

28 February 2018
ASX RELEASE

**Preliminary Final Report and
Capital Review Underway**

Pyrolyx AG (ASX:PLX, **Pyrolyx or the **Company**):** Announces preliminary financial results for 2017 and capital review underway

Pyrolyx will release today its preliminary financial results for the year ended 31 December 2017. Full year revenue of the Pyrolyx Group for the year was around EUR 347 thousand, an increase of around 48% on the prior year results. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to a loss of around EUR 6.5 million, compared to a loss of EUR 4.5 million in 2016 and largely due to additional expenses associated with the implementation of the North American and Stegelitz development strategy and one-off costs associated with the ASX IPO.

At the time of the IPO, Pyrolyx anticipated that total project funding for the first US plant in Terre Haute, Indiana, under construction as part of the North American development strategy would be approximately US\$40 million. As part of an ongoing capital expenditure review, several factors including design enhancements and associated engineering, additional equipment and testing, protection of intellectual property associated with the oven design and adverse FX movements have resulted in Pyrolyx anticipating a higher than expected project cost to be incurred over the duration of the project.

Furthermore, at the time of the IPO, Pyrolyx anticipated that it could optimize production capacity at Stegelitz by increasing output and reducing operational losses through the implementation of certain technical enhancements and cost efficiencies. In the second half of 2017, the Company revised the operational strategy and capital expenditure program for Stegelitz to include an enhanced oven system that will be the same design specification as the ovens in the first US plant. This strategic decision, which will enable testing of US tires to accelerate the approval process of future major US customers, has resulted in operational performance of Stegelitz below that anticipated at the time of the IPO. In conjunction, there have been higher than anticipated operational costs in Germany. The Company intends to continue to monitor the operating performance of Stegelitz performance in light of the strategic benefit it is providing to the current North American development strategy.

As a result of the anticipated higher capital requirement and change in operational performance of Stegelitz, the Company is conducting a capital structure review, including discussions with potential financiers. The Company will update the market on completion of this review.

Pyrolyx AG

Pyrolyx AG is the world leader in the extraction of rCB (recovered carbon black) from end-of-life tires. Conditioned rCB is used to manufacture new tires as well as in the masterbatch and technical rubber industries. Pyrolyx AG operates an rCB plant in Germany and builds another production plant in Terre Haute, Indiana USA.

Shares in the company (WKN A2E4L4) are listed on the stock exchanges in Düsseldorf and Frankfurt as well as on m:access (Munich Stock Exchange) and the ASX:PLX and also traded on the electronic trading system Xetra.

For more information, please go to www.pyrolyx.com / www.carbon-clean-tech.com.

Contact:
Rolf-Hendrik Arens
VP Communications & IR
www.pyrolyx.com