

## **Annual General Meeting of Pyrum Innovations AG on 13 July 2023**

### **Report of the Executive Board on agenda item 6 on the resolution on the creation of a Conditional Capital 2023 I and the amendment of the Articles of Association**

The Executive Board submits the following written report to the Annual General Meeting of the Company convened for 13 July 2023 on the creation of Conditional Capital 2023 I proposed under agenda item 6.

The creation of an additional, new Conditional Capital 2023 I in the amount of up to EUR 74,335 by issuing up to 74,335 new registered no-par value shares serves exclusively to grant shares to BASF Antwerpen N.V. as holder of convertible bonds issued on the basis of the authorisation of the General Meeting of 9 September 2020 under agenda item 8, if the latter exercises its conversion right.

The General Meeting of 9 September 2020 authorised the Executive Board to issue convertible bonds in the amount of EUR 6,600,000 until 31 December 2024 and, with the consent of the Supervisory Board, to determine further details of the bond conditions and the conversion procedure as well as the conditional capital increase and the issue of subscription shares. Conditional capital in the amount of EUR 199,576 was created to fulfill the conversion rights. The Executive Board, with the consent of the Supervisory Board, made full use of the authorisation and issued convertible bonds to BASF Antwerpen N.V. in the amount of EUR 6,600,000.

The convertible bonds were taken over by BASF Antwerpen N.V. with an agreement dated 9 September 2020, which also provides for protection against dilution in the event of capital increases. The convertible bonds were subscribed at a ratio of 33,070,108 to 1, so that convertible bonds with a nominal value of EUR 6,600,000 can be exchanged for 199,576 new shares with a nominal value of EUR 1. The shareholders' direct subscription right to the convertible bonds was excluded. Further details can be found in the authorisation resolution adopted by the General Meeting of 9 September 2020 under agenda item 8 as well as in the extract from the convertible loan agreement of 9 September 2020 with the conversion conditions. Both documents are available on the Company's website at

<https://www.pyrum.net/investoren/hauptversammlung/>

Due to a capital increase carried out in November 2020, the company's share capital was increased by EUR 257,024 from EUR 2,313,211 to EUR 2,570,235. In September 2021, a further capital increase from authorised capital was carried out with the exclusion of shareholders' subscription rights. In this context, the share capital was increased by EUR 683,500 from EUR 2,570,235 to EUR 3,253,735. In accordance with the dilution protection contained in the convertible loan agreement, the conversion ratio has also been adjusted. Convertible bonds with a total nominal value of EUR 24.0954179 now entitle the holder to convert them into a new no-par value share in the proportionate amount of EUR 1 in accordance with the further provisions of the convertible loan agreement. The conditional capital in the amount of EUR 199,576, which already exists in Section 4 (6) of the Articles

of Association, is no longer sufficient to fulfill a potential conversion by BASF Antwerpen N.V. In the event of a potential conversion, 273,911 shares would be required to fulfill the conversion rights of BASF Antwerpen N.V. in accordance with the terms of the convertible loan agreement. Therefore, as a precautionary measure, additional conditional capital in the amount of EUR 74,335 (**Conditional Capital 2023 I**) shall be created. The creation of the new Conditional Capital 2023 I is intended to expand the possibility of using new shares from conditional capital to fulfill the convertible bonds.

**Dillingen/ Saar, June 2023**

**Pyrum Innovations AG**

**The Executive Board**

Pascal Klein

Michael Kapf

Kai Winkelmann