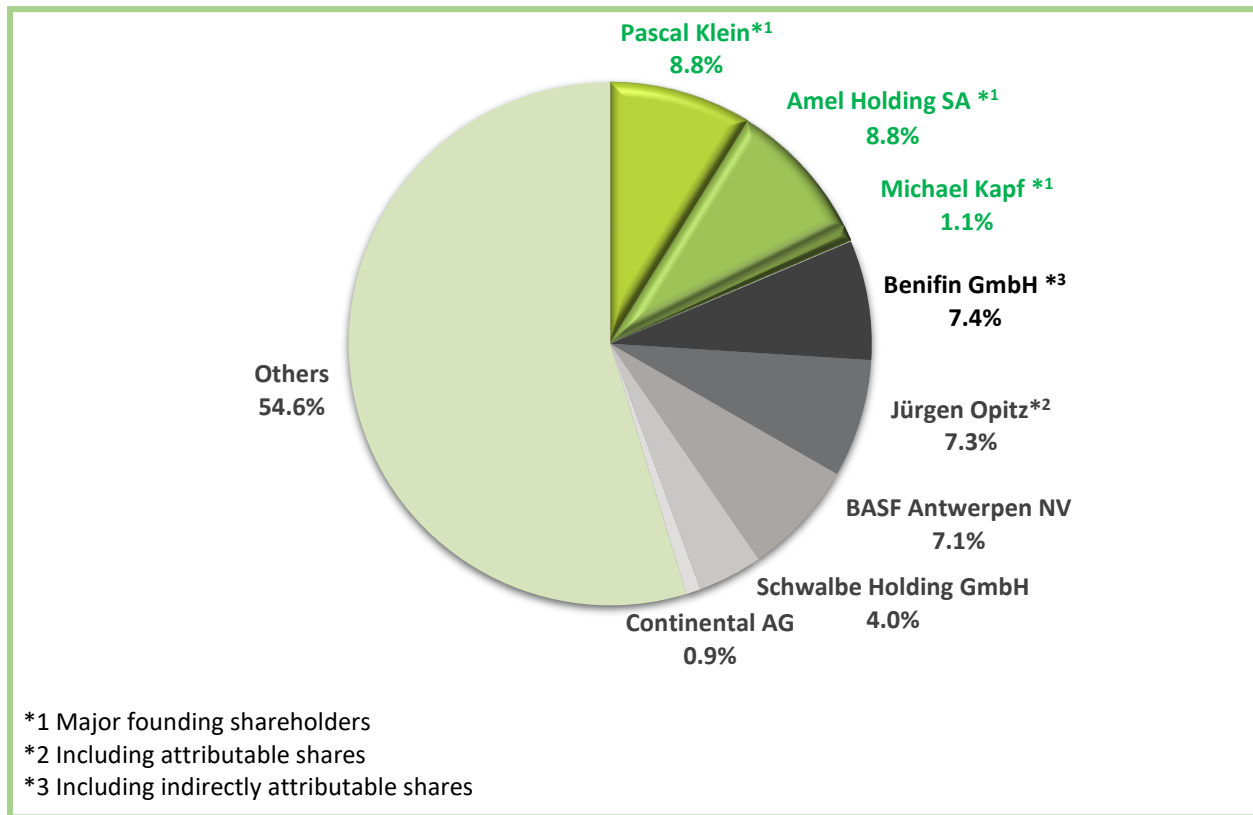


Fig 1: Shareholder structure of Pyrum Innovations AG as at 31 December 2024

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

All relevant information on our investor relations activities can be found in the Investor Relations section via the following link <https://www.pyrum.net/en/investors/>.

Basic structure of the Group

Operating activities and Group structure

Pyrum Innovations AG is one of the world's leading companies in recycling of end-of-life tyres (ELT) by thermolysis. Since 2008, the company has been continuously developing and researching its innovative thermolysis technology, which enables the nearly emission-free recycling of used tyres and plastics. As a result, high-quality products such as thermolysis oil and rCB (recovered carbon black) are obtained, which are used by well-known partners such as BASF, Continental and Schwalbe to manufacture new products. The company thus closes the material cycle and pursues a sustainable business model. Thanks to renowned certificates such as REACH and ISCC Plus, the products are recognised as high-quality, sustainable and renewable.

Pyrum Innovations AG is currently focusing on expanding its own recycling capacities and strengthening the market for used tyre recycling through thermolysis. In 2024, the company began commissioning the new reactors as part of the site expansion in Dillingen/Saar, where the existing plant was extended by two additional reactors, which will triple recycling capacity. In August 2024, Pyrum was able to secure a new contract with tyre manufacturer Continental, which uses the carbon black recovered by Pyrum for the production of its Super Elastic solid tyres, to secure the necessary quantities of used tyres and which also includes price guarantees. Last year, the company was also able to secure Schwalbe Holding GmbH, which has also been sourcing rCB from Pyrum since 2020, as a key investor. Schwalbe has now already converted 70% of its tyre portfolio to Pyrum rCB. In addition, BASF, which hold a stake in Pyrum Innovations AG since 2020 as part of its ChemCycling project, uses Pyrum's thermolysis oil and feeds it into its production network.

In addition to operating its own plant at its headquarter in Dillingen/Saar and selling the products manufactured there, the company plans and constructs Pyrum recycling plants for international customers. The company is currently focussing on the European market. With partners in Greece, the Czech Republic, Great Britain, and Germany, for example, new Pyrum plants are to be built in Europe over the next few years, which will be operated by the individual project companies. Pyrum plans to participate in the majority of the projects with equity.

The company is constantly researching new solutions for recycling waste materials. In addition to recycling used tyres, the company's own R&D team succeeded in recycling CFRP (carbon fibre reinforced plastics) in its entirety for the first time in the world in 2023.

Since the foundation, Pyrum Innovations AG has already received several awards for its innovative solutions.

Pyrum Innovations AG, seated in Dillingen/Saar, is the parent company of the Group and runs the company's operating business. Subordinate to it and fully owned by the Group are Pyrum Innovations International S.A., based in Schengen, Luxembourg, which holds the company's intellectual property and patents, and the subsidiary 'Pyrum GreenFactory II GmbH', founded in 2024, which acts as the project and operating company for the second Pyrum-owned plant currently under construction in Perl-Besch.

Group structure

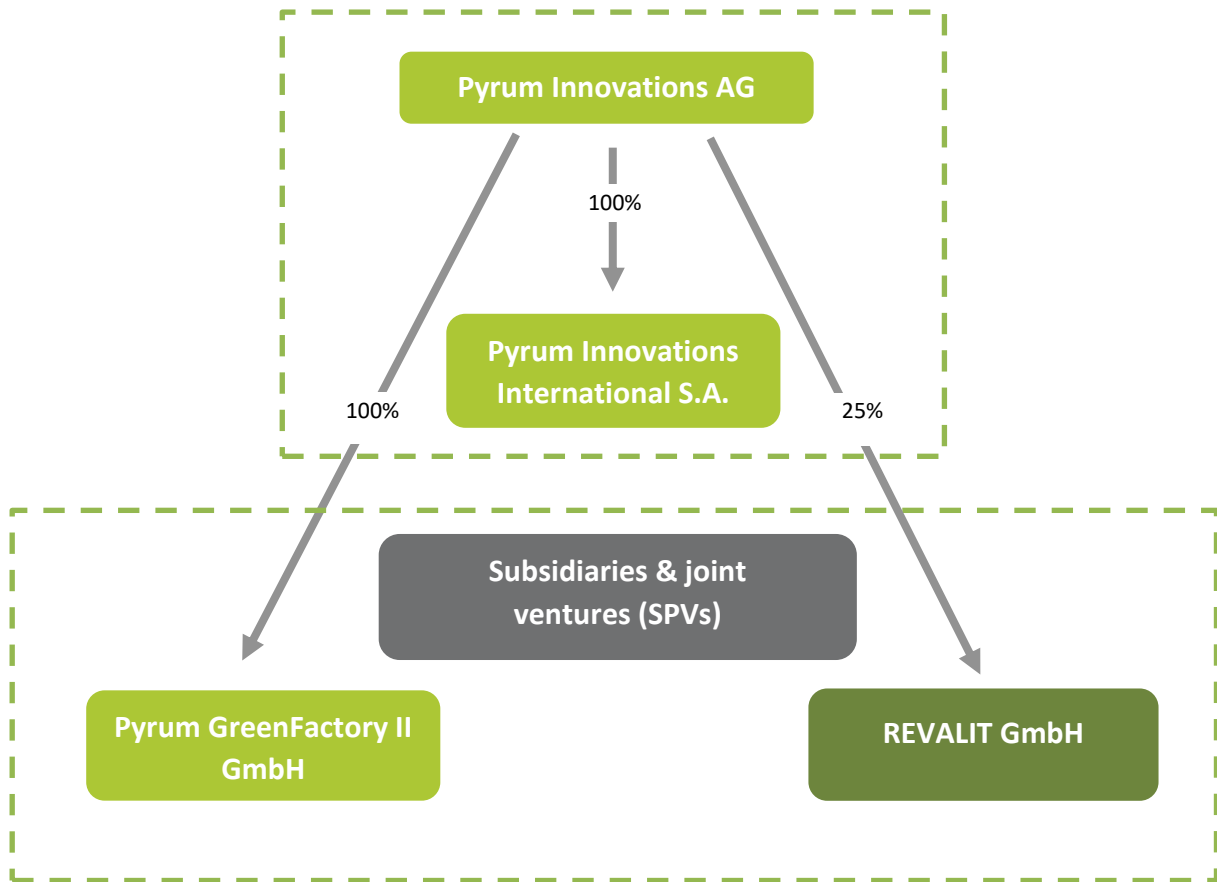


Fig. 2: Group structure of Pyrum Innovations AG

Our guiding principles

At Pyrum, we started addressing the social issues surrounding the problem of waste disposal and the shortage of raw materials at a very early stage.

To this end, we have developed an innovative thermolysis process and the necessary technology to establish a circular economy for the production of tyres. The low-impact thermolysis process for end-of-life tyres recovers carbon black (rCB) in particular, which is then reused in the production process for new tyres. In addition to rCB, other raw materials such as thermolysis oil are also recovered during the process, which can be used as a sustainable alternative to crude oil in the chemical industry.

By closing the energy loop – as a result of converting the thermolysis gas into electricity – we offer our partners a sensible solution in both ecological and economic terms.

To build on our success story so far, we have set ourselves a number of business targets, which we intend to achieve as a team.

Customer satisfaction

We want to permanently change the market by making it “circular”. Our customers are therefore required by contract to use our products exclusively to manufacture new, sustainable products and not to use them as energy sources themselves or sell them on to third parties. In order to enable these partnerships based on trust, we work closely together with our customers and define a common direction in joint research projects.

Satisfied employees

A motivated and satisfied team is the foundation of our economic success and our growth. We provide our employees with opportunities and challenges and allow them to participate in our shared success. We see the health and safety of our employees as a valuable commodity. Reasonable investments – including in occupational health and safety – therefore obtain prompt and straightforward approval.

Innovation and continuous improvement

Research and development are of paramount importance for us. In the most varied of projects around the world, we conduct research into new opportunities for establishing further circular economies. Innovations and continuous improvement provide a basis for us to tap into new markets, to shape them and to improve our own performance. We actively encourage ideas and initiatives from our employees.

In order to guarantee the continual development/improvement of our product quality and our environmental performance, we have implemented an integrated management system and had it certified in accordance with ISO 9001 and ISO 14001. The management is committed to maintaining and further developing this system.

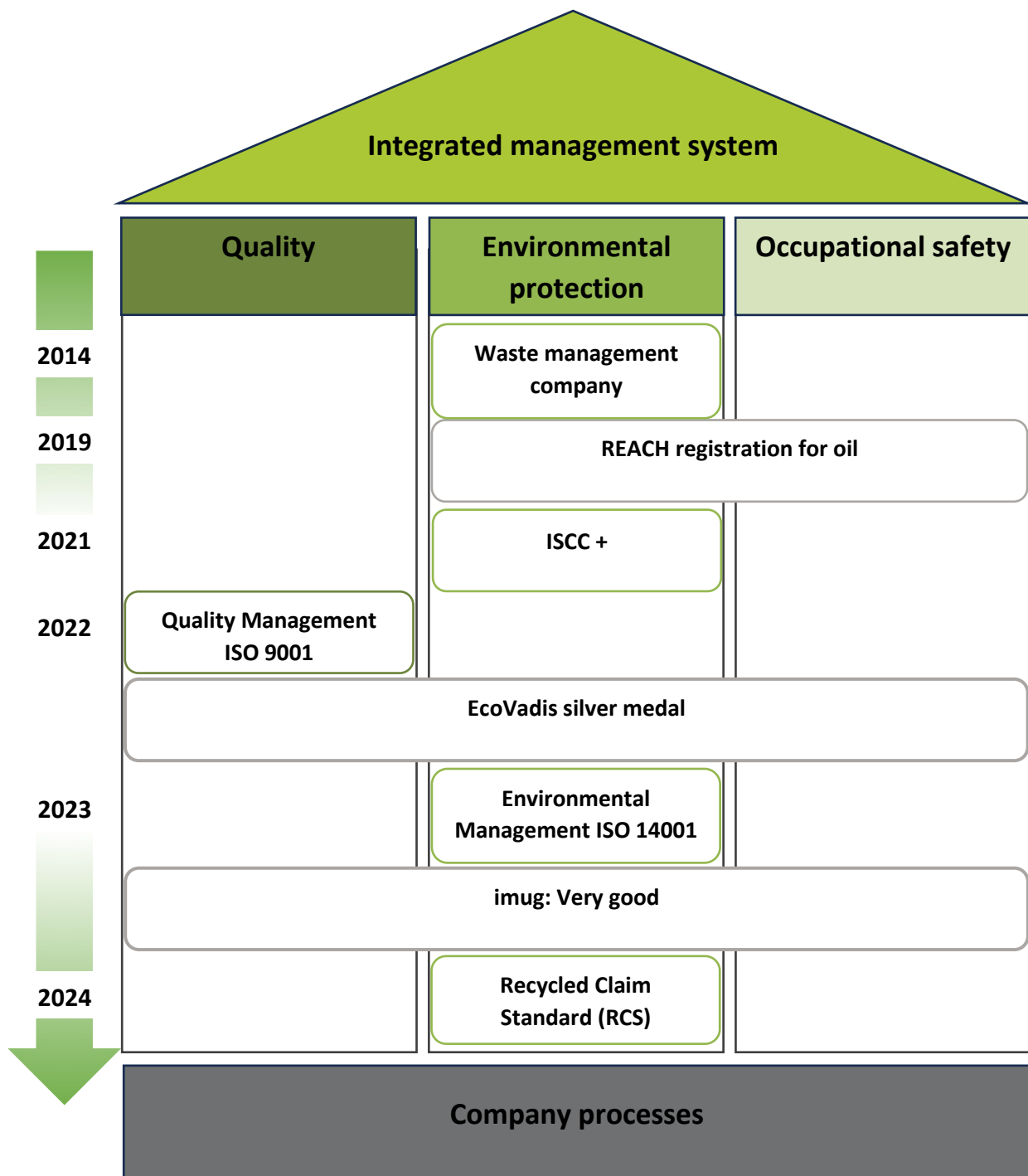
Environmental awareness and sustainability

With regard to our customers and in research and development, we make sure that the recycling of resources and the production of environmentally friendly products are in the foreground of our economic activity. In order to continue meeting all binding obligations, we cooperate closely with the authorities and are already taking further measures to protect the environment and consumers of the future.

Our certificates

Allocation of certificates within the Integrated Management System (IMS) of Pyrum Innovations AG

The structure of the Integrated Management System (IMS) of Pyrum Innovations AG is based on the three pillars of sustainability (economic, ecological and social) and allows a flexible response to all requirements from the corporate environment. The certificates obtained can be allocated to the derived areas of quality, environmental protection and occupational safety, and can be allocated to a specific area or across all areas.



RCS certification

In March 2024, the Recycled Claim Standard (RCS) certification for the thermolysis oil was successfully completed. Pyrum has thus set another milestone for the use of the oil in the textile industry. Pyrum is one of the first companies to have its oil certified according to this standard. The oil can therefore be used as a secondary raw material in the production of new textiles. Furthermore, the oil also has all the required sustainability properties needed by Pyrum's customer BASF for the manufacture of its product "Ultramid® Cycled®," a polyamide for textile applications. BASF customers, such as VAUDE, can thus label their products as sustainable at the end of the supply chain. In addition, the certification ensures transparent traceability along the supply chain. The certificate was renewed in March 2025 without any deviations and is again valid for one year.

Extension of the REACH registration

As part of the production expansion at the main plant in Dillingen, Pyrum has extended the REACH registration for its thermolysis oil produced from used tyres in the first half of 2024. The registration extension entitles Pyrum to produce and import more than 1,000 tonnes of thermolysis oil per year. The company implemented the extension at an early stage in order to avoid a limitation in the context of increasing production volumes due to TAD 2 & 3.

Recertifications

Every year, Pyrum has the "waste management company" ("Entsorgungsfachbetrieb") and "ISCC+" recertifications carried out, each of which is valid for a further year. In March 2025, **the annual recertification as a "waste management company" was passed without any deviations and with positive feedback.** The audit for ISCC+ certification will take place in September 2025.

