

PRESS RELEASE

BIO-ON: FROM THE MINISTRY OF ECONOMIC DEVELOPMENT A GRANT OF 8 MILLION EUROS IN THE FRAME OF THE R&D PROJECTS FOR THE SUSTAINABLE INDUSTRY

Bologna, 21 December 2017 - The Ministry of Economic Development adopts in favour of the company Bio-on SpA, listed on the AIM segment of Borsa Italiana and a leading player in the new eco-sustainable chemical industry, the grant foreseen by the art. 7 of the D.M. 24 July 2015, under the fund for sustainable growth and based on the Revolving Fund for business support and investment in research, for the realization of the research and development project concerning «**Development of innovative systems for the production of PHA biopolymers starting from agro-industrial wastes and by-products for sectors with a high added value**» (BIOPLUS). Considering the positive evaluations of external experts, the MISE, through the Directorial Decree issued on 20/12/2017 determined for the BIOPLUS project an **amount of total cost eligible for funding of 8,661,166.67 euros**, the financing is granted as follows:

- a) a direct contribution to the cost as non-repayable loan of € 1,299,175.00.**
- b) a subsidized soft loan of € 6,062,816.00.**

The subsidized soft loan will be reimbursed by Bio-on at a rate of 0.80%, and will be granted against an **additional subsidized bank loan for the amount of € 692.894,00.**

The amount is intended to support in particular the BIOPLUS project, which involves research, development, demonstration and prototyping activities at the various Bio-on sites and, especially, in the industrial one under construction and soon to be opened at Castel San Pietro Terme, in the province of Bologna. The Bio-on staff will focus on: the implementation of specific production processes, the engineering of plants of higher industrial sizes, the study of the entire production cycle and the development of applications for the biopolymer in specific sectors with high added value: cosmetics, biomedical, environmental remediation, structural plastic objects.

In fact, the new Bio-on production site will be dedicated to the production of 100% natural and biodegradable PHAs special biopolymers for advanced and rapidly developing niche markets such as the cosmetics sector. The plant will have a production capacity of 1,000 tons per year which can be rapidly expanded to 2,000 and will be equipped with the latest technology and the most advanced research and development laboratories where new sources of carbon from agricultural wastes will be continuously tested to produce new types of biodegradable bioplastics.

This is a productive reconversion example, a technological and economic revival that offers unique opportunities to enhance the entrepreneurial vitality and the potential of the involved territories through the development and demonstration of advanced production systems integrated with emerging green chemistry technologies. The production plant and the related research centers, once fully operational, will require 40 operators involved both in the production section of the biopolymers and in the continuous research and development activities. The plant will also be the reference site for training operators of the future industrial plants and for technological, operational and industrial developments in Italy and abroad.

The revolutionary PHAs bioplastics (poly-hydroxy-alkanoates) developed by Bio-on, are obtained from renewable plant sources without any competition with food chains, guaranteeing the same thermal-mechanical



properties of traditional plastics with the advantage of being completely eco-sustainable and 100% biodegradable in a natural way. The direct presence of Bio-on in the production segment of high-performance biopolymers is an important goal to create a global platform for the production of bioplastics of the future, 100% natural and biodegradable.

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Bio-on S.p.A.

Bio-On S.p.A., an Italian Intellectual Property Company (IPC), operates in the bioplastic sector conducting applied research and development of modern bio-fermentation technologies in the field of eco-sustainable and completely naturally biodegradable materials. In particular, Bio-On develops industrial applications through the creation of product characterisations, components and plastic items. Since February 2015, Bio-On S.p.A. has also been operating in the development of natural and sustainable chemicals for the future. Bio-On has developed an exclusive process for the production of a family of polymers called PHAs (polyhydroxyalkanoates) from agricultural waste (including molasses and sugar cane and sugar beet syrups). The bioplastic produced in this way is able to replace the main families of traditional plastics in terms of performance, thermo-mechanical properties and versatility. Bio-On PHAs is a bioplastic that can be classified as 100% natural and completely biodegradable: this has been certified by Vincotte and by USDA (United States Department of Agriculture). The Issuer's strategy envisages the marketing of licenses for PHAs production and related ancillary services, the development of R&D (also through new collaborations with universities, research centres and industrial partners), as well as the realisation of industrial plants designed by Bio-On.

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