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

Report of the Executive Board on agenda item 6 (Resolution on the creation of an authorization to issue and exclude subscription rights to convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) together with the creation of the Conditional Capital WSV 2024 and corresponding amendment to the Articles of Association)

The Annual General Meeting on September 9, 2020 authorized the Executive Board to issue convertible bonds in the amount of EUR 6,600,000 with an annual interest rate of 3% until December 31, 2024 (convertible bond). To service the conversion rights, the Annual General Meeting on September 9, 2020 also resolved to conditionally increase the Company's share capital by up to EUR 199,576.00 (Conditional Capital 2020/I). The management has made full use of the authorization to issue convertible bonds. The convertible bonds were acquired by BASF Antwerpen N.V., with registered seat in Antwerp, by way of an agreement dated September 9, 2020, which also provides for protection against dilution in the event of capital increases. Following capital increases carried out in the meantime, the existing conditional capital of EUR 199,576.00 in accordance with Article 4 para 6 of the Articles of Association was no longer sufficient to service a potential conversion by BASF Antwerpen N.V. in full. Therefore, as a precautionary measure, the Annual General Meeting on July 13, 2023 created additional conditional capital in the amount of EUR 74,335.00 (Conditional Capital 2023 I) to service the conversion right of BASF Antwerpen N.V. from the convertible bonds issued in accordance with the Annual General Meeting on September 9, 2020.

The management currently no longer has a corresponding authorization to issue bonds, which is why a new authorization to issue convertible bonds and/or bonds with warrants, profit participation rights or participating bonds or a combination of these instruments (together "**bonds**") with the option to exclude subscription rights is to be created. This should also give the Company the opportunity in future to create an optimal financing structure and the necessary flexibility to issue bonds with simplified exclusion of subscription rights in accordance with Section 221 para. 4 sentence 2 in conjunction with Section 186 para. 3 sentence 4 of the German Stock Corporation Act (**AktG**).

The maximum total nominal amount of the bonds to be issued under the new authorization to be created shall be EUR 90,000,000.00 and the volume of the new conditional capital to be created to service the bonds shall be EUR 1,301,494.00; this corresponds to 40% of the current share capital. The Conditional Capital 2020/I pursuant to Article 4 para. 6 of the Articles of Association and the Conditional Capital 2023 I pursuant to Article 4 para. 8 of the Articles of Association remain in place.

Adequate capital resources are an essential basis for the Company's business development and successful market presence. Bonds are important financing instruments for the Company in addition to the traditional options for raising capital. By issuing bonds, the Company initially receives low-interest debt capital, which is retained as equity in the event of conversion. The conversion and/or option premiums generated also benefit the Company. The possibility provided for by the proposed authorization to establish conversion and/or option obligations in addition to the granting of conversion and/or option rights extends the flexibility of this financing instrument. The proposed authorization allows the Company to issue the bonds itself or through a Company directly or indirectly majority-owned by the Company. Furthermore, it should be possible to provide, among other things, that the bonds may be serviced in whole or in part by shares in the Company or

Norwegian Depositary Receipts of the Company (“**NDR**”) included for trading on the Oslo Stock Exchange (Euronext Growth) or by another form of fulfillment instead of payment of the cash amount due.

The conversion or option price may not fall below a minimum amount, the calculation basis of which is precisely specified. The calculation is based on the closing prices of the Company's shares or the closing prices of the NDR on the stock exchange or multilateral trading system with the highest total trading volume (“**Primary Stock Exchange**”) at the time the bond is placed. The conversion or option price must be at least 80 % of the volume-weighted average of the closing prices of the Company's shares or the closing prices of NDR on the Primary Stock Exchange on the last ten trading days prior to the date of the Executive Board's resolution to issue the respective bonds. In the cases of the right of substitution and the conversion or option obligation, the minimum price is calculated in accordance with the bond conditions either according to the aforementioned minimum price or the arithmetic mean of the closing prices of the Company's shares or the closing prices of the NDR on the Primary Stock Exchange on the last ten trading days before the final maturity date or the other specified date.

Notwithstanding Section 9 para.1 AktG, the conversion or option price may be reduced on the basis of an anti-dilution clause in accordance with the terms and conditions if, for example, the Company's capital changes during the term of the bonds, such as a capital increase from company funds. Adjustments may also be made in the event of a capital reduction or other measures or events that are associated with an economic dilution of the value of the conversion or option rights or conversion or option obligations.

In accordance with the statutory provisions, shareholders generally have a subscription right to the bonds (Section 221 para. 4 in conjunction with Section 186 para. 1 AktG). The shares may 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 to the Company's shareholders for subscription (so-called indirect subscription right). However, in accordance with the statutory provisions, the Executive Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights to bonds in the following cases.

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 common practice and objectively justified by the fact that the utilization of the requested authorization is enabled by round amounts and the processing of shareholders' subscription rights is facilitated. This case of exclusion of subscription rights is therefore in the interests of the Company and its shareholders. The so-called “free fractions” excluded from shareholders' subscription rights will either be sold on the stock exchange or otherwise utilized in the best possible way for the Company.

