



# Reporting for the first Half Year

of Pyrum Innovations AG

for the period from 1 January to 30 June 2021

## **Report of the Management Board for the First Half Year 2021**

### **Preliminary remark**

In the report, we provide information about the business performance of Pyrum Innovations AG in the first half of 2021 and about the prospects for future development. The report does not constitute a full interim management report as would be required by section 115 of the German Securities Trading Act for companies publicly traded on a regulated market. The disclosures in this report have not been audited or reviewed by an auditor.

### **About Pyrum Innovations AG**

Pyrum Innovations AG operates in the attractive recycling market for end-of-life tyres with its patented pyrolysis technology. Pyrum's pyrolysis plants are completely energy self-sufficient, save up to 98% of the CO<sub>2</sub> emissions normally generated during the disposal of end-of-life tyres at cement works, and use waste as input materials to produce new raw materials such as pyrolysis oil, gas and recovered carbon black. Pyrum thus closes the recyclable-material loop and pursues a 100% sustainable business model. As a pioneer, Pyrum Innovations AG was the first company in the end-of-life tyre recycling sector to obtain ECHA's REACH registration for the pyrolysis oil it produces. The oil is thus recognised as an official raw material and can be used as a raw material in production processes. In addition, Pyrum is continuously researching both new input materials and new raw materials to be produced, such as with the currently ongoing tests for the extraction of hydrogen from the gas obtained by means of its patented technology. These successes have also been recognised by international experts in the tyre industry. For example, Pyrum won in the *Best Tyre Recycling Innovation* category at the inaugural Recycle Awards and was nominated by the German state of Saarland for the 'Grand Prix Mittelstand' ('Großer Preis des Mittelstandes').

### **Business performance H1 2021**

In the first half of 2021, the focus was on the preparations for commercial roll-outs and the future series production of pyrolysis plants in self-operation and for customers. There were also preparations for the capital increase and the private placement in the third quarter of 2021.

The optimisation and the engineering of the expansion at the site in Dillingen/Saar with two new thermolysis production lines (TAD 2 + 3) proceeded as planned on the basis of the know-how acquired from Pyrum plant 1 (TAD 1), in industrial operation since May 2020.

From May to July 2021, the production output of the pyrolysis plant was reduced due to a temporary fault in one of the two combined heat and power plants, which has since been remedied. This was used to implement additional test runs and new configurations. The new knowledge thus obtained was taken into account in the plant design for series production, so that future plants will be designed to be larger in terms of the power generation capacity of the power plants.

The neighbouring plot was acquired for the site expansion, and the coal mill and oil treatment plants were completed.

With regard to commercialisation and future deliveries to customers, a new plant control user interface was designed and programmed, which ensures user-friendly operation of Pyrum plants and makes it easy to train operating personnel.

To improve the quality of commercialisation for the recovered carbon black ("rCB") produced by Pyrum, an in-house pelletising plant was designed and tested at laboratory scale. The planning, design

and engineering were completed, and the plant was ordered from NEA (Neumann & Esser) as general contractor. In addition, a cooperation agreement was concluded with NEA with regard to future plants.

On the supplier side, in addition to various tyre repair shops, a recycling agreement was concluded with Michelin Deutschland for the recycling of rubber waste from the Michelin plant in Homburg/Saar.

Pyrum was nominated for the 'Grand Prix Mittelstand' as one of the best SMEs in Germany. Pyrum was nominated both by the district of Saarlouis and by the Saarland Ministry of Economics.

In anticipation of the imminent expansion and the roll-out plan, Pyrum has strengthened its workforce and invested in all areas. The Pyrum technology is ready for the transition to series production and the new technical staff were trained for the development and operation of additional plants in project management.

### **Financial summary 1 January - 30 June 2021**

#### **Revenues H1 2021 (same period of the previous year)**

- Total revenues of EUR 398 (328) thousand  
of which revenues from operation of the recycling plant of EUR 392 (270) thousand
- Other operating income of EUR 754 (96) thousand,  
of which income from investment grants and grants for ongoing research and development projects of EUR 450 (16) thousand
- Post-tax earnings of EUR -3,137 (-1,570) thousand  
including accrual for IPO costs of EUR 736 thousand

#### **Funding Q3 2021**

- Cash inflow from issue: EUR 39,382 thousand
- Costs of private placement approx. EUR 2.9 million,  
of which around EUR 736 thousand already recognised as expense in H1 2021
- Material loan financing related to the land for the expansion at EUR 775 thousand

### **Significant events after 30 June 2021**

In a private placement with institutional investors, Pyrum Innovations AG generated the funds required to implement the commercial roll-out plan. The company's shares were included in Euronext Growth trading in Oslo on 30 September 2021 as so-called Depository Receipts representing the beneficial ownership of the underlying shares. The issue proceeds of NOK 416,935,000, less the placement costs agreed with Pareto Securities AS, the underwriting bank, were paid into Pyrum Innovations AG's account. The company received EUR 39,382 thousand.

