

## **Pyrolyx AG**

**Munich**

### **INVITATION TO A GENERAL MEETING**

The shareholders of our company are hereby invited to attend the

**on Wednesday, September 18, 2019,  
at 10:00 a.m. (CEST)  
at the Bavarian Stock Exchange (Bayerische Börse) Munich,  
Karolinenplatz 6  
80333 Munich, Germany**

at the Extraordinary General Meeting.

Note: A group of shareholders whose combined shareholdings amount to more than one twentieth of the share capital (the "applicants") have requested the convening of the Extraordinary General Meeting pursuant to Section 122 (1) AktG (German Stock Corporation Act – Aktiengesetz, AktG) with the following agenda item 1 (the "request for a meeting"). Pyrolyx AG shall comply with the request for a meeting in accordance with its statutory obligations.

Pyrolyx AG has decided to use the request to convene the Extraordinary General Meeting to have further items under agenda items 2 and 3 dealt with by the Extraordinary General Meeting.

Pyrolyx AG clarifies that the announcement of the following agenda item 1, as communicated by the applicants, is made solely in fulfilment of Pyrolyx AG's obligations under stock corporation law. Pyrolyx AG does not adopt the corresponding content as its own by making this announcement.

#### **I.**

#### **AGENDA**

#### **ITEM 1 Revocation of the resolution of the Annual General Meeting of Pyrolyx AG of 7 June 2019 concerning the appointment of a special auditor**

Proposed new resolution:

The applicants have proposed the following new resolution:

*The resolution of the Annual General Meeting of Pyrolyx AG of 7 June 2019 regarding the appointment of a special auditor is hereby revoked in its entirety. The resolution to be revoked concerns the appointment of a special auditor to investigate transactions from August 2018 and in connection with the conversion of 916,590 option rights into 916,590 registered shares of Pyrolyx AG including the granting of a so-called compensation of EUR 760,000 to AVIV Investments Pty Ltd. and*

*provides for the appointment of Dr. Thomas Heidel as special auditor and Dr. Daniel Lochner as substitute special auditor.*

Justification:

The applicants explain their proposed new resolution with the following reasons:

*"A new resolution on the special audit is indicated because the resolution was only passed with an extremely small fraction of the shareholders present at the Annual General Meeting and it can be assumed that it will not be supported by the majority of the shareholders present and entitled to vote at the Annual General Meeting. While the presence at the Annual General Meeting amounted to approximately 64% of the share capital and all other resolutions were attended by more than 50% of the share capital, only 8.96% of the share capital participated in the resolution to appoint the special auditor. The reason for this is that the request for the appointment of a special auditor was unexpectedly made at the Annual General Meeting. A significant proportion of the shareholders was represented by a proxy who only exercises voting rights on instructions. As, in particular, the shareholders resident in Australia could not be reached at the time of the meeting due to the time difference, they could not exercise their voting rights during the vote. In our view, the appointment of a special auditor as a far-reaching measure should not be decided by a splinter faction of shareholders.*

*We reject the special audit because the above-mentioned audit subjects have already been comprehensively examined and a further examination by a special auditor would only cause unnecessary additional costs for the Company."*

The Supervisory Board with Mr. Bernhard Meder abstaining unanimously recommends that shareholders vote in favour of item 1. The Management Board, being affected by the proposed resolution, abstains from making a recommendation.

**ITEM 2      **Revocation of the resolution of the Annual General Meeting of 7 June 2019 to cancel Authorised Capital 2018/I and create Authorised Capital 2019/I and proposition of a new resolution to cancel Authorised Capital 2018/I and create Authorised Capital 2019/I****

The Management Board and the Supervisory Board take the opportunity of the Extraordinary General Meeting held in response to the request to convene the Extraordinary General Meeting to revoke the resolutions adopted by the Annual General Meeting on 7 June 2019 under agenda item 7, and propose new resolutions following the need for clarification of the wording of the initially proposed resolutions in the course of the general debate at the Annual General Meeting.

