Supervisory Board Report

Dear Shareholders,

During the reporting period, the Supervisory Board continuously monitored and provided advisory support to the company's management. Particular focus was placed on progress regarding strategic expansion and the expansion of operational capacities.

As part of the site expansion in Dillingen/Saar, a major milestone was reached at the end of the first quarter of 2025: The TAD 2 and TAD 3 thermolysis reactors were successfully commissioned. This development represents a significant step toward scaling up technological capacities. In addition, following the commencement of regular operations at the milling and pelletizing plant in April of this year and its expected upgrade to target capacity later in the year, further optimization in the production of the entire plant is anticipated.

Another important milestone was reached with the official groundbreaking on November 14, 2025, for the new, company-owned plant in Perl-Besch. Upon completion of the planned measures there, the goal is to achieve an annual recycling capacity of more than 22,000 tons of end-of-life tires.

To ensure a closed and stable value chain, existing partnerships were further strengthened, and new contractual agreements were pursued. Of particular note here are the collaborations with Continental AG and Schwalbe, which play a central role both as suppliers of end-of-life tires and as buyers of recycled carbon black (rCB). In the area of oil marketing, BASF remains the most important strategic partner.

The company continues to pursue the goal of planning and building Pyrum recycling plants for national and international customers. The geographical focus is currently on the European market, particularly in Greece, the Czech Republic, Belgium, and Germany. Implementation is to take place through joint ventures as well as through independently owned or third-party-operated plants.

The Supervisory Board also notes that the company continues to consistently adhere to its guiding principles. These include, in particular, ensuring high customer satisfaction, fostering committed and motivated employees, and continuous development, especially in the area of research and development. A strong environmental awareness and a clear commitment to sustainability are firmly anchored in the corporate culture and are actively practiced and further developed in day-to-day operations.

My special thanks, however, go 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.

Ongoing Dialogue with the Executive Board

In the 2025 financial year, we fulfilled our supervisory and advisory duties as the Supervisory Board with the utmost care in accordance with legal 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 company's situation and actively supported the Executive Board in corporate management, strategic development, and significant business events, thoroughly discussing the underlying options.

In addition, the Executive Board and the Supervisory Board jointly discussed business development, corporate policy, and planning in depth. Measures requiring the approval of the Supervisory Board, as well as decisions of fundamental importance to the company, were discussed comprehensively with the Executive Board. This cooperation was always characterized by a trusting and open exchange.

In addition to the four regular scheduled meetings of the Supervisory Board held on March 18, 2025, May 6, 2025, September 16, 2025, and December 8, 2025, seven extraordinary meetings of the Supervisory Board were also held during the reporting year. The meetings were generally held in person and, in some cases, via videoconference.

At the Supervisory Board meetings, the Management Board provided comprehensive information on the company's situation and development. All key steps regarding the strategic direction, as well as significant individual measures, were coordinated with the Supervisory Board. The Supervisory Board had ample opportunity to critically scrutinize the Management Board's reports and proposed resolutions and to satisfy itself that the company was being properly managed.
Even outside of meetings, the members of the Supervisory Board were regularly and promptly informed through written and oral reports on business performance, the financial and earnings situation, corporate planning, opportunities and risks, as well as relevant individual topics.

Focus of the Supervisory Board Meeting

In the 2025 financial year, the Supervisory Board thoroughly reviewed the comprehensive and detailed reports of the Executive Board at all of its meetings. During these sessions, the company's economic development, key strategic issues, and the overall economic environment were discussed in depth and reviewed jointly with the Executive Board.

A central topic of the deliberations was the review of various financing options in connection with the further expansion of business operations. The focus here was particularly on the expansion of the Dillingen site, the construction of the new plant in Saarland, and other national and international projects. In this context, the company initially resolved to carry out a capital increase in the amount of EUR 5.6 million and, in November 2025, a rights offering against cash contributions with a planned volume of up to EUR 21 million and a subscription price of EUR 27.50 per share. The capital increase was successfully completed in December 2025 and resulted in gross proceeds of approximately EUR 13.6 million. The measure is primarily intended to finance the expansion projects in 2026.