As part of the private placement, Continental Reifen Deutschland GmbH, a subsidiary of Continental AG, was brought on board as a shareholder.

Following the private placement, Pyrum Innovations International S.A., which holds the patents relating to the thermolysis process and apparatus and the thermal reactor, became a wholly owned subsidiary of Pyrum Innovations AG.

On 15 September 2021, approval was granted for the early start of construction in accordance with the German Federal Immission Control Act (BImSchG) to expand the existing plant in Dillingen/Saar with two additional pyrolysis plants and peripheral equipment. A binding order was made for the core components of the plant expansion, and construction began. The ground-breaking ceremony took place on 18 October 2021, and the investment project is therefore on schedule.

With regard to purchasers, new partnerships were agreed in particular with Continental, Pirelli and Ralf Bohle GmbH ("Schwalbe" bicycle tyres), which, in addition to the existing pyrolysis oil purchase agreement with BASF, should secure the basis for confirmed purchases of rCB currently produced and expected to be produced in large volumes in the future, at attractive prices. Advanced talks have already been initiated with other potential purchasers.

In terms of customers, two major German recycling companies were acquired for two brand new SPV plants in northern and southern Germany, and preliminary contract was signed with one of the largest waste disposal companies in the UK.

At the end of July 2021, Pyrum was the first company in the tyre pyrolysis sector to receive ISCC+ certification (International Sustainability & Carbon Certification). Like when it obtained REACH certification, Pyrum is again proud to be the first company certified in this segment and thus reaffirm its role as a trailblazer.

Pyrum has again made technical advancements. For example, modifications were made to the reactor discharge system in order to increase the hourly production output of the existing Pyrum plant 1 (TAD 1). After a three-month planning, design, construction and test phase, operation has already begun. Initial results show an additional increase in hourly production capacity of around 10%. The values still have to be confirmed and result from initial projections.

After the extended maintenance and modification shutdown in June/July, it was also possible for the first time to run the pyrolysis process continuously for ten weeks without maintenance stops and to significantly reduce the subsequent maintenance phase from the previous three weeks to two weeks thanks to process optimisations.

This was also reflected in revenues from the operation of the recycling plant, which increased to around EUR 315 thousand in the third quarter of 2021.

## **Outlook for the rest of 2021 and beyond**

The delivery and commencement of operations of the pelletising plant and associated higher proceeds for the rCB produced are expected in the first quarter of 2022.

Pyrum currently expects, in line with planning, to start production at the two new plants in Dillingen/Saar at the end of 2022.

## **Research and development**

The following research and development projects are already under way:

- Recycling of CFRP (carbon fibre-reinforced plastics)
- Hydrogen extraction from Pyrum thermolysis gas
- BlackCycle – Tyre of the Future – Horizon 2020
- Recycling of PUR (ZIM project)

An additional research project with “Schwalbe” for the recycled bicycle tyres of the future started in Q3 2021. This project is a ZIM-funded project and thus subsidised by the Federal Republic of Germany.