By resolution of the Annual General Meeting of Pyrolyx AG dated July 20, 2018, Authorized Capital 2018/I was created in the total amount of EUR 2,800,000.00.

The Management Board has partly made use of this authorization (see Sec. 3 (4) of the Company's articles of association).

In view of interim increases in the share capital, the Management Board and Supervisory Board had proposed creating new authorized capital (Authorized Capital 2019/I). The previous remaining Authorized Capital 2018/I should be cancelled at the same time.

In view of the need for clarification which became apparent at the Annual General Meeting on 7 June 2019, the agenda item 7 is to be revoked, new authorised capital (Authorised Capital 2019/II) created and the existing Authorised Capital 2018/I cancelled again.

The Management Board and the Supervisory Board therefore propose that a new resolution be adopted:

- 2.1 The resolutions of the Annual General Meeting of 7 June 2019 on agenda item 7 "Resolution on the cancellation of Authorised Capital 2018/I and the creation of Authorised Capital 2019/I" are cancelled.
- 2.2. The existing authorized capital (Authorized Capital 2018/I) pursuant to Section 3 (4) of the Articles of Association of the Company shall be cancelled with effect from the date of entry in the commercial register of the new Authorized Capital 2019/II determined below, to the extent that the Authorized Capital 2018/I has not already been utilized.
- 2.3. The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital once or several times by up to a total of EUR 3,613,339.00 by issuing up to 3,613,339 new registered no-par value shares against cash and/or non-cash contributions on or before September 17, 2024 (Authorized Capital 2019/II). The new shares must generally be offered to the shareholders for subscription; they may also be taken over by banks or by a company operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the KWG with the obligation to offer them to the shareholders for subscription. However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in the following cases:
  - a) The shares will be issued against cash contributions and at an issue price that is not significantly lower than the market price of the Company's shares at the time the issue price is determined by the Management Board, and the capital increase will only cover new shares whose pro rata amount of the share capital does not exceed 10% of the share capital existing at the time this authorization to exclude subscription rights is registered.
  - b) For fractional amounts resulting from the subscription right ratio.

- c) The new shares will be issued as part of a capital increase against contributions in kind, provided that the capital increase is carried out for the purpose of acquiring receivables from the Company, from companies, parts of companies or equity interests in companies or from other assets eligible for contributions.

The Management Board, with the consent of the Supervisory Board, decides on the further terms and conditions of the share issue, including the issue price, as well as on the content of the share rights.

2.4. Section 3 (4) of the Articles of Association shall be amended as follows:

*The Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital once or several times by up to a total of EUR 3,613,339.00 by issuing up to 3,613,339 new registered shares against cash contributions and/or contributions in kind until September 17, 2024 (Authorized Capital 2019/II). The new shares must generally be offered to the shareholders for subscription; they may also be taken over by banks or by a company operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the KWG with the obligation to offer them to the shareholders for subscription. However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in the following cases:*

- a) *The shares will be issued against cash contributions and at an issue price that is not significantly lower than the market price of the Company's shares at the time the issue price is determined by the Management Board, and the capital increase will only cover new shares whose pro rata amount of the share capital does not exceed 10% of the share capital existing at the time this authorization to exclude subscription rights is registered.*
- b) *For fractional amounts resulting from the subscription right ratio.*
- c) *The new shares will be issued as part of a capital increase against contributions in kind if the capital increase is for the purpose of acquiring receivables from the Company, from companies, parts of companies or equity interests in companies or other assets eligible for contributions.*

*The Management Board, with the consent of the Supervisory Board, decides on the further terms and conditions of the share issue, including the issue price, as well as on the content of the share rights.*

**ITEM 3    Revocation of the resolution adopted under agenda item 9 of the Annual General Meeting of the Company on 7 June 2019 and on the authorization to grant subscription rights (stock options) members of the management of an affiliated company and the creation of conditional capital and corresponding amendments to the Articles of Association**

**3.1.    Cancellation of the resolution adopted under agenda item 9 of the Annual General Meeting of Pyrolyx AG on 7 June 2019**

The Management Board and the Supervisory Board also propose that a resolution be adopted:

The resolution adopted under agenda item 9 of the Annual General Meeting of Pyrolyx AG on 7 June 2019 concerning the authorisation to grant subscription rights (stock options) to employees and members of the company's management and the creation of conditional capital and the corresponding amendment to the Articles of Association is cancelled.

