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Dear shareholders, colleagues, partners, and supporters of Pyrum,

I hope you are all well! Welcome to this special newsletter about our first capital increase with subscription rights, which we have just announced. We have taken the feedback from our shareholders very seriously and have invested a lot of time and energy over the past few weeks to make the capital increase with subscription rights possible. We would now like to use this special newsletter to address everything openly and answer your questions. This newsletter will provide you with all the information you need about the capital increase, explain what has happened over the last few months, what is planned with the capital increase, why it is happening right now, and what opportunities it offers.

I would like to highlight one of the biggest developments of recent months right at the outset: Pyrum is increasingly being seen worldwide not as a "start-up" and "tyre recycler," but as a supplier of some of the most critical raw materials in the industry. For this reason, we are receiving more and more attention at the political level. It is no coincidence that our project in Greece has just received EUR 29.4 million in funding from the European Innovation Fund (EIF). In addition, we are being consulted by members of the European Parliament and the German government on our position regarding the new EU-wide laws on vehicle disposal and new vehicle construction. But more on that later in the newsletter.

The current capital increase with subscription rights

Let us now turn to the current topic: the capital increase with subscription rights currently underway and the questions it raises: Why is it happening so close to the end of the year? Will there be a capital increase every six months? Why is the money needed? Why should I buy now in the capital increase instead of buying on the stock market as usual? I will now try to answer these questions one by one.

Why is this capital increase happening now, so close to the end of the year? There is not just one reason for this, but several. First of all, the EIF's funding commitment for Greece came, which in turn meant that this project gained tremendous momentum and everything is now moving very quickly. Pyrum does not currently have a direct stake in the plant in Greece, but can acquire a 10% stake of the plant (which has a total value of EUR 100 million) for EUR 3 million; however, we need EUR 3 million in equity capital for this, and we need it quickly.

In addition, we intend to replace the now ten-year-old TAD1 reactor with a new, latest-generation reactor (such as TAD2 and 3), as this would enable us to increase our sales by around EUR 150,000 per month. This conversion would cost Pyrum approximately EUR 2 million, take only a few months, and pay for itself quickly. This should enable Pyrum to become profitable more quickly. As the prices for the special steel used in our reactor are expected to rise in the new year, we would ideally need to order the new reactor before the end of the year in order to secure the old prices.

Will there be a new capital increase every six months? To be perfectly honest, that is definitely not the plan, and we would also prefer MAD to have been running as planned since August and the project in Czechia to have already started in August. If these two points had been realized on time, we would have had sufficient financial resources to order the sprinkler system still planned for Dillingen. But there would still be no money for the new TAD1 reactor and for the investment in Greece. So we have to ask ourselves: Do we use the capital market to finance ourselves, to grow and to seize economic opportunities when they arise? Or do we let them pass by and do only what is absolutely necessary? A capital increase like this is no fun; it is a huge amount of work for us as the Management Board and our entire team. But we are doing it so that Pyrum can grow and become the global market leader in circular raw materials. For this reason, we have now initiated a EUR 21 million capital increase with subscription rights to secure financing for the next two years and to have sufficient reserves so that we can react more quickly and do not have to look for money when it is needed. So it is up to all of us how much money we raise together. The more we raise together, the faster and more stable Pyrum's growth will be over the next two years. We, the Management Board, are convinced that the subscriptions already announced to us by the major shareholders in the minimum amount of EUR 5 million can be considered secure. Now it is up to all of us to decide how much more we can raise together.

What is the money needed for? I have already mentioned the three most urgent items, which require approximately EUR 6 million: the stake in the plant in Greece, a new and significantly more powerful reactor to replace TAD1 in order to quickly increase our sales, and the planned sprinkler system so that we do not risk our insurance coverage.

In addition to the above, the following is planned:

- **A EUR 2 million investment** in current research into the recycling of CFRP (carbon fiber reinforced plastics). Having recently filed a new patent on this topic and completed the first very successful trials in our semi-industrial plant, it is now time to plan and calculate a large-scale plant. Once this has been accomplished, we can begin marketing this technology and open up a completely new line of business. This would enable us to recycle wind turbines, lightweight components, aircraft, etc. made of CFRP in the near future. The market for this is enormous, as there are more and more wind turbines and the only negative characteristic of CFRP is that it cannot currently be recycled... or does it?
- **EUR 10 million** for expenses over the next two years to ensure that no further capital increase is necessary, even if projects are further delayed or, contrary to all expectations, the MAD takes longer than expected to reach full capacity. At best, we will only need part of the money, but any surplus would be invested in new plants, such as our joint venture with UNITANK, in which we can acquire up to a 49% stake in each plant.
- **EUR 2 million for further investments at the Dillingen site and more budget for communication**, so that our company becomes better known and its potential is also reflected in its valuation. Together with Felix Magath and his team, there are already several initiatives involving famous athletes who are supposed to make us known beyond the borders of Europe. The aim is also to achieve a higher trading volume, because a more liquid share in turn attracts more institutional interest. To be honest, we usually get the following feedback from large international funds: "Pyrum must be profitable before we can invest, AND the liquidity of the stock, i.e., the trading volume, is too low for us."

How much of this we can implement now depends on all of us! We hope that, with our more than 5,600 shareholders, we can show that quality and innovation *made in Germany* still exist. However, it will not be a defeat if we do not raise the entire EUR 21 million. But again, the more we raise, the faster we will progress.

How does the capital increase work, and can't I just buy shares on the stock exchange?

In the next few days, subscription rights will be allocated to all shareholders' securities accounts. The **subscription ratio** is **5:1**. This means that for every **5 subscription rights, one new share** can be purchased for **EUR 27.50**. This is the so-called **subscription price**. Those entitled to subscribe then have the option of informing their bank that they wish to subscribe for the corresponding shares or that they wish to register an oversubscription:

Example: A shareholder has **100 shares** and therefore receives **100 subscription rights**. These entitle the shareholder to purchase 20 new shares.

If he does nothing, the subscription rights will expire.

If he subscribes for up to 20 new shares at EUR 27.50 each for 100 subscription rights, he will receive a full allocation in any case.

However, he/she can also register to subscribe for more shares and will then receive the 20 new shares in any case. He/She will receive any additional shares (or partial quantities) if not all shareholders exercise their subscription rights. This is known as **over-subscription**. All shareholders are treated equally.

Of course, you can also trade on the stock exchange during the subscription period, but then the proceeds go to the respective seller and not to Pyrum. So it does not help us achieve our goal of raising EUR 20 million to finance Pyrum until it breaks even.

What happens to unsubscribed subscription rights? The subscription rights expire worthless and the unsubscribed shares are then initially distributed to the shareholders who have registered for over-subscription. If there are still shares left to be placed, we offer them for sale to institutional shareholders at the same price in a so-called rump placement.

The **subscription period** for shareholders who hold their **shares in Germany** runs until **10 December 2025**. Shareholders who hold their shares in **Norway** must decide by **8 December 2025**, and issue the corresponding instructions. Please note: Some custodian banks set an earlier deadline for subscription in order to ensure internal processing. Please refer to the information provided by your bank.

For further information, we are offering an “Investor Call on the Capital Increase” on Tuesday, 2 December 2025:

At 11:00 a.m. in German – [Link to the registration page - Pyrum Call \(GERMAN\)](#)

At 2:00 p.m. in English - [Link to the registration page - Pyrum Call \(ENGLISH\)](#)

Now we come to the usual newsletter format:

The biggest milestones of the last year and a half

I would love to go into more detail, but then this newsletter would turn into a novel, and I don't want to do that to you. So let's go through the biggest achievements of recent times step by step:

Long-term framework supply agreements for all raw materials of the Pyrum Group: At the time of our IPO in 2021, we already had a long-term framework agreement with BASF for our oil, which guaranteed us a purchase of 100,000 tonnes of oil per year at a minimum price of EUR 150 per tonne and a maximum price of EUR 350 per tonne. We were already able to use our gas at that time, but converting it into electricity was very cost-intensive. The "coke," as we called it back then, had a lot of potential, but we were not yet able to sell it and did not have a single purchase agreement. At that time, we expected prices of EUR 650-700 per tonne of processed "coke," known as rCB (recovered carbon black). Four years ago, we still had a lot of hurdles to overcome before we could create a genuine, approved, and marketable product. Today, however, we have succeeded, despite all the critics and doubters. Even the market specialists for carbon black and oil would never have thought that it would be ready for series production with all the necessary approvals. So, what do we have today? The contracts with BASF were amended at the end of 2023 and the oil volume was increased from 100,000 tonnes to 300,000 tonnes per year, which corresponds to the oil volume of 150 Pyrum reactors. In addition, the oil price was raised from a minimum price of EUR 150 per tonne to at least EUR 400 per tonne. That was already a huge success, but nothing compared to the rCB. Together with Continental, we have developed a production-ready rCB in recent years, for which we filed a patent application at the end of 2024. This rCB was rewarded with a framework purchase agreement between Continental and Pyrum for the entire rCB volume of the next two Pyrum plants. In addition, the purchase agreement has a term of ten years, a fact that was previously described as "impossible" and "unusual in the market". Today, I know that this is indeed true. In the chemical and oil industries, such as at BASF, framework supply agreements covering ten, fifteen, or even twenty years are commonplace. But in the automotive industry, raw material supply agreements are usually for one year, sometimes two to three years. So we have achieved an absolute first by concluding a ten-year framework supply agreement for a completely newly developed raw material with one of the world's most renowned tyre manufacturers. And that at a price per tonne that is more than twice as high as the maximum price we had forecast when we went public. This development clearly shows that we are not just a recycler, but a raw materials manufacturer that has developed innovative raw materials and perfected them to series production readiness! We thought we would be faster, but we have to admit that we completely underestimated how difficult it is to grind and pelletize our coke. This was mainly because there was no large-scale industrial experience in this area and we had to try everything from scratch. And when it finally worked, the industry was quick to say, "Great, but we can't buy rCB from you because it's a safety-relevant raw material for the automotive industry and you, as Pyrum, have to provide the relevant certifications." Today, we have all these certifications and can call ourselves a "Certified Automotive Supplier." Unfortunately, this whole procedure took two years, which experts still considered "extremely fast." So let's get to the conclusion of this point: Since the end of 2024, all raw materials for Pyrum technology have been ready for series production, all approvals have been obtained, and purchase agreements for several plants have already been signed. Now all that's missing is the quantities that can be sold.

Technical readiness level (TRL 9): Let's now move on to the next very important point. If you want to develop a new industrial technology and bring it to market, you need TRL 1-9, or Technical Readiness Level. This classification is used by almost all banks, financiers, funds, and authorities to rate the technical maturity of a technology. At the time of our IPO, we were at TRL 7 to 8. This means that there is a large-scale plant that has already proven that it works, but not for very long and not yet ready for series production. With TRL 7-8, you don't get bank financing, you don't get project financing, and it's still "too early" for most investors. But with TRL 9, the highest rating, everything looks very different. TRL 9 confirms that a technology is ready for series

production, has been running stably for years, and can be rolled out safely. We received written confirmation of this series production readiness in May 2025 from Royal Haskoning/DHV in the Netherlands on behalf of one of Europe's largest and most renowned banks. The independent expert confirmation that Pyrum's technology has reached TRL9 means that our technology is now finally eligible for project financing.

The world's largest grinding and pelletizing plant for rCB: When the rCB was fully developed in 2024, we were finally able to invest more heavily in grinding and pelletizing technology and knew what we needed to build. The plant was manufactured in 2024 and delivered in stages in January 2025. The original goal was to have the plant built by April 2025 and operational by July/August 2025. The throughput was then to be increased to 80% in order to reach the target throughput of 100% by the end of 2026. Our supplier regularly assured us: "Once Pyrum has all the preparations and approvals in place, there will be no delays." In short, we finished everything on time. The goal must be to get the plant running at maximum throughput as quickly as possible, and things are looking relatively good. The plant has been fully assembled since July 2025 and commissioning has been underway since August. We are now producing daily with the plant and gaining a lot of experience, even though the plant is only achieving a maximum throughput of 50% at times. The reason for this has already been explained in previous newsletters, so we will focus here on the current status. The fact is that all problems have been identified, mainly due to the dosing of freshly ground rCB into the pelletizing plant. This flow problem is a well-known issue in powder conveying technology, and there are several tried-and-tested systems available to solve it. The fastest solution is currently being implemented and should be operational by the beginning of December. If this works, and that is the very good news, we can increase throughput to 100% relatively quickly because the mill and the pelletizing plant are both running well on their own. So there is a real chance that we will not only reach 100% throughput by the end of 2026, but even earlier. If this conversion does not have the desired effect, or only partially, the next conversion is planned for early 2026, which will be so extensive that it should then work reliably. The first very positive finding is that the rCB from the new grinding and pelletizing plant is much more stable than from the prototype plant, meaning we have almost no waste. This was the reason why we made the cautious forecast that it would take a year to achieve the last 20%. The new MAD is scheduled to be fully operational in the first half of 2026, proving not only that Pyrum technology has reached TRL9, but also that the entire Pyrum plant can be operated economically from A to Z.

