

Catalis S.E.

Explanatory Notes to the Agenda of the Extraordinary General Meeting of Shareholders

The shareholders of Catalis SE (the "Company") are invited to attend an Extraordinary General Meeting of Shareholders of the Company (the "EGM"). The meeting will take place on Friday 20 June 2014, at 9:00 am CET at the Company's main office at Laan van Diepenvoorde 3, 5582 LA, Waalre, The Netherlands and will be held in the English language.

The agenda for the EGM is as follows

1. Opening
2. Approval of the issuance of the €2 million 10% unsecured convertible loan notes, and grant of rights to acquire such number of ordinary shares as can be obtained from time to time by dividing the principle amount of the notes by the conversion price and exclusion of the pre-emption rights of the shareholders of the Company in respect of the granting of such rights*
3. Delegation to the Board of Directors of (a) the power to allot and issue ordinary shares and grant rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares and (b) the power to restrict or exclude the pre-emptive rights in connection with such allotment or issue of ordinary shares or grant of rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares, each for a number of ordinary shares up to 11,257,667 and for a period of five years from the date of the EGM and therefore until 20 June 2019*
4. Approval of options granted to directors*
5. Resignation and discharge of Dr. Michael Hasenstab as non-executive director*
6. Resignation and discharge of Mr. Robert Käß as non-executive director*
7. Resignation and discharge of Mr. Jens Bodenkamp as non-executive director*
8. Appointment of Mr. Nigel Hammond as non-executive director and determination of remuneration*
9. Appointment of Mr. Tom Chaloner as non-executive director and determination of remuneration*
10. Miscellaneous
11. Closing

The agenda items marked * are for voting. All other agenda items are discussion items.

Introduction

These explanatory notes should be read in conjunction with the agenda for the extraordinary general meeting of shareholders ("EGM") of Catalis SE (the "Company") to be held on Friday 20 June 2014, at 9:00 am CET at the Company's main office at Laan van Diepenvoorde 3, 5582 LA Waalre, The Netherlands. The paragraph numbering below corresponds with the numbering of the agenda items.

On 7 May 2014, the Company announced that it has successfully raised €2 million via a convertible loan notes issue with Leo Capital 1 LLP, a vehicle established to invest funds managed by Vespa Capital LLP, the conversion rights under the convertible loan notes being subject to shareholder approval. Simultaneously, Leo Capital 1 LLP acquired shares and options on shares in the Company held by Navigator Equity Solutions SE.

These transactions have resulted in Leo Capital 1 LLP replacing Navigator Equity Solutions SE as the Company's main investor. As a consequence, a recomposition of the Company's board of directors is proposed, effectively replacing the representatives of Navigator Equity Solutions SE on the board of directors by representatives of Vespa Capital LLP.

Accordingly, the EGM is convened in order have the shareholders approve the conversion rights under the convertible loan notes and to vote on the suggested recomposition and the related appointments of non-executive directors. Besides these matters, the shareholders are also requested to extend the Board of Directors' delegated authority to issue shares and grant rights to acquire shares and limited or exclude preemptive rights, and to approve the grant of options to members of the Board of Directors.

All proposals submitted to the EGM are fully supported and recommended by the Board of Directors.

1 Opening

2 **Approval of the issuance of the €2 million 10% unsecured convertible loan notes, and grant of rights to acquire such number of ordinary shares as can be obtained from time to time by dividing the principle amount of the notes by the conversion price and exclusion of the pre-emption rights of the shareholders of the Company in respect of the granting of such rights**

On 7 May 2014, the Company announced that it has successfully raised €2 million via a convertible loan notes issue with Leo Capital 1 LLP, a vehicle established to invest funds managed by Vespa Capital LLP.

The main elements of the convertible loan notes are the following

Aggregate principal amount:	€2,000,000 – individual notes may be issued in amounts or integral multiples of €250,000.
Redemption date	31 March 2019, prepayment in the case of certain default events.
Interest	10% p.a.