## **Pyrum Innovations AG**

Dillingen/Saar, 28 October 2021

Pascal Klein  
CEO

Michael Kapf  
Executive Board member

**Pyrum Innovations AG**  
**Dillingen/Saar**

INTERIM BALANCE SHEET  
as of  
30 June 2021

ASSETS			EQUITY AND LIABILITIES	
	Financial period 30 Jun. 2021 EUR	Previous year 31 Dec. 2020 EUR		
	Financial period 30 Jun. 2021 EUR	Previous year 31 Dec. 2020 EUR	Financial period 30 Jun. 2021 EUR	Previous year 31 Dec. 2020 EUR
<b>A. Noncurrent Assets</b>			<b>A. Equity</b>	
I. Noncurrent Intangible Assets			I. Subscribed Capital	2,570,235.00
Acquired rights and licences in- <del>on</del> such rights	34,007.00	16,462.00	II. Capital Reserves	11,574,074.18
II. Property, Plant, and Equipment			III. Accumulated Losses	-10,398,038.88
1. Land and buildings on leasehold property	1,000,600.95	221,657.00	Total Equity	3,746,270.30
2. Technical equipment and machinery	4,491,739.00	4,081,097.00	<b>B. Provisions and Accrued Liabilities</b>	
3. Other equipment, operating and office equipment	615,439.00	500,323.00	Other provisions and accrued liabilities	3,206,767.57
4. Advances paid and assets under construction	852,746.19	1,393,546.77	<b>C. Liabilities</b>	
	<u>6,960,525.14</u>	<u>6,196,623.77</u>	1. Liabilities to Banks	940,827.99
III. Noncurrent Financial Assets			2. Trade Payables	2,648,721.78
Other loans	300,745.20	296,300.68	3. Other Liabilities	4,154,240.83
Total Noncurrent Assets	7,295,277.34	6,509,386.45		<u>7,743,790.60</u>
<b>B. Current assets</b>				<u>14,696,828.47</u>
I. Inventories				16,519,216.94
1. Raw materials, and supplies	23,225.00	23,841.10		
2. Work in progress	47,600.00	47,600.00		
3. Finished goods	29,512.54	14,630.12		
	<u>100,337.54</u>	<u>86,071.22</u>		
II. Receivables and other Current Assets				
1. Trade receivables	89,845.10	60,022.62		
2. Other current assets	372,828.58	95,896.20		
	<u>462,673.68</u>	<u>155,918.82</u>		
III. Cash at Hand and in Bank	6,788,121.46	9,738,572.67		
Total Current Assets	7,351,132.68	9,980,562.71		
<b>C. Deferred Expenses</b>	50,418.45	29,267.78		
	<u>14,696,828.47</u>	<u>16,519,216.94</u>		

INTERIM INCOME STATEMENT for the period from 1 January 2021 to 30 June 2021

**Pyrum Innovations AG**  
**Dillingen/Saar**

	Financial period 1 Jan.-30 Jun. 2021 EUR	Previous period 1 Jan.-30 Jun. 2020 EUR
1. Revenues	397,894.03	327,556.16
2. Increase/decrease of finished goods	14,882.42	-7,254.56
3. Other own work capitalised	519,341.61	170,654.07
4. Other operating income	753,555.06	95,543.45
5. Expenses for materials		
a) Expenses for raw materials and supplies and for purchased goods	251,933.42	191,121.48
b) Expenses for purchased services	107,062.34	43,005.63
	<u>358,995.76</u>	<u>234,127.11</u>
6. Personnel expenses		
a) Wages and salaries	1,248,005.56	655,730.55
b) Social security contributions and expenses for old-age procurement and assistance	231,438.56	107,929.04
	<u>1,479,444.12</u>	<u>763,659.59</u>
7. Depreciation, amortisation and write-downs of intangible noncurrent assets and property, plant, and equipment	707,805.08	606,587.03
8. Other operating expenses	2,181,255.24	503,517.19
9. Income from noncurrent loans	4,444.52	4,315.06
10. Other interest and similar income	74.53	15.97
11. Interest and similar expenses	<u>98,858.88</u>	<u>52,243.93</u>
<b>12. Net loss after taxes</b>	-3,136,166.91	-1,569,304.70
13. Other taxes	771.00	655.00
	<u>771.00</u>	<u>655.00</u>
<b>14. Net loss of the year</b>	<u><u>-3,136,937.91</u></u>	<u><u>-1,569,959.70</u></u>

## Condensed Notes as of 30 June 2021

### 1. General disclosures on the half-year report

#### 1.1 Disclosures on the identity of the company according to the registry court

On the balance sheet date, the following information was entered in the commercial register:

Company name as per registry court:	Pyrum Innovations AG
Registered office as per registry court:	Dillingen/Saar
Registration:	Commercial register, department B
Registry court:	Saarbrücken
Register no.:	104458

#### 1.2 Significant events after the end of the half-year reporting period

After a successful private placement, trading on the Oslo Stock Exchange in the Euronext Growth market segment started on 30 September 2021. This simultaneously ended the pool agreement between the original shareholders of Pyrum Innovations AG and Pyrum Innovations International S.A.

Due to the closing of the company acquisition agreement signed on 4 May 2021, Pyrum Innovations International S.A. has become a subsidiary of Pyrum Innovations AG since 7 October 2021. The patents relating to the thermolysis process and apparatus and the thermal reactor held in Pyrum Innovations International S.A. have thus been integrated into the newly created Pyrum Group.

