



## PRESS RELEASE

Bio-on S.p.A.

### **Bio-on makes a “leap forward” and launches production of special biopolymers at its new “Production” division. New industrial plan for 2017-2020 also presented.**

- Current business based on licensing will operate alongside its production division, which will help boost turnover.
- New special bioplastics expected to enter the market in 2018 with a range of products for cosmetics, such as microbeads designed to replace polluting microplastics currently contained in cosmetics and already prohibited by law in many countries.
- The new proprietary plant will be completed in a year's time with a forecast investment of €15 million.
- Plan forecasts turnover of €140 million in 2020 and EBITDA of €85 million, with cash generation of over €60 million.

Milan, Tuesday 22 November 2016 – **Bio-on will begin producing its own special biopolymers at a new 1,000 tons/year plant to be completed in 2017 with an expected investment of €15 million Euro.** The news is part of a new 2017-2020 industrial plan, which Marco Astorri, Chairman and CEO of Bio-on S.p.A., outlined to the financial community and the press today. **Entering the innovative sector of high-margin special bioplastics production** adds to the company's existing research and development of 100% biodegradable biopolymers and the production licensing on which it has developed since its foundation in 2007.

Thanks to the over 50 patents registered in the last 9 years, Bio-on is now the leader in eco-sustainable chemical technologies and in the industrial development of PHAs production (or polyhydroxyalkanoates). PHAs are bioplastics that can replace a number of traditional polymers currently made with petrochemical processes using hydrocarbons. The PHAs developed by Bio-on guarantee the same thermo-mechanical properties with the advantage of being completely naturally biodegradable once used.

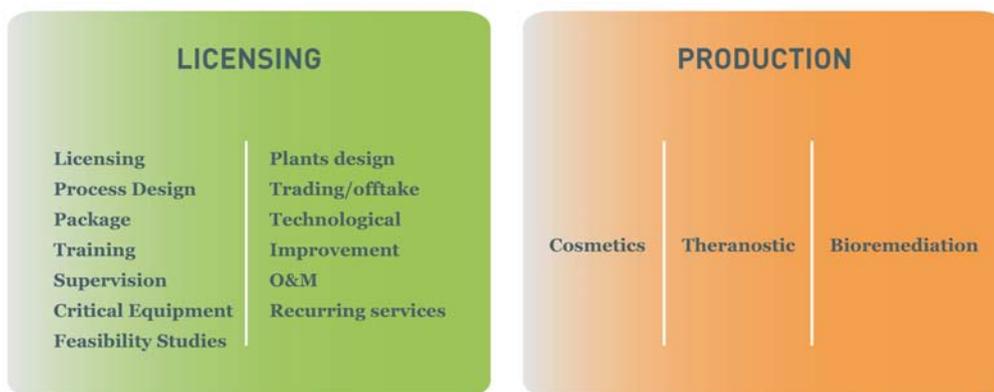
The **PHAs bioplastics developed by Bio-on are made from renewable plant sources** (such as sugar beet and sugar cane production waste) **with no competition with food supply chains. They are completely eco-sustainable and 100% naturally biodegradable.** The research conducted and the new patents registered by Bio-on demonstrate that they can also be used successfully in medicine or to make cosmetics products, because their biocompatibility makes them completely safe for human health. **Bio-on now controls the entire technological chain for the production and use of various grades of PHAs bioplastic.**



The new **Production** division will exploit the new patents and products developed particularly for **cosmetics** (bioplastic microbeads to replace the microplastics contained in cosmetics, which cause pollution and have already been banned in some countries, including the United States with the *Microbead-Free Waters Act of 2015*).

**Based on its new development plan, Bio-on expects to have an offer of products for cosmetics from 2018.** Production will also extend to products for **theranostics** (which uses bioplastic micro-capsules for diagnostic purposes or to give antitumor therapies) and **bio-recovery** or **bio-remediation** (which uses bioplastic to deal with hydrocarbon leaks into the sea or on land).

**Licensing and Production are the two main business lines on which Bio-on's new industrial plan is based.**



**The plan envisages endogenous growth of 78% (CAGR 2015-2020), with a target turnover of 140 million Euro in 2020 and a target EBITDA of 59%, in line with current margins, equal to 85 million Euro, and cash generation of over 60 million Euro.** The new industrial plan envisages balanced and consistent turnover growth between the new production division and the licensing arm of the business, further boosting the latter in the future.

The planned turnover for 2017 and 2018 from licensing is substantially covered by orders currently being formalised or negotiated for approximately 68 million Euro. In addition, the “sales funnel” currently includes a number of opportunities that amount overall to approximately 80 million Euro.

Bio-on's choice to enter the production sector was guided by the extraordinary and extreme flexibility of application of PHAs bioplastics and by the rapid development of the market, which will determine various price levels depending on the application and the market segment.

Consequently, Bio-on will apply a licensing policy which will have greater focus on production sectors and segments, specific geographical areas and price bands. Production, on the other hand, will focus solely on special bioplastics with high technological content and high margins.

*“We are proud to contribute to such an important sector for human health,” says Bio-on S.p.A. Chairman Marco Astorri, “We will continue to do so by extending our direct presence even more in the cosmetics, biomedical and nanomedical sectors.”*



## **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 PHA 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.

The alphanumeric codes for ordinary shares "ON" IT0005056236, for ordinary shares "ON" with bonus share IT0005056228 and for warrants "WARRANT Bio-On 2014-2017" IT0005056210. The minimum unit of trading envisaged by the Italian Stock Exchange is 250 shares.

Company Nomad is EnVent S.p.A.. Banca Finnat Euramerica S.p.A. acts as company specialist.

**Press information:** Simona Vecchies +393351245190 - [press@bio-on.it](mailto:press@bio-on.it)

**Follow us on Twitter @BioOnBioplastic**

### **Issuer**

Bio-On S.p.A.  
via Dante 7/b  
40016 San Giorgio di Piano (BO)  
Marco Astorri  
Tel: +39 051 893001  
[info@bio-on.it](mailto:info@bio-on.it)

### **Nomad**

EnVent Capital Markets Ltd  
25 Savile Row W1S 2ER London  
Tel. +447557879200  
Italian Branch  
Via Barberini, 95 00187 Rome  
Tel: +39 06 896.841  
[pverna@eventcapitalmarkets.uk](mailto:pverna@eventcapitalmarkets.uk)

### **Specialist**

Banca Finnat Euramerica S.p.A.  
Piazza del Gesù, 49  
00186 Rome  
Lorenzo Scimia  
Tel: +39 06 69933446  
Fax: +39 06 6791984  
[l.scimia@finnat.it](mailto:l.scimia@finnat.it)