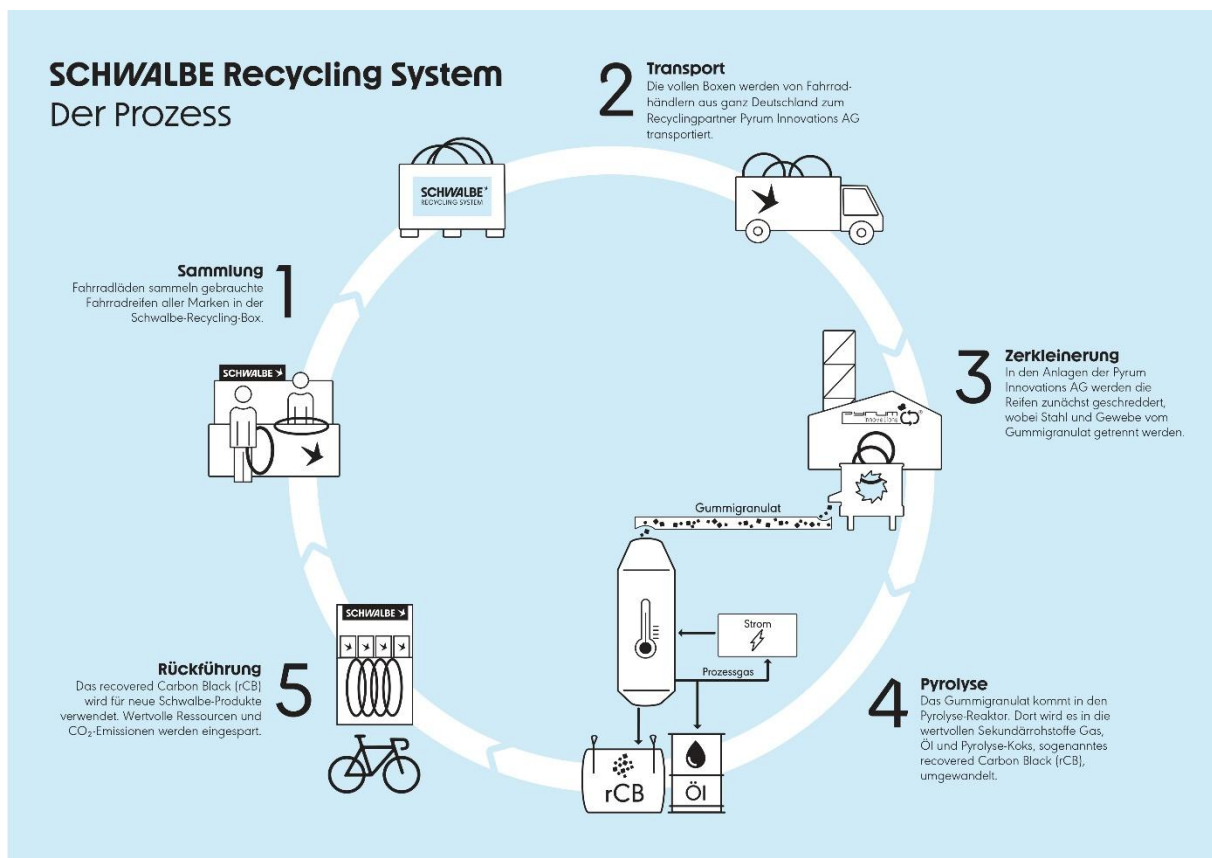
In addition, the certification audit of the quality and environmental management system according to ISO 9001 and ISO 14001 was successfully carried out and passed in March 2025. The certificates are each valid for three years.

Schwalbe tyre recycling

In particular, a prime example of a real circular economy has been created in collaboration with Schwalbe – Ralf Bohle GmbH.

The bicycle tyres are collected via a take-back system at the point of sale (POS) and sent to Pyrum for recycling. Schwalbe uses the rCB produced from this for the manufacture of new tyres. The use of rCB in the production of new bicycle tyres has now been expanded to 70% of the entire Schwalbe tyre range. More than 2,000 bicycle shops have already been connected to the system and more than 1,600,000 bicycle tyres have been recycled.

As part of the Schwalbe recycling system, Pyrum and Schwalbe have agreed to convert the first-line shredder at the main plant in Dillingen/Saar specifically for shredding bicycle tyres. Conventional shredding systems often reach their limits due to the long hoses, which can wrap around the shredder shaft and hinder the shredding process. The conversion of the shredder in Dillingen will ensure that all tyres in the Schwalbe recycling system are efficiently shredded at a central location in the future.



Source: Schwalbe - Ralf Bohle GmbH

Status of expansion of Dillingen TAD 2 & 3



In February 2024, the first of the two new reactors was ramped up to 75% of its planned throughput for the first time during its second test run. The material throughput was gradually increased to the planned level within a week – significantly earlier than planned, as a three-month ramp-up period had originally been scheduled.

As part of the commissioning of the TAD 2 & 3 power generation unit, the maximum capacity tests of the individual turbines began in April 2024. After warranty defects were reported to the manufacturer for two turbines, these were rectified in the second half of the year and the tests for the remaining turbines were successfully completed at the beginning of 2025.

In May 2024, the third reactor was started up at the main plant in Dillingen/Saar. By transferring the knowledge gained from the commissioning of TAD 2 as well as minor optimizations, TAD 3 was put into operation smoothly.

In October 2024, the first test run at maximum plant utilization was successfully completed in the new TAD 3 production line as part of a full-load test. After three weeks of partial-load operation, the plant was slowly ramped up to full capacity and maintained at that level for one week before the scheduled maintenance shutdown. During the test run, the plant's solids content reached the planned maximum capacity of 100%. The full-load test at TAD 2 was also successfully completed.

In 2024, a total of around 960 tonnes of oil could be produced in the two new reactors and delivered to BASF. At the time of this reporting, over 1,200 tonnes of oil have already been produced. The commissioning of TAD 2 & 3 was completed on schedule in the first quarter of 2025, which means that this specific part of the plant is now ready for regular operation.

In order to achieve substantial increases in sales, the grinding and pelletizing of the recovered carbon black (rCB) produced in new reactors must be ensured. A new jet mill will be used for this purpose in the future. The foundation for the grinding hall was completed on schedule at the end of October 2024.

The installation of the new grinding plant was successfully completed in mid-February 2025. With an input material volume of 1,650 kg/h and an output material volume of 1,350 kg/h, the jet mill developed by Hosokawa is the world's largest grinding plant for rCB.

The additional pelletizing plant required was only ordered after extensive material tests had been completed at the manufacturer's premises. This was done to ensure that the manufacturer could guarantee the required throughput and that the results of the research project could be implemented directly with Continental. All components of the pelletizing plant have now arrived in Dillingen and are currently being assembled. Commissioning has been delayed due to the manufacturer's failure to include the conveyor lines in the planning. The delay has already been communicated to the customers for the rCB, and the manufacturer has taken appropriate measures. Since the commissioning of the pelletizing plant is technically linked to the upstream grinding plant and the conveyor technology, the ramp-up phase of the additional rCB production is expected to begin in July.

In order to use rCB in tyre production, it is necessary to demonstrate the consistently high quality of rCB production and have it audited by the customer. On 19 November 2024, Continental granted approval for the delivery of Pyrum rCB from the two new production lines TAD 2 and TAD 3 following a successful audit.

Ongoing (customer) projects in plant construction

In addition to the approval procedures that have been initiated, the focus of activities in ongoing projects in 2025 will be on securing plant purchase agreements. Beyond the projects described below, Pyrum has further projects in Europe, such as the construction of a plant in the United Kingdom with SUEZ.

Own plant in Saarland

Perl-Besch – Pyrum GreenFactory II GmbH

Pyrum is making good progress with the planning of its next own plant at the site in Perl-Besch. At the end of February, preparatory measures for the development and site preparation of the first construction phase at the new Pyrum site were carried out on an area of 8,800 m².

In May 2024, the Perl municipal council voted on the legally effective amendment to the development plan and approved the amendment to the statutes by a majority, thus approving the new development plan. Accordingly, only the construction of a Pyrum GreenFactory II GmbH tyre thermolysis plant was approved on the property. The amendment to the statutes was published by the municipality of Perl in the official gazette at the end of May.

The implementation contract between the municipality of Perl and Pyrum GreenFactory II GmbH was also signed. As part of the construction of the Pyrum plant, a compensation area will be created elsewhere for the area already cleared by Pyrum, which will be reforested with higher-quality woodland.

At the time of this report, the processing of additional claims for the approval agreement had been completed. The documents were thus submitted in full to the relevant authority. The groundbreaking ceremony at the new site in Perl-Besch is currently scheduled for summer of 2025, following receipt of the building permit.

Czechia – SUAS Group

At the beginning of March 2025, SUAS Group has made the final investment decision (FID) for the partner project in the Czech Republic. The Czech companies SUAS Group and Sokolovská uhelná, in cooperation with Pyrum, are planning to build a tyre recycling plant with a recycling capacity of 22,700 tonnes of end-of-life tyres per year at their plant in Vřesová.

The Czech partner, which is active in the field of energy and recycling management, already operates a power plant on the site and can generate electricity from the thermolysis gas in future. This will allow the company to benefit from synergies and existing structures in the planning and implementation of the new plant.

Pyrum Innovations AG and SUAS GROUP will establish a joint venture for the joint construction and operation of the plant. Pyrum will hold a 49% stake in the joint venture.

In cooperation with a renowned Czech engineering firm, the building application has been submitted to the relevant authorities. A positive response is expected in late summer 2025.

Greece – Thermo Lysi SA

The plant of the Greek project company Thermo Lysi SA is to be built approximately 140 km north of Athens. Pyrum is planning to take a 15% stake in the equity of the project company.

At the beginning of the first quarter of 2025, the Greek company was granted a building permit to construct a recycling plant using thermolysis. Thermo Lysi subsequently received the environmental licence in March 2025. This means that all the necessary permits for the construction and licences for the operation of the new plant in Greece have been successfully completed, meaning that the project is considered 'fully approved'.

All necessary documents for an EU funding application have now been submitted to Thermo Lysi. The funding is intended to cover a part of the investment sum. The operator of the future plant has signed a contract with Ecoelastika, the only waste disposal system for used tyres in Greece. The final delivery agreement for the required quantity of used tyres is ideally expected to be valid for several years, starting in 2026.

Bremen – REMONDIS

The joint venture with the recycling company REMONDIS is to be built on a site in the port area of Bremen. It shall have a recycling capacity of 22,700 tonnes of used tyres per year. The agreement on the planning and preparation of the approval documents has been concluded. If all parties involved make a positive investment decision, it is planned that Pyrum will acquire a 33% share in the SPV. Preparations are currently underway for the approval application, with the drafting process expected to begin in the second quarter of 2025.

Emleben – UNITANK

The memorandum of understanding (MoU) with UNITANK Betriebs- und Verwaltungs GmbH provides for the realization of up to ten joint plants. For the potential first joint project in Emleben (Thuringia), the suitability of the land was examined in detail and discussions were held with local authority representatives and utility companies to determine which site-specific features need to be taken into account and to ensure that the connection to the public grid was provided to the required extent at an early stage. Together with the partner, UNITANK, extensive preliminary work is underway at project level on pre-engineering, the creation of a business plan and preparations for the planned future shareholding structure for a potential joint venture in plant construction and operation. At the same time, UNITANK is holding talks with future suppliers for the tyre input and with potential customers for the end products. In addition, the target regions for the next joint plants are being coordinated with UNITANK.

Sweden – GreenTech Recycling Tires AB

At the end of February 2024, a consulting agreement was signed between GreenTech Recycling Tyres AB and Pyrum Innovations AG, which provides for the construction of a joint thermolysis plant in Sweden. It is planned that Pyrum will participate in the SPV with up to EUR 3,000 thousand, provided that GreenTech's financing has been fully secured.

Both partners are aiming to build a plant with a recycling capacity of 22,700 tonnes of ELT per year.

In close collaboration with the GreenTech team, the preparation of the approval application is progressing at a rapid pace. Synergies with a neighbouring project are currently being reviewed as part of the layout creation process. In addition, in cooperation with the environmental consultant in Sweden, an application conference and a project pitch were held with the authorities in December 2024, at which the scope of the approval was determined and is currently being processed as part of the consulting agreement.

The test thermolysis of the rubber granulate sample from Sweden has now been successfully completed. No irregularities were identified.

Other projects

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

REVALIT

REVALIT GmbH, in which Pyrum Innovations AG holds a 25% stake and voting rights, was founded in 2022. Following the loss of the original project site, it has not been possible to develop a new location for the company's planned thermolysis plant. The management of REVALIT GmbH has now decided not to continue with the project,

New projects in 2025

Antwerp – VTTI

At the end of February 2025, Pyrum and VTTI, one of the world's leading companies in energy storage and infrastructure, signed an agreement to develop a waste tyre thermolysis plant. The new plant will be built at the Antwerp Terminal (ATPC) in the Port of Antwerp and Bruges (PoAB) and, with a recycling capacity of 90,000 tonnes of used tyres per year, will be Pyrum's largest plant to date.

Pyrum will not participate in the plant but will act as a development partner and provide its patented thermolysis technology under a plant purchase agreement. Due to the higher recycling volume of the plant, Pyrum will develop a new size design comprising two plants with a recycling volume of around 45,000 tonnes of ELT per year each.

Project status at a glance

	Project Nr.	Country	Partner/Site	General Terms Agreed / LOI	Contract / Pre-Engineering signed	Building site Secured / Identified	Capital partly secured	Authorisation granted	Operative Company created	
100%	1	Germany	Saarland	✓	✓	✓	✓	(✓)	✓	
SPV	2	Greece	Athen „Thermo Lysi SA“	✓	✓	✓	✓	✓	✓	
SPV	3	Czech Republic	Sokolov	✓	✓	✓	✓	✓	✓	
SPV	4	Germany	Bremen	✓	✓	✓	✓			
EXT	5	UK	SUEZ UK	✓	✓	✓	✓			
SPV	6	Germany	Emleben	✓		✓	✓			
100%	7	Germany	Hessen oder NRW	✓						
EXT	8	Belgium	Antwerp	✓	✓	✓	✓			
SPV	9	DE & Europe	Unitank 2-10	✓						
SPV	10	Sweden	Billingsford	✓	✓	✓			✓	



New in the last 12 months



Older than 12 months



Content

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1. Profile of Pyrum Innovations AG and the Group

Business model, market and competition

Pyrum Innovations AG is active in the recycling market. Using its patented thermolysis technology, the company recycles end-of-life tyres and extracts new raw materials such as recycled carbon black (rCB), thermolysis oil and gas.

There are various technologies for thermolysis-based tyre recycling. The process patented by Pyrum is characterized by its continuous production and the absence of mechanical conveying in the reactor. Pyrum Innovations AG is currently not aware of any competitor in tyre thermolysis that is not still operating on the basis of existing batch or rotary kiln processes or is not already in verifiable 24/7 operation. Based on previous findings, most of competitors are still operating test and semi-industrial plants that are currently being scaled up.

In the upstream shredding process, high-quality tyre wire is first recovered and fed back into steel production. Pyrum receives the input factor used tyres from workshops, tyre manufacturers, disposal companies or municipalities and receives a disposal fee in return.

According to the World Business Council for Sustainable Development (WBCSD), around 3.4 million tonnes of the 30.9 million tonnes of used tyres generated worldwide each year are generated in Europe alone.⁸ In Germany, the figure is around 600,000 to 700,000 tonnes. Due to the increase in electromobility, it is also expected that the volume of used tyres will continue to rise in the coming years. Since electric vehicles can deliver their maximum torque almost immediately, they accelerate significantly faster than vehicles with combustion engines. However, this increased acceleration leads to greater friction and thus to faster tyre wear. The Recycled Rubber Coalition (RRC) estimates that tyres on electric vehicles wear up to 30% faster as a result.⁹ In Europe alone, this means that Pyrum has the potential to sustainably recycle almost 1.5 million tonnes of used tyres per year using thermolysis and thus feed them into the circular economy.

According to the Life Cycle Assessment prepared by the Fraunhofer Institute for Pyrum Technology, the current recycling mix for end-of-life tyres in Germany is made up of material recycling with a market share of 52% and the incineration of end-of-life tyres in cement plants (42%) and refuse-derived fuel (RDF) power plants (6%). Large CO₂ savings are already being achieved in the recycling of used tyres for the production of playground surfaces or sports fields made of rubber granulate (infill), for example. However, the thermolysis process developed by Pyrum, including the use of waste heat, exceeds these savings by 187 kg CO₂ equivalent per tonne of used tyres. In addition, the Fraunhofer Institute confirms that material recycling has a clearly limited market potential - at 52%, it is currently already at its maximum market share, which can hardly be expanded any further.

The thermolysis market remains highly fragmented. There is currently no leading company on the European market. The submarket for rCB, the most important output factor in terms of sales, is at an early stage of development, which is already strongly influenced by Pyrum in Germany. The high demand from the industry for sustainable raw materials and production processes as well as increasingly strict regulation, particularly in the EU, are also creating attractive framework conditions.

⁸ World Business Council for Sustainable Development: Global ELT Management (2019)

⁹ Recycled Rubber Coalition (RRC) White Paper

These stricter regulations at EU level and in the individual member states are also leading to more restrictive handling of used tyres. For example, the rising CO₂ price resulting from European emissions trading is making the incineration of used tyres significantly more expensive over time. Furthermore, countries such as Belgium, Finland, Norway and Sweden have banned the incineration of rubber products and in future it will be prohibited throughout the EU to use shredded tyre granulate outdoors - for example on playgrounds or sports fields. In addition, it is now illegal in the EU to dispose of used and shredded tyres in landfills. Finally, approaches such as Extended Producer Responsibility (EPR) oblige producers and distributors of products to also think about the post-use phase of a product and thus enable a functioning circular economy. This is the EU's response to increasingly scarce resources and the inadmissible handling of waste, which usually has a negative impact on people and the environment. In addition, the cement industry has invested heavily in new, more energy-efficient kilns in recent years. The new kilns have shorter combustion paths, which means that there will also be technological restrictions on the recyclability of tyres in cement production in the future.

