



nachhaltig. wirtschaftlich. wegweisend.

Dear shareholder,

### **Investor Update**

Over the past six months, your company has been challenged by many headwinds. The company was required some six months ago as a consequence of COVID 19 to shut down the plant at Terra Haute, Indiana from 23 March 2020 by the Indiana State Legislature. At that time, your company was attempting to raise additional funding to meet its debt and creditor service requirements and obligations. The company was also seeking to finance several modifications to the plant at Terra Haute to improve and increase its production capacity and capability. This raising failed and as a consequence, the company was unable to meet its financial obligations. This compelled the company, all under the auspice of “safe harbour” provisioning, to

- (1) restructure its debt at all levels and to attempt to restructure the senior secured debt of approximately \$USD 30 million with Nuveen in PLX Indiana secured against the site and plant at Terra Haute and
- (2) to recapitalise the business by attracting additional funding of approximately \$USD 10 million.

The company was able to broadly restructure the company’s debt at nearly all levels and to seek support from Nuveen, who agreed to restructure their debt. In parallel, the company was able to attract in principle the new capital required to fulfill its strategic goals. However, on Monday 19<sup>th</sup> October 2020, the cornerstone investors to the capital raise withdrew their support for the recapitalisation. This left the company with no option but to review the viability and longevity of its various corporate entities and operations. This process has led to the company’s decision to place PLX Indiana into bankruptcy via a chapter seven (7) filing on Wednesday 28<sup>th</sup> October 2020. PLX Indiana owns the plant and land at Terra Haute, Indiana. This is an extremely unfortunate occurrence.

The company continues to actively review the continued viability of its entities and is in regular contact with our largest lenders to try and agree a pathway which would see some, albeit limited, value retained for shareholders.

As a consequence, the company is seeking to dispose of its tyre shred business – PTR LLC & PTS LLC – via a trade sale. The cash raised would be used to stabilise PLX USA.

Your sincerely,

Stephen Roberts, Director  
Board of Directors Pyrolyx USA, Inc.