The issue's gross proceeds of NOK 416,935,000, less the placement costs agreed with Pareto Securities AS, the underwriting bank, were paid into Pyrum Innovations AG's account. The company received EUR 39,382 thousand.

The bank financing of the land purchase for the expansion of the existing plant in Dillingen/Saar was completed as planned in the amount of the purchase price of EUR 775,000.

In the third quarter of 2021, Pyrum Innovations AG concluded additional important cooperation agreements with future customers with regard to end products. Particularly significant here are agreements with Continental, which was also brought on board as a shareholder, and Pirelli for the future purchase of rCB, and a partnership with Ralf Bohle GmbH ("Schwalbe"), the objective of which is a circular economy for bicycle tyres.

On 15 September 2021, approval was granted for the early start of construction in accordance with the Federal Immission Control Act ("BImSchG") to expand the existing plant in Dillingen/Saar with two additional pyrolysis plants and peripheral equipment. After receipt of the issue proceeds, a binding order was made for the material core components, and construction began.

Revenues increased to approximately EUR 315,000 in the third quarter of 2021.

## 2. Disclosures on accounting policies

### 2.1 Principles of accounting, valuation and classification

The half-year financial statements were prepared in accordance with the accounting rules of the German Commercial Code (section 242 et seq. HGB) for corporations, taking the special rules for stock corporations into account. The classification of the balance sheet and income statement follows the rules for large corporations. In the preparation of the condensed notes, some of the expedients for small corporations were utilised. The half-year financial statements are augmented with a cash flow statement, applying the principles of German Accounting Standard DRS 21.

The half-year financial statements were prepared in accordance with the principles of German Accounting Standard DRS 16. The comparative figures of the previous period in the balance sheet refer to 31 December 2020 and in the income statement to the first half of the financial year 2020 (1 January 2020 – 30 June 2020).

Acquired intangible assets were carried at cost less amortisation as applicable. Self-generated intangible assets are not capitalised.

Tangible assets were carried at cost less depreciation as applicable.

Production costs includes direct materials costs, direct and indirect labour costs, depreciation/amortisation of fixed assets used for the provision of services, and appropriate portions of indirect administrative costs. Interest on borrowings was not included in the cost of production.

Subsequent acquisition or production costs are capitalised if the scope, function or performance of technical equipment in operation is significantly expanded. Depreciation and amortisation are recognised on a straight-line basis over the remaining useful life.

Depreciation and amortisation were recognised on a straight-line basis according to the expected useful lives of the assets.

Low-value fixed assets of up to EUR 1,000.00 were depreciated completely in the year of their acquisition.

Financial assets were recognized at acquisition cost. Impairment allowances to the lower fair value were not necessary.

Raw materials, consumables and supplies were carried at cost. Work in progress and finished goods were stated at their production cost. Inventories were written down to their fair value at the end of the reporting period.

Receivables and other assets were capitalised at their nominal value and valued considering all identifiable risks.

Other provisions were recognised for all uncertain liabilities and for expected losses from uncompleted transactions. All identifiable risks were taken into account. Provisions were measured at the amount necessary according to prudent business judgement to settle the underlying obligation. The costs at the expected date of settlement of the obligation were taken into account.

Provisions expected to be settled more than one year after the balance sheet date were discounted. The estimated remaining terms recognised here are based on the management's expectations for future utilisation, especially the medium-term budget planning for plant construction. The maturity-based discount rates calculated by Deutsche Bundesbank were used for discounting. The income from discounting and interest effects from interest rate changes and an altered estimate or terms are recognised overall as interest income or interest expenses.

Deferred taxes were accounted for and valued in accordance with section 274 of the German Commercial Code. Deferred tax assets and liabilities are reported net. In exercise of the option in section 274 (1) sentence 2 of the German Commercial Code, a net deferred tax asset balance is not recognized in the balance sheet.

Liabilities were carried at their settlement amount.

Revenues are recognised upon delivery or upon completion of the service rendered.

Income from public grants is recognised when the grant commitments are made or the grant agreements concluded and provided the funded measures are performed or fulfilled. Income from grants for assets subject to capitalisation is recognised in full as income at the date of completion or commencement of operations of the asset; it is not recognised pro rata temporis according to the useful life of the asset.

The income is recognised as other operating income; claims to realised grant funds are recognised as other assets; funds already received but not yet realised are recognised as other liabilities.