**3.2.    Authorization to grant subscription rights (stock options)**

The Management Board and the Supervisory Board also propose that a resolution be adopted:

The Management Board is authorized, with the consent of the Supervisory Board, to issue up to 400,000 subscription rights for up to 400,000 no-par value registered shares of the Company until August 31, 2024 in accordance with the following provisions. The Supervisory Board is authorized to issue up to 400,000 subscription rights for up to 400,000 no-par value registered shares of the Company until August 31, 2024 in accordance with the following provisions. The authorization is limited in total to the issue of 400,000 subscription rights for up to 400,000 registered shares.

At the time of this invitation, no subscription rights have been issued on the basis of the subscription rights plan described below.

The key points (summary) of the subscription right plan and the key points for issuing the options are as follows:

**a)    Group of beneficiaries**

The options may only be issued to members of the management of a company affiliated with the Company. The exact group of beneficiaries and the scope of the options to be granted to them are determined by the Management Board, with the consent of the Supervisory Board.

The total volume of the 400,000 options is distributed among the eligible groups of persons as follows:

Members of the management of a company affiliated with the Company receive a maximum of 400,000 options.

**b) Granting of options (acquisition periods) and content of option rights**

The options are granted in annual tranches, in each case within four weeks of the anniversary of the first entry in the commercial register of the conditional capital increase to be resolved in accordance with 3.3, and for the first time within four weeks of the entry in the commercial register of the conditional capital increase to be resolved in accordance with 3.3.

The options are issued by the conclusion of a written contract for the acquisition of options (option agreement) between the respective beneficiary and the Company. The Company will submit an option agreement to the beneficiary for this purpose. The issue date is the day on which the option agreement signed by the Company is handed over to the beneficiary.

Each option entitles the holder to subscribe to one no-par value registered share of the Company against payment of the exercise price (see c)).

**c) Exercise price and performance target**

The price to be paid when exercising the respective option ("exercise price") is EUR 8.00 per share.

The respective option can be exercised if the performance target has been reached.

The performance target is achieved if the market price of the Company's shares exceeds the exercise price at the time of exercise.

**d) Waiting period for first-time exercise and exercise periods**

The subscription rights may be exercised for the first time four years after they have been granted.

The options may only be exercised within a maximum period of four weeks beginning on the fifth banking day after the respective Annual General Meeting.

**e) Non-transferability of options**

With the exception of inheritance, the options are neither transferable nor saleable, pledgeable or otherwise encumberable. The right to

exercise the options ends no later than five years after they have been granted.

**f) dilution protection**

The exercise price and the number of new shares will be adjusted in accordance with the terms and conditions of the option agreements exclusively in the event of a capital increase from company funds. Sec. 9 (1) AktG remains unaffected.

**g) Regulation of further details**

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the issue of shares from the conditional capital and the further conditions of the stock option program, in particular the option conditions for the entitled persons. Further details include in particular provisions on the allocation of options within the eligible groups of persons, the determination of the issue date, provisions on taxes and costs, the procedure for exercising the options and other procedural rules.

**3.3 Conditional capital**

The Management Board and the Supervisory Board also propose that a resolution be adopted:

The share capital is conditionally increased by up to EUR 400,000.00 by issuing up to 400,000 new no-par value registered shares (Conditional Capital 2019/II). The conditional capital increase serves exclusively to fulfil options granted until 31 August 2024 on the basis of the authorisation of the Extraordinary General Meeting of 18 September 2019 pursuant to No. 3.2. above. The conditional capital increase will only be implemented to the extent that the holders of the issued options exercise their right to subscribe to shares of the Company and the Company does not satisfy the subscription rights with treasury shares. The shares from the conditional capital are issued at the exercise price determined in accordance with 3.2. as the issue price. The new shares participate in profits from the beginning of the financial year in which they are created through the exercise of the respective options.