In the event that the shareholders have not granted the approval as per this agenda item 2 and/or have not granted the delegated authority to the Board of Directors as per agenda item 3, the interest rate shall increase to

15% p.a. with retroactive effect from 7 May 2014 until such resolutions have been taken, in which case the interest rate shall reduce to 10% p.a. and such reduction will take effect from the date on which the shareholders resolutions were taken.

In circumstances in which no conversion has taken place by 31 March 2018, the interest rate will increase to 30% per annum with effect from 1 April 2018.

Interest period

Quarterly.

Interest payments require senior lender approval.

If the Company does not obtain senior lender consent or otherwise does not pay interest when it falls due, all accrued but unpaid interest outstanding shall be compounded and treated as increasing the principal amount of the notes for the purposes of calculating future interest.

Conversion period

Convertible at any time, in tranches of a minimum of €250,000.

Conversion price

€2,00 per ordinary share, subject to certain adjustments.

Security

None – all notes shall rank pari passu equally and rateably without discrimination and preference amongst themselves and as unsecured obligations of the Company.

Transferability

The notes are transferable, but no application has been made or is intended to be made for the notes to be listed or traded.

Notes can be sold and transferred to qualified investors (*gekwalificeerde beleggers*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) only.

Initial note holder

Leo Capital 1 LLP

The shareholders are requested to approve the issuance of the €2 million 10% unsecured convertible loan notes, and the grant of rights to acquire such number of ordinary shares as can be obtained from time to time by dividing the principle amount of the notes by the conversion price and to exclude the pre-emption rights of the shareholders of the Company in respect of the granting of such rights.

3 Delegation to the Board of Directors of (a) the power to allot and issue ordinary shares and grant rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares and (b) the power to restrict or exclude the pre-emptive rights in connection with such allotment or issue of ordinary shares or grant of rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares, each for a number of ordinary shares up to 11,257,667 and for a period of five years from the date of the EGM and therefore until 20 June 2019

Traditionally, the Board of Directors has been authorized by the shareholders to allot and issue ordinary shares and grant rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares and restrict or exclude the pre-emptive rights for periods of five years and for a number of shares up to the Company's authorized share capital.

In March 2014, the authorization of the Board of Directors as previously granted by the shareholders lapsed. Accordingly, the Board of Directors proposes to be again authorized and to be delegated the (a) the power to allot and issue ordinary shares and grant rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares and (b) the power to restrict or exclude the pre-emptive rights in connection with such allotment or issue of ordinary shares or grant of rights in or to acquire ordinary shares and/or instruments or securities convertible into ordinary shares, each for a number of ordinary shares up to 11,257,667 – being the number of authorized but unissued ordinary shares as per the Company's articles of association – and for a period of five years from the date of the EGM and therefore until 20 June 2019.

4 Approval of options granted to directors

A number of options over ordinary shares were granted to directors Mr. Dominic Wheatley, Mr. Pieter Biewald, Mr. Robert Käß and Dr. Michael Hasenstab, as part of their remuneration.

The number of options granted to the directors and the main terms thereof are set out in the below table.

	# Options	Exercise price	Date of grant	Expiry date
Mr. Dominic Wheatley	500,000	€1,00	25 April 2013	31 December 2017
Mr. Pieter Biewald	60,000	€1,00	25 April 2013	31 December 2017
Mr. Robert Käß	300,000	€1,00	25 April 2013	31 December 2017
Dr. Michael Hasenstab	300,000	€1,00	25 April 2013	31 December 2017

The shareholders are requested to approve the abovementioned options granted to the named directors.

5 Resignation and discharge of Dr. Michael Hasenstab as non-executive director

Dr. Hasenstab has been a member of the Board of Directors since 2008. In the context of the contemplated recomposition of the Board of Directors as a consequence of Leo Capital 1 LLP replacing Navigator Equity Solutions SE as the Company's main investor, Dr. Hasenstab has proposed to resign from office.

The shareholders are requested to accept the resignation of Dr. Michael Hasenstab as non-executive director and to discharge him for his duties and the fulfillment of his tasks as a non-executive director of the Company.

