Annual General Meeting of Pyrum Innovations AG on July 18, 2024

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Pyrum Innovations AG's 2023 financial year was defined in particular by the assembly and start-up of the new TAD 2 and TAD 3 reactors at the main facility in Dillingen/Saar. The expansion of the plant in Dillingen is on track with processing capacity due to triple to 20,000 tonnes of end-of-life tyres per year. The first steps were taken for a new subsidiary called Pyrum GreenFactory II GmbH, which will run the second Pyrum plant in the Saarland currently in planning. As before, business progress was driven by the strategic acquisition of customers for the construction of new recycling plants. Among other things, a letter of intent was signed with REMONDIS to build a joint recycling plant in Bremen. The international expansion continued with plans to build recycling plants in Czechia, Greece and the UK. The signing of a new cooperation agreement between BASF and Pyrum with seed financing for at least three new plants by 2026 was also highly important to our growth plans. There was also a breakthrough in the recycling of carbon-fibre reinforced plastics (CFRP) with the development of the first automated semi-industrial recycling plant. This makes Pyrum the first company in the world to fully recycle CFRP. Cultivating this new market entails enormous growth potential.
I would especially like to thank you, our shareholders, for the trust you have shown in Pyrum Innovations AG, its Executive Board and its staff in the past financial year.

ONGOING DIALOGUE WITH THE EXECUTIVE BOARD

In the 2023 financial year, the Supervisory Board duly performed its supervisory and consulting duties in accordance with the law, the Articles of Association and its Rules of Procedure. We received regular written and verbal reports from the Executive Board on the situation of the company and we assisted the Executive Board in its governance, ongoing strategic development and significant business events.

In addition, the Executive Board and the Supervisory Board together discussed business performance, corporate policy and planning. All measures requiring the approval of the Supervisory Board and decisions of fundamental importance to the company were discussed in detail by the Supervisory Board with the Executive Board. Their working relationship was defined by a trusting dialogue at all times.

Besides the four regular meetings of the Supervisory Board on 20 March 2023, 17 May 2023, 27 September 2023 and 11 December 2023, there were also five extraordinary meetings of the Supervisory Board in the reporting year. The meetings were typically held in person and in some cases as video conferences.

At the meetings of the Supervisory Board, the Executive Board reported to the Supervisory Board comprehensively on the situation and development of the company. It coordinated all steps for the ongoing strategic development of the company and material individual measures with us. The Supervisory Board had ample opportunity to examine the reports and proposals by the Executive

Board. The Supervisory Board ascertained the compliance of the Executive Board's corporate governance.

Outside its meetings, the members of the Supervisory Board received regular and prompt written and verbal reports on matters such as business performance, the accounting and earnings situation, corporate planning issues, risks and opportunities and material individual matters.

KEY TOPICS AT SUPERVISORY BOARD MEETINGS

At all its meetings, the Supervisory Board reviewed the comprehensive, detailed reports by the Executive Board and, together with the Executive Board, discussed the company's development, strategic issues and the general economic environment.

In view of the expansion of operating activities, meetings in the 2023 financial year dealt with recurring issues such as financing, e.g. for the expansion of the plant in Dillingen, the construction of a new plant in the Saarland and other promising projects. Various options, such as a capital increase, bonds or loans, were considered and discussed at length. KFM Deutsche Mittelstand AG reported on the current situation on the (German) market for SME bonds. The new cooperation agreement with BASF and the resulting loans for the establishment of new plants were also discussed in detail. The expansion of BASF's commitment is a boost to the confidence of Pyrum customers and other potential financing partners who intend to invest in Pyrum's growth, and is therefore seen by the Supervisory Board as a key component of the financing concept. Naturally, the Supervisory Board also discussed the operation and development of the existing plants, the progress in the expansion of the Dillingen plant, in particular the start-up of the TAD 2 and TAD 3 reactors, and the new pelletiser. It approved the application by the Executive Board to establish a new company for the construction of the plant in the Saarland and to buy the land for the project. The items presented here provide just a small insight into the matters addressed. Further details and essential issues are provided in the company's annual report.