**3.4. Amendments to the Articles of Association**

The Management Board and the Supervisory Board also propose that a resolution be adopted:

Section 3 (5) of the Articles of Association shall be amended as follows:

*"The share capital is conditionally increased by up to EUR 400,000.00 by issuing up to 400,000 new no-par value registered shares (Conditional Capital 2019/II). The Conditional Capital 2019/II serves to grant subscription rights (stock options) to members of the management of affiliated companies, which the Extraordinary General Meeting of the Company on 18 September 2019 authorised the Management Board and the Supervisory Board to issue until 31 August 2024. The conditional capital increase will only be implemented to the extent that subscription rights are exercised and the Company does not satisfy the subscription rights with treasury shares. The new shares shall participate in profits from the beginning of the financial year in which they are created by exercising the respective options."*

### **3.5. Authorization to amend the wording of the Articles of Association**

The Management Board and the Supervisory Board also propose that a resolution be adopted:

The Supervisory Board is authorized to amend the wording of Section 3 of the Articles of Association in accordance with the respective issue of subscription shares and to make all other related amendments to the Articles of Association that relate only to the wording of the Articles of Association. The same applies mutatis mutandis in the event that the Conditional capital 2019/II is not utilised after expiry of the periods for exercising subscription rights.

### **3.6. Resolution on the approval of the issue of securities within the framework of the subscription right plan (stock option plan)**

The Management Board and the Supervisory Board also propose that a resolution be adopted:

Due to the rules of Australian law, the above-mentioned resolutions must be additionally confirmed with specific reference to the Australian Securities Exchange (ASX) Listing Rules.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

- (a) *"For the purposes of ASX Listing Rule 7.2, Exception 9 and for all other purposes, approval is given for the issue of subscription rights (stock options) from time to time under the subscription rights plan described under Item 3 Sections 3.2 to 3.5 (**Subscription Rights Plan**).*
- (b) *"For the purposes of ASX Listing Rule 7.2, Exception 9 and for all other purposes, approval is given for the issue of up to 400,000*



*subscription rights (stock options) to members of the management of Pyrolyx USA, Inc. under the Subscription Rights Plan proposed."*

Voting exclusions for Item 3.6. (a) and (b)

The Company will disregard any votes cast in favour of Item 3.6 (a) and (b) by, or on behalf of, a member of the Supervisory Board (except one who is ineligible to participate in the Subscription Rights Plan) or any of their associates.

However, the Company need not disregard the vote as a result of these restrictions if it is cast:

- (a) As a proxy for a person entitled to vote, in accordance with the directions on the proxy form; or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## II.

### REPORTS AND NOTES

#### **1. Report of the Management Board on agenda item 2 pursuant to Sec. 203 (2) sentence 2 in conjunction Sec. 186 (4) sentence 2 AktG**

The resolution on agenda item 2 has become necessary because clarification was required in the course of the Annual General Meeting on 7 June 2019 with regard to the capital increase to be resolved there under item 7, which the complaining dissenting shareholders had not pointed out in the run-up to the meeting, although this would certainly have been possible. It is important to note that the language in German and English of the resolution proposed by the same dissenting shareholders for the Annual General Meeting on 7 June 2019 was generally identical to the language proposed in the Annual General Meeting on 20 July 2018. Despite this alleged ambiguity, 91.07% of the shareholders who participated in the vote, representing 59.38% of the total issued capital, approved the resolution in its then form. The language has now been modified to accommodate the concerns of the dissenting shareholders.

If the objection had been genuine, it would have been simple for the dissenting shareholders to inform management in the Notice Period, so that the language could in fact have been changed to accommodate their concerns.