## **2.2 Accounting and classification policies that deviate from the previous year**

The accounting policies correspond to those of the annual financial statements as of 31 December 2020.

## **3. Disclosures to the Balance Sheet**

### **3.1 Fixed assets**

The development of the individual items of fixed assets is shown in the following statement of changes in fixed assets with disclosure of the depreciation and amortisation of the financial year. The advances paid and assets under construction of EUR 852,746.19 essentially comprise the following:

Gas filtration system	(Construction started 2018)	EUR	549,905.87
Line 2 and 3	(Planning started 2020)	EUR	208,628.15

There were also subsequent capitalisations of assets in operation. The expansions particularly include improvements in the material flow of the pyrolysis plant, system control and noise protection. In addition, the durations of the respective maintenance cycles were reduced.

The loan is granted to Pyrum Innovations International S.A., Schengen/Luxembourg.

**Gross Statement of Changes in Noncurrent Assets as of 30 June 2021**

**Pyrum Innovations AG**  
**Dillingen/Saar**

	Acquisition and Production Costs				30 June 2021	Cumulative Depreciation and Amortisation				Book Value		
	1 January 2021	Additions	Disposals	Reclassifications		1 January 2021	Additions	Disposals	Reclassifications	30 June 2021	30 June 2021	31 Dec. 2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
<b>I. Noncurrent Intangible Assets</b>												
Acquired rights and licences in such rights	30,868.40	21,428.00	0.00	0.00	52,296.40	14,406.40	3,883.00	0.00	0.00	18,289.40	34,007.00	16,462.00
	<b>30,868.40</b>	<b>21,428.00</b>	<b>0.00</b>	<b>0.00</b>	<b>52,296.40</b>	<b>14,406.40</b>	<b>3,883.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18,289.40</b>	<b>34,007.00</b>	<b>16,462.00</b>
<b>II. Property, Plant, and Equipment</b>												
1. Land and buildings on leasehold property	238,289.84	787,140.95	0.00	0.00	1,025,430.79	16,632.84	8,197.00	0.00	0.00	24,829.84	1,000,600.95	221,657.00
2. Technical equipment and machinery	8,009,846.54	223,313.90	0.00	795,137.16	9,028,297.60	3,928,749.54	607,809.06	0.00	0.00	4,536,558.60	4,491,739.00	4,081,097.00
3. Other equipment, operating and office equipment	857,481.23	238,710.02	103,995.14	0.00	992,196.11	357,158.23	87,916.02	68,317.14	0.00	376,757.11	615,439.00	500,323.00
4. Advances paid and assets under construction	1,393,546.77	254,336.58	0.00	-795,137.16	852,746.19	0.00	0.00	0.00	0.00	0.00	852,746.19	1,393,546.77
	<b>10,499,164.38</b>	<b>1,503,501.45</b>	<b>103,995.14</b>	<b>0.00</b>	<b>11,898,670.69</b>	<b>4,302,540.61</b>	<b>703,922.08</b>	<b>68,317.14</b>	<b>0.00</b>	<b>4,938,145.55</b>	<b>6,960,525.14</b>	<b>6,196,623.77</b>
<b>III. Noncurrent Financial Assets</b>												
Other loans	296,300.68	4,444.52	0.00	0.00	300,745.20	0.00	0.00	0.00	0.00	0.00	300,745.20	296,300.68
	<b>296,300.68</b>	<b>4,444.52</b>	<b>0.00</b>	<b>0.00</b>	<b>300,745.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>300,745.20</b>	<b>296,300.68</b>
	<b>10,826,333.46</b>	<b>1,529,373.97</b>	<b>103,995.14</b>	<b>0.00</b>	<b>12,251,712.29</b>	<b>4,316,947.01</b>	<b>707,805.08</b>	<b>68,317.14</b>	<b>0.00</b>	<b>4,956,434.95</b>	<b>7,295,277.34</b>	<b>6,509,386.45</b>

### **3.2 Development of share capital and capital reserve**

The share capital amounted to EUR 2,570,235.00 as of 30 June 2021 and was unchanged as of 31 December 2020.

The capital reserve in accordance with section 272 (2) no. 1 of the German Commercial Code amounted to EUR 3,331,098.18 as of 30 June 2021 and was unchanged as of 31 December 2020.

The capital reserve in accordance with section 272 (2) no. 4 of the German Commercial Code amounted to EUR 8,242,976.00 as of 30 June 2021 and was unchanged as of 31 December 2020.