In line with this, Pyrum Innovations AG registered a continued strong increase in demand for its sustainably produced raw materials such as thermolysis oil and rCB. Over the next few years, demand will be far from being met by the planned production expansions. The ongoing war in Ukraine is keeping prices for virgin carbon black (industrial carbon black) produced conventionally by burning heavy fuel oil at a high level. Industrial carbon black is used as a raw material in numerous industries, e.g., in the tyre industry for the manufacture of new tyres, but also in the plastics and electrical industries. The rising demand for recycled carbon black is fueled by the fact that numerous international tyre manufacturers have set themselves ambitious sustainability targets. The Continental Group, for example, with which Pyrum Innovations AG signed a contract for the supply of carbon black in March 2023, has set itself the goal of using 100% sustainably produced materials in tyre production by 2050.¹⁰ The current use of Pyrum rCB in forklift and bicycle tyres is just the beginning.

The factors described above have a strong influence on the industry and indicate a significant change in the structure of supply contracts. Just a few years ago, long-term contracts were almost unthinkable in the automotive industry. This makes it all the more significant that Pyrum was able to conclude a framework agreement with Continental last year for the long-term purchase of Pyrum rCB with a term of ten years. In April 2025, a second long-term purchase agreement with similar terms was signed with Schwalbe. This development shows that other tyre manufacturers are also increasingly interested in long-term partnerships, which points to the growing importance of sustainable raw materials in the industry.

Overall, Pyrum Innovations AG is therefore active in a very attractive market. Pyrum is in demand both as a sustainably disposing customer of the input material used tyres and as a supplier of sustainably produced raw materials. Pyrum Innovations AG intends to play a significant role in this rapidly growing recycling market for used tyres.

¹⁰ Continental AG: Vision 2030



Research and development

In Pyrum's own interest, research and development is one of its core competencies. The activities serve to improve know-how and products, ensure Pyrum's technological advantage and guarantee the quality of the products it delivers.

To explore additional application areas for Pyrum technology, the company operates an experimental laboratory of its own, which, alongside the advancement of the application areas for its own technology, is also used for customer research projects and thus generates additional sales.

Regular cooperation with external parties and universities takes place in order to exploit the greatest possible level of expertise for these developments and to stand consistently at the cutting edge of research. In addition, there is a regular dialogue with suppliers of key components and customers so that innovative issues, trends and individual requirements can be taken into consideration early on in development.

The research focuses on homogeneous input materials, for which there are currently few to no solutions for circular material cycles. This produces major opportunities in markets that have not yet been tapped, either technologically or commercially.

After a development period of almost four years, in 2023, Pyrum Innovations AG opened the first automated, semi-industrial recycling plant for carbon-fibre reinforced plastics (CFRP) and thus fully recycled CFRP for the first time in the world. The plant is located at the main facility in Dillingen/Saar and will be used as the cornerstone for the construction of an industrial plant. In 2024 the process has also been filed for a European patent.

Pyrum is also conducting research into hydrogen production from waste. The gas produced during the thermolysis process contains 40% hydrogen. The aim is to develop a two-stage process for extracting high-purity hydrogen from used tyres.

Pyrum continues to work on fully exploiting the potential of its patented recycling technology and developing new areas of application. Several projects are currently in the application phase.

Further development of the Digital Twin

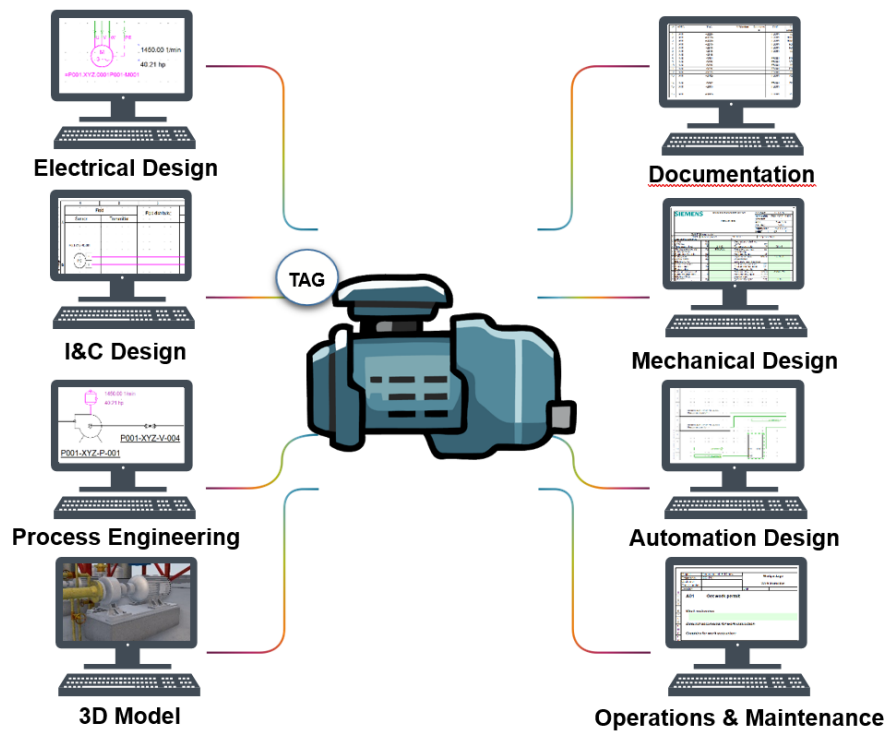


Abb. 4: Exemplary representation of the digital data twin (source: Siemens)

In an increasingly digitalized industry, the efficient planning, implementation, and operation of complex plants is increasingly supported by integrated software solutions. For this reason, Pyrum is now expanding its digital process twin with a digital data twin. Pyrum decided for "COMOS, a software solution from Siemens that represents the database including the framework. This is a comprehensive software platform that digitally maps the entire life cycle of a plant.

Benefits in engineering

- **Consistency and continuity**

The digital data twin enables interdisciplinary collaboration between process engineering, Electrical Measurement, Control and Regulation Technology (EMSR) planning, piping design, and automation. Changes in one area are automatically updated throughout the entire system. This reduces inconsistencies and increases data quality.

- **Increasing efficiency**

Thanks to centralized data storage and automated checking mechanisms, planning times are shortened and sources of error are reduced. The integrated management of engineering data, standards, and symbol libraries facilitates standardized work.

Operational benefits

- **Asset management and Maintenance**

The digital twin provides the company with up-to-date and consistent information on every part of the plant, including technical specifications, maintenance histories, and spare parts data. This enables predictive maintenance and minimizes unplanned downtime.

- **Training and safety**

By linking to the digital process twin, the plant's planning data can be used for training purposes, such as operator training. This allows operating personnel to interact with the plant safely before it is physically available.

- **Change management and compliance**

All changes in operation—e.g., due to conversions or modernizations—can be documented and traced in the digital twin. This supports compliance with regulations and facilitates audit management.

JDA with Continental Reifen GmbH

„Increasing rCB performance to ensure a reliable and stable supply with consistently high rCB quality.“

The research collaboration (JDA) launched in 2022 between tyre manufacturer Continental and Pyrum aims to jointly improve the performance of rCB and tailor it to defined areas of application in new tyres. All sub-processes will be optimized: from the composition of the input materials for thermolysis, through the thermolysis process parameters and post-treatment of the rCB, to its final integration into new rubber compounds.

The first phase of the project was extremely successful: the second generation of Pyrum rCB was successfully produced. These new products offer significantly improved performance as reinforcing fillers in rubber and tyre compounds. Through targeted optimization of the feedstock composition and process parameters, two types of rCB with properties specifically tailored to tyre applications were developed and successfully tested. The respective manufacturing processes have been patented by Pyrum.



2. Economic report

Overview of the economic environment

The global economy remained largely robust in the 2024 financial year, growing by 3.3% according to preliminary estimates by the International Monetary Fund (IMF, April 2025). Against a backdrop of ongoing geopolitical tensions, declining inflation rates and monetary policy easing in many countries had a particularly positive impact on economic development. However, regional developments were uneven. While the economy continued to recover, particularly in the United States, many emerging and developing countries continued to struggle with the consequences of persistent inflation and high financing costs. Industrialised countries achieved economic growth of 1.8% in 2024 (previous year: 1.7%). Subdued industrial production – particularly in Germany – dampened economic development in the eurozone, where gross domestic product rose by 0.9%. In Germany, economic output declined again by 0.2% (previous year: -0.3%), falling well short of initial expectations.¹¹ The average annual inflation rate in Germany was 2.2% compared with the previous year.¹²

Looking at the tyre market, more than 1.6 billion new tyres are sold worldwide every year.¹³ According to the German Tyre Retail and Vulcanisation Trade Association, the number of car, van and truck tyres sold in Germany in 2024 was just under 47.5 million (a 6.8% increase on the previous year).¹⁴ Accordingly, roughly the same amount of used tyres are generated later on. According to research by SWR, this amounts to around 700,000 tonnes per year in Germany alone.¹⁵ By way of comparison, a standard thermolysis plant from Pyrum with three reactors has a recycling capacity of around 22,700 tonnes of waste tyres per year. At the same time, according to a feasibility study conducted by Chemnitz University of Technology on behalf of the German Tyre Retail and Vulcanisation Trade Association, there is a shortage of available recycling capacity for ELT in Germany.¹⁶ This deficit could lead to increased illegal dumping, rising disposal costs and an increase in the export of used tyres. Already, half of all used tyres in the EU are transported abroad.¹⁷ Demand for the collection of ELT therefore remains high. At the macroeconomic level, the circular economy is increasingly becoming the focus of public attention. As part of the energy transition, there is a growing emphasis on sustainable products, which also has an impact on the regulatory framework. The incineration of used tyres, for example, is associated with higher costs for CO₂ emissions.

The European Parliament has also taken initial measures based on the EU Commission's strategy, which aims to reduce microplastics released into the environment by 30% by 2030. The amendment to the REACH Regulation will ban the trade of bulk polymers with an average diameter of < 5 mm by 2031 at the latest.¹⁸ These materials include polymers and rubber granulate obtained from used tyres. To put this into context, around 1.2 million tonnes of ELT are processed into shredded material in the EU every year. Forty-two percent of the rubber granulate obtained from this is used as infill material for artificial turf pitches, making this the most widespread recycling application for used tyres for

¹¹ IWF: World Economic Outlook April 2025

¹² Destatis: Press release 020 of 16 January 2025

¹³ BlackCycle Project: Press release of 3 September 2020

¹⁴ Bundesverband Reifenhandel und Vulkaniseur-Handwerk (German Tyre Retail and Vulcanisation Trade Association): Press release of 20 March 2025

¹⁵ SWR „Vollbild“: Press release of 9 August 2022

¹⁶ Chemnitz University of Technology: Neue Nutzungsperspektive und Anwendungsfelder für Altreifenzyklat of 24 January 2022

¹⁷ World Business Council for Sustainable Development (WBCSD): Global ELT Management (2019)

¹⁸ Ecoelastika: Annual Report 2022

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 ELT in materials recycling.

Economic development of Pyrum AG and the Group

This section jointly addresses the consolidated and annual financial statements of Pyrum Innovations AG. If individual items differ materially in the two sets of financial statements, they are presented differently. The figures for the reporting period are followed by the respective figures for the same period of the previous year in brackets.

Results of operations

The Pyrum Innovations AG and the Group generated **revenues** of EUR 2,022 thousand (EUR 1,147 thousand) in 2024. This represents an increase in revenues of 76,3% compared to the same period of the previous year. This was mainly due to the increase in the volume of oil produced and sold to BASF, and the first revenue recognition of EUR 350 thousand from consulting contracts with plant construction partners (SPVs). Sales revenues for the rCB obtained could not yet be significantly increased, as the new mill and pelletizing plant was still under construction in 2024.

At EUR 699 thousand (EUR -60 thousand) **increase of finished and unfinished goods and work in progress** rose significantly compared to the previous year. At EUR 496 thousand, they mainly relate to engineering services for consulting contracts that are progressing according to plan. Inventories of finished and unfinished goods have increased as planned in line with the progress of projects. The storage of the coke produced in the new thermolysis plant in Dillingen, which is currently being stored, also made a significant contribution to this. In the future this will be further processed in the new milling and pelletising plant in Dillingen and at the site in Perl/Besch before being sold.

Other own work capitalised amounted to EUR 8,994 thousand (EUR 11,712 thousand) as construction of the plant expansion in Dillingen and the new plant in Perl-Besch progressed according to plan. The decrease corresponds to the lower cost of materials required to produce own work capitalized as the degree of completion of the plant expansion in Dillingen increases.

Total output decreased by 8.5% year-on-year to EUR 11,715 thousand (EUR 12,799 thousand) for the Group due to the lower level of own work capitalised in the reporting period. At Pyrum AG, total output declined to EUR 7,450 thousand (EUR 12,799 thousand).

At EUR 1,221 thousand (EUR 715 thousand), **other operating income** increased significantly compared to the same period in the previous year. This was due to investment grants of EUR 760 thousand (EUR 151 thousand) for the creation of jobs in Dillingen resulting from the plant expansion.

In addition to raw materials, consumables, and supplies, the **cost of materials** also includes the cost of materials required for the production of own work capitalized. Material expenses reported at the Group level amounted to EUR 7,870 thousand in 2024 (EUR 11,420 thousand). Of this amount, EUR 6,283 thousand was attributable to capitalized own work. At Pyrum AG, the cost of materials amounted to EUR 3,687 thousand (previous year: EUR 11,420 thousand).

Personnel expenses rose by 25.0% to EUR 6,755 thousand (EUR 5,405 thousand) due to the need for additional staff to expand production capacity and inflation-related wage adjustments.

Depreciation and amortization amounted to EUR 3,021 thousand (EUR 2,086 thousand) and resulted from regular depreciation of completed assets in the amount of EUR 1,402 thousand and amortization of patents and know-how of Pyrum Innovations International S.A. in the amount of EUR 869 thousand in the consolidated financial statements and unscheduled write-downs of EUR 750 thousand. Of this amount, EUR 500 thousand relates to the existing grinding and pelletizing plant for TAD 1, which, from today's perspective, will not be able to achieve the expected throughputs even with further improvements in the future, and EUR 250 thousand relates to the shredder from the same line, which is to be converted in the future to process bicycle tyres exclusively.

At EUR 4,181 thousand (EUR 3,733 thousand) **other operating expenses** were higher than in the same period of the previous year. They include among others ongoing listing costs totalling EUR 384 thousand (EUR 341 thousand) as well as one-off costs for the procurement of equity and debt capital in the amount of EUR 294 thousand (EUR 0 thousand).

Interest expenses increased significantly by EUR 782 thousand to EUR 1,205 thousand (EUR 423 thousand). This resulted mainly due to additional loan disbursements in 2024 under the project financing framework agreed with BASF in November 2023.

The **consolidated net result for the period** amounted to EUR -10,135 thousand (EUR -9,511 thousand).

Pyrum Innovations AG's **annual result** amounted to EUR -9,159 thousand (EUR -8,594 thousand).

Net assets

Intangible assets were regularly amortized by EUR 901 thousand in the reporting period. This reduced the value to EUR 4,966 thousand as at the reporting date (EUR 5,638 thousand).

Property, plant, and equipment increased by EUR 6,987 thousand compared to the previous year to EUR 46,445 thousand (EUR 39,458 thousand) as a result of investments. The main drivers by a further EUR 4,885 thousand for advance payments and assets under construction arising from the expansion of the construction in Dillingen, as well as EUR 3,919 thousand for the completed shredder plant.

In **financial assets**, the minority interest in REVALIT GmbH was written down to EUR 0 (EUR 30 thousand). The project partners have informed Pyrum Innovations AG that the project will not be continued.

The financial assets in the annual financial statements of Pyrum Innovations AG increased due to the establishment of Pyrum GreenFactory II GmbH in January 2024; this company was provided with EUR 5,900 thousand in equity capital and a loan of EUR 6,000 thousand by Pyrum Innovations AG.

Total **fixed assets** of the Group amounted to EUR 51,412 thousand (EUR 45,126 thousand).

Total fixed assets of Pyrum AG amounted to EUR 60,647 thousand (EUR 51,774 thousand).

Inventories increased to EUR 1,158 thousand (EUR 446 thousand), mainly due to consulting contracts concluded with SPV partners in the 2024 financial year and work started on orders.

Trade receivables increased to EUR 259 thousand (EUR 101 thousand).

Other current assets decreased to EUR 580 thousand (EUR 702 thousand). This includes VAT reimbursement claims and receivables from research grants amounting to EUR 309 thousand attributable to the Black Cycle project.

Total assets increased significantly to EUR 65,465 thousand (EUR 50,926 thousand).

Financial position

Capital structure

The Pyrum Group's **equity** amounted to EUR 22,245 thousand as at 31 December 2024 (EUR 22,380 thousand).

On 22 October 2024, Pyrum carried out a successful cash capital increase, which generated gross proceeds of around EUR 10 million. As part of this measure, 363,637 new shares were placed at a price of EUR 27.50 per share. This increased the share capital from EUR 3,253,735 (EUR 1 per share) to EUR 3,617,372.

The company plans to use the proceeds for the development of the new site in Perl-Besch, for investments in joint ventures for new facilities of Pyrum Innovations AG, and for general corporate purposes. In the course of this capital increase, Schwalbe Holding GmbH invested EUR 4 million in the company and now holds a 4% stake in Pyrum Innovations AG.

In February 2024, BASF disbursed the second loan tranche of EUR 8.3 million from the framework agreement for a total of up to EUR 50 million concluded in November 2023. In June 2024, the third loan tranche of EUR 6 million was disbursed for the construction of the new plant in Perl. The plant components ordered from GreenFactory II GmbH and a collateral assignment of the ELDAN shredder at the Dillingen site serve as collateral for BASF in this instance.

Despite the capital increase, the **equity ratio** fell to 34.0% (43.9%) due to the consolidated net income for the reporting period and additional borrowing.

Liabilities to banks decreased by EUR 458 thousand to EUR 3,141 thousand as of 31 December 2024 (EUR 3,599 thousand) due to scheduled repayments.

