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

Report of the Executive Board on agenda item 7 (Resolution on the authorization to issue share options to the employees of the Company and affiliated companies (Stock Option Program 2024), on the creation of Conditional Capital 2024 I and corresponding amendment to the Articles of Association)

Under agenda item 7, the Annual General Meeting will be asked to approve a stock option program. The Company intends to issue up to 39,000 subscription rights to shares of the Company ("**share options**") to employees of the Company and affiliated companies until July 17, 2028, which can be serviced with up to 39,000 new no-par value registered shares of the Company at the end of the waiting period in accordance with the more detailed provisions of the share option conditions ("**Stock Option Program 2024**").

The proposed Stock Option Program 2024 is intended to enable current and future employees of the Company and affiliated companies to participate in the Company's future success in the medium and long term and to strengthen their ties with the Company. The Executive Board and Supervisory Board are convinced that the issue of share options is necessary to ensure that the Company can continue to recruit and retain the qualified employees and employees for affiliated companies that it needs in the future.

Up to 39,000 share options and the resulting subscription rights are to be issued exclusively to employees of the Company and affiliated companies within the meaning of Sections 15 et seq. of the Stock Corporation Act (AktG) (collectively the "**beneficiaries**"). If share options expire during the authorization period due to the termination of the employment relationship with the Company or an affiliated company or for other reasons, the corresponding number of share options may be reissued to beneficiaries.

Each share option issued as part of the Stock Option Program 2024 grants the right to acquire one no-par value registered share in the Company with a proportionate amount in the share capital of EUR 1.00 against payment of an exercise price in accordance with the share option conditions. The share options can be issued in tranches once or several times a year until (including) July 17, 2028. They each have a maximum term of seven years from the date of allocation defined in more detail as part of the Stock Option Program 2024, after which they expire without replacement or compensation.

Share options may only be issued – subject to the provisions of insider trading law, other applicable legal provisions in Germany or abroad, applicable rules of the trading venues on which the shares or the rights or certificates representing them of the Company are included for trading – in the period from the entry of the Conditional Capital 2024 I proposed under agenda item 7 of the Annual General Meeting on July 18, 2024 in the Company's commercial register and within four weeks in each case, beginning on the third working day after the publication of a quarterly report, the half-year report and the annual financial statements of the Company.

In order to give the beneficiaries a longer-term incentive to increase the value of the Company in the interests of all shareholders and in accordance with Section 193 para. 2 no. 4 AktG, the share options may be exercised by the beneficiaries no earlier than four years after the *date of their allocation* ("**waiting period**"). "**Date of allocation**" is the date on which the issue of the share options resolved by the Executive Board is notified to the respective beneficiary, unless a later date is specified in this notification or by agreement with the respective beneficiary; in the latter case, the later date is deemed to be the date of allocation.

The share options can only be exercised by the beneficiaries at the end of the waiting period if and to the extent that certain performance targets for the respective tranche have been achieved. Achieving the performance targets is not only in the interests of the beneficiaries, but also in the interests of the Company and its shareholders in increasing the Company's profitability and sustainably increasing the value of the Company.

The stock options can only be exercised by the beneficiaries if and to the extent that the net result reported in the consolidated financial statements of Pyrum Innovations AG within the four-year waiting period for the respective tranche is positive in at least two consecutive financial years (i.e. EUR 0.00) and the volume-weighted average price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days prior to the date of exercise of the subscription right from the share option ("**relevant reference price**") for the respective tranche is at least 50% higher than the respective *exercise price* and is at least EUR 50.00 for the first tranche (2024) and the second tranche (2025) and at least EUR 60.00 for the third tranche (2026) and fourth tranche (2027).

The share options each have a term of up to seven years from the respective *date of allocation.* The option tranches can only be exercised by the beneficiaries within three years of the end of the waiting period, subject to the fulfillment of further exercise requirements set out in the share option conditions and subject to the provisions of insider trading law, other applicable legal provisions in Germany or abroad, applicable rules of the trading venues on which the shares or the rights or certificates representing them are included for trading, within a period of four weeks beginning on the first working day after the publication of a quarterly report, the half-year report or the annual financial statements of the Company or four weeks beginning on the first working day after the Annual General Meeting of the Company ("**exercise periods**"). If exercise is not possible at the end of an original exercise period due to legal regulations, this can be extended appropriately.

When the share options are exercised, the respective exercise price must be paid to the Company by the beneficiaries. The profit per share option for the respective beneficiary results from the difference between the *relevant reference price* of the Company's share and the respective exercise price.

The exercise price per share of the Stock Option Program 2024 corresponds to the volume-weighted three-month average price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange prior to the *date of allocation of* the individual option tranche, but at least EUR 30.00 ("**exercise price**"). This ensures that shortterm price fluctuations, both positive and negative, cannot have an unreasonable influence on the exercise price.

The share options are not legally transferable; however, they are inheritable. They may also be transferred to fulfill legacies. The share options can only be exercised by the respective beneficiary themselves or their heirs or legatees.

The further details of the granting and fulfillment of share options, for the issue of shares from the Conditional Capital 2024 I and the further share option conditions are determined by the Company's Executive Board.

Other regulations include, in particular, the decision to issue the annual tranches in one or several occasions to utilize the authorization to grant share options as well as provisions on the implementation of the Stock Option Program 2024 and the annual tranches and the procedure for allocating and exercising the share options, the allocation of share options to individual beneficiaries, the determination of the issue date within the respective issue period as well as regulations on the exercisability and special cases, in particular in the event of the leave of beneficiaries from the employment relationship, in the event of death, the leave of an affiliated company from the Group, a holding or part of a holding of the Company or one of its affiliated companies or in the event of a change of control, the conclusion of an inter-company agreement or a delisting as well as to fulfill legal requirements.

To service the share options, the Company's share capital is to be conditionally increased by up to EUR 39,000.00 by issuing up to 39,000 new no-par value registered shares of the Company with a proportionate amount in the share capital of EUR 1.00 per share (**Conditional Capital 2024 I**). The Company's shareholders have no statutory subscription rights to the subscription shares issued as part of the Conditional Capital 2024 I. Otherwise, the purpose of the Conditional Capital 2024 I, to enable the servicing of the share options issued under the Stock Option Program 2024, would be defeated. This will enable the Company to service the claims under the Stock Option Program 2024 with new shares of the Company from the Conditional Capital 2024 I in a liquidity-preserving manner. In order to fulfill these share options, the Company does not have to use any financial resources to acquire its own shares or Norwegian Depositary Receipts of the Company included for trading on the Oslo Stock Exchange (Euronext Growth) or to make a cash payment. The liquidity spared in this respect can be used to finance the Company's further growth.

For the reasons set out above, the Executive Board therefore considers the proposed resolution on agenda item 7 of the Annual General Meeting on July 18, 2024 to be appropriate and reasonable overall, taking into account the interests of the Company and its shareholders.

Dillingen/ Saar, June 2024

Pyrum Innovations AG

The Executive Board

Pascal Klein

Michael Kapf

Kai Winkelmann