### **3.3 Conditional capital, convertible loan**

By resolution of the Annual General Meeting on 9 September 2020, the Executive Board was authorised to issue convertible bonds of EUR 6,600,000.00 with an annual interest rate of 3% until 31 December 2024. The shareholders' direct pre-emption right was disapplied. The BASF Antwerpen NV is permitted to subscribe to the convertible bond. The convertible bond is subscribed to at a ratio of 33.070108 to 1, so convertible bonds with a nominal amount of EUR 6,600,000.00 can be converted into 199,576 new shares with a nominal amount of EUR 1.00.

By this resolution, the share capital of the stock corporation is conditionally increased by EUR 199,576.00 (conditional capital 2020/I). The conditional capital increase is only carried out to the extent that the holder of the convertible bonds exercises its conversion right.

On 9 September 2020, the Executive Board, with the approval of the Supervisory Board, concluded a convertible loan agreement of EUR 6,600,000.00 with BASF Antwerpen NV. The loan bears interest at a rate of 3% p.a. The loan is paid out in tranches on the achievement of certain milestones. The term of each tranche is 10 years. Repayment starts at the beginning of the third year following extension of the loan. Ordinary termination is not permitted. The lender is entitled to extraordinary termination for good cause. The lender's option to convert into shares according to the above conversion ratio exists only in the case of termination for good cause.

Unchanged from 31 December 2020, a tranche of the convertible loan amounting to EUR 1,880,000.00 was paid out as of 30 June 2021; the loan is recognised in other liabilities. As the conversion right associated with the loan can be exercised only on termination for cause and the other loan terms are deemed to be in line with market conditions, this conversion right is assigned no distinct economic value to be appropriated to the capital reserve in accordance with section 272 (2) no. 3 of the German Commercial Code.

By resolution of the Annual General Meeting on 28 April 2021, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the share capital up to a total maximum amount of EUR 771,070.00 against cash or non-cash contributions on one occasion or in partial amounts until the end of 27 April 2026. Shareholders' pre-emption rights can be disapplied under certain conditions.

After a successful private placement and listing, trading on the Oslo Stock Exchange, Norway, in the Euronext Growth Market started on 30 September 2021.

### 3.4 Disclosures on liabilities

Liabilities break down as follows:

	Remaining term of less than one year		Remaining term of more than one year	
	30 Jun. 2021	31 Dec. 2020	30 Jun. 2021	31 Dec. 2020
	EUR	EUR	EUR	EUR
Liabilities				
due to credit institutions	189,733.01	207,609.33	751,094.98	812,198.72
accounts payable trade	1,559,216.11	703,365.28	1,089,505.67	1,285,331.93
thereof hire-purchase liabilities	408,075.99	374,539.07	1,089,505.67	1,285,331.93
others	716,938.77	1,027,876.35	3,437,302.06	3,481,394.87
thereof convertible bonds	0.00	0.00	1,880,000.00	1,880,000.00
thereof other loans	127,958.86	111,057.05	1,557,302.06	1,601,394.87
thereof from public grants	505,934.74	808,085.45	0.00	0.00
thereof from taxes	34,056.31	28,149.35	0.00	0.00
thereof for social security	3,715.21	27,337.45	0.00	0.00
<b>Total</b>	<b>2,465,887.89</b>	<b>1,938,850.96</b>	<b>5,277,902.71</b>	<b>5,578,925.52</b>

The amount of liabilities with a remaining term of more than five years is EUR 1,141,250.13 (previous year: EUR 1,191,250.13).

Liabilities to banks of EUR 67,918.32 are secured by transfers of ownership of fixed assets. Liabilities of EUR 148,420.61 are collateralised with cash.

Hire-purchase liabilities of EUR 1,497,581.66 are secured by retention of ownership title or transfers of ownership of fixed assets.

A manufacturer's loan of EUR 476,715.11 recognised in other liabilities is secured by transfer of ownership of the related fixed asset.

The remaining loans recognised in other liabilities of EUR 1,205,255.81 (previous year: EUR 1,186,345.81) are granted by shareholders of the company. They are unsecured, have terms of up to four years and interest rates between 2.5 and 6.0%.

### 3.5 Other Financial Obligations Not Recognised in the Balance Sheet

There are other financial commitments in addition to the liabilities shown in the balance sheet.

Commitments comprising rental and lease agreements:	TEUR thousand
Due 2021	170
Due 2022	138
Due 2023	50
Later	<u>8</u>
	366

The order commitment from a purchase agreement for plant components amounts to EUR 5,000 thousand.