Agenda item 2 provides that the Management Board is to be authorized to exclude shareholders' subscription rights in the event of a cash capital increase if the volume requirements and the other requirements for an exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG (in connection with Sec. 203 (1) sentence 1 AktG) are met. Any discount on the current market price is not expected to exceed 3 % of the market price but will in any case not exceed 5 %. This option to exclude subscription rights is intended

to enable the management to take advantage of favourable stock market situations at short notice and to achieve as high an issue price as possible by fixing a price close to the market, thereby strengthening equity as much as possible. Experience has shown that such a capital increase leads to a higher inflow of funds than a comparable capital increase with shareholders' subscription rights due to the faster action option. It is therefore in the interest of the Company and its shareholders. This does lead to a reduction in the relative shareholding and the relative proportion of voting rights of the existing shareholders. However, shareholders who wish to maintain their relative shareholding and their relative proportion of voting rights have the option of acquiring the required number of shares via the stock exchange.

It is further proposed that the Management Board be authorized, with the consent of the Supervisory Board, to exclude fractional amounts from the shareholders' subscription rights. The exclusion of subscription rights for fractional amounts is necessary in order to represent a technically feasible subscription ratio. The shares excluded from the shareholders' subscription right as free fractions will be used in the best possible way for the Company. The possible dilution effect is low due to the limitation to fractional amounts. For these reasons, the Management Board and the Supervisory Board consider the possible exclusion of subscription rights to be objectively justified and appropriate for the shareholders.

The Management Board is further to be authorized, within the framework of the authorized capital, to exclude, with the consent of the Supervisory Board, the shareholders' subscription rights in the event of capital increases against contributions in kind for the purpose of granting shares in the context of the acquisition of receivables from the Company, from companies, parts of companies or equity interests in companies or from other assets eligible for contributions.

In addition to companies, parts of companies and equity interests in companies, receivables from the Company and other contributable assets may also be acquired against the issue of new shares from the authorized capital. It should therefore be possible to grant shares instead of money, especially in cases in which claims exist against the Company, but also in cases in which a cash payment was initially agreed for the acquisition of assets, and thus to conserve liquidity. The Management Board intends to make use of this authorization and to acquire receivables from the Company against the issue of new shares from the authorized capital. In the case of an acquisition project, it may also make economic sense to acquire other assets in addition to the actual acquisition object, such as those which serve the acquisition object economically. In such cases, the Company should be in a position to acquire these assets and to grant shares as consideration for them - either to protect liquidity or because the seller demands it - to the extent that the assets concerned are contributable. Finally, assets - whether to protect liquidity or because the seller demands it - can also be acquired independently of an acquisition project against the granting of new shares, again to the extent that these are contributable.

In global competition, the Company must also be in a position at all times to act quickly and flexibly in the national and international markets in the interests of its shareholders. This

also includes the option to acquire companies, parts of companies, participations in companies or other contributable assets to improve the competitive position by granting shares in a liquidity-conserving manner. For example, negotiations may make it necessary to offer shares rather than money as consideration. Practice also shows that the owners of attractive acquisition targets frequently require the procurement of shares in the acquiring company as consideration for a sale, for example for tax reasons or in order to (co-)participate in the previous business. In order to acquire such acquisition objects, Pyrolyx AG must be able to grant new shares as consideration. The surrender of shares can also make sense from the point of view of an optimal financing structure. This is because new shares from authorized capital can be used to implement an acquisition project in a manner that preserves liquidity.

The Company shall not suffer any disadvantage as a result thereof. This is because the issue of shares against contributions in kind requires that the value of the contribution in kind is in reasonable proportion to the value of the shares. When determining the valuation ratio, the Management Board will ensure that the interests of the Company and its shareholders are adequately protected and that an appropriate issue price is achieved for the new shares.