In contrast, **other liabilities** rose to EUR 32,631 thousand as of 31 December 2024 (EUR 18,895 thousand). The increase of EUR 14,300 thousand was mainly due to the disbursement of two further loan tranches from BASF for the construction of the plant in Perl-Besch.

Liabilities from **advance payments received** increased to EUR 2,614 thousand (EUR 651 thousand). These include advance payments made by customers under consulting contracts for the preparation of approval documents, as well as advance payments for rCB to be delivered in the future.

Trade payables decreased by EUR 676 thousand to EUR 1,537 thousand (EUR 2,213 thousand).

Liquidity situation

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.

Cash on hand and bank balances amounted to EUR 11,949 thousand as of 31 December 2024 (EUR 4,483 thousand). The increase is due to the loan disbursements described above and the capital increase of approximately EUR 10 million completed in the fourth quarter of 2024.

Cash flow statement

The cash flow statement has been prepared in accordance with the requirements of German Accounting Standard GAS 21.

In the 2024 financial year, **cash outflow from operating activities** was lower than in the previous year, at EUR -5,019 thousand (EUR -6,216 thousand). The improvement resulted from an improved net income for the period after elimination of interest expenses and depreciation and amortization, and from the increase in operating liabilities.

The **cash outflow from investing activities** decreased from EUR -11,680 thousand to EUR -9,629 thousand. The focus of investments in the expansion of the plant in Dillingen took place in previous years.

The **cash inflow from financing activities** amounted to EUR 22,112 thousand (EUR 9,654 thousand). This was mainly due to the payment of EUR 14,300 thousand from the cooperation agreement concluded with BASF in November 2023 and EUR 10,000 thousand from the capital increase carried out in October 2024. Furthermore, the disbursement of the investment grant in the amount of EUR 623 thousand, less loan repayments and interest payments, contributed to cash flow from financing activities.

The Group companies were able to meet their payment obligations at all times.

Key financial performance indicators

Pyrum Innovations AG's financial management is based on the key performance indicators or sales, total output and earnings before interest and taxes (EBIT). Adjusted values are determined if necessary.

(EUR thousand)	2024	2023
Sales	2,022	1,147
Total output	11,715	12,799
EBIT	-8,915	-9,174
EBIT (adjusted)*	-9,380	-9,325

* Reporting period 2024: Adjusted for investment grants in the amount of EUR 760 thousand (2023: EUR 151 thousand) and consulting costs for capital procurement in the amount of EUR 294 thousand (2023: EUR 0 thousand)

Available liquidity is also a key performance indicator. Closely monitored liquidity planning and management plays a central role in this. Available liquidity increased from EUR 4,275 thousand to EUR 11,740 thousand.

Sales

Pyrum Innovations AG expected sales from plant operations and consulting contracts with customers to increase to between EUR 3.0 million and EUR 4.0 million in 2024. This forecast was reduced to between EUR 1.9 million and EUR 2.4 million in September 2024. Actual sales in fiscal year 2024 amounted to EUR 2,022 thousand.

Although sales in fiscal year 2024 almost doubled compared to the previous year, it fell significantly short of expectations, particularly in terms of rCB production and sales, due to the unsatisfactory throughput of the existing pelletizing plant.

Total output

Total output, which also includes material costs and own work in connection with the construction of the new thermolysis plant, was expected to be between EUR 14 million and EUR 16 million for the 2024 fiscal year. Due to the issues described above regarding rCB production, it remained below expectations at EUR 11.7 million. In addition, investments at Pyrum GreenFactory II GmbH were lower than expected and have been partially postponed to 2025.

EBIT

EBIT was again expected to be negative in view of the high level of investment and the planned further expansion of the workforce for 2024. At the end of the fiscal year, this figure amounted to EUR -9.2 million compared with a planned range of EUR -11.0 million to EUR -13.0 million, and was thus significantly better than expected due to the later start of depreciation for the new thermolysis plant in Dillingen.

3. Opportunities and risks of future development

Outlook

Future economic conditions

The International Monetary Fund (IMF) forecasts global economic growth of 2.8% for 2025.¹⁹ In January of this year, the IMF was still forecasting global economic growth of 3.3%.²⁰ This means that global economic growth will slow down significantly and remain well below the historical average of 3.7% (2000–2019). The revised forecast is primarily due to ongoing geopolitical tensions, especially the introduction of new trade barriers and the resulting increased uncertainty in global economic policy. For the eurozone, the IMF expects gross domestic product to rise slightly by 0.8% in 2025, following 0.7% in the previous year. No growth impetus is expected from the German economy (forecast: 0.0%). The easing of the debt brake and potentially stronger consumption due to moderate wage increases are not expected to offset weak industrial production, uncertain export markets and the ongoing effects of the energy crisis.

Outlook for oil/steel/rCB

The prices for pyrolysis oil, tyre cord and rCB (recovered carbon black) are influenced by various factors, including raw material costs, demand trends, technological advances and regulatory conditions.

According to Precedence Research, the market volume for thermolysis oil reached around USD 358 million in 2024, which corresponds to a market share of approximately 0.02% of the global crude oil market (with a market volume of around USD 1.4 trillion). The market volume exceeded the previous year's figure by 5.3%, confirming the growth forecast made last year. By 2034, the global pyrolysis oil market is expected to grow to USD 595 million, corresponding to a compound annual growth rate (CAGR) of 5.2%. The increase is being driven by growing demand for alternative and sustainable raw materials and increasing regulatory requirements.²¹

According to the World Steel Association, global steel demand will increase by 1.2% to around 1.8 billion tonnes in 2025, remaining close to the previous year's level.²² However, it is expected that steel prices, which are generally subject to high volatility, will react sensitively to the current upheavals caused by trade and customs policies. For this reason, the World Steel Association has postponed an update of its outlook, which had been announced for April 2025, until further notice.²³

There are still few publicly available forecasts for the future main product rCB. According to Business Wire, the market for rCB is expected to reach USD 8.8 billion by 2028, up from USD 4.0 billion in 2021; it is expected to grow at a compound annual growth rate (CAGR) of 11.7% through 2028.²⁴ In Europe, rCB is expected to have the potential to replace approximately 10% to 20% of the traditional market

¹⁹ IWF: World Economic Outlook April 2025

²⁰ IWF: World Economic Outlook Update January 2025

²¹ Precedence Research: Tire Pyrolysis Oil Market (February 2025)

²² World Steel Association: Short Range Outlook October 2024

²³ World Steel Association: Short Range Outlook April 2025 postponed

²⁴ Business Wire: Insights on the Recovered Carbon Black Global Market to 2028 as of 10 January 2022

for virgin carbon black (vCB) produced conventionally from oil combustion.²⁵ In terms of price, it is expected that this will vary depending on quality. Initially, there could be price reductions compared to vCB. However, industry leaders assume that the sustainability and positive environmental balance of rCB compared to vCB will lower the barrier to entry and could also result in a sustainability premium.

The company expects the price of rCB to differentiate itself from virgin carbon black produced conventionally from oil combustion. This expectation is supported by long-term supply contracts already concluded with customers in the price range of EUR 1,500 thousand, which means that the price currently achievable is already 50% above the company's expectations of a year ago.

Overall, prices for pyrolysis oil, tyre cord and rCB are expected to be influenced by global market trends, technological developments and political conditions in the coming years.

Outlook for Pyrum Innovations AG and the Group in 2025

Thanks to increased oil production from the new reactors, which went into regular operation at the end of March 2025, and the planned commissioning of the new grinding and pelletizing plant, Pyrum expects a significant increase in sales starting in the second half of 2025. It should be noted that the coke already produced in the new thermolysis plant in Dillingen is currently being stored and is available for further processing.

With regard to sales planning, it should be noted that for several months now, there has been an increase in the export of used tyres to India and Turkey, and disposal fees are temporarily under pressure. The company expects this trend to reverse in two years at the latest due to changes in legislation.

Pyrum Innovations AG has planned extensive investments in its new Pyrum GreenFactory II GmbH plant in Saarland for 2025. The company has already ordered and made a down payment for the three new Pyrum reactors for Perl-Besch. The building permit is expected shortly. Pyrum expects that the initial earthworks and foundation work can begin in summer 2025. Commissioning is currently scheduled to begin at the end of 2026. Once completed and successfully commissioned, the plant will have a processing capacity of 22,700 tonnes of ELT per year. Based on supply contracts for oil and rCB that have already been concluded, this corresponds to an expected future annual sales volume of EUR 17.5 million from the additional plant.

Progress is also being made on the other projects in the pipeline. In addition to the new plant in Perl-Besch, Pyrum currently has nine other plants in concrete planning. The most advanced plans are for the plants in Greece, together with Thermo Lysi SA, which already received building permits at the beginning of 2025, and in the Czech Republic, together with the energy company SUAS.

One of the conditions for the loan tranches to be disbursed is the planning, design and construction of at least three new plants, each with an annual capacity of 22,700 tons of scrap tyres, using the funds provided. The aim of Pyrum and BASF is to significantly expand the production capacities of the Pyrum technology. Up to 50% of a single plant may be financed from the loans.

²⁵ Emerton: White Paper – rCB: Evaluating the path to a sustainable tire industry: unlocking the potential of recovered carbon black Mai 2024

Pyrum Innovations AG is in intensive discussions regarding project financing for its next own plants and is receiving support from an experienced financing advisor. Such processes usually take several months, as various contracts have to be prepared and due diligence successfully carried out, and extensive negotiations on conditions and the provision of collateral have to be conducted before a contract can be signed. The technical due diligence carried out in this context has been successfully completed.

In addition to debt financing at Pyrum and investments by SPV partners, financial resources are required for the further financing of projects in the pipeline (SPVs) and the currently still negative cash flows. Since Pyrum is not yet profitable, it is fundamentally necessary to provide the company with further equity in addition to debt financing.

The forecasts for business performance in 2025 are based on certain assumptions, in particular with regard to the successful acquisition of financing, an easing of the supply chain situation, and prices for plant components and energy as well as steel construction costs stabilizing at a high level. Further increases in material, energy, and financing prices or sustained disruptions in international trade relations would have a negative impact on sales and earnings in 2025.

Pyrum Innovations AG expects an increase in consolidated revenue for 2025, both in terms of product revenue and revenue from consulting contracts with customers. Overall, **sales of between EUR 4.5 million and EUR 6.0 million** are expected.

With the planned conclusion of plant purchase agreements, the scheduled implementation of the construction of the new plant in Perl, and the successful commissioning of the new pelletizing plant in Dillingen, the company expects the Group's **total output** for the 2025 fiscal year to be in a **range of EUR 20 million to EUR 25 million**. Total output for Pyrum Innovations AG is expected to range between **EUR 9 million and EUR 13 million**.

The **EBIT** of the **Group** is expected to be in a range of **EUR -8.5 million to EUR -10.5 million** in 2025. The **EBIT** of **Pyrum Innovations AG** is expected to be in a range of **EUR -8.0 million to EUR -10.0 million**.

A balanced EBITDA is planned for 2026. The company expects the Pyrum Group to achieve profitability in 2027.

Risk report

General business risks

The economy in Germany and the euro area is important for Pyrum Innovations AG, but it and the global economy are subject to volatility that might have an adverse impact on the operating activities and results of operations of Pyrum Innovations AG. Pyrum Innovations AG is at the beginning of the rollout phase and is dependent on functioning supply chains and calculable prices, particularly with regard to components required for the plants planned for the future.

Political instability or a destabilization of the financial system could have a significant impact on the business activities of Pyrum Innovations AG.

In the medium and long term, the speed of the roll-out of Pyrum's technology and thus the future business performance of Pyrum Innovations AG is dependent on whether it can successfully maintain and strengthen its technological leadership in the area of tyre thermolysis.

In order to ensure that it achieves its goals, Pyrum Innovations AG maintains very close and reliable contacts with its customers with regard to the end products, which are constantly being improved based on customer requirements, and with the customers in the area of plant construction. In the case of the end products, the aim is, as far as possible, not to become reliant on individual customers or, alternatively, to enter into long-term, binding supply contracts. There is a clear focus on mature CIP, innovation and cost management processes. Pyrum Innovations AG constantly monitors market trends as well as the business policy of other competitors that use thermolysis processes to recondition end-of-life tyres. According to management, however, these are not yet in continuous industrial operation. This results in the opportunity to play a dominant role in the medium term in the area of tyre thermolysis and other homogeneous waste flows.

With regard to the selection of the location of individual plants, Pyrum Innovations AG is dependent on political decisions, which are key for general approvals and the long-term assurance of 24/7 production, as well as potential awards of funds in connection with these investments.

Technology risks

When selecting suppliers, the company focuses on opportunities and consistently opts for the delivery of new technologies in the production process. This gives rise to the risk that delivered technologies do not possess the expected level of maturity, which can lead to delays until plants commence operations.

Legal, regulatory and political risks

The company's business activities are dependent on the prevailing legal conditions for recycling and waste processing. In particular, but not exclusively, these include the provisions of the German Federal Immission Control Act, the Saarland Soil Protection Act and the German Circular Economy and Waste Act. Future changes can influence market and competitive conditions.

The recycling market in which the company operates is also subject to recurring economic and political changes. Stricter environmental regulations could lead to increased expenditure. Protectionist deregulation in individual markets could also have a significant impact on business activities. Examples include the US withdrawal from the Paris Climate Agreement, increased promotion of fossil fuels, and the weakening of environmental agencies in the US. Some countries have delayed projects or regulations in order to prioritize economic stability, particularly in light of geopolitical tensions and energy crises. However, there are currently no clear global trends indicating that countries outside the US are scaling back climate protection measures.

Future legislative changes and new regulations could hinder or delay the company's business activities, increase its operating costs, and reduce demand for its services and products.

The company is dependent on the reputation of renewable energy and the recycling market in general. Widely publicised failings of competitors, lawbreaking, bankruptcies or fraudulent undertakings can give the public the impression that the technology is inadequate or flawed, causes pollution, etc. In turn, this can damage the reputation of the market on which the company operates, damage the market reputation of the company, reduce its market share, and lead to a decline in the number of projects.

General operational risks

Pyrum Innovations AG is exposed to general operational risks. These also include risks associated with business expansions as well as risks from disruptions to industrial operations and other interruptions to business such as strikes or other industrial action or restrictions as a result of orders issued by national authorities. These could entail adverse repercussions for the earnings and the financial position of Pyrum Innovations AG.

Presentation of individual risks

The key risks from the management's perspective that could negatively affect Pyrum Innovations AG's net assets, financial position and results of operations are described below.

Financing risks

The realisation of the medium-term strategic plan requires the sale of customer plants (including SPVs) in addition to the construction and operation of the company's own plants. On the one hand, there is a risk at project level that the potential buyers of the plants will not be able to provide sufficient equity and will not be able to obtain financing for these plants due to the new technology and rising interest rates, and that planned projects will be postponed or not materialise. To take this risk into account, Pyrum supports customers in financing discussions with banks, authorities and potential other (project) investors.

There is also a risk for Pyrum Innovations AG itself that the company will only be able to generate financing under more difficult conditions.

As expected, Pyrum's financing requirements remain high during the roll-out phase, as the company is not yet generating any surpluses and will continue to invest in staff expansion and additional facilities for pursuing its growth path.

In order to cover its financing requirements, the Pyrum Group also needs to raise funds independently of projects. With the loan volume of € 50 million provided by BASF N.V., Pyrum has covered a significant part of its multi-year financing requirements; half of this volume is subject to the condition that Pyrum or the respective project partners succeed in raising additional funds in the same amount. Some of these funds must also be raised through new equity in order to ensure an acceptable capital structure.

The success of these measures depends on whether and to what extent and on what terms these funds can be raised. A lack of funds, delays or the availability of funds only on unfavourable terms could have a negative impact on the net assets, financial position and results of operations of Pyrum Innovations AG and severely restrict the pace of growth.

Based on ongoing discussions with financing partners, the company assumes that it will be able to raise the necessary funds in a timely manner and at market conditions.

Risks arising from financial commitments

Pyrum Innovations AG has entered into credit, lease and rental obligations and must meet repayment obligations from financing for land, buildings and plant components that may adversely impact the liquidity situation in future. These obligations have to be settled from the cash flow from operating activities. The commitments arising from rental and lease agreements for technical equipment and machinery, installations and vehicles are significant and represent high fixed costs. These costs cannot be adjusted in the event there is a sharp slowdown in sales and earnings. This could adversely affect Pyrum Innovations AG's net assets, financial position and results of operations.

General operating risks

The company's activities entail general operating risks that can lead, for example, to higher-than-expected costs during the construction phase, lower returns on sales and higher costs or lower returns than expected in connection with technical management. As the company's plants are new designs, there is an inherent risk that the plants require improvements or adjustments that could slow down or restrict their operation. Additional design considerations could also be necessary in order to guarantee safe and reliable operation. There is always the risk that unforeseen events or circumstances that are unknown to the company, its partners and counterparties occur in a way that jeopardises the essential conditions for development and production. Moreover, it cannot be ruled out that unforeseen technical difficulties arise at the recycling plants operated or sold by the company.

Such general operational risks could therefore considerably impair the future economic performance of the company and thus the company's net assets, financial position and results of operations. Pyrum has acquired experience over its five years of continuous operation of its thermolysis unit and is now able to control and optimise cost development and the technical control parameters of the plants.

Dependence on country and industry-specific approvals and certificates

Pyrum Innovations AG's business success also depends, among other things, on obtaining the industry and country-specific approvals and certificates as well as complying with stipulated standards and technical directives that apply to the introduction of new products and technologies. Should Pyrum Innovations AG not be able to develop products and processes that meet these requirements or receive the approvals necessary in the relevant country, this might have an adverse impact on Pyrum Innovations AG and its operating activities. By qualifying as an automotive supplier, Pyrum has demonstrated that the company is capable of satisfying high standards.