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

Furthermore, the Executive Board shall be able, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in order to grant holders or creditors of bonds with conversion and/or option rights or conversion and/or option obligations issued or to be issued by the Company and/or companies in which the Company holds a direct or indirect majority interest a subscription right to bonds to the extent to which they would be entitled as shareholders after exercising the conversion or option right or after fulfilling an agreed conversion or option obligation. Such bonds regularly contain so-called anti-dilution clauses in their terms and conditions in the event that the Company issues further such bonds to which the shareholders have a subscription right. To ensure that the value of the bonds is not impaired by such measures, the holders or creditors of the bonds are usually compensated either by a reduction in the conversion or subscription price or by the fact that they are also granted subscription rights to bonds issued at a later date. The authorization to exclude shareholders' subscription rights when issuing bonds in order to grant subscription rights to the holders or creditors of already issued bonds with conversion and/or option rights or conversion and/or option obligations serves the purpose of not having to reduce the conversion or option price of the already issued bonds in accordance with the described anti-dilution clauses of the conversion or option conditions. Instead, the holders or creditors of already issued bonds should be granted subscription rights to subsequently issued bonds to the extent to which they would be entitled as shareholders 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 conversion or option 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.

Exclusion of subscription rights for issue against cash payment:

In addition, the Executive Board should be able to exclude shareholders' subscription rights with the approval of the Supervisory Board if the Executive Board, after due examination, comes to the conclusion that the issue price of the bond is not significantly below its theoretical market value (within the meaning of Sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG) as determined using recognized, in particular financial mathematical methods. The aim of this authorization is to enable the Company to take advantage of favourable market situations quickly and at very short notice and to achieve better conditions for the bonds by setting the conditions close to market conditions. If subscription rights were granted, it would not be possible to set conditions close to the market. The publication of the subscription price is permitted in accordance with Sections 221 para. 4 sentence 2 and 186 para. 2 AktG up to three days before the end of the subscription period. However, the volatility on the stock markets and the associated market risk leads to safety discounts when determining the bond conditions. Uncertainty regarding the exercise of subscription rights may also jeopardize the successful placement with third parties. Only the exclusion of subscription rights enables swift action and a short-term reaction to favorable or unfavorable market conditions. By not setting the issue price of the bonds in these cases significantly below their theoretical market value determined according to recognized, in particular financial mathematical methods, the shareholders' need for protection with regard to an economic dilution of their shareholdings is to be taken into account. When making use of the authorization, the Executive Board will endeavour to achieve the highest possible issue price and, taking into account the respective capital market situation, keep the discount on the market value as low as possible. This will reduce the mathematical market value of a subscription right to almost zero, so that the shareholders will not suffer any relevant economic disadvantage as a result of the exclusion of subscription rights.

The authorization to exclude subscription rights when issuing bonds against cash payment also only applies in accordance with Sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG to bonds with a conversion or option right or a conversion or option obligation or an option right of the Company to shares with a proportionate amount of the share capital that does not exceed 20 % of the share capital, either at the time this authorization becomes effective or – if this amount is lower – at the time this authorization is exercised. This limit of 20 % of the share capital shall include those shares or NDR of the Company that are issued or sold during the term of this authorization in direct or analogous application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights. Furthermore, shares or NDR issued or to be issued to service bonds with conversion and/or option rights or conversion and/or option obligations shall be counted towards this limit if the bonds are issued during the term of this authorization on the basis of another authorization in corresponding application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights. In the interests of shareholders, these requirements ensure that no bonds with a conversion or option right or a conversion or option obligation or an option right of the Company to shares are issued if this would lead to the exclusion of shareholders' subscription rights for more than 20 % of the share capital in total in direct or indirect application of Section 186 para. 3 sentence 4 AktG. In addition, shareholders generally have the option of indirectly maintaining their relative shareholding quota and their relative share of voting rights by acquiring the corresponding number of shares or NDR, which can also be exchanged for shares at any time subject to the details of the custody agreement on the NDR, via the stock exchange.

Exclusion of subscription rights for issues against assets in kind:

Furthermore, the Executive Board should be able, with the approval of the Supervisory Board, to exclude shareholders' subscription rights if bonds are to be issued against assets in kind. This is intended to give the Company the opportunity to offer bonds as consideration, in particular in the context of mergers or for the (also indirect) acquisition of companies, parts of companies, interests in companies or other assets, including receivables or other assets against the Company or third parties or the release from liabilities in whole or in part instead of cash payments, provided that the value of the assets in kind is in reasonable proportion to the value of the bonds; the theoretical market value determined in accordance with recognized financial mathematical methods is decisive in this respect. The authorization is intended to give the Company the necessary scope to quickly and flexibly take advantage of opportunities to acquire companies, parts of companies or interests in companies or other assets as well as business combinations in international competition. It can be useful to be able to offer bonds as consideration when acquiring companies, parts of companies or equity interests. However, it may also be in the interests of the Company to be able to offer bonds as consideration when acquiring other assets, including receivables or other assets from the Company or third parties, or when discharging liabilities. The granting of bonds relieves the Company's liquidity situation and serves to optimize the financial structure. The Executive Board will decide on a case-by-case basis, after weighing up the alternatives, whether, with the approval of the Supervisory Board, it will make use of the option to issue bonds with the exclusion of shareholders' subscription rights in the event of a business combination or the acquisition of companies, parts of companies, investments in companies or other assets. The Company does not suffer any disadvantage from this, as the issue of bonds against assets in kind presupposes that the value of the asset in kind is in reasonable proportion to the value of the new bonds issued in return; the theoretical market value of the bonds determined using recognized financial mathematical methods is decisive in this respect.

Conditional Capital WSV 2024:

The Conditional Capital WSV 2024 is required to be able to fulfill corresponding financing instruments with conversion or option rights, conversion or option obligations or option rights of the Company in relation to shares of the Company, unless other forms of fulfillment are used in whole or in part to service them.

Utilization of the proposed authorizations:

There are currently no concrete plans to make use of the proposed authorization to issue bonds. In any case, the Executive Board will carefully examine whether the use of the authorization is in the interests of the Company and 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

Pascal Klein

Michael Kapf

Kai Winkelmann