## **2. Report of the Management Board on the utilization of Authorized Capital 2018/I**

In accordance with Section 3 (4) of the Articles of Association of Pyrolyx AG, the Board of Directors was authorised by resolution of the Annual General Meeting on July 20, 2018, entered in the Commercial Register on August 3, 2018, to increase the share capital once or several times by up to a total of EUR 2,800,000.00 until June 19, 2023 with the approval of the Supervisory Board by issuing up to 2,800,000 new registered shares against cash contributions and/or contributions in kind (Authorised Capital 2018/I). One component of Authorized Capital 2018/I is an authorization for the Management Board to exclude shareholders' subscription rights if the shares are issued as part of a capital increase against contributions in kind, provided that the capital increase is carried out for the purpose of acquiring receivables from the Company, from companies, parts of companies or equity interests in companies or other assets eligible for contributions.

On September 6, 2018, with the approval of the Supervisory Board on September 7, 2018, the Management Board partially exercised the above authorization and resolved to increase the Company's share capital from Authorized Capital 2018/I by EUR 250,000.00 against cash contributions, excluding shareholders' subscription rights. The capital increase was subscribed in the amount of EUR 250,000.00. The capital increase was entered in the commercial register on October 29, 2018.

The new shares were issued at a subscription price of EUR 6.00 per share, excluding shareholders' subscription rights. They are fully entitled to dividends from the beginning of the 2018 financial year.

The subscription price was 10.3 % above the arithmetical average of the weighted closing prices of the Company's shares in Xetra trading during the last 20 trading days prior to the

resolution of the Management Board to issue the new shares. The average price was EUR 5.44.

In addition, on March 14, 2019, the Management Board resolved to increase the Company's share capital by a further EUR 936,590.00 in return for non-cash contributions, excluding subscription rights, making partial use of the Authorized Capital 2018/I. The Supervisory Board approved the resolution of the Management Board on March 21, 2019. The capital increase was entered in the commercial register on May 6, 2019. 936,590 new shares were subscribed. These shares have been entitled to participate in the Company's profits since January 1, 2019. On April 13, 2019, the Management Board also resolved to increase the Company's share capital by EUR 222,222.00 by means of a cash capital increase, making partial use of Authorized Capital 2018/I and excluding subscription rights. The Supervisory Board approved the resolution of the Management Board on April 14, 2019. The implementation of the capital increase was entered in the commercial register on June 14, 2019.

The new shares were issued at a subscription price of EUR 9.00 per share, excluding shareholders' subscription rights. They are fully entitled to dividends from the beginning of the 2019 financial year.

The subscription price was 88% above the arithmetical average of the closing prices of the Company's shares in Xetra trading on the Frankfurt Stock Exchange during the last five trading days prior to the resolution of the Management Board to issue the new shares. The average share price was EUR 4.78.

Finally, on May 24, 2019, the Management Board resolved to implement a capital increase against contribution in kind excluding subscription rights in the amount of EUR 106,997.00. The Supervisory Board approved the implementation of the non-cash capital increase on June 2, 2019. The implementation of this non-cash capital increase has been entered in the commercial register on August 5, 2019. The new shares participate in the company's profits from January 1, 2019.

By excluding shareholders' subscription rights, the Company has in each case made use of the possibility of excluding subscription rights in the case of cash capital increases. Such an exclusion of subscription rights was necessary in the present case in order to be able to react quickly and flexibly to the Company's liquidity requirements. By fixing the price more than 10% or more than 80% respectively above the current average share price, the interests of the shareholders were adequately protected. The issue of new shares above the current market price ensured that the capital increase did not lead to any economic dilution of shareholders.

The exclusion of subscription rights with respect to the capital increases against contributions in kind was also justified. The non-cash capital increases were carried out in each case against the contribution of receivables from the company. These measures led to an increase in the Company's equity and a simultaneous reduction in borrowed capital without a corresponding outflow of liquidity. This has improved the Company's ability to borrow new capital on the market.

In view of the above considerations, the exclusion of the subscription right in accordance with the requirements of Authorized Capital 2018/I when it was utilized was objectively justified overall.

