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

Report of the Executive Board on agenda item 5 (Resolution on the cancellation of the Authorized Capital 2023, the creation of the new Authorized Capital 2024 with the authorization to exclude subscription rights and the corresponding amendment to the Articles of Association)

The authorization of the Executive Board resolved by the Annual General Meeting on July 13, 2023 under agenda item 7 to increase the Company's share capital by a total of up to EUR 1,301,494.00 (in words: one million three hundred and one thousand four hundred and ninety-four euros) until the end of July 12, 2028 with the approval of the Supervisory Board by issuing new no-par value shares against cash and/or non-cash contributions (**Authorized Capital 2023**) has not yet been utilized. The Authorized Capital 2023 is to be cancelled and replaced by a new Authorized Capital 2024 in order to be able to make use of the extended option for the simplified exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG) in the amount of a maximum of 20 % of the share capital in the future if necessary.

The Executive Board and Supervisory Board will therefore propose to the Annual General Meeting on July 18, 2024 under agenda item 5 to cancel the Authorized Capital 2023 and to authorize the Executive Board to increase the Company's share capital, with the approval of the Supervisory Board, once or in partial amounts by a total of up to EUR 1,301,494.00 by issuing new no-par value shares against cash and/or non-cash contributions until the end of July 17, 2029 (**Authorized Capital 2024**), which again corresponds to 40% of the share capital. The new Authorized Capital 2024 is intended to increase the Company's room for manoeuvre and enable it to maintain appropriate and flexible equity financing in the future. The cancellation of the Authorized Capital 2023 is only to take effect if the new Authorized Capital 2024 replaces the Authorized Capital 2023.

The Executive Board submits the following written report on the proposed authorization to exclude shareholders' subscription rights with the approval of the Supervisory Board in accordance with Section 203 para. 2 sentence 2 in conjunction with Section 186 para. 4 sentence 2 AktG:

In principle, shareholders are entitled to subscription rights in the event of a capital increase from Authorized Capital 2024. The shares can also be acquired by one or more banks, securities institutions or companies within the meaning of Section 186 para. 5 sentence 1 AktG determined by the Executive Board with the obligation to offer them exclusively to shareholders for subscription (indirect subscription right). However, the Executive Board is to be authorized – as already under the Authorized Capital 2023 and in accordance with the statutory provisions – to exclude shareholders' subscription rights in whole or in part with the approval of the Supervisory Board in the cases explained below.

Exclusion of subscription rights for fractional amounts:

The Executive Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights for fractional amounts. This is generally customary and also objectively justified in order to enable a practicable subscription ratio and thus facilitate the technical execution of a capital increase. Without such an exclusion of subscription rights, the technical implementation of the capital increase and the exercise of subscription rights would be considerably more difficult. The new shares excluded from shareholders' subscription rights as so-called "free fractions" will either be sold on the stock exchange or otherwise realized in the best possible way for the Company.

Exclusion of subscription rights for cash capital increases:

The Executive Board should also be able, with the approval of the Supervisory Board, to exclude subscription rights in the case of cash capital increases if the issue price of the new shares is not significantly lower than the stock exchange price of the shares of the same class and features already listed on the stock exchange at the time of the final determination of the issue price by the Executive Board within the meaning of Sections 203 para. 1 and para. 2, 186 para. 3 sentence 4 AktG, whereby the stock exchange price shall also be the price of a Norwegian Depositary Receipt ("**NDR**") included for trading on the Oslo Stock Exchange (Euronext Growth). If the Company's shares are listed in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange and the Company's NDR are simultaneously listed on the Oslo Stock Exchange (Euronext Growth), the Company shall choose which of these stock exchange prices shall be decisive. The aim of this authorization is to make it easier for the Company to finance itself by raising equity. The use of this option to exclude subscription rights can be expedient in order to take advantage of favorable market conditions quickly and flexibly and to cover any capital requirements that may arise at very short notice. Only the exclusion of subscription rights enables swift action and a placement close to the market price, i.e. without the usual discount for rights issues. When exercising the authorization, the Executive Board will endeavor to keep any deviation from the stock market price as low as possible in accordance with the market conditions prevailing at the time of placement. The proportion of the share capital attributable to the shares issued under such an exclusion of subscription rights may not exceed a total of 20% of the share capital either at the time the authorization becomes effective or at the time it is exercised. This limit shall include shares or NDR issued or to be issued to service option or conversion rights or option or conversion obligations arising from bonds with warrants and/or convertible bonds (including profit participation rights and participating bonds, provided that the bonds are issued during the term of this authorization in analogous application of Section 186 para. 3 sentence 4 AktG under exclusion of subscription rights; furthermore, shares or NDR issued during the term of this authorization under simplified exclusion of subscription rights pursuant to or in accordance with Section 186 para. 3 sentence 4 AktG or sold after repurchase are to be included. In accordance with the statutory provisions, these requirements take account of the shareholders' interest in protection against dilution of their shareholdings. Furthermore, due to the issue price of the new shares being close to the stock market price and due to the limitation of the size of the capital increase without subscription rights, shareholders generally have the opportunity to maintain their shareholding quota by acquiring the required shares on the stock market at approximately the same conditions.