The order commitment from a purchase agreement for a pelletising plant amounts to EUR 1,328 thousand.

By share purchase agreement dated 4 May 2021, Pyrum Innovations AG, subject to the condition precedent of full payment of the purchase price, acquired 100% of the shares in Pyrum Innovations International S.A. in Luxembourg. The purchase price of EUR 6,500,000.00 was transferred in good time on 5 October 2021.

Contingent liabilities in connection with the cooperation agreements amount to EUR 428 thousand. The Executive Board of Pyrum Innovations AG estimates the probability that claims will be made against the company for these contingent liabilities as low.

The company is jointly and severally liable for a convertible bond from BASF Antwerpen NV to Pyrum Innovations International S.A., Schengen/Luxembourg, totalling EUR 400,000.00. As of 30 June 2021, like 31 December 2020, EUR 120,000.00 of this had been extended. The Executive Board of Pyrum Innovations AG estimates the probability that claims will be made against the company due to this joint liability as low.

### 3.6 Income statement

Revenues break down as follows:

	<u>Financial year</u>		<u>Previous year</u>	
Operation of recycling plant	EUR	391,533.42	EUR	270,375.21
Research contracts	EUR	0.00	EUR	52,906.50
Other revenues	<u>EUR</u>	<u>6,360.61</u>	<u>EUR</u>	<u>4,274.45</u>
	<b>EUR</b>	<b>397,894.03</b>	<b>EUR</b>	<b>327,556.16</b>

The other own work capitalised of 2021, amounting to EUR 519,341.61, primarily results from extensions and improvements of the plants in Dillingen/Saar. In particular, EUR 65 thousand relates to the coal mill, EUR 168 thousand to the development of new plants, and the EUR 158 thousand to improvements to plants in operation. EUR 91 thousand is included for buildings.

The own work includes the year's total expenditure for self-generated tangible assets, primarily comprising the use of materials (around EUR 93 thousand), third-party services (EUR 93 thousand) and own work of Pyrum staff measured at full cost (EUR 332 thousand).

The other operating income of EUR 753,555.06 primarily includes investment grants of approximately EUR 159 thousand and ongoing grants from research projects of approximately EUR 291 thousand. It also includes insurance recoveries of approximately EUR 226 thousand, primarily for a fault in one of the two combined heat and power plants, which has since been remedied, and the temporarily reduced production output.

Personnel expenses include all wages and salaries of the staff and the Executive Board, expenses for temporary workers and mini jobs, and the employer's social security contributions.

Pension costs amount to EUR 3,804.00 (previous year: EUR 3,706.00).

Other operating expenses break down as follows:

	<u>Financial period</u>		<u>Previous period</u>	
Costs for private placement and listing	EUR	736,246.90	EUR	0.00
Legal and consulting costs	EUR	523,162.29	EUR	86,267.85
Repairs and maintenance	EUR	431,368.72	EUR	86,500.44
Land and building rent and ancillary costs	EUR	111,283.24	EUR	61,964.86
Insurance, contributions, levies	EUR	49,910.58	EUR	56,017.67
Vehicle costs	EUR	89,566.04	EUR	46,627.01
Miscellaneous operating expenses	EUR	239,717.47	EUR	166,139.36
	<b>EUR</b>	<b>2,181,255.24</b>	<b>EUR</b>	<b>503,517.19</b>

Legal and consulting costs also include technical, economic and tax consulting and analyses.

Interest expenses amounted to EUR 98,858.88 and primarily served to finance fixed assets.

### 3.7 Cash flow statement

Cash funds break down as follows:

	30 Jun. 2021	31 Dec. 2020	30 Jun. 2020	31 Dec. 2019
	EUR	EUR	EUR	EUR
Petty cash and cash at banks	6,788,121.46	9,738,572.67	816,637.62	608,112.75
Less cash at banks pledged for securities	-207,003.48	-207,003.48	-207,003.48	-207,003.48
<b>Cash and cash equivalents</b>	<b>6,581,117.98</b>	<b>9,531,569.19</b>	<b>609,634.14</b>	<b>401,109.27</b>

A bank balance of EUR 207,003.48 is pledged as collateral for bank loans.

Cash flow from operating activities is presented according to the indirect method.

In the first half of 2021, the non-cash investments in fixed assets primarily comprise the purchase of undeveloped land totalling EUR 775 thousand. The purchase price was settled when due in July 2021.