Approval risks

The construction and operation of recycling plants requires various approvals (e.g. building permits, environmental regulations, etc.) depending on the locations in Germany and abroad. There is a risk that such permissions cannot be obtained or can be obtained only with unforeseen, adverse side conditions, were granted ineffectively, are successfully contested, or are subsequently withdrawn or limited for other reasons. When transferring approvals, there is a risk that authorities or other third parties do not approve these transfers and approvals/licences therefore are or become void. Approvals for the operation of a recycling plant often entail environmental requirements, non-compliance with which results in sanctions or withdrawal of the approval. A necessary transfer of a licence or permit can be ineffective despite approval from the authority responsible, or the approval can apply only to a part of the transferred licence or approval. The occurrence of one or more of these risks can have substantial negative effects on the company's net assets, financial position and results of operations. Pyrum therefore enters into dialogue with all stakeholders as soon as possible after a potential location has been identified, regardless of whether it is for a plant of the company's own or a potential plant for a customer.

Dependencies on raw material and energy prices

The thermolysis process used by Pyrum Innovations AG is energy self-sufficient. However, an increase in raw material and energy prices may lead to higher production costs, particularly in shredding operations and in grinding/pelletizing, and thus to a decline in Pyrum Innovations AG's earnings. Pyrum Innovations AG attempts to counteract these influences by adjusting sales prices to changes in material procurement prices and by agreeing on material and energy price escalation clauses. If this is not possible in the future due to a change in the competitive situation, this could have a negative impact on the net assets, financial position, and earnings of Pyrum Innovations AG.

Furthermore, price reductions for traditionally manufactured materials (especially those using fossil oil) that Pyrum can replace with its products could lead to a decline in demand for the products manufactured by Pyrum.

Dependencies on the availability of used tyres

Used tyres are the “raw material” for Pyrum Innovations AG's thermolysis process. Increasing competition or circumvention of export bans on this waste stream, for example for incineration in cement plants, particularly in Turkey, or use as a substitute fuel in Asia, could lead to a shortage in the supply of tyres or a decline in the disposal fees received by Pyrum.

This could have a negative impact on the net assets, financial position, and results of operations of Pyrum Innovations AG. Pyrum is countering this risk by attempting to secure future supplies contractually during the construction phase of a plant. However, long-term supply contracts with binding prices are not currently a feasible market standard.

Foreign currency risks

Pyrum Innovations AG has generated all of its revenue in euros to date. Purchases of parts, components, and raw materials are also made in foreign currencies to a limited extent. Individual service providers in connection with the listing on the Oslo Stock Exchange are invoiced in Norwegian kroner. The exchange rate risk that could have a negative impact on the net assets, financial position, and results of operations of Pyrum Innovations AG lies in particular in potential price increases passed on by our suppliers who procure components internationally, especially in the US and Asia.

With regard to the listing of the Pyrum Innovations AG shares, Euronext in Oslo (Norway) is the primary market, which means there is a considerable foreign currency risk between the Norwegian kroner and the euro concerning the valuation of the share.

Information technology risks

The Pyrum Innovations AG plant is managed using complex IT systems. 24/7 production relies on the permanent availability of the relevant systems and data. Serious disruptions such as system failures, outside attacks on the networks or the loss or manipulation of data can put production at risk and bring with them high down time and restart costs. This is why the company works constantly, also with

the support of external specialists, to optimise the IT environment and IT security. The expenses and resources for the IT security management increased considerably once again in the period under review.

Staff recruitment and selection risks

Pyrum Innovations AG is particularly dependent on qualified personnel for realising further growth and for implementing the roll-out plan. If it is no longer possible in future to attract sufficient numbers of qualified personnel on salaries in line with the market and to retain them in the long term at Pyrum Innovations AG and its affiliated companies, this could result in a failure to achieve Pyrum Innovations AG's growth plans or to achieve them only later than planned.

A shortage of qualified personnel could become a critical factor restricting growth in future. Pyrum Innovations AG meets this challenge, which is also demographic, by considerably intensifying its activities in personnel marketing and in personnel development. Significant increases in personnel costs and wage and salary levels will also have an impact in this connection.

Warranty risks

The underlying assumptions and calculations for guarantees and assurances to buyers of a Pyrum thermolysis system might prove to be incorrect or plant components might contain defects and Pyrum Innovations AG will be exposed to warranty claims or claims for damages as a result in future. This could adversely affect Pyrum Innovations AG's net assets, financial position and results of operations.

Risks relating to receivables

Full or partial default on receivables from customers or other business partners or considerable delays in payment to a greater extent could result in liquidity constraints and consequently in a limitation of the operating activities of Pyrum Innovations AG or a significant impact on its net assets, financial position and results of operations. Pyrum Innovations AG counters these risks by agreeing liquidity-covering payment plans, asking for advance payments, using progress invoicing in the project business and asking customers to furnish guarantees.

Risks arising from the repayment of government grants and subsidies

Pyrum Innovations AG has been and will be granted or promised state investment grants for individual development projects and business measures. The use of funds of this kind is generally assigned for a specific project and tied to appropriate requirements and conditions. Should Pyrum Innovations AG not be able to guarantee or furnish proof of this, this may result in the company having to pay back the relevant investment grants. Pyrum Innovations AG counters this risk by implementing professional project controlling.

Risks from insufficient insurance coverage

Despite extensive insurance coverage, Pyrum Innovations AG cannot guarantee that all damages that may occur will be compensated in full. Should damage occur, particularly in the area of product liability or due to production interruptions, but also other property damage that is not or not sufficiently covered by insurance, this could have a negative impact on the net assets, financial position, and earnings of Pyrum Innovations AG. Delays in the construction of the sprinkler system required by the insurance company at the Dillingen site may temporarily lead to higher deductibles in the event of damage.

Risks from general economic disruptions resulting from external influences (conflicts, pandemics)

The company does not manufacture the components for the construction of the plants itself. All components required for the construction of the recycling plants developed by the company are produced and assembled by third-party manufacturers.

The ongoing war in Ukraine and the renewed protectionism of the US are having a significant impact on the global economy and supply chains. New and completely unpredictable situations, such as additional conflicts or a global virus pandemic, pose a risk that could have a significant impact on all areas of Pyrum Innovations AG and cannot be hedged. It cannot be ruled out that, in the medium term, the outbreak or escalation of political conflicts could significantly impair the business activities of Pyrum Innovations AG in our globalized economy. The same applies to the outbreak of new pandemics.

In particular, the tariff policy currently practiced by the US could lead to rising costs for suppliers in the future. Pyrum Innovations AG therefore deliberately focuses on close cooperation with regional partners and currently sources the majority of its plant components from European suppliers. Nevertheless, there is a risk that European companies could also be affected by potentially high tariffs, which would have knock-on effects along the entire supply chain.

Risks from breaches of environmental protection obligations

Pyrum Innovations AG might breach existing environmental legislation or unintentionally pollute the environment during its production processes. This could adversely influence the net assets, financial position and results of operations of Pyrum Innovations AG. These risks are prevented and the statutory regulations are fulfilled by implementing appropriate management systems. In addition, a variety of environmental audits were conducted and successfully passed – with the company scoring good marks – in the period under review.

Risks from breaches of intellectual property rights

Competitors and development partners might copy Pyrum Innovations AG's products and processes or unknowingly infringe patents belonging to Pyrum Innovations AG. Moreover, it cannot be ruled out that Pyrum Innovations AG will unknowingly infringe patents of its competitors or development partners, something that can also result in particular from a different understanding of the contents of the intellectual property protected by the patent. Both of these factors could negatively affect Pyrum Innovations AG's net assets, financial position and results of operations.

Report on opportunities

Looking back at the 2024 financial year as well, Pyrum Innovations AG can also identify a wide range of potential.

Parallel to Pyrum's next plant in Perl-Besch, the pipeline of planned orders for partner plants was further expanded and the existing projects made significant progress. In addition to the approval applications already submitted in Greece and the Czech Republic, the planning of the plants was pushed ahead at a rapid pace together with Remondis in Bremen, Unitank in Emleben, and SUEZ in the UK. Suitable sites for further plants have been identified, preliminary talks with approval authorities have been held, and the financing planning for customer plants has been largely completed. Pyrum expects the official project start with Remondis in Bremen and Unitank in Emleben in 2025. These are defined with the signing of the consulting contracts for the approval procedures. With ten projects in various phases now scheduled to be completed over the next three years, Pyrum has reached full capacity. The total plant construction volume currently under negotiation is well over EUR 500 million.

The demand for Pyrum's consistently reproducible and high-quality products is still significantly higher than the company can serve in the next few years with the construction of plants.

The material opportunities for Pyrum's positive business and economic performance are outlined below. The list is not exhaustive and the opportunities outlined are not necessarily the only ones available to Pyrum. Conversely, it is also possible that identified opportunities will not materialise.

Raw material prices and security of supply

What constitutes a risk for purchasing, is a major opportunity for Pyrum on the product side, as higher construction costs ought to be more than compensated for by higher selling prices. Scarcity encourages creativity. A shortage of carbon black is already since year 2022 resulting in enquiries from industries that Pyrum had not yet identified as markets for its products. The pigment industry, ink manufacturers, cast iron makers, manufacturers of rubber products, seal manufacturers and packaging manufacturers are all seeking new solutions, as the traditional channels and supply chains have been lastingly disrupted by the ongoing war in Ukraine. Therefore, the biggest challenge for Pyrum is now to grow sufficiently to meet the demand and occupy new niches. Thanks to the company's own laboratory, new customer requirements and enquiries can usually be answered without recourse to external experts.

Political environment

In recent years, government regulation has been working towards inducing the necessary ecological realignment and prohibiting the export of waste to distant countries, as this is not a sustainable solution for our waste disposal problems. The unchecked consumption of raw materials without recycling is jeopardising our supply of raw materials in the medium term. Companies have set themselves ambitious climate targets and are now seeking solutions for implementing them in order to survive on the market in the long term.

Competition and current state of the art

With the large-scale industrial deployment of its own technology in 24/7 operation since May 2020, Pyrum has proved that its technology is ready for the market. So far, it seems to be the only provider on the market that can both reliably deliver high-quality thermolysis oil and rCB in consistent quality every day and convert the thermolysis gas into electricity in such a reliable and efficient manner that the thermolysis process, seen over the entire year, can be energy self-sufficient. Pyrum believes that, technologically, it is four to five years ahead of the competition. The end-of-life tyres disposed of with Pyrum can already be reused in new products in an almost entirely circular manner without thermal recycling of the oil.

Pyrum has developed extensive expertise in recent years in processes for optimizing feedstocks and end products. There are currently no standard systems for the conversion of pyrolysis gas into electricity or the upgrading of rCB, which means that further development of existing peripheral technologies is always necessary. Pyrum believes it is well on its way to further distinguishing itself from the competition with its power generation concepts and further processing steps, and to developing additional patentable developments that will pose major challenges for new competitors entering the market.

Technological opportunities

Pyrum sees itself as a technological market leader and, together with strong partners, is already researching additional applications of the thermolysis process, with the aim of adapting it to other waste flows for which there are still no answers (such as the recycling of material from wind turbines). At the same time, Pyrum is meeting the social and political pressure on manufacturers to provide recycling opportunities along with the production of products.

The continuous development of possible applications for Pyrum technology opens up potential new markets for homogeneous waste streams for which there are currently no disposal concepts. Pyrum sees itself as a solution provider, currently for tyres, but in the future, thanks to its research and development activities, also for other waste materials such as CFRP, conveyor belts, base layers for artificial turf tracks, selected insulating materials and other materials.

Bans on the use of tyre rubber

The tyre market holds major opportunities for Pyrum Innovations AG. Worldwide, around 30.9 million tonnes of end-of-life tyres are produced every year; in Europe alone, 3.4 million tonnes have to be disposed of annually. The best-known disposal methods include the incineration of end-of-life tyres or their processing into rubber granulate, which is then used as infill material for artificial turf and playgrounds. The methods are subject to constantly tightening regulatory requirements, meaning that current disposal options are gradually disappearing.

- **Landfill ban**

The EU has been cracking down on the dumping of end-of-life tyres for years. Accordingly, the final disposal of used tyres in landfills is prohibited.

- **Ban of incineration**

Around 50% of the tyres produced each year are incinerated. The resulting emissions are not only harmful to the environment, but are also becoming increasingly expensive. In the long term, this will lead to an unattractive solution for the disposal of end-of-life tyres. Belgium, Norway, Sweden and Finland have already taken the first step. In these countries, the incineration of end-of-life tyres has been completely banned, meaning that new ways of disposing of them will inevitably have to be found.

- **Ban of rubber granulate as filling material**

The European Parliament has also taken initial measures based on the EU Commission's strategy, which aims to reduce the amount of microplastics released into the environment by 30% until 2030. The amendment to the REACH Regulation of 26 April 2023 will ban the trade of bulk polymers with an average diameter < 5mm by 2031 at the latest. These materials include polymers and rubber granulate obtained from end-of-life tyres. To put this into context: In the EU, around 1.2 million tonnes of end-of-life tyres are processed into shredded material every year. 42% of the rubber granulate obtained from this is used as infill material 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.

- **OEM audits**

In addition, there are the OEM audits, which require degrees of circularity and push the market towards new raw materials. The aim is to return products to the manufacture of new products as recycled raw materials at the end of their service life, thereby avoiding the use of raw materials.

- **Tightening of the EU Waste Shipment Regulation (WSR)**

Since May 2024, stricter export requirements for waste have been in force under the revised EU Waste Shipment Regulation (WSR).²⁶ From May 2027, the regulation will prohibit the export of non-hazardous waste – including used tyres – to non-OECD countries unless they meet strict environmental standards and have been officially approved. Non-OECD countries, including important export destinations such as India and Morocco, had until the end of February 2025 to submit applications.²⁷ The EU Commission will decide by November 2026 which countries will be included on the approved list. Exports to countries not on the list will be prohibited from May 2027.

²⁶ Regulation (EU) 2024/1157

²⁷ First non-OECD countries request eligibility to import non-hazardous EU waste - European Commission

In summary, it can be said that the tyre market is in a state of upheaval with regard to the disposal of end-of-life tyres. In terms of both the size of the tyre market and the shrinking disposal options, there is great potential for Pyrum's thermolysis technology. The demand for new disposal options will continue to grow in the coming years. As the consultations on this issue have already been in progress for more than 10 years and the proposed ban aimed at minimising the amount of microplastics in the environment will now be submitted to the EU Commission for a decision, the management of Pyrum Innovations AG assumes that this trend is irreversible and will thus have a positive impact on the future market prospects of Pyrum Innovations AG.

Availability of end-of-life tyres

In Germany, there is a free market for tyre disposal, which is determined by supply and demand. In other countries, there are centralised waste tyre disposal systems, which usually result from manufacturer responsibility. Due to its technological advantage, Pyrum sees an advantage in concluding long-term supply contracts with such organised disposal structures.

4. Overall statement of the future development of Pyrum Innovation AG and the Group

Pyrum Innovations AG has been operating continuously since May 2020 and, with the commissioning of the two new lines, has now proven that the technology used can set new standards in tyre recycling. In the first quarter, the commissioning of the plant expansion was completed and the two new lines went into series production. The quality of the end products is very satisfactory, as was recently proven by the audit carried out by Continental in November 2024. Pyrum believes it is well on track to be able to ramp up production in the future to meet the very high demand for its products. This requires a sufficient financial basis for the planned growth. Thanks to our research and development activities of the company, the experience and know-how is constantly expanded and Pyrum expects to be able to treat other waste streams in a circular manner with the technology in the future. The management believes that Pyrum Innovations AG has very good prospects for the future if the rollout is successfully implemented.

