



iQ Power Licensing AG, Zug, Switzerland

IMPORTANT UPDATE

REGARDING THE ORDINARY GENERAL MEETING 2018

In connection with the invitation to the ordinary general meeting of iQ Power Licensing AG, scheduled for 28 September 2018 at 1:00 pm (doors open at 12:30 pm), at Migros Klubschule, Metalli-Gebäude, Industriestrasse 15b, 6300 Zug, Switzerland,

the Board of Directors (the Executive Board) of iQ Power Licensing AG informs about the following updates/changes:

The reverse split according to the original invitation dated 7 September 2018 (agenda item 3) cannot be implemented as the approval from the Swiss federal office for the commercial register has not been granted. As a consequence and as already indicated in the invitation dated 7 September 2018, the Executive Board had to cancel certain agenda items and introduce amended motions on the remaining agenda items.

The cancelled agenda items, amended motions and unchanged agenda items relating to the ordinary general meeting of iQ Power Licensing AG 2018 are as follows:

- 1. Change of name – Cancelled (no voting)**
- 2. Change of registered office – Cancelled (no voting)**
- 3. Reverse split – Cancelled (no voting)**
- 4. Ordinary capital increase – Amended Motion**

Application:

Since the reverse split according to the original agenda item 3 cannot be implemented, the Executive Board proposes the following new motion:

The Executive Board is applying for an ordinary capital increase according to the following provisions:

1. Increase of the share capital by a nominal amount of up to CHF 3,698,247.96 by issuing up to 369,824,796 registered shares, to be fully paid up, with a par value of CHF 0.01 each, for a total contributed capital amount of up to CHF 3,698,247.96.
2. The issue price per share is EUR 0.07. The newly issued shares are entitled to dividends starting on 1 January 2018.
3. Type of capital contributions:
Contribution in kind up to a maximum of 16,810,218 shares in Engenavis, Inc., 8541 E. Anderson Dr., Suite 100, Scottsdale Arizona 85255, USA (Engenavis, Inc.), with a value of at least EUR 1.54 each, in exchange for which the contributors receive a maximum of 369,824,796 new registered shares with a par value of CHF 0.01.
4. The new shares to be issued have no privileges.
5. The new shares to be issued are not subject to any transferability restrictions.
6. The subscription right of the shareholders is excluded in favour of the investors in Engenavis, Inc. Subscription rights that are not allocated or exercised expire without compensation.

7. The Executive Board shall implement the capital increase within three months from the date of the general meeting (*if need be, in two tranches*) and have it registered in the commercial register.

Amended explanations:

The company plans to take over Engenavis, Inc. After the takeover, the company's sales and profits are to be increased with the help of technologies developed by Engenavis, Inc., ensuring the survival of the company.

In the course of the ordinary capital increase, the company plans to increase the share capital by a maximum nominal amount of CHF 3,698,247.96 by issuing a maximum of 369,824,796 registered shares with a par value of CHF 0.01 each and an issue price of EUR 0.07 each.

The company plans to exclude the subscription right for the company's current shareholders on the new shares being issued. This legal right can be excluded for important reasons by resolution of the general meeting. If the Executive Board proposes to exclude the shareholders' subscription right, it has to demonstrate that excluding the subscription right is in the company's best interest and that such a measure is necessary to achieve the desired objective.

According to Art. 652b(2) OR, the resolution of the general meeting to increase the share capital may exclude the shareholders' subscription right in order to enable the takeover of companies if this is not to the unfair advantage or disadvantage of any shareholders. As previously mentioned, Engenavis Inc. with its technologies is to be taken over to ensure the survival of the company. Engenavis, Inc. is to be taken over by means of a stock swap, with the shareholders of Engenavis, Inc. receiving 22 shares of the company for each share of Engenavis, Inc. To ensure that no shareholders of the company obtain an unfair advantage or disadvantage, the subscription right of the company's shareholders is to be excluded for the capital increase required for the stock swap.

Further information on the planned capital increase is available on the company's website (www.iqpower.com).