Funding we did not expect: Until now, all our assumptions and business plans have been based on the assumption that we would receive no funding, or if so, only a very small amount for each plant. However, the EIF (European Innovation Fund) funding awarded to our Greek project in November 2025, which amounts to EUR 29.4 million in "lost grants," is currently changing everything! It shows how forward-looking our technology is and how important we are for the European circular economy. This funding has led to other projects now applying for funding and also having a very good chance of receiving EU funding. This funding of up to 60% of the investment costs is a huge boost that takes the financing of a plant to a whole new level.

In summary, we have managed to bring all the building blocks together to mass-produce Pyrum plants worldwide, sell our end products in very large volumes, and, at the same time, make an important contribution to climate-friendly end-of-life (ELT) tyre disposal.

What are the next milestones planned for the coming year?

There are many milestones coming up next year, some of which we have been waiting for years.

Groundbreaking ceremony in Perl Besch for Pyrum's second plant: As you have probably read, the groundbreaking ceremony for our new plant in Perl Besch finally took place on 14 November 2025. This event marks the start of our rollout plan for the construction of new plants and will be only the first of many groundbreaking ceremonies in the near future. The initial earthworks have already been completed, the site has been fenced off, and many plant components have already been ordered. As soon as Saarländische Strukturholding approves the financing of the development costs, things will move very quickly.

Further ground-breaking ceremonies will follow shortly: In addition to Perl Besch, our Greek project (Thermo Lysi) and our Czech project (reTIRE) have already received all approvals. As you have probably read, the shareholder agreement between [SUAS Ecology](#) and Pyrum for the joint venture in Czechia was signed on 19 November 2025, and our CFO Kai Winkelmann was appointed as one of the managing directors of SUAS reTIRE. The plan is to sign the financing agreement with the bank in the near future and, in the best case scenario, to conclude the plant supply agreement between Pyrum and reTIRE before the end of 2025. This would be the first full-scale sale of a complete Pyrum plant to a customer. The construction period for the plant is scheduled to last until the end of 2027. In addition to reTIRE, the project in Greece has just received EUR 29.4 million in funding, which means that the plant is not only fully financed, but can also directly implement its second expansion stage to six reactors. So in Greece, we are no longer talking about a plant with an annual recycling volume of 20,000 tonnes, but one with 40,000-45,000 tonnes worth over EUR 100 million. Financing is almost complete, the permits for the first expansion stage are in place and are now to be extended quickly. Construction of the plant in the city of Livanates is scheduled to start in the first half of 2026. In addition to this progress, we also expect to be able to take the next steps in the projects with UNITANK and vtti soon.

New EU regulations are coming as early as 2026: The new Ecodesign Directive and the ELVR (End-of-life Vehicle Regulation) have been under discussion at EU level for years, but now they are finally being implemented step by step. It is important to note that all the projects we have carried out together with the automotive industry have been on a purely voluntary basis. The results have been impeccable so far, and we now know that we can manufacture many plastic parts for a modern motor vehicle from our oil and also from our rCB. And the best thing is that you can't tell the difference between a Mercedes door handle made from our oil and one made from fossil oil. Let's now return to the legal situation. With the ELVR, which is due to come into force in 2026, it will be mandatory for a certain percentage of plastic parts in new cars to be made from recycled materials. This means that the recycling of plastic parts and the manufacture of new parts from recycled materials will become a legal requirement, which will benefit Pyrum in several ways. Firstly, demand for our raw materials (oil and rCB) will increase massively in the coming years. And secondly, the automotive industry will finally have the necessary legal certainty to make investment decisions. We at Pyrum and most of our partner companies are convinced that the entire market for Pyrum technology will accelerate enormously as soon as the new regulations come into force. China is already showing us the way. Recycling and, above all, the production of pyrolysis oil and rCB are one of the focus areas of development in China for the next ten years. It is no coincidence that we are receiving more and more inquiries from China regarding our technology.

That's all for this newsletter. We sincerely hope that we have answered the most important questions, and we invite you to send any further questions to contact@pyrum.net. We will try to

answer them as quickly as possible so that every shareholder can make their investment decision with confidence.

Best regards

Pascal Klein and Kai Winkelmann
Management Board Pyrum Innovations AG

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