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

Pyrum Innovations AG

Dillingen/Saar, 14 May 2025



Pascal Klein
CEO



Kai Winkelmann
CFO



Content

Annual and consolidated financial statements for 2024

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Consolidated balance sheet as at 31 December 2024

ASSETS (In EUR)

	31 Dec. 2024	31 Dec. 2023
A. Non-current assets		
I. Non-current intangible assets		
1. Self-created rights and licences in such rights	38,285.00	58,261.00
2. Acquired rights and licences in such rights	4,637,918.79	5,518,847.79
3. Intangible assets under development	290,012.01	60,535.33
	4,966,215.80	5,637,644.12
II. Property, plant, and equipment		
1. Land and buildings	3,862,773.84	3,956,416.84
2. Technical equipment and machinery	6,178,609.32	4,042,909.32
3. Other equipment, operating and office equipment	1,136,703.00	1,076,448.00
4. Advances paid and assets under construction	35,267,243.77	30,382,206.43
	46,445,329.93	39,457,980.59
III. Non-current financial assets		
Shares in associates	0.00	29,921.62
Total non-current assets	51,411,545.73	45,125,546.33
B. Current assets		
I. Inventories		
1. Raw materials and supplies	207,732.02	194,900.00
2. Work in progress	666,263.24	164,692.43
3. Finished and unfinished goods	284,099.56	86,601.81
	1,158,094.82	446,194.24
II. Receivables and other current assets		
1. Trade receivables	259,419.95	101,067.04
2. Other current assets	579,903.82	702,080.57
	839,323.77	803,147.61
III. Cash at hand and in bank	11,948,783.44	4,482,957.30
Total current assets	13,946,202.03	5,732,299.15
C. Deferred expenses	107,280.79	68,295.57
Total assets	65,465,028.55	50,926,141.05

Consolidated balance sheet as at 31 December 2024

EQUITY AND LIABILITIES (In EUR)

	31 Dec. 2024	31 Dec. 2023
A. Equity		
I. Subscribed Capital	3,617,372.00	3,253,735.00
II. Capital Reserves	61,694,521.56	52,058,141.06
III. Accumulated Losses	-43,066,927.94	-32,932,016.31
Total Equity	22,244,965.62	22,379,859.75
B. Provisions and Accrued Liabilities		
Other provisions and accrued liabilities	3,296,657.97	3,188,022.43
C. Liabilities		
1. Liabilities to banks	3,141,039.12	3,599,173.73
2. Advance payments received	2,614,411.77	651,115.00
3. Trade payables	1,536,923.11	2,212,942.15
4. Other liabilities	32,631,030.96	18,895,027.99
Total liabilities	39,923,404.96	25,358,258.87
Total equity and liabilities	65,465,028.55	50,926,141.05

Consolidated income statement for the 2024 financial year

(In EUR)	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
1. Revenues	2,022,053.38	1,146,664.13
2. Increase/decrease of finished and unfinished goods	699,068.56	-60,046.14
3. Other own work capitalised	8,994,079.66	11,712,123.66
4. Total output	11,715,201.60	12,798,741.65
5. Other operating income	1,221,291.04	714,704.88
6. Expenses for materials		
a) Expenses for raw materials and supplies	6,475,725.77	9,664,385.91
b) Expenses for purchased services	1,394,462.66	1,755,226.65
	7,870,188.43	11,419,612.56
7. Personnel expenses		
a) Wages and salaries	5,693,659.21	4,606,438.99
b) Social security contributions and expenses for pension provision	1,061,048.78	798,980.17
	6,754,707.99	5,405,419.16
8. Depreciation, amortisation and write-downs of intangible non-current assets and property, plant, and equipment	3,021,449.99	2,085,573.86
9. Other operating expenses	4,180,960.04	3,733,476.61
10. Other interest and similar income	14,648.29	92,265.78
11. Interest and similar expenses	1,204,639.97	423,080.60
12. Cost of equity valuation of associates	29,921.62	7,000.00
13. Result after taxes	-10,110,727.11	-9,468,450.48
14. Other taxes	24,184.52	43,026.54
15. Net loss for the year	-10,134,911.63	-9,511,477.02
16. Loss carried forward from the previous year	-32,932,016.31	-23,420,539.29
17. Balance sheet loss	-43,066,927.94	-32,932,016.31

Consolidated cash flow statement for the 2024 financial year

(In EUR)	2024	2023
Net income/loss for the period	-10,134,912	-9,511,477
Abschreibungen/Zuschreibungen auf Gegenstände des Anlagevermögens	3,021,450	2,085,574
Increase/decrease in provisions	79,448	161,236
Other non-cash expenses/income	29,922	7,000
Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities	-788,147	525,427
Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	2,050,691	333,661
Profit/loss from the disposal of non-current assets	7,797	15,100
Interest expenses/income	1,189,991	330,815
Miscellaneous other income not attributable to cash flow from operating activities	-474,869	-164,184
Cash flow from operating activities	-5,018,629	-6,216,848
Payments for investments in non-current assets	-229,477	-50,823
Proceeds from disposals of property, plant and equipment	6,500	5,000
Payments for investments in property, plant and equipment	-9,420,494	-11,639,768
Interests received	14,648	5,155
Cash flow from investing activities	-9,628,823	-11,680,436
Proceeds from equity contributions from shareholders	10,000,017	0
Proceeds from short- or long-term (financial) loans	14,300,000	9,000,000
Payments from the redemption of (financial) loans	-1,388,646	-1,336,336
Proceeds from grants/subsidies received	623,380	2,413,500
Payments in connection with expenses for the private placement and the capital increase, as for the second listing	-294,316	0
Interests paid	-1,128,242	-423,081
Cash flow from financing activities	22,112,193	9,654,083
Net change in cash funds	7,464,741	-8,243,201
Cash funds at beginning of period	4,275,304	12,518,505
Cash funds at end of period	11,740,045	4,275,304

Consolidated statement of changes in equity for the 2024 financial year

	Subscribed capital	according to §272 Para. 2 No. 1 - 3 HGB	Capital reserve according to § 272 Para. 2 No. 4 HGB	Total	Total reserves	Consolidated loss carried forward	Consolidated net loss	Consolidated balance sheet loss	Total group equity
(In EUR)									
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
Acquisition of own shares	-1,500.00		-69,000.00	-69,000.00	-69,000.00				-70,500.00
Disposal of own shares	1,500.00		69,000.00	69,000.00	69,000.00				70,500.00
Allocation to/withdrawal from reserves						-7,808,110.67	7,808,110.67		0.00
Net loss for the year							-9,511,477.02	-9,511,477.02	-9,511,477.02
As of 31 December 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	-9,511,477.02	-32,932,016.31	22,379,859.75
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
Capital increase	363,637.00	9,636,380.50		9,636,380.50	9,636,380.50				10,000,017.50
Allocation to/withdrawal from reserves						-9,511,477.02	9,511,477.02		0.00
Net loss for the year							-10,134,911.63	-10,134,911.63	-10,134,911.63
As of 31 December 2024	<u>3,617,372.00</u>	<u>53,451,545.56</u>	<u>8,242,976.00</u>	<u>61,694,521.56</u>	<u>61,694,521.56</u>	<u>-32,932,016.31</u>	<u>-10,134,911.63</u>	<u>-43,066,927.94</u>	<u>22,244,965.62</u>

Balance sheet of Pyrum Innovations AG as at 31 December 2024

ASSETS (In EUR)

	31 Dec. 2024	31 Dec. 2023
A. Non-current assets		
I. Non-current intangible assets		
1. Self-created rights and licences in such rights	38,285.00	58,261.00
2. Acquired rights and licences in such rights	4,595.00	16,780.00
3. Intangible assets under development	290,012.01	60,535.33
	332,892.01	135,576.33
II. Property, plant, and equipment		
1. Land and buildings	3,862,773.84	3,956,416.84
2. Technical equipment and machinery	6,176,590.00	4,017,566.00
3. Other equipment, operating and office equipment	1,136,703.00	1,076,448.00
4. Advances paid and assets under construction	30,693,802.14	30,382,206.43
	41,869,868.98	39,432,637.27
III. Non-current financial assets		
1. Shares in affiliated companies	12,444,700.00	6,544,700.00
2. Loans to affiliated companies	6,000,000.00	323,775.76
3. Shares in associates	0.00	50,000.00
	18,444,700.00	6,918,475.76
Total non-current assets	60,647,460.99	46,486,689.36
B. Current assets		
I. Inventories		
1. Raw materials, and supplies	207,732.02	194,900.00
2. Work in progress	947,558.80	164,692.43
3. Finished and unfinished goods	284,099.56	86,601.81
	1,439,390.38	446,194.24
II. Receivables and other current assets		
1. Trade receivables	259,419.95	101,067.04
2. Other current assets	572,887.90	690,168.57
	832,307.85	791,235.61
III. Cash at hand and in bank	9,315,156.33	3,981,530.42
Total current assets	11,586,854.56	5,218,960.27
C. Deferred expenses	82,470.62	68,295.57
Total assets	72,316,786.17	51,773,945.20

Balance sheet of Pyrum Innovations AG as at 31 December 2023

EQUITY AND LIABILITIES (In EUR)

	31 Dec. 2024	31 Dec. 2023
A. Equity		
I. Subscribed Capital	3,617,372.00	3,253,735.00
II. Capital Reserves	61,694,521.56	52,058,141.06
III. Accumulated Losses	-39,909,742.10	-30,750,874.09
Total Equity	25,402,151.46	24,561,001.97
B. Provisions and Accrued Liabilities		
Other provisions and accrued liabilities	1,912,233.83	2,269,683.49
C. Liabilities		
1. Liabilities to banks	3,141,039.12	3,599,173.73
2. Advance payments received	4,614,411.77	651,115.00
3. Trade payables	1,528,039.39	2,208,752.94
4. Other liabilities	35,718,910.60	18,484,218.07
Total liabilities	45,002,400.88	24,943,259.74
Total equity and liabilities	72,316,786.17	51,773,945.20

Income statement of Pyrum Innovations AG for the 2024 financial year

(In EUR)	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
1. Revenues	2,022,053.38	1,146,664.13
2. Increase/decrease of finished and unfinished goods	980,364.12	-60,046.14
3. Other own work capitalised	4,447,445.60	11,712,123.66
4. Total output	7,449,863.10	12,798,741.65
5. Other operating income	1,221,291.04	714,704.88
6. Expenses for materials		
a) Expenses for raw materials and supplies	2,535,481.73	9,664,385.91
b) Expenses for purchased services	1,151,450.40	1,755,226.65
	3,686,932.13	11,419,612.56
7. Personnel expenses		
a) Wages and salaries	5,693,659.21	4,606,438.99
b) Social security contributions and expenses for pension provision	1,061,048.78	798,980.17
	6,754,707.99	5,405,419.16
8. Depreciation, amortisation and write-downs of intangible non-current assets and property, plant, and equipment	2,129,381.99	1,193,505.86
9. Other operating expenses	4,130,441.67	3,678,910.49
10. Income from non-current loans	1,025.29	9,430.36
11. Other interest and similar income	150,317.36	13,514.91
12. Depreciation of financial assets	50,000.00	0.00
13. Interest and similar expenses	1,222,651.50	410,505.65
14. Result after taxes	-9,151,618.49	-8,571,561.92
15. Other taxes	7,249.52	22,636.54
16. Net loss for the year	-9,158,868.01	-8,594,198.46
17. Loss carried forward from the previous year	-30,750,874.09	-22,156,675.63
18. Balance sheet loss	-39,909,742.10	-30,750,874.09



Content

Combined notes to the financial statements of the Group and Pyrum Innovations AG

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I. General disclosures on Pyrum Innovations AG and the Group

The parent company, Pyrum Innovations AG, Dillingen/Saar, was founded as a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) on 10 September 2008. It was transformed into a stock corporation (*Aktiengesellschaft*) by way of resolution of 18 August 2017.

It is entered in the commercial register of the Saarbrücken Local Court under HR B 104458.

Since 30 September 2021, Pyrum Innovations AG has been listed in the Euronext Growth market segment of the Oslo stock exchange in Norway. Since 30 March 2022, it has had a secondary listing in the Scale market segment of Deutsche Börse AG at the Frankfurt stock exchange. Neither segment is an organised market as referred to by section 11(2) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). Pyrum Innovations AG is therefore not a listed company as referred to by section 264d of the *Handelsgesetzbuch* (HGB – German Commercial Code).

The **annual financial statements** were prepared in accordance with the accounting regulations of section 242 et seq. HGB for corporations in compliance with the special regulations for stock corporations. The balance sheet and the income statement were prepared in accordance with the regulations for large corporations. The income statement was prepared in line with the total cost (nature of expense) method. Some practical expedients for mid-sized corporations were used in preparing the combined notes to the financial statements.

The **consolidated financial statements** of Pyrum Innovations AG and its subsidiary were prepared in accordance with the regulations of sections 290 et seq. HGB in compliance with the standards of the German Accounting Standards Committee.

The consolidated balance sheet and the consolidated income statement were prepared in accordance with the regulations for large corporations. The consolidated income statement was prepared in line with the total cost (nature of expense) method. The consolidated statement of cash flows has been prepared in accordance with German Accounting Standard GAS 21 as amended by Amendment Standard No. 13 dated 16 June 2023. The consolidated statement of changes in equity has been prepared in accordance with German Accounting Standard DRS 22. German Accounting Standard 18 on deferred taxes was applied including Amending German Accounting Standard 11.

The annual financial statements and the consolidated financial statements have been presented in euro. The financial year of Pyrum Innovations AG and of the Group is the calendar year. The reporting date of the consolidated financial statements is 31 December 2024, which is also the reporting date of all companies included in the consolidated financial statements.

The disclosures in these notes relate to the consolidated financial statements. It is indicated separately if these disclosures are not the same for the annual financial statements of the parent company.

II. Consolidated Group

As the parent company, Pyrum Innovations AG prepares the consolidated financial statements for the largest and, at the same time, the smallest group of entities included in the statements.

Fully consolidated companies

The consolidated financial statements include the subsidiaries Pyrum Innovations International S.A., Schengen, Luxembourg, and, since its formation on 8 January 2024, Pyrum GreenFactory II GmbH, Dillingen, Saar.

Associates

REVALIT GmbH, in which Pyrum Innovations AG holds a share of 25% of the capital and voting rights, was founded on 10 June 2022. The company's purpose is to build and operate a thermolysis plant. The management of REVALIT GmbH has decided not to continue the project.

III. Principles of consolidation

The assets, liabilities, prepaid expenses, deferred income, income and expenses of the individual companies included in the consolidated financial statements are combined in the consolidated financial statements.

First-time consolidation is performed in accordance with the purchase method. The assets and liabilities are recognised at fair value as at the date when the company became a subsidiary; however, provisions and deferred taxes are measured in accordance with the applicable German accounting policies. Any excess of assets from first-time consolidation is recognised as goodwill, while a negative difference is reported as a difference from capital consolidation after equity. This procedure also applies to asset deals and contributions.

Intercompany balances are consolidated by the elimination of receivables against the corresponding liabilities between the companies included in the consolidated financial statements.

The consolidation of income and expenses is achieved by offsetting intragroup income against the corresponding expenses. Intercompany profits and losses from transactions between consolidated companies are eliminated.

In accordance with Section 306 German GAAP, deferred tax charges and reliefs arising from differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax base, which are expected to reverse in the future, are recognized as deferred tax assets or liabilities in the consolidated balance sheet.

Investments in which Pyrum Innovations AG or another Group company does not have a controlling interest but exercises a significant influence are included in the consolidated financial statements as investments in associates using the equity method in accordance with Sections 311 et seq. of the German Commercial Code (HGB). In this case, the investment is initially recognized at cost under financial assets. Any difference between the acquisition cost and the share of the equity of the associated company attributable to Pyrum Innovations AG is allocated to hidden reserves and liabilities and amortized; any remaining difference is amortized in accordance with the principles of goodwill. If necessary, additional unscheduled write-downs to the fair value of the investment are made. The pro rata results of the associated company attributable to Pyrum Innovations AG are recognized in the consolidated income statement together with the expenses and income from the amortization of the difference and, if applicable, any unscheduled write-downs.

IV. Accounting and valuation policies

The accounting and valuation policies are applied uniformly and consistently in the annual and consolidated financial statements.

Acquired intangible assets are recognized at cost and, if they are subject to wear and tear, are reduced by scheduled amortization.

Internally generated intangible fixed assets are recognized using the option under Section 248 (2) German GAAP and measured at cost. They are amortized over their life cycle from the date of completion. The capitalization phase begins as soon as the development phase has begun for an intangible asset that can be utilized individually after completion, completion is highly probable and the development costs can be reliably allocated.

Goodwill from the acquisition of companies is capitalized and, like goodwill from initial consolidation, amortized over its expected life cycle.

Property, plant and equipment are recognized at acquisition or production cost and, if depreciable, reduced by scheduled depreciation.

Subsequent acquisition or production costs are capitalized if the scope, function or performance of a technical asset in operation is significantly expanded. Depreciation is calculated on a straight-line basis over the remaining life cycles.

The production costs of intangible assets and property, plant and equipment include the direct material costs, the direct production costs and -overheads, the depreciation of the fixed assets used -for the production of the service and appropriate portions of the administrative overheads. Interest on borrowed capital is not capitalized.

Scheduled depreciation is recognized on a straight-line basis over the expected life cycle of the assets. The following life cycles are applied:

	Years
Buildings and other structures	14-35
Patents, licences, expertise	10.6
Technical equipment and machinery	5-10
Equipment and facilities	4-11
Internally generated intangible assets	5
Computer software	5
Computer hardware	3-5

Low-value fixed assets with acquisition costs of up to EUR 800 are fully depreciated in the year of acquisition.

Financial assets are capitalized at acquisition cost and incidental acquisition costs. In the event of permanent impairment, they are written down to fair value. In contrast to this, associated companies are valued at equity in the consolidated financial statements.

Raw materials, consumables and supplies are recognized at cost. Work in progress and finished goods are recognized at cost in accordance with the upper value limit under commercial law. Inventories are written down to their fair value on the balance sheet date.

Receivables and other assets are capitalized at their nominal value and valued taking into account all identifiable risks.

Other provisions are recognized for all uncertain liabilities and, where necessary, for anticipated losses from pending transactions. All recognizable risks are taken into account. Provisions are measured at the amount that is necessary to meet the underlying obligations according to prudent business judgment. The costs at the expected time of utilization are taken into account.

Provisions that are not expected to be settled until more than one year after the balance sheet date are discounted. The estimated remaining terms used for this purpose are based on the management's expectations regarding probable future utilization, in particular the medium-term planning calculation for plant construction. The average market interest rates for the past seven years, determined by the Deutsche Bundesbank in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung), are used for discounting. The income from discounting as well as interest effects from interest rate changes and a change in the estimate of maturities are recognized in total as interest income or interest expense.

Deferred taxes are recognized and measured in accordance with Section 274 German GAAP. Deferred tax assets and liabilities of the same tax group are offset - in the Group also including deferred taxes from consolidation measures; in accordance with the option in Section 274 (1) sentence 2 German GAAP, deferred tax assets are not recognized unless they result from initial consolidation. Deferred tax assets and liabilities are netted. Deferred tax assets from tax loss carryforwards are recognized to the extent that they are estimated to be recoverable. Expected future taxable income in the same tax jurisdiction is only included in the valuation to the extent that it can be offset against the loss carryforwards in the next five years. The valuation is made at least in the amount of a deferred tax liability from the same tax jurisdiction.

Liabilities are recognized at the settlement amount.

Transactions denominated in foreign currencies are converted into euros at the exchange rate on the date of the transaction. In the balance sheet, foreign currency receivables and liabilities with a remaining term of up to one year are converted into euros at the mean rate of exchange on the reporting date. Foreign currency receivables and liabilities with a remaining term of more than one year are converted at the exchange rate on the reporting date or at the lower or higher exchange rate on the transaction date.

The functional currency of both consolidated Group companies is the euro; currency conversion of the individual Group financial statements is not required.