5. Amending the bylaw provision for approved share capital – Amended Motion

Application:

Since the reverse split according to the original agenda item 3 cannot be implemented, the Executive Board proposes the following new motion:

The Executive Board is applying to renew the approved share capital, and to amend Article 3a of the bylaws as follows:

“Article 3a

The Executive Board is authorised to increase the share capital at any time until 28 September 2020 up to a maximum amount of CHF 1,709,354.48 by issuing up to 170,935,448 registered shares, to be fully paid up, with a par value of CHF 0.01 each. Increases by way of firm commitment underwriting and increases in partial amounts are permitted. The respective issue amount, the date of eligibility for dividends and the type of contributions are determined by the management board.

The Executive Board is authorised to exclude the shareholders' subscription right and assign it to third parties when such new shares are to be used (1) for the takeover of companies by means of a stock swap, (2) to finance the acquisition of companies, company divisions or participations, or new investment projects of the company, (3) for the participation of employees or (4) to issue shares in the course of an international placement. Shares for which subscription rights are granted but not exercised are to be sold at market terms.”

6. Amending the bylaw provision for conditional share capital – Amended Motion

Application:

Since the reverse split according to the original agenda item 3 cannot be implemented, the Executive Board proposes the following new motion:

The Executive Board is applying to renew the conditional share capital, and to amend Article 3b of the bylaws as follows:

“Article 3b

The company’s share capital is increased by a maximum of CHF 1,709,354.48 by issuing no more than 170,935,448 registered shares, to be fully paid up, with a par value of CHF 0.01 each, thereof:

- 1. Up to an amount of CHF 40,000.00 by exercising option rights that are issued to the shareholders*
- 2. a) Up to an amount of CHF 50,000.00 by exercising option rights that have already been issued.*
 - b) Up to an amount of CHF 125,170.00 by exercising option rights granted to the employees, members of the Executive Board for the company or subsidiaries and external persons advising the company.*
 - c) Up to an amount of CHF 1,330,850.60 by exercising conversion or option rights granted in relation to bonds or similar obligations of the company. The conditions for exercising the conversion or option rights have to be established by the Executive Board.*
 - d) Up to an amount of CHF 163,333.88 by issuing conversion rights that have already been granted in relation to bonds or similar obligations of the company.*

The advance subscription right of the shareholders can be excluded in case of convertible bonds or similar obligations in regards to no more than 9 133,085,060 registered shares with a par value of CHF 0.01 each by resolution of the Executive Board (1) to finance the acquisition of companies or participations, or new investment projects of the company or (2) to issue the convertible bonds on international capital markets or (3) to maintain the company’s economic independence.

Insofar as the advance subscription right of the shareholders is excluded, the structure, term and amount of the bonds or similar obligations as well as the conversion or option conditions have to be established by the Executive Board according to the market conditions at the time of issuing.

The conversion or option rights have an exercise period of no more than ten years after the corresponding bond is issued.

The subscription right of the shareholders is excluded for the conditional capital according to this no. 2.”

7. Approving the 2017 management report, annual financial statements and consolidated financial statements – No changes

8. Resolution regarding the appropriation of profit – No changes

9. Discharge of the Executive Board and management – No changes

10. Election of members of the Executive Board – No changes

11. Election of the President of the Executive Board – No changes



12. Election of the members of the compensation committee –No changes

13. Election of the independent proxy – No changes

14. Election of the auditor – No changes

15. Approval of compensation – No changes

16. Approval of reorganisation measures – No changes

Important information

Please consult the invitation to the ordinary general meeting of iQ Power Licensing AG dated 7 September 2018 for all other information (including motions on unchanged agenda items as well as related explanations), which remain valid and unchanged unless explicitly stated otherwise herein.

Shareholders may grant new instructions relating to amended motions in the proxy to the independent proxy pursuant to Art. 689c OR and Art. 8 VegüV (ordinance against excessive compensation), Chasper Kamer, LL.M., Ruoss Vögele Partner, Kreuzstrasse 54, CH-8032 Zurich, Switzerland.

The deadline for submission of the reply form has been extended to 26 September 2018.

The German language version of this information is the original text. In case of deviations, the German text takes precedence over any English translation.


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Yours sincerely,

iQ Power Licensing AG

For the Executive Board



Raymond Wicki, President of the Executive Board

Note: This invitation to the extraordinary General Meeting of Shareholders may be viewed in English language under www.iqpower.com.