### **3. Notes on item 3**

The dissenting shareholders objected at the Annual General Meeting of June 7, 2019 that members of the current Management Board could grant stock options to themselves, thereby creating a conflict of interest. The current Management Board member, being Michael Triguboff, stated on record that he would personally not participate in the stock option programme, and that it had never been his intention to do so. The dissenting shareholders apparently were not satisfied that their objection had been addressed.

If the objection had been genuine, it would have been simple for the dissenting shareholders to inform management in the Notice Period, so that the language could in fact have been changed to accommodate their concerns.

### **III.**

#### **FURTHER INFORMATION ON THE CONVENING OF THE MEETING**

##### **Total number of shares and voting rights at the time the Extraordinary General Meeting is convened**

At the time the Extraordinary General Meeting is convened, the Company's share capital is divided into 7,226,678 no-par value registered shares, each of which grants one vote. The total number of voting rights thus amounts to 7,226,678 voting rights. The Company does not hold any treasury shares at the time the Extraordinary General Meeting is convened.

##### **Availability on the Company's website**

This invitation is also available on the company's website at

**[www.pyrolyx.com](http://www.pyrolyx.com)**

are at your disposal under the topic "For Investors".

##### **Participation in and exercise of voting rights at the Extraordinary General Meeting**

Only those shareholders who are entered in the share register and who have registered in good time are entitled to attend the Extraordinary General Meeting and exercise their voting rights. The registration must be received by the Company at the following address no later than September 11, 2019, 24:00 hours (CEST):

Pyrolyx AGc/o  
Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany

or by e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)

In relation to the Company, however, only those shareholders are deemed to be shareholders who are entered as such in the share register. For the exercise of participation and voting rights, the entry status of the share register on the day of the Extraordinary General Meeting is decisive. For technical reasons, no changes will be made to the share register in the period from September 12, 2019, 0:00 hours (CEST) to September 18, 2019, 24:00 hours (CEST). Therefore, the registration status of the share register relevant for the exercise of participation and voting rights at the Extraordinary General Meeting will correspond to the registration status at the registration deadline on September 11, 2019, 24:00 hours (CEST). The technical record date is therefore the end of September 11, 2019. Registration for the Extraordinary General Meeting does not block the shares; shareholders can therefore freely dispose of their shares at any time, even after registration has been completed. Purchasers of shares whose applications for transfer are submitted after September 11, 2019, 24:00 hours (CEST) cannot exercise participation and voting rights from these shares unless they have been authorized to do so or are authorized to exercise their rights. In such cases, the participation and voting rights shall remain with the shareholder entered in the share register until the transfer.

Once the registration has been received in due time, an admission ticket to the Extraordinary General Meeting will be issued and sent to the shareholders. The admission ticket serves to simplify the procedure at the entrance control for access to the Extraordinary General Meeting. The Company will send the invitation to the Extraordinary General Meeting including the agenda and the registration documents to all shareholders who are entered in the Company's share register at the latest at the beginning of the 14th day prior to the day of the Extraordinary General Meeting, i.e. on September 4, 2019, 0:00 hours (CEST).

Credit institutions, these pursuant to Section 135 (10) AktG in conjunction with institutions or companies, shareholders' associations and other persons listed in Section 135 (8) of the German Stock Corporation Act that have the same status as institutions or companies listed in Section 125 (5) of the German Stock Corporation Act (AktG) may only exercise voting rights for shares that do not belong to them but are entered in the share register as their holders on the basis of an authorisation of the shareholder.

### **Procedure for voting by proxy**

Shareholders who do not attend the Extraordinary General Meeting in person may have their voting rights exercised by a proxy, including an association of shareholders or a bank, or by the proxies nominated by the Company, by granting appropriate powers of attorney.

Proxy forms that can be used to grant proxy will be sent to the shareholders entered in the share register by post together with the invitation to the Extraordinary General Meeting and the registration form. Shareholders will also find a corresponding form on the admission ticket. It can also be requested by post, e-mail or fax at the above registration address.