6 Resignation and discharge of Mr. Robert Käß as non-executive director

Mr. Käß has been a member of the Board of Directors since 2008. In the context of the contemplated recomposition of the Board of Directors as a consequence of Leo Capital 1 LLP replacing Navigator Equity Solutions SE as the Company's main investor, Mr. Käß has proposed to resign from office.

The shareholders are requested to accept the resignation of Mr. Robert Käß as non-executive director and to discharge him for his duties and the fulfillment of his tasks as a non-executive director of the Company.

7 Resignation and discharge of Mr. Jens Bodenkamp as non-executive director

Mr. Bodenkamp has been a member of the Board of Directors since 2008. In the context of the contemplated recomposition of the Board of Directors as a consequence of Leo Capital 1 LLP replacing Navigator Equity Solutions SE as the Company's main investor, Mr Bodenkamp has proposed to resign from office.

The shareholders are requested to accept the resignation of Mr. Jens Bodenkamp as non-executive director and to discharge him for his duties and the fulfilment of his tasks as a non-executive director of the Company.

8 Appointment of Mr. Nigel Hammond as non-executive director and determination of remuneration

In the context of the transaction, the Company has agreed that Vespa Capital LLP shall have the right to nominate two directors for appointment to the Board of Directors for so long as Leo Capital 1 LLP (or any fund(s) managed by Vespa Capital LLP or any entity established by such fund(s)) holds not less than €1,000,000 of the notes that remain outstanding.

In view of the above, it is proposed by the Board of Directors to appoint Mr. Nigel Hammond as non-executive director for a period of three years and until the annual general meeting of shareholders of 2017.

Nationality: English

Date of birth: 13 June 1964

An Engineer and Chartered Accountant, Mr. Nigel Hammond's private equity experience covers more than two decades and has involved investing in companies based in many European countries facing most of the organic and acquisitive growth challenges that businesses are ever likely to encounter. From 1990 to 1995 he worked for 3i, from 1995 to 2006 for Montagu Private Equity and co-founded Vespa Capital with Denis Leroy in 2007.

Mr. Hammond currently is director at the following companies

- Holmewood House Services Limited
- Holmewood House Properties Limited
- Holmewood House School
- Wsp Textiles Limited
- Ludus Capital Limited
- Cententia Capital Limited
- Vespa Capital Partners Limited
- Fornax Capital Limited
- Jumby Bay Island Company Limited

The proposed remuneration for Mr. Hammond consists of a fixed amount of €40,000 p.a.

Mr. Hammond does not hold any shares, options or other rights for shares in the Company.

Because of his position at Vespa Capital, Mr. Hammond is not considered independent in accordance with the Dutch Corporate Governance Code.

9 Appointment of Mr. Tom Chaloner as non-executive director and determination of remuneration

Further to the proposed appointment of Mr. Hammond, it is proposed by the Board of Directors to appoint Mr. Tom Chaloner as non-executive director for a period of three years and until the annual general meeting of shareholders of 2017.

Nationality: English

Date of birth: 18 April 1963

Mr. Tom Chaloner has worked in Venture Capital and Private Equity since 1998 having been Head of Portfolio at HSBC Ventures until 2002 and then a Partner at Montagu Private Equity until 2009 where he focussed on portfolio matters. Mr. Chaloner has extensive NED experience in various sectors and countries including the UK, Germany, Denmark, and Switzerland and has been involved in over 50 exits. He holds various professional qualifications including an MBA.

Mr. Chaloner currently is director at the following companies:

- Ludus Capital Limited
- Wsp Textiles Limited
- Concentia Capital Limited
- Chunky Chally Limited

The proposed remuneration for Mr. Chaloner consists of a fixed amount of €40,000 p.a.

Mr. Chaloner does not hold any shares, options or other rights for shares in the Company.

Because of his position at Vespa Capital, Mr. Chaloner is not considered independent in accordance with the Dutch Corporate Governance Code.

10 Miscellaneous

11 Closing

**Catalis SE - The Board of Directors
Waalre, 7 May 2014**