

Merger in the Recovered Carbon Black Market

Pyrolyx AG and carbon clean tech AG have agreed in a Non-Binding Term Sheet to the Essential Details of a Planned Merger

- Through the planned merger Pyrolyx AG will become the world's largest producer of recovered carbon black (rCB) from post-consumer rubber & tires
- 10 M Euros investment volume through Pyrolyx AG into research and development, production and sales
- Expansion of cct's industrial-scale rCB plant through the building of a complimentary production facility with Pyrolyx-patented technology

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Pyrolyx AG and carbon clean tech AG (cct AG) announce the planned merger of the two European market leaders in the production of recovered carbon black (rCB), detailed in a non-binding term sheet signed today. The planned merger will strengthen capabilities for production, research and development and sales of a critical component of sustainable polymers. rCB is produced from post-consumer rubber & tires instead of oil and is a cost-effective, sustainable alternative to traditional carbon black for a variety of plastics and rubber applications, including rubber compounds for tires.

A significant component of the transaction is that cct Stegelitz GmbH, a fully owned subsidiary of cct AG, will be incorporated into Pyrolyx AG by way of a capital increase. In exchange cct AG will receive shares corresponding to a share of 16.6% of the share capital of Pyrolyx AG. Furthermore, the total value of cct Stegelitz GmbH will be compensated with an additional cash component. Through this agreement, cct founders and shareholders will remain committed to, and involved in continuing to build the combined company.

Pyrolyx AG is a Munich-based company specializing in practical and applied research in environmental technology, including a unique process that enables rCB production from commercial rubber granules from post-consumer tires. cct AG, based in Saxony-Anhalt and Potsdam, Germany, is the leading European producer of rCB, with an industrial production facility in Stegelitz near Magdeburg, serving customers since 2012.

The term sheet has been agreed upon by all cct shareholders and the Pyrolyx AG Supervisory Board. Completion of the transaction is scheduled for end of April 2015, and the full integration of cct into Pyrolyx AG by the end of the 2nd quarter 2015.

This merger will create the market leader in the production and development of rCB worldwide. The combined company will be the most innovative and ecologically friendly producer of rCB, revolutionizing the future of sustainable polymers and the products derived from them.

One of the key aspects of the acquisition is the expansion of production capacities by implementation of a complimentary production facility, based on Pyrolyx-patented technology, at the site of cct's existing 4.500 t/a capacity rCB plant. Within the next 24 months, Pyrolyx plans an investment of 10 M Euros into product development, research and international sales. In addition, a rCB and rubber laboratory at the production site in Stegelitz is planned. This new state-of-the-art laboratory will further accelerate successful rCB product development.

Upon contract closing, cct's current CEO, Dr. Philipp Theden, will join Pyrolyx AG's executive board. All current cct GmbH and cct AG employees will be an integral part of the newly formed Pyrolyx group.

Pyrolyx CEO Niels Raeder says: "With the acquisition of the established and successful cct we are creating the most innovative manufacturer in the field of rCB production. The two companies complement each other perfectly in production, research and development, sales and finance functions. The combined team will be the largest and most experienced team in the field of carbon black recovery."

"Joining forces will enable us to expand production capacity and accelerate the rate of innovation, allowing the rubber industry to achieve significant cost savings and reduction of carbon footprint through use of recovered carbon black," said cct CEO Dr. Philipp Theden.

About Pyrolyx AG

Pyrolyx AG is a Munich, Germany, based company specializing in practical and applied research in environmental technology. The company has developed a unique process that enables valuable raw materials such as recovered carbon black to be made from commercial rubber granules produced from end-of-life tires. Carbon black is used to manufacture tires and various industrial rubber items. The Pyrolyx process enables a sustainable closed recycling loop for the first time for the reuse of end-of-life tires. Pyrolyx owns all the intellectual property rights to Pyrolyx environmental technology and has various patents and patents pending concerning the industrial production of carbon black. Pyrolyx AG is quoted on the primary market of the Düsseldorf Stock Exchange (WKN AOMFXR). For more information please visit www.pyrolyx.com.

About cct AG

carbon clean tech AG (cct) is a product company specialized in the recovery of carbon black from post-consumer rubber products for a sustainable polymers industry using their own patented process. cct's industrial scale production facility is the only producer of rCB worldwide to be ISO 9001:2008 and ISO 14001:2004 certified and has been producing and serving customers since 2012. For more information please see www.carbon-clean-tech.com.

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