Revenue is recognized upon delivery or completion of the service.

Income from government grants is recognized when the commitments have been made or the grant agreements have been concluded and the subsidized measures have been completed or fulfilled. Income from grants for assets subject to capitalization is recognized in full as income at the time of completion or commissioning of the asset; it is not recognized pro rata temporis over the useful life of the asset.

Income is reported as other operating income; claims to realized subsidies are reported as other assets; funds already received but not yet realized are reported as other liabilities.

The accounting, valuation and classification methods are unchanged from the previous year.

V. Balance sheet disclosures

1. Fixed assets

The development of the individual items of fixed assets is shown in the statement of changes in fixed assets in the consolidated and annual financial statements with disclosures on depreciation and amortisation for the financial year.

The acquired property rights and similar rights and assets capitalized as part of the initial consolidation in the 2021 consolidated financial statements include the two patents owned by Pyrum Innovations International S.A. for used tyre recycling and the know-how acquired until the end of 2017 through a research service agreement between Pyrum Innovations International S.A. and Pyrum Innovations AG for the application of this process. Amortization is carried out on a straight-line basis, taking into account the remaining patent protection period for the two patents.

The internally generated intangible assets newly capitalized under intangible assets under development in the fiscal year relate, on the one hand, to the development costs for the higher-value rCB, which was further developed under the joint development agreement with Continental AG and for which patent applications have been filed. They also relate to development costs for CFRP recycling (recycling of carbon fiber reinforced plastics), for which a patent application has also been filed. The digital twin developed in 2022 is expected to be completed in 2025 after the reference data from the new thermolysis plant has been incorporated.

Advance payments and assets under construction in the amount of EUR 35,267 thousand (previous year EUR 30,382 thousand) mainly consist of:

EUR thousand		Financial year	Previous year
Thermolysis line 2 and 3	Start of project 2020	30,197	29,074
Thermolysis plant Perl-Besch (Pyrum GreenFactory II GmbH)	Start of project 2024	4,883	0

The project to expand the plant at the company's headquarters in Dillingen to include thermolysis lines 2 and 3 was launched after the first industrial thermolysis tower went into continuous operation in 2020. Construction of the new plant began in September 2021. The status as on 31 December 2024 also includes the production costs for other peripheral facilities. The shredder plant was completed in the first half of 2024, meaning that EUR 3,902 thousand was reclassified to "Technical equipment and machinery". The thermolysis plant itself was still in the commissioning phase in 2024, but products were already being manufactured.

Preparatory construction and planning work was carried out in 2024 for the new plant in Perl-Besch, which is being built by Pyrum GreenFactory II GmbH, and plant components with long delivery times were also ordered.

The 100% interest in Pyrum Innovations International S.A. is capitalised in the annual financial statements of Pyrum Innovations AG. Equity amounts to EUR 2,744 thousand as at

31 December 2024. The net loss of the subsidiary for 2024 amounts to EUR -643 thousand. This essentially resulted from amortisation on patents and expertise (EUR 591 thousand).

Pyrum Innovations International S.A. holds a 10% stake in Pyrum Innovations SAS, Flévy, France. The company has no assets and does not carry out any activities. The investment is not valued in the consolidated balance sheet.

The financial assets in the annual financial statements continue to include the acquisition costs of EUR 5,900 thousand for the shares in the subsidiary Pyrum GreenFactoryII GmbH, which was founded on 8 January 2024, as well as the loans to this company to finance the construction of the plant in Perl-Besch. As of 31 December 2024, the subsidiary reported equity of EUR 5,751 thousand and a net loss for the year of EUR 149 thousand.

The investment in REVALIT GmbH was completely written off in both the consolidated financial statements and the annual financial statements due to the decision of the co-shareholders to abandon the thermolysis project.

Consolidated gross statement of changes in non-current assets

(In EUR)	Acquisition and production costs					Cumulative depreciation and amortisation				Book value	
	1 Jan. 2024	Additions	Disposals	Reclassifications	31 Dec. 2024	1 Jan. 2024	Additions	Disposals	31 Dec. 2024	31 Dec. 2024	31 Dec. 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	19,976.00	0.00	61,590.19	38,285.00	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	880,929.00	0.00	2,894,255.97	4,637,918.79	5,518,847.79
3. Intangible assets under development	60,535.33	229,476.68	0.00	0.00	290,012.01	0.00	0.00	0.00	0.00	290,012.01	60,535.33
	7,692,585.28	229,476.68	0.00	0.00	7,922,061.96	2,054,941.16	900,905.00	0.00	2,955,846.16	4,966,215.80	5,637,644.12
II. Property, plant, and equipment											
1. Land and buildings	4,156,338.33	4,476.00	0.00	0.00	4,160,814.33	199,921.49	98,119.00	0.00	298,040.49	3,862,773.84	3,956,416.84
2. Technical equipment and machinery	11,094,082.87	25,816.16	0.00	3,739,729.67	14,859,628.70	7,051,173.55	1,791,846.71	0.00	8,843,020.26	6,178,609.32	4,042,909.32
3. Other equipment, operating and office	2,193,528.36	305,131.28	42,900.00	0.00	2,455,759.64	1,117,080.36	230,579.28	28,603.00	1,319,056.64	1,136,703.00	1,076,448.00
4. Advances paid and assets under construction	30,382,206.43	8,786,767.89	0.00	-3,739,729.67	35,429,244.65	0.00	0.00	0.00	0.00	35,267,243.77	30,382,206.43
	47,826,155.99	9,122,191.33	42,900.00	0.00	56,905,447.32	8,368,175.40	2,120,544.99	28,603.00	10,460,117.39	46,445,329.93	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	29,921.62	0.00	50,000.00	0.00	29,921.62
	55,568,741.27	9,351,668.01	42,900.00	0.00	64,877,509.28	10,443,194.94	3,051,371.61	28,603.00	13,465,963.55	51,411,545.73	45,125,546.33

Gross statement of changes in non-current assets

(In EUR)	Acquisition and production costs					Cumulative depreciation and amortisation				Book value	
	1 Jan. 2024	Additions	Disposals	Reclassifications	31 Dec. 2024	1 Jan. 2024	Additions	Disposals	31 Dec. 2024	31 Dec. 2024	31 Dec. 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	19,976.00	0.00	61,590.19	38,285.00	58,261.00
2. Acquired rights and licences in such rights	73,463.40	0.00	0.00	0.00	73,463.40	56,683.40	12,185.00	0.00	68,868.40	4,595.00	16,780.00
3. Intangible assets under development	60,535.33	229,476.68	0.00	0.00	290,012.01	0.00	0.00	0.00	0.00	290,012.01	60,535.33
	233,873.92	229,476.68	0.00	0.00	463,350.60	98,297.59	32,161.00	0.00	130,458.59	332,892.01	135,576.33
II. Property, plant, and equipment											
1. Land and buildings	4,156,338.33	4,476.00	0.00	0.00	4,160,814.33	199,921.49	98,119.00	0.00	298,040.49	3,862,773.84	3,956,416.84
2. Technical equipment and machinery	11,016,260.55	25,816.16	0.00	3,739,729.67	14,943,807.26	6,998,694.55	1,768,522.71	0.00	8,767,217.26	6,176,590.00	4,017,566.00
3. Other equipment, operating and office	2,193,528.36	305,131.28	42,900.00	0.00	2,455,759.64	1,117,080.36	230,579.28	28,603.00	1,319,056.64	1,136,703.00	1,076,448.00
4. Advances paid and assets under construction	30,382,206.43	4,240,133.83	26,807.57	-3,739,729.67	30,693,802.14	0.00	0.00	0.00	0.00	30,693,802.14	30,382,206.43
	47,748,333.67	4,575,557.27	69,707.57	0.00	52,254,183.37	8,315,696.40	2,097,220.99	28,603.00	10,384,314.39	41,869,868.98	39,432,637.27
III. Non-current financial assets											
1. Shares in affiliated companies	6,544,700.00	5,900,000.00	0.00	0.00	12,444,700.00	0.00	0.00	0.00	0.00	12,444,700.00	6,544,700.00
2. Loans to affiliated companies	323,775.76	6,001,025.29	324,801.05	0.00	6,000,000.00	0.00	0.00	0.00	0.00	6,000,000.00	323,775.76
3. Other loans	50,000.00	0.00	0.00	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00
	6,918,475.76	11,901,025.29	324,801.05	0.00	18,494,700.00	0.00	50,000.00	0.00	50,000.00	18,444,700.00	6,918,475.76
	54,900,683.35	16,706,059.24	394,508.62	0.00	71,212,233.97	8,413,993.99	2,179,381.99	28,603.00	10,564,772.98	60,647,460.99	46,486,689.36

2. Current assets, prepaid expenses

Inventories primarily comprise intermediate and finished products from the plant in Dillingen as well as processed customer orders. The intermediate products from the recycling process of the individual processing stages are also generally saleable. However, most of them are intended for further processing into higher-quality end products.

There are no trade receivables with a remaining term of more than one year. No value adjustments were necessary.

3. Equity

The development of Group equity is shown in the consolidated statement of changes in equity.

4. Share capital, authorised capital

By resolution of the Annual General Meeting on 18 July 2024, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital up to a maximum total amount of EUR 1,301,494 in return for cash or non-cash contributions on one or more occasions until the end of 17 July 2029. Shareholders' subscription rights can be excluded under certain conditions. The previous authorized capital was cancelled.

In the fourth quarter of 2024, Pyrum Innovations AG carried out a cash capital increase from this authorized capital, which increased the share capital by 363,637 shares. As of 31 December 2024, it consists of a total of 3,617,372 shares with a par value of EUR1.00; the shares are bearer shares.

The authorized capital as of 31 December 2024, still amounts to EUR937,857.00, corresponding to 937,857 shares.

5. Capital reserves

The capital reserves are still held in full by the parent company.

The capital reserves in accordance with section 272(2) no. 1 of the German Commercial Code (HGB) increased by EUR 9,636,380.50 as a result of the cash capital increase and amounted to EUR 53,451,545.56 as of 31 December 2024.

The capital reserves in accordance with section 272(2) no. 4 of the German Commercial Code (HGB) amounted to EUR 8,242,976 as at 31 December 2024 and were unchanged from the previous year.

6. Contingent capital, convertible loan

Contingent capital and convertible loans of BASF Antwerpen NV from 2020

By resolution of the Annual General Meeting on 9 September 2020, the Executive Board was authorized to issue convertible bonds in the amount of EUR 6,600,000 with an annual interest rate of 3% until 31 December 2024. Shareholders' direct subscription rights were excluded. BASF Antwerpen NV is authorized to subscribe to the convertible bond.

The Annual General Meeting on 9 September 2020 also resolved to conditionally increase the share capital of the AG by EUR 199,576.00 (Conditional Capital 2020/I). The conditional capital increase will only be implemented to the extent that the holder of the convertible bonds may and does exercise their conversion rights.

On 9 September 2020, the Executive Board of Pyrum Innovations AG, with the approval of the Supervisory Board, and Pyrum Innovations International S.A. as joint and several debtor concluded a convertible loan agreement for EUR 7,000,000 with BASF Antwerp NV. This agreement relates to Pyrum AG in the amount of EUR 6,600,000 and Pyrum Innovations International S.A. in the amount of EUR 400,000. The loan bears interest at 3% per annum. The loan is paid out in tranches upon reaching certain milestones, the term of each tranche is 10 years, repayment begins at the start of the third year after the loan is granted. Ordinary termination is excluded. The lender is entitled to extraordinary termination for good cause. The lender only has the option to convert the loan into shares in accordance with the conversion ratio described above in the event of termination for good cause. The nominal amount for the shares obtained from the conversion is to be paid in cash. The conversion agreement includes protection against dilution. The loan liabilities are subordinated by a subordination clause.

As the conversion right associated with the loan can only be exercised in the event of termination for good cause and the other loan conditions were in line with the market at the time of issue, this conversion right does not have a separable economic value that would have had to be allocated to the capital reserve in accordance with Section 272 (2) No. 3 German GAAP at the time of issue.

The Annual General Meeting on 13 July 2023 resolved to conditionally increase the share capital of the AG by EUR 74,335 to cover dilution protection (Conditional Capital 2023/I). The conditional capital increase will only be implemented to the extent that the holder of the convertible bonds may and does exercise their conversion rights.

Based on the agreed milestone plan, the final tranche of the convertible loan in the amount of EUR 2,000,000 was disbursed in the third quarter of 2023. This means that the convertible loan totaling EUR 7 million has been paid out in full.

Contingent capital WSV 2024

The Annual General Meeting on 18 July 2024 resolved to conditionally increase the share capital of Pyrum Innovations AG by EUR 1,301,494 (Conditional Capital WSV2024).

The conditional capital increase is only to be carried out in the event of the issue of bonds with conversion or option rights or obligations in accordance with the authorization resolution of the Annual General Meeting on 18 July 2024 (until 17 July 2029) and only to the extent that

conversion or option rights are exercised or to the extent that the company exercises the option to replace payment of the due amount in full or in part. July 2029) and only to the extent that conversion or option rights are exercised or conversion or option obligations are fulfilled or to the extent that the company exercises an option to grant shares in the company in whole or in part instead of payment of the cash amount due and to the extent that cash compensation is not granted or treasury shares in the company or other forms of fulfilment are not used for servicing.

As of 31 December 2024, the contingent capital WSV 2024 still amounted to EUR 1,301,494, corresponding to 1,301,494 shares.

Contingent capital 2024 I

The Annual General Meeting on 18 July 2024 also resolved to conditionally increase the share capital of Pyrum Innovations AG by EUR 39,000.00 (Conditional Capital 2024 I).

The conditional capital increase serves exclusively to grant subscription rights to shares (share options) to employees of the company and affiliated companies, which are granted on the basis of the authorization based on the resolution of the Annual General Meeting on 18 July 2024 under agenda item 7. The conditional capital increase will only be carried out to the extent that subscription rights are exercised and the company neither grants cash compensation to fulfil the subscription rights nor uses treasury shares of the company or other forms of fulfilment to service them.

As of 31 December 2024, the conditional capital WSV 2024 still amounted to EUR 39,000, corresponding to 39,000 shares.

7. Restriction on distribution in accordance with section 268 (8) German GAAP

The total amount subject to the payout block in accordance with Section 268 (8) German GAAP is EUR 328,297 and is attributable to the capitalization of internally generated intangible fixed assets.

8. Provisions

The Other provisions of the group are broken down as follows:

EUR	31 Dec. 2024	31 Dec. 2023
Obligations from cooperation agreements	1,614,851	1,597,747
Inventor remuneration (Pyrum S.A.)	921,247	909,162
Provisions for personnel	546,845	392,220
Preparation of financial statements, audit, legal and consulting expenses	193,315	203,688
Outstanding invoices, other	20,400	85,205
	3,296,658	3,188,022

The provisions in the annual financial statements are broken down as follows:

EUR	31 Dec. 2024	31 Dec. 2023
Obligations from cooperation agreements	1,164,851	1.597,747
Provisions for personnel	546,845	392,220
Preparation of financial statements, audit, legal and consulting expenses	180,138	203,688
Outstanding invoices, other	20,400	76,028
	1,912,234	2,269,683

Long-term obligations arising from cooperation agreements relate to the construction of the first plant in Dillingen. Several cooperation partners have deferred remuneration claims until the implementation of further follow-up projects.

In fiscal year 2024, as part of the plant construction of Pyrum GreenFactory II GmbH, some of these obligations were transferred to the subsidiary with the commissioning of new plant components.

There is an agreement with the inventor of the tyre thermolysis process that he will receive a payment of EUR 1,000,000 dependent on the profit of Pyrum Innovation International S.A. The obligation is recognized as a liability in the consolidated financial statements at its discounted present value, taking into account the probable period of occurrence.

9. Liabilities

Group liabilities are broken down as follows:

EUR	Remaining term of less than one year		Remaining term of more than one year	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Liabilities				
to banks	406,829	458,760	2,734,210	3,140,414
Advance payments received	2,614,412	651,115	0	0
Trade payables	1,455,117	2,050,820	81,806	162,122
thereof hire-purchase				
liabilities	111,849	489,389	81,806	162,122
Other	4,531,960	4,159,974	28,099,071	14,735,054
thereof convertible loan	692,956	288,315	5,727,728	6,417,358
thereof other loans	286,023	136,227	22,371,343	8,317,696
thereof government				
grants	3,269,617	3,415,424	0	0
thereof taxes	82,477	90,206	0	0
thereof social security	15,977	13,374	0	0
Total	9,008,318	7,320,669	30,915,087	18,037,590

The amount of the Group's liabilities with a remaining term of more than five years is as follows:

EUR	Remaining term greater than five years	
	31 Dec. 2024	3 Dec. 2023
Liabilities		
to banks	1,621,699	1,886,551
Other	14,058,369	7,568,808
thereof convertible loan	2,280,782	3,181,626
thereof other loans	11,777,587	4,387,182
Total	15,680,068	9,455,359

The liabilities of the parent company break down as follows:

	Remaining term of less than one year		Remaining term of less than one year	
EUR	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Liabilities				
to banks	406,829	458,760	2,734,210	3,140,414
Advance payments received	4,614,412	651,115	0	0
Trade payables	1,446,233	2,046,631	81,806	162,122
thereof hire-purchase liabilities	111,849	489,389	81,806	162,122
Other	5,963,504	4,134,206	29,755,407	14,350,012
thereof convertible loan	648,252	271,017	5,384,064	6,032,316
thereof other loans	286,023	136,227	24,371,343	8,317,696
thereof government grants	3,269,617	3,415,424	0	0
thereof taxes	74,266	85,067	0	0
thereof social security	12,647	13,374	0	0
Total	12,430,978	7,290,712	32,571,423	17,652,548

The share of Pyrum Innovations AG's liabilities with a remaining term of more than five years amounted to:

	Remaining term more than five years	
EUR	31 Dec. 2024	31 Dec. 2023
Liabilities		
to banks	1,621,699	1,886,551
Other	15,921,521	7,377,910
thereof convertible loan	2,143,934	2,990,728
Thereof other loans	13,777,587	4,387,182
Total	17,543,221	9,264,461

Liabilities to banks in the amount of EUR 3,141,039 are secured by mortgages on fixed assets. Liabilities amounting to EUR 31,401 at were secured in cash; they relate exclusively to the parent company.