Exclusion of subscription rights for capital increases against contributions in kind:

Furthermore, the Executive Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the event of capital increases against contributions in kind, in particular for the purpose of granting shares as part of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets or claims to the acquisition of assets, including receivables from the Company or its Group companies. The Company must be in a position to act quickly and flexibly in the interests of its shareholders at all times. This also includes entering into business combinations at short notice or acquiring companies, parts of companies, interests in companies and assets or claims to the acquisition of assets in connection with an acquisition project in order to improve its competitive position. The granting of shares as consideration may be expedient or even necessary in order to preserve liquidity or meet the seller's expectations. Furthermore, the issue of shares instead of cash can also make sense from the point of view of an optimal financing structure. The Authorized Capital 2024 and the authorization to exclude subscription rights will enable the Company to take advantage of such opportunities quickly, flexibly and cost-effectively. When exercising the authorization, the Executive Board will ensure that the interests of the Company and its shareholders are adequately safeguarded and that an appropriate issue price is achieved for the new shares. The dilution of the shareholders' shareholdings caused by the exclusion of subscription rights is offset by the fact that the expansion of the business is financed by third parties by way of strengthening equity and the existing shareholders – albeit with a lower shareholding and voting rights ratio than before – participate in the Company's growth, which they would have to finance from their own funds if subscription rights were granted. In principle, every shareholder can also increase their shareholding via the stock exchange by acquiring additional shares.

Exclusion of subscription rights in favor of the holders or creditors of bonds:

Finally, the Executive Board shall be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in order to grant holders or creditors of conversion or option rights based on bonds and/or holders or creditors of financial instruments with conversion or option obligations (including profit participation rights and income bonds) issued by the Company or its subordinated Group companies a subscription right to new shares to which they would be entitled after exercising the conversion or option right or after fulfilling an agreed conversion or option obligation. The terms and conditions of such financing instruments regularly contain so-called anti-dilution clauses in the event that the Company issues or issues further such financing instruments or shares to which the shareholders have a subscription right. To ensure that the value of these financing instruments is not impaired by such measures, the holders or creditors of the financing instruments are usually compensated either by a reduction in the conversion or subscription price or by also receiving subscription rights to the financing instruments or shares issued at a later date. The authorization to exclude the subscription right when issuing new shares from the Authorized Capital 2024 to service conversion or option rights or with regard to conversion and/or option obligations based on bonds serves the purpose of not having to reduce the option or conversion price in accordance with the described anti-dilution clauses of the conversion or option conditions. Instead, the holders or creditors of the bonds should be granted a subscription right to the extent to which they would be entitled after exercising the respective conversion or option right or fulfilling an agreed conversion or option obligation. As the protection against dilution in this case does not have to be guaranteed by a reduction in the option or conversion price, a higher issue price can be achieved for the shares to be issued upon conversion or exercise of the option. The proposed authorization is intended to give the Executive Board the opportunity to choose between the two alternatives in the well-understood interests of the Company and the shareholders.

There are currently no concrete plans to utilize the Authorized Capital 2024. In any case, the Executive Board will carefully examine whether the use of Authorized Capital 2024 is in the interests of the Company and thus its shareholders. In particular, it will also examine whether any exclusion of subscription rights is objectively justified in individual cases. The Executive Board will report to the next General Meeting on each use of the authorization.

Dillingen/ Saar, June 2024

Pyrum Innovations AG

The Executive Board

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Pascal Klein

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Michael Kapf

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Kai Winkelmann