The cash proceeds from government grants relate to the EU's multi-year "Blackcycle" research project on tyre recycling at EUR 119 thousand in the half year 2021.

#### **4. Other disclosures**

##### **4.1 Employees**

The average number of employees in the company was 51 in the half-year reporting period (previous year: 28).

##### **4.2 Names of the members of the Executive Board and the Supervisory Board**

Executive Board: Name

Chairman: Pascal Klein

Additional member: Michael Kapf

Supervisory Board: Name

Chairman: Alf Schmidt

Deputy Chairman: Manfred Alt

Additional members: Jürgen Opitz

Jürgen Fischer

Dr Christian Lach

Matthias Lindner

from 9 September 2020 to 1 April 2021

since 1 April 2021

The Supervisory Board members Dr Lach and Lindner were seconded from the shareholder BASF Antwerpen NV on the basis of the secondment right added to the articles of association on 9 September 2020.

##### **Preparation of the interim financial statements**

The Executive Board has today prepared the interim financial statements of Pyrum Innovations AG for the period from 1 January to 30 June 2021 and approved them for publication.

##### **Pyrum Innovations AG**

Dillingen/Saar, 28 October 2021

Pascal Klein  
CEO

Michael Kapf  
Executive Board member

**Pyrum Innovations AG, Dillingen/Saar**

**Cash Flow Statement for the First Half of Financial Year 2021**

	Jan. - Jun. 2021 EUR	Jan. - Jun. 2020 EUR
Result of the period	-3,136,937.91	-1,569,959.70
Depreciation/reversal of property, plant and equipment and noncurrent intangible assets	707,805.08	606,587.03
Increase/decrease of provisions and accrued liabilities	1,078,998.80	-42,361.59
Increase/decrease in inventories, trade receivables and other assets not allocable to the investing or financing activities	-342,171.85	84,266.72
Increase/decrease in trade payables and other liabilities not allocable to the investing or financing activities	34,358.69	147,847.01
Gains/losses from the disposal of noncurrent assets	-22,473.26	-11,072.11
Interest expense/income	94,339.83	47,912.90
Other income not allocable to the cash flow from operating activities	<u>-450,603.53</u>	<u>-15,700.00</u>
Cash flow from operating activities	-2,036,684.15	-752,479.74
Payments made for noncurrent intangible assets	-21,428.00	-18,780.00
Payments received from the disposal of property, plant and equipment	58,151.26	11,073.11
Payments made for property, plant and equipment	-688,842.75	-51,572.20
Interest received	<u>74.53</u>	<u>15.97</u>
Cash flow from investing activities	-652,044.96	-59,263.12
Payments received from short- or long-term borrowings	0.00	650,000.00
Payments made of short- or long-term borrowings	-330,319.10	-190,415.42
Payments received from government grants/subsidies	153,109.36	597,166.50
Interest paid	<u>-84,512.36</u>	<u>-36,483.35</u>
Cash flow from financing activities	-261,722.10	1,020,267.73
Cash-effective changes of the cash and cash equivalents	-2,950,451.21	208,524.87
Cash and cash equivalents at the beginning of the period	<u>9,531,569.19</u>	<u>401,109.27</u>
Cash and cash equivalents at the end of the period	6,581,117.98	609,634.14

## Auditors' Review Report

To Pyrum Innovations AG  
Dillingen / Saar

I have reviewed the condensed interim financial statements of Pyrum Innovations AG, Dillingen / Saar – comprising the interim balance sheet as of 30 June 2021, the interim income statement, the condensed notes and the statement of cash flows – as of 30 June 2021 and for the period from 1 January to 30 June 2021. The preparation of the condensed interim financial statements in accordance with the requirements of German commercial law applicable to business corporations is the responsibility of the Company's management. My responsibility is to issue a report on the interim condensed financial statements based on my review.

I performed my review of the condensed interim financial statements in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and additional application of the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that I plan and perform the review so that I can preclude through critical evaluation, with a certain level of assurance, that the condensed interim financial statements have not been prepared, in material respects, in accordance with the requirements of German commercial law applicable to business corporations.

A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with my engagement, I have not performed a financial statement audit, I cannot issue an auditor's report.

Based on my review, no matters have come to my attention that cause me to presume that the condensed interim financial statements have not been prepared, in material respects, in accordance with the requirements of German commercial law applicable to business corporations.

Eschborn, 28 October 2021



Christian Hecht  
Wirtschaftsprüfer [German Public Accountant]

