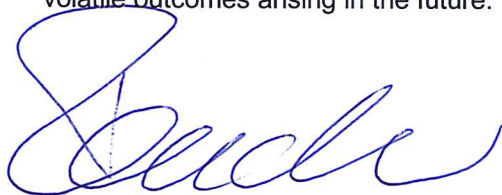


Pyrolyx AG – Quarterly Cash Flow Report for the quarter ended 31 March 2018 for the purposes of Recommendation 4.2 of the 3rd edition of the ASX Principles and Recommendation

Directors,

1. Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd edition (the **Principles**) requires the board of a listed entity, before it approves the entity's financial statements for a financial period, to receive a declaration from its Chief Executive Officer and Chief Financial Officer in respect of the company's financial statements.
2. We make the following declaration based on the attestation required under section 295A of the Corporations Act 2001 Cth (the **Act**) that applies in respect of Pyrolyx AG (**Pyrolyx** or the **Company**) Quarterly Cash Flow Report (**Appendix 4C**) for the three month period ending 31 March 2018 (**Financial Period**). In our opinion:
 - a. the financial records of the Company and its controlled entities for the Financial Period have been properly maintained in accordance with section 286 of the Act;
 - b. the financial statements and the notes referred to in section 295(3)(b) of the Act for the Financial Period comply with applicable accounting standards; and
 - c. the financial statements and notes for the Financial Period give a true and fair view in accordance with section 297 of the Act.
3. As suggested by Recommendation 4.2 of the Principles, we also declare that, in our opinion, the declaration in paragraph 2 (above) is formed on the basis of a sound system of risk management and internal control and that the system is operating effectively.
4. The statements given in accordance with Recommendation 4.2 regarding the risk management and internal compliance and control systems of the Company provide a reasonable, but not absolute level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future.



Niels Raeder
Chief Executive Officer
Pyrolyx AG



Sven Molzahn
Chief Financial Officer
Pyrolyx AG

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Pyrolyx AG

ABN

618 212 267

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter €'000	Year to date (3 months) €'000
1. Cash flows from operating activities		
1.1 Receipts from customers	83	83
1.2 Payments for		
(a) research and development	(18)	(18)
(b) product manufacturing and operating costs	(270)	(270)
(c) advertising and marketing	(9)	(9)
(d) leased assets	(28)	(28)
(e) staff costs	(947)	(947)
(f) administration and corporate costs	(825)	(825)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	58	58
1.5 Interest and other costs of finance paid	(52)	(52)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	191	191
1.9 Net cash from / (used in) operating activities	(1,816)	(1,816)

Note to 1.8: 1.8 comprises VAT refunding only as VAT payments are included in operating cash outflows.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,887)	(2,887)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter €'000	Year to date (3 months) €'000
	(d) intellectual property	(112)	(112)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,000)	(3,000)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	15	15
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	(304)	(304)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	211	211

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	27,969	27,969
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,816)	(1,816)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,000)	(3,000)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	211	211

Consolidated statement of cash flows		Current quarter €'000	Year to date (3 months) €'000
4.5	Effect of movement in exchange rates on cash held	(657)	(657)
4.6	Cash and cash equivalents at end of quarter	22,708	22,708

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter €'000	Previous quarter €'000
5.1	Bank balances	22,708	22,708
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22,708	22,708

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter €'000

91

-

Note to 6.1: includes regular management salary and supervisory board fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter €'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end €'000	Amount drawn at quarter end €'000
8.1 Loan facilities	41,560	41,560
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	7,205	7,205
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Section 8.1