In addition, the Supervisory Board continuously monitored the operation and further development of existing facilities. Particular attention was paid to the progress of the expansion at the Dillingen site, specifically the operation of the TAD 2 and TAD 3 thermolysis reactors, as well as the commissioning and further development of the milling and pelletizing plant. The development of the new site in Perl-Besch was also closely monitored.

With regard to international expansion and the construction of additional plants, the Supervisory Board closely monitored project development in the Czech Republic in particular and supported the corresponding financing and structuring measures.

Further details on the topics discussed and the company's development can be found in the 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 100%. The meetings generally took place in person and, in some cases, via videoconference. The attendance of Supervisory Board members at Supervisory Board meetings is disclosed individually below:

	Number of meetings	Attendance in %
Alf Schmidt (Chairman)	[11/11]	[100]
Renata Bandov	[11/11]	[100]
Jürgen Opitz	[11/11]	[100]
Matthias Lindner	[11/11]	[100]
Hans-Jürgen Maas	[11/11]	[100]

Audit of the Annual Financial Statements and Consolidated Financial Statements for 2025

The annual financial statements and the consolidated financial statements as of December 31, 2025, were prepared by the Management Board of Pyrum Innovations AG in accordance with the provisions of the German Commercial Code (HGB); the notes to the financial statements 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 accordance with the German standards for the audit of financial statements established by the 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 a timely manner, allowing for a thorough review and discussion of the documents.

The auditor attended the Supervisory Board meeting on May 5, 2026, to discuss the annual financial statements and reported on the key 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, and the Supervisory Board therefore concurred with the auditor's findings.

The annual financial statements prepared by the Management Board, as well as the consolidated financial statements of Pyrum Innovations AG as of December 31, 2025, were approved at the Supervisory Board meeting on May 5, 2026, and the annual financial statements were thereby adopted.

Changes to the Supervisory Board and Executive Board

There were no personnel changes on the Supervisory Board or Executive Board of Pyrum Innovations AG during the 2025 reporting year.

Outlook

In the 2026 financial year, the global economic environment continues to be characterized by geopolitical tensions, economic uncertainty, and ongoing challenges in international supply chains. Despite isolated signs of recovery, economic development remains volatile overall. In particular, higher interest rates, inflation-related pressures, and geopolitical risks continue to impact investment decisions and financing conditions.

Additional uncertainties arise from economic and trade policy measures taken by the U.S. government. Protectionist approaches and changes in tax and regulatory policy influence international trade relations and, in some cases, led to altered operating conditions for globally active companies.
Diverse developments are also being observed in the area of environmental and climate policy. Political decisions in the U.S., including the renewed withdrawal from the Paris Climate Agreement and increased support for fossil fuels, could temporarily weaken the international momentum in climate protection.

This presents both risks and opportunities for Pyrum Innovations AG. While short-term uncertainties in the regulatory environment and potentially fluctuating demand trends may influence investment decisions by partners and customers, the structural trend toward sustainable recycling solutions and a functioning circular economy remains fundamentally intact. In Europe in particular, where regulatory requirements and environmental standards remain high, the company sees its strategic direction as validated.

The Supervisory Board notes that, despite isolated delays in projects or regulatory measures in some countries, no fundamental departure from climate targets is apparent. Rather, the ongoing transformation toward a more sustainable industry continues to open up attractive long-term growth opportunities for the company's business model, particularly in the area of recycling end-of-life tires and recovering valuable raw materials.

Taken as a whole, the regulatory framework in Europe clearly supports the business model of Pyrum Innovations AG. In particular, the consistent focus of European policy on the circular economy, decarbonization, and the sustainable use of raw materials leads both to a structurally secure raw material base and to rising demand for recycled products.

This results in **stable and growth-promoting market conditions** for the company **in the long term**, despite short-term economic fluctuations.

The Supervisory Board expresses its thanks and appreciation to the Executive Board and all employees for their work in the 2025 financial year.

Dillingen, May 5, 2026
The Supervisory Board

Alf Schmidt
Chairman