Given its small size and for efficiency reasons, the Supervisory Board has opted not to form any committees to date.

INDIVIDUAL DISCLOSURE OF MEETING ATTENDANCE

The members of the Supervisory Board have an attendance rate of almost 100% for its meetings. The meetings were typically held in person and in some cases as video conferences. The meeting attendance of the members of the Supervisory Board is broken down by individual member as follows:

	Number of meetings	Attendance in %
Alf Schmidt (Chairman)	8/9	89
Renata Bandov	9/9	100
Manfred Oswald Alt	3/3	100
Jürgen Opitz	8/9	89
Matthias Lindner	9/9	100
Hans-Jürgen Maas	6/6	100

AUDIT OF THE 2023 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements and the consolidated financial statements as at 31 December 2023 were prepared by the Executive Board of Pyrum Innovations AG in accordance with the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code). The notes to these two sets of financial statements were combined. BRBD Reger Hecht GmbH Wirtschaftsprüfungsgesellschaft und 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 documents for the financial statements and the auditor's report were distributed to all members of the Supervisory Board in good time to allow an intensive review and discussion of the documents.

The auditor took part in the meetings of the Supervisory Board on 13 May 2024 and 15 May 2024 to discuss the annual financial statements and reported on the key audit findings. The questions from the members of the Supervisory Board were discussed in detail. The review of the annual and consolidated financial statement documents by the Supervisory Board 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 2023 prepared by the Executive Board of Pyrum Innovations AG were approved at the meeting of the Supervisory Board on 15 May 2024. The annual financial statements are thereby adopted.

CHANGES IN THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

Personnel changes took place within the Supervisory Board of Pyrum Innovations AG in the 2023 reporting year. Mr Manfred Alt left the Supervisory Board as at 13 July 2023.

Mr Hans-Jürgen Maas was elected to the Supervisory Board by the Annual General Meeting on 13 July 2023.

Mr Alf Schmidt was confirmed as the Chairman of the Supervisory Board at the meeting of the Supervisory Board on 13 July 2023 and Ms Renata Bandov was elected as the Deputy Chairwoman.

OUTLOOK

The 2024 financial year will be affected by the weak state of the world economy. In addition, there is geopolitical uncertainty stemming from Russia's ongoing war with Ukraine, the possibility of a Chinese blockade of Taiwan and the escalation of the conflict in the Middle East, the implications of which cannot be foreseen at this time.
Also, in times such as these, environmental protection and the necessity of reducing carbon emissions is becoming more and more important. The EU and Germany have set strict standards on reducing emissions. It is our responsibility to find and implement sustainable solutions, to protect our planet and to leave behind an environment that future generations can live in. One example of an EU initiative for reducing carbon emissions is the emissions trading system (ETS) that aims to reduce greenhouse gas emissions in industrial and energy sectors by issuing and trading offset certificates. Another example is the setting of strict emissions standards for vehicles that force carmakers to change their fleets by using low-emissions technologies. Moreover, the EU is promoting renewable energies with various programmes and investments to accelerate the transition to a low-carbon economy.

And this is where Pyrum plays a key role that will become even more vital moving ahead. Tyres contain a large number of materials, such as rubber and synthetic polymers, that can release carbon when they decompose or burn. Under anaerobic conditions (without oxygen), tyres in landfills can also produce methane, a greenhouse gas even more harmful to the environment than carbon dioxide – and Pyrum has the solution. Focusing on growth without losing sight of the economic challenges, the aim of Pyrum Innovations AG's development strategy is to safeguard a sustainable future. This should help the company to achieve its ambitious goals even in the difficult economic environment of 2024.

The Supervisory Board wishes to thank the Executive Board and all the employees and express its appreciation for their hard work in the 2023 financial year.

Dillingen, 15 May 2024
The Supervisory Board

Alf Schmidt
Chairman