The instalment plan liabilities amounting to EUR 193,656 are secured by retention of title or transfer of ownership of fixed assets.

A manufacturer's loan reported under other liabilities in the amount of EUR 20,132 (previous year EUR 156,359) is secured by transfer of ownership of the facility.

The loans reported under other liabilities include loans granted by BASF NV in the amount of EUR 27,720,684 as of 31 December 2024.

These consist of the outstanding amount of the convertible loan of EUR 6.4 million, the loan of EUR 4 million granted in the second quarter of 2023 and the loan of EUR 17.3 million granted to date under the loan agreement for EUR 50 million from November 2023.

The last two loans mentioned from BASF NV are secured by a transfer of ownership of the ELDAN shredder owned by Pyrum Innovations AG; in addition, the plant components ordered from Pyrum GreenFactory II GmbH serve as collateral for the loan. In addition, Pyrum AG's claims arising from the intra-group transfer of loan funds amounting to EUR 6 million to Pyrum GreenFactory II GmbH were assigned to BASF.

Further loans, including interest liabilities, amounting to EUR 1,337,234 (previous year EUR 1,297,564) are granted by other shareholders of the company. They are unsecured, have terms of up to 4 years and interest rates of between 2.5% and 6.0%.

The liabilities of Pyrum Innovations AG due to affiliated entities are EUR 3,490,289 (EUR € 0), thereof EUR 2,000,000 with a maturity term of more than one year.

10. Off-balance sheet financial commitments

There are other financial commitments in addition to the liabilities shown in the balance sheet.

Lease obligations:	kEUR
Due 2025	247
Due 2026	164
Later	130
	541

The purchase commitments primarily comprises purchase agreements for plant components and amounts to EUR 5,447,774 for the Group, of which EUR 2,500,000 is due in the long term. Pyrum Innovations AG accounts for EUR 2,695,738, which also includes the long-term portion.

Contingent liabilities under the cooperation agreements amount to EUR 341 thousand. The Executive Board of Pyrum Innovations AG considers the probability of the company being held liable for these contingent liabilities to be low, as from today's perspective all of the relevant system components will also be used for other systems.

In addition to the aforementioned financial obligations in the consolidated financial statements, Pyrum Innovations AG is jointly and severally liable for the loan liabilities of its subsidiary from the jointly concluded convertible loan agreement with BASF Antwerp NV. The obligation decreased by EUR 13,972 to EUR 388,368 compared to the previous year (previous year EUR 402,340).

Furthermore, this agreement obliges Pyrum Innovations AG to allow the lender to become a minority shareholder with a stake of up to 7.4% in the event of a conversion of the loan attributable to the subsidiary following termination by the lender for good cause.

The Executive Board of Pyrum Innovations AG considers the probability of being held liable under this contingent liability to be low, as its subsidiary is financially equipped to meet its obligations under the contract as they fall due.

VI. Income statement disclosures

Revenues are broken down as follows:

EUR	Financial year	Previous year
Operation of the recycling plant	1,474,620	1,014,892
Consulting	350,000	0
Research orders	38,146	39,162
Rental income	99,975	95,174
Other revenues / revenues reductions	59,312	-2,564
	2,022,053	1,146,664

Revenues are generated with customers in Germany and the European Union; the transaction currency is the euro.

Other own work capitalized in 2024 in the amount of EUR 8,994 thousand mainly result from the expansion and optimization of the facilities in Dillingen/Saar and the construction of the new Pyrum GreenFactory II GmbH facility in Perl. In 2024, they primarily relate to the construction and commissioning of thermolysis lines 2 and 3 and the new shredder until its completion.

Own work comprises the total expenditure for the year for self-constructed property, plant and equipment, consisting primarily of materials used in the amount of EUR 5,289 thousand (previous year EUR 9,062 thousand), external services in the amount of EUR 995 thousand (previous year EUR 1,599 thousand) and own work by Pyrum staff valued at full cost in the amount of EUR 1,827 thousand (previous year EUR 1,051 thousand).

Other operating income in the amount of EUR 1,221 thousand (previous year 715 thousand) mainly includes investment grants amounting to EUR 760 thousand (previous year EUR 150 thousand) and ongoing grants from research projects amounting to EUR 79 thousand (previous year EUR 253 thousand). Insurance compensation of EUR 15 thousand (previous year EUR 5 thousand) is also included.

Income from currency conversion amounted to EUR 84 for the Group and Pyrum Innovations AG (previous year: EUR 168).

Personnel expenses include all wages and salaries of staff and the Executive Board, expenses for temporary staff and mini-jobs as well as the employer's share of social security contributions.

The expenses for pensions provisions amounted to EUR 8,511 (Previous year EUR 7,024).

Other operating expenses of the Group are broken down as follows:

EUR	Financial year	Previous year
Consulting costs for capital procurement	294,316	0
Current stock exchange (follow-up) costs	383,670	394,833
Financial statement, audit, legal and consulting expenses	586,370	716,055
Repairs and maintenance	599,225	717,485
Operating costs	340,014	259,570
Land, building rents	393,713	373,420
Insurance, contributions, levies	301,865	323,618
Vehicle costs	411,574	322,220
Miscellaneous operating expenses	870,213	626,276
	4,180,960	3,733,477

The following expenses are attributable to Pyrum Innovations AG:

EUR	Financial year	Previous year
Consulting costs for capital procurement	294,316	0
Current stock exchange (follow-up) costs	383,670	394,833
Financial statement, audit, legal and consulting expenses	530,110	670,328
Repairs and maintenance	599,225	717,485
Operating costs	340,014	259,570
Land, building rents	389,273	369,220
Insurance, contributions, levies	299,025	323,478
Vehicle costs	411,574	322,220
Miscellaneous operating expenses	883,235	621,776
	4,130,442	3,678,910

Legal and consulting expenses also include technical, economic and tax consulting and analysis.

Total research and development expenses amounted to EUR 539 thousand in the financial year (previous year: EUR 1.337 thousand). EUR 229 thousand (previous year: EUR 41 thousand) of this amount was attributed to internally generated intangible assets.

EUR 1,025 (previous year: EUR 9,430) of the income from long-term loans reported under financial assets in the annual financial statements of Pyrum Innovations AG related to income from affiliated companies.

Interest and similar expenses include interest income from the discounting of provisions of EUR 0 (previous year: EUR 87,111).

The interest expenses essentially served to finance fixed assets. The expenses from the compounding of long-term provisions amounted to EUR 29,908 (previous year EUR 0) in the Group and EUR 17,103 (previous year EUR 0) in the single-entity financial statements.

Deferred taxes

To determine deferred taxes due to differences between the carrying amounts of assets and liabilities under commercial law and their tax carrying amounts or due to tax loss carryforwards, the amounts of the resulting tax burden and saving are measured using the company-specific tax rates at the time the differences are eliminated and are not discounted. Differences resulting from consolidation measures are also taken into account. The tax rates applied are 30.53% (Pyrum Innovations AG) and 27.19% (Pyrum Innovations International S.A.).

Deferred tax assets from tax loss carryforwards of Pyrum Innovations AG and Pyrum Innovations International S.A. were recognized in the amount in which there were surplus liabilities at the respective company after offsetting the deferred tax assets and liabilities from temporary differences.

The corporation and trade tax loss carryforwards of Pyrum Innovations AG can be offset against future taxable profits for an unlimited period; in the case of Pyrum Innovations International S.A., there is a time limit of 17 years after the respective year of origin.

The amounts of the deferred tax assets and liabilities are as follows:

(EUR)	Financial year		Previous year	
	Konzern	AG	Konzern	AG
Loss carryforwards	624,689	438,918	323,869	53,014
Long-term provisions	277,234	26,747	388,984	141,783
Purchased intangible assets	-436,258	0	-518,056	0
Internally generated intangible assets	-100,213	-100,213	-36,263	-36,263
Tangible assets	-304,911	-304,911	-76,625	-76,625
Government grants	-60,541	-60,541	-81,909	-81,909
Remainder after netting	0	0	0	0

VII. Related parties

Related parties are defined in accordance with the international accounting standard IAS 24.

The following are classified as related parties:

- all members of the Executive Board and the companies they influence,
- all members of the Supervisory Board and the companies they influence,
- all employees at the first management level below the Executive Board and the companies they influence,

and - due to the size of the investment, possibly with other factors - the shareholders BASF Antwerpen NV and Amel Holding S.A.

Pyrum Innovation International S.A. is also a related party and has also been an affiliated company since 7 October 2021.

Pyrum GreenFactory II GmbH is the project and operating company founded in January 2024 for the future plant in Perl-Besch. It is also a related and affiliated company.

All transactions with related parties are concluded and executed on arm's length terms and conditions.

The following significant business transactions and legal relationships with related parties are explained below:

In November 2023, a new cooperation agreement was concluded with BASF, which provides for the granting of a credit line of up to EUR 50,000 thousand. From this, EUR 14,300 thousand was granted in 2024 as at 31 December 2024. The loan tranches bear interest at market rates and each have terms of 10 years; collateral must be provided for the loan agreed in November 2023.

There are still interest-bearing loan liabilities to the shareholder Benifin GmbH (EUR 109 thousand). The Chairman of the Supervisory Board, Alf Schmidt, was a senior executive of Benifin until the end of 2024. Furthermore, liabilities to the shareholder and Supervisory Board member Jürgen Opitz and the companies controlled by him (totaling EUR 680 thousand).

VIII. Notes to the cash flow statement

Cash funds break down as follows :

(EUR)	31 Dec. 2024	31 Dec. 2023
Cash-in-hand and bank balances	11,948,783	4,482,957
less balances pledged as collateral	-208,713	-207,653
Cash funds	11,740,070	4,275,034

A bank balance of Pyrum AG in the amount of EUR 209 thousand has been pledged as collateral for bank loans of Pyrum AG.

The cash flow from operating activities has been presented using the indirect method.

The conclusion of hire-purchase agreements has resulted in investments that are not immediately cash-effective. The scheduled repayments are reported as an outflow of cash from financing activities.

IX. Significant events after the reporting date

At the beginning of January 2025, the Greek project company “Thermo Lysi SA” was granted approval to build a Pyrum plant for waste recycling using thermolysis. This means that all necessary approvals and licenses have now been successfully obtained.

At the end of February 2025, Pyrum and VTTI, one of the world's leading companies in the field of energy storage and infrastructure, signed an agreement to develop an end-of-life tyre thermolysis plant. This represents another significant step in Pyrum's international expansion plans. The new plant will be built at the Antwerp Terminal (ATPC) in the Port of Antwerp and Bruges (PoAB) and, with a recycling capacity of up to 90,000 tons of used tyres per year, will be Pyrum's largest plant to date. Pyrum will not have a stake in the plant, so there will be no financing requirements on Pyrum's part.

In addition, the final investment decision (FID) for the partner projects in the Czech Republic was made at the beginning of March 2025. The Czech companies SUAS Group and Sokolovská uhelná are planning to build a tyre recycling plant with a recycling capacity of 23,000 tonnes of end-of-life tyres per year at their plant in Vřesová in cooperation with Pyrum. Completion of the plant is scheduled for 2027. Pyrum Innovations AG and SUAS Group will establish a joint venture for the joint construction and operation of the plant. Pyrum will hold a 49% stake in the company.

At the beginning of April 2025, Pyrum and Schwalbe signed a framework agreement for the long-term purchase of recovered carbon black (rCB). The agreement covers the purchase of Pyrum rCB at a fixed price for a period of ten years. This is already the second framework agreement of this scope that Pyrum has concluded, alongside the one with Continental. Another component of the agreement is the supply of end-of-life bicycle tyres from Schwalbe to Pyrum.

X. Other disclosures

1. Employees

The average number of employees in the company was 91 in the reporting period (previous year: 73). Of these, 40 are industrial employees and 51 are salaried employees.

2. Fees of the auditor of the annual and consolidated financial statements

The fee for the auditor of the annual financial statements and consolidated financial statements for the fiscal year 2024 amounts to EUR 109,000, of which EUR 59,500 is for audit services, EUR 33,500 is for other assurance services, and EUR 17,000 is for other services.

3. Executive bodies of the company

The Supervisory Board

Alf Schmidt

Chairman

Former Managing Director of IBG Industrie-Beteiligungs-Gesellschaft mbH & Co. KG

Renata Bandov

Deputy Chairwoman

Executive Director (in-house lawyer) - Listing Service & Rule Enforcement at Deutsche Börse AG

Jürgen Opitz

Managing Director of Satherm GmbH

Matthias Lindner

Division controller at BASF Petrochemicals Division

Hans-Jürgen Maas

Auditor and tax consultant, managing director of THS

Treuhand Saar Steuerberatungsgesellschaft mbH, Saarbrücken.

The Supervisory Board member Matthias Lindner was seconded by the shareholder BASF Antwerpen NV on the basis of the right of secondment added to the Articles of Association on 9 September 2020.

The total remuneration of the Supervisory Board amounted to EUR 65,000 in the 2024 financial year.

Members of the Executive Board

Pascal Klein
CEO

Kai Winkelmann
CFO

Michael Kapf (until 15 October 2024)
Deputy Chairman
Executive Board member for IT & Personnel

The total remuneration granted to the Executive Board for its work in the 2024 financial year amounted to EUR 680,774.

Preparation of the annual and consolidated financial statements

The Executive Board today prepared the annual and consolidated financial statements of Pyrum Innovations AG for the period from 1 January to 31 December 2024 and approved them for publication.

Pyrum Innovations AG

Dillingen/Saar, 14 May 2025



Pascal Klein
CEO



Kai Winkelmann
CFO

Independent auditor's report

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Independent Auditor's Report

To Pyrum Innovations AG
Dillingen / Saar

Opinions to the Annual Financial Statements and the Combined Management Report for the Financial Year 2024

We have audited the annual financial statements of Pyrum Innovations AG, Dillingen / Saar, which comprise the balance sheet as at December 31, 2024 and the statement of income for the financial year from January 1 to December 31, 2024, and the combined Notes to the annual financial statements and group financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Pyrum Innovations AG for the financial year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company and the group as at December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with the German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and the combined management report.

Opinions to the Group Financial Statements and the Combined Management Report for the Fiscal Year 2024

We have audited the group financial statements of Pyrum Innovations AG and its subsidiary, which comprise the group balance sheet as at December 31, 2024, and the group statement of income, the group statement of changes in equity, and the group cash flow statement for the financial year from January 1 to December 31, 2024 and the combined Notes to the annual financial statements and group financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Pyrum Innovations AG for the financial year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying group financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the group as at December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024 in compliance with German Legally Required Accounting Principles, and

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- the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the group financial statements, complies with the German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the group financial statements and the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements, the group financial statements, and the combined management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the annual financial statements, the group financial statements, and the combined management report" section of my auditor's report. We are independent of the parent company and its subsidiaries in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements, the group financial statements, and the combined management report.

Other Information

The legal representatives are responsible for the other information. The other information comprises the remaining parts of the annual report of Pyrum Innovations AG from May 14, 2025.

Our opinions on the annual financial statements, the group financial statements, and the combined management report do not cover the other information and, accordingly, we do not express an opinion or any other form of assurance conclusion on it.

In connection with our audit, our responsibility is to read the other information referred to above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, the consolidated financial statements, the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If we conclude, based on the work we have performed, that there is a material misstatement of this other information, we are required to report on this fact. We have nothing to report in this regard.

Responsibilities of the Legal Representatives and the Supervisory Board for the Annual Financial Statements, the Group Financial Statements and the Combined Management Report

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, for the preparation of the group financial statements that comply, in all material respects, with the requirements of German

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commercial law, and that the annual financial statements and the group financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company and the group in compliance with German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements and the group financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements and the group financial statements, the legal representatives are responsible for assessing the company's and the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the legal representatives are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the company's and the group's position and is, in all material respects, consistent with the annual financial statements and the group financial statements, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and are able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements, the group financial statements, and the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements, the Group Financial Statements, and the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements and the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the company's and the group's position and, in all material respects, is consistent with the annual financial statements and the group financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements, on the group financial statements, and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements, these group financial statements, and this combined management report.

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We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, of the group financial statements, and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and the group financial statements and of arrangements and measures relevant of the audit of the combined management report 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 these internal controls of the company and the group, or on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' 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 or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements, the group financial statements, and the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company or the group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements and the group financial statements, including the disclosures, and whether the annual financial statements and the group financial statements present the underlying transactions and events in a manner that the annual financial statements and the group financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company and the group in compliance with German Legally Required Accounting Principles.
- We obtain sufficient appropriate audit evidence about the accounting information of the entities or business activities within the group to express an opinion on the group financial statements and on the combined management report. We are responsible for directing, supervising and performing the group audit. We are solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the annual financial statements and the group financial statements, its conformity with [German] law and the view of the company's and the group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence I evaluate, in particular, the significant assumptions used by the legal representatives as a basis for prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not

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express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

Frankfurt am Main, May 14, 2025

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[original version signed by:]

[original version: professional seal]

Christian Hecht
Wirtschaftsprüfer [German Public Accountant]

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Financial calendar for 2025

27 June 2025	Publication of the quarterly report as at 31 March 2025
24 July 2025	Annual General Meeting
26 September 2025	Publication of the half-yearly report as at 30 June 2025
21 November 2025	Publication of the quarterly report as at 30 September 2025
24 – 26 November 2025	Deutsches Eigenkapitalforum, Frankfurt

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