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 CO_2 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