The granting of the power of attorney, its revocation and proof of the power of attorney to the Company must be in text form. Credit institutions, these pursuant to Section 135 (10) AktG in

conjunction with § Institutions or companies, shareholders' associations and other persons listed in Section 135 (8) of the German Stock Corporation Act that are treated as equivalent in accordance with Section 125 (5) of the German Stock Corporation Act (AktG) may provide for deviating provisions in the procedure for their own authorization. Therefore, if you are a credit institution, a credit institution pursuant to Section 135 (10) AktG in conjunction with Section 135 (10) AktG, please vote in favour. Section 125 (5) AktG, a shareholder association or any other person listed in Section 135 (8) AktG, with this institution or person about a possible form of proxy in good time.

If proof of authorization is to be provided to the Company prior to the Extraordinary General Meeting, this can be done by the end of September 17, 2019 by sending it to the following address:

Pyrolyx AG  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany

or by e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)

The Company offers shareholders the opportunity to be represented by proxies nominated by the Company when exercising their voting rights at the Extraordinary General Meeting. The proxies nominated by the Company must be issued instructions for exercising voting rights in addition to a power of attorney. An authorized proxy of the Company shall exercise the voting right exclusively on the basis of the instructions given by the shareholder; he shall not exercise voting rights at his own discretion. The granting of power of attorney to the proxies is only possible - insofar as it is not carried out by shareholders present or represented at the Extraordinary General Meeting - if the power of attorney is received by the Company's proxies at the latest by the end of September 17, 2019 at the following address of the office authorized to receive the proxies of the Company:

Proxy of Pyrolyx AG  
c/o Link Market Services GmbH  
  
Landshuter Allee 10  
80637 Munich, Germany

or by e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)

A form for granting power of attorney and instructions to the proxies nominated by the Company will be sent by post to the shareholders entered in the share register together with the invitation to the Extraordinary General Meeting. It can also be requested by post, fax or e-mail at the above registration address.

### **Shareholder motions and election proposals**

Motions by shareholders pursuant to Sections 126 and 127 of the German Stock Corporation Act are to be addressed exclusively to the following address:

Pyrolyx AG  
Landshuter Allee 8-10  
80637 Munich, Germany

or by e-mail: [ir@pyrolyx.com](mailto:ir@pyrolyx.com)

### **Procedure for voting by Chess Depository Interest (CDI) holders**

Important: If you are a CDI holder, you have the following options available in order to vote at the Extraordinary General Meeting:

- aa) Instructing CHESS Depository Nominees Pty Ltd. (CDN), as the legal owner, to vote the shares underlying your CDIs in a particular manner. This can be done by completing the voting instruction form as sent to you and returned to Link Market Services Limited in the manner set out on the voting instruction form and in this Invitation to an Extraordinary General Meeting.

#### *CDI Voting Instruction Forms*

Completed CDI voting instruction forms must be provided to Link Market Services Limited no later than September 11, 2019 at noon CEST time, (September 11, 2019 at 8.00 pm Sydney time), in accordance with the instructions on that form.

Any CDI voting instruction forms received after that time will be invalid.

#### **CDI Voting Instruction Forms (Australian Register)**

Pyrolyx AG  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

or by fax: +61 2 9287 0309

or by hand: Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

or online [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

- bb) Informing the Company that you wish to nominate yourself or another person to be appointed as CDN's proxy with respect to the shares underlying your CDIs for the purposes of attending and voting at the Extraordinary General Meeting by completing Step 2 in the enclosed CDI voting instruction form.
- cc) Converting your CDIs into shares and voting these at the Extraordinary General Meeting (however, if thereafter the former CDI holder wishes to sell their investment on Australian



Stock Exchange (ASX) it would be necessary to convert the shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. Please contact Link Market Services Limited for further information if you wish to undertake a conversion.

As 15 CDIs represent an interest in one share, a CDI holder will be entitled to one vote for every 15 CDIs that they hold.

**Munich, August 2019**

***The Management Board of Pyrolyx AG***