Lendor	Debtor	Note	interest rate p.a.	Total amount outstanding incl. accrued interest at end of quarter (€ '000)	Securitisation
UniCredit	cct Stegelitz GmbH		2.40%	490	secured
UniCredit	cct Stegelitz GmbH		3.20%	36	secured
IBSA	cct Stegelitz GmbH		7.95%	480	secured
IBSA	cct Stegelitz GmbH		5.50%	360	secured
MBG	cct Stegelitz GmbH		9.25%	1,023	secured
IBKG	cct Stegelitz GmbH		7.75%	990	secured
Bond (various lenders)	Pyrolyx Indiana LLC	1	7.25%	30,185	secured
Arena Growth Holdings, USA	Pyrolyx International		14,00%	5,000	secured
first financial bank, USA	Pyrolyx Indiana Rail LLC	2	6,25%	1,700	secured
Convertible Bond (various)	Pyrolyx AG		10.00%	1,296	unsecured
Total				41,560	

Note1: kUSD 30,185 at USD/ EUR= 1.2005 per Dec 31, 2017.

Pyrolyx Indiana LLC has entered into kUSD 30,185 (k€ 25,702) secured Economic Development Solid Waste Facility Revenue Bonds issued by the City of Terre Haute, Indiana, split into kUSD 30,000 Tax-Exempt Series 2017A (the Series 2017A Bonds) and kUSD 185 Taxable Series 2017B (the Series 2017B Bonds). Series 2017A Bonds mature 1 December 2028 and Series 2017B Bonds mature 1 December 2020. Both bonds carry 7.25% interest.

Note 2: Contract for a TIF bond (Tax Increment Financing) signed and funds received in April 2018; dedicated funding for rail access.

Section 8.3

Lendor	Debtor	Note	interest rate p.a.	Total amount outstanding incl. accrued interest at end of quarter (€ '000)	Securitisation
Zeppelin	Pyrolyx AG		8.00%	908	secured
Galcap Senior Loan	Pyrolyx AG	3	8.00%	113	secured
Michael Triguboff	Pyrolyx AG	2	8.00%	858	secured
Alexis Gurdjian	Pyrolyx AG	3	8.00%	155	secured
Michael Carapiet	Pyrolyx AG	4	8.00%	36	secured
M-Invest	Pyrolyx AG		8.00%	40	secured
R. Machinist	Pyrolyx AG		8.00%	39	secured
Longbridge, Manderrah, CJH	Pyrolyx AG	5	8.00%	77	secured
Johalius Investments	Pyrolyx AG		8.00%	179	secured
cct AG	Pyrolyx International	1	8.00%	4800	secured
Total				7,205	

Note 1: Purchase price loan related to acquisition of cct Stegelitz GmbH. k € 200 has been paid in january.

Note 2: Loans provided by TSAL Pty Ltd and TMPL Pty Ltd, entities associated with Michael Triguboff. k€ 228 of these loans carry an interest of 15% as TSAL Pty Ltd assumed part of Galcap Senior Loan.

Note 3: Loans provided by Galcap Participations sprl and Galaxis Advisory SA, entities associated with Alexis Gurdjian.

Note 4: Loans provided by Gentilly Holdings 2 Pty Ltd, an entity associated with Michael Carapiet.

Note 5: Longbridge Nominees Pty Ltd ATF the Longbridge Trust, Manderrah Pty Ltd ATF GJJ Family Trust, CJH Holdings Pty Ltd ATF CJH Family Trust

9.	Estimated cash outflows for next quarter	€'000
9.1	Research and development	(26)
9.2	Product manufacturing and operating costs	(251)
9.3	Advertising and marketing	(23)
9.4	Leased assets	(52)
9.5	Staff costs	(1,070)
9.6	Administration and corporate costs	(858)
9.7	Other (provide details if material)	203
9.8	Total estimated cash outflows	(2,077)

Note to 9.2: including investor relations and capital market costs

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	n/a	n/a
10.2	Place of incorporation or registration	n/a	n/a
10.3	Consideration for acquisition or disposal	n/a	n/a
10.4	Total net assets	n/a	n/a
10.5	Nature of business	n/a	n/a

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 25 April 2018
(Director/Company secretary)

Print name: Niels Raeder (CEO) Sven Eric Molzahn (CFO)

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.