

Anellotech Begins Commissioning of TCat-8® R&D Unit Raises Funds, Announces Form D Filing for \$1.5 Million Equity Investment from a New Strategic Investor

*Additional Funding for Fully-Integrated Development and Testing Facility,
to Generate Data for Future Commercial Plant*

Pearl River, New York – October 6, 2016 – Anellotech today announced a U.S. Securities and Exchange Commission Form D filing, stating that the Company has received an equity investment of \$1.5 million from a new, confidential strategic investor. The new investor joins existing announced partners, Axens, IFP Energies nouvelles (IFPEN), Johnson Matthey, Suntory and Toyota Tsusho. This investment demonstrates a strong interest in the development of Anellotech’s proprietary thermal catalytic biomass conversion technology (“Bio-TCat®”) for cost-competitively producing aromatics (now made from petroleum), including paraxylene and benzene, from non-food biomass. The development of 100 percent bio-based aromatics will meet growing consumer demand for plastic products, children’s toys, laundry detergent and food and beverage packaging made from sustainable sources.

“When considering the current oil price environment, this is exceptional.” said David Sudolsky, President & CEO of Anellotech. “It signifies a bullish perspective on the cost competitiveness of the Bio-TCat technology, and a strong commitment by our new partner to support the development of bio-based aromatics.”

The funding will be used for the Bio-TCat R&D program, at the forefront of which is the TCat-8 development and testing facility, where commissioning activities began on September 1, 2016. This 25 meter-tall unit is designed to confirm the viability and suitability of the Bio-TCat process for scale up, and generate the data needed to design commercial plants, planned for the end of this decade. The TCat-8 unit was jointly designed by Anellotech and its R&D partner IFPEN, and will use a novel catalyst under joint development by Anellotech and Johnson Matthey. Three technical experts from Anellotech partner IFPEN are now on site where they will be working side-by-side with Anellotech engineers for the next two years.



Suntory, IFPEN and Anellotech leadership and engineering teams;
TCat-8 Commissioning (SHR, Silsbee, Texas)

The Bio-TCat process efficiently and cost-competitively produces bio-based aromatics, including paraxylene, benzene, toluene and other xylenes (BTX), from non-food sources. BTX is used to make high volume plastics, such as polyester (polyethylene terephthalate or “PET”), polystyrene, nylons and also ABS. By using renewable and readily available low-cost feedstocks, such as wood, sawdust, corn stover and bagasse, the Bio-TCat process is less expensive compared to processes that use sugar-based feedstocks and avoids competition with the food chain.

Anellotech

Anellotech's competitive advantage is also derived from its use of a simple process – performing all process reactions in one fluid bed reactor where biomass is thermally broken down and then catalytically converted into aromatics. As a result, these bio-based aromatics can be sold profitably against their identical, petroleum-derived counterparts. “Despite strong industry demand, there is no commercially available, renewable-based paraxylene, a critical missing component required to make 100 percent bio-based PET products on the market today, nor other bio based aromatics needed for bio-nylon, polystyrene, ABS, or linear alkyl benzene,” Sudolsky says. “Partnerships – and the strong support from a growing number of highly knowledgeable strategic, brand owner investors – will enable us to fulfill this unmet demand.”

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About Anellotech Partnerships

Anellotech complements its world-class R&D team with in-depth, highly interactive, and long-term partnerships with leaders in process development, catalysis, engineering design, and licensing to accelerate development and drive cost-competitiveness. IFPEN is our process development and scale-up partner, Johnson Matthey is our catalyst development partner, and Axens our partner for industrialization, commercialization, global licensing and technical support. Industry-leading strategic partners in the BTX supply chain have also invested in Anellotech. These high-caliber, results-oriented partnerships provide the critical mass of expertise and market presence for the successful commercialization of the technology.

Our development partners’ involvement is driven by future licensing and engineering services revenues and catalyst sales to licensees, while our operating company partners (including Suntory and Toyota Tsusho) are motivated by obtaining early access to cost competitive bio-aromatics. This ensures a results-driven and end-to-end collaboration with a focus on technical and process economic success.

Anellotech continues to seek additional funding and strategic partners, including companies interested in cost-competitive bio based benzene, toluene and xylenes and their derivatives, as well as biomass suppliers and others in the supply chain, to support its development and participate in the future success of the Bio-TCat technology.

About Anellotech

Anellotech is a green innovation and technology company developing an efficient and eco-friendly process for producing bio-based chemicals (BTX) from non-food biomass. We use proprietary breakthrough technology to provide these sustainable chemical building blocks, as an alternative to their identical counterparts derived from fossil sources. By using biomass as a source feedstock for aromatic chemicals, Anellotech is helping to broaden the world’s access to renewable chemical and energy sources, while lowering these chemicals’ lifecycle carbon footprint to help reduce green-house gas emissions.

For further information, contact:

David Sudolsky
Anellotech Inc.
+1 (845) 735 7700
DSudolsky@anellotech.com