

Anellotech Raises Funds, Announces Form D Filing for \$7 Million Equity Investment from a New Strategic Investor, \$3 Million More to Come

Additional Funding for Fully-Integrated Development and Testing Facility, Operational in 2016, to Generate Data for Future Commercial Plant



Anellotech's TCat-8 development and testing unit for converting biomass to BTX.
Photo courtesy of Zeton Inc.

Pearl River, New York – November 18, 2015 – Anellotech today announced a U.S. Securities and Exchange Commission Form D filing, stating that the Company has received an equity investment of \$7 million from a new, strategic investor.

The new, multinational corporate investor joins existing partners, Axens, IFP Energies nouvelles (IFPEN), Johnson Matthey, and other industry leaders. This demonstrates a strong interest in the development of Anellotech's proprietary thermal catalytic biomass conversion technology ("Bio-TCat™") for cost-competitively producing building block aromatics, including paraxylene and benzene, from non-food biomass. The development of 100 percent bio-based aromatics will meet growing consumer demand for products and packaging made from sustainable sources.

"This recent investment is extremely encouraging, especially when considering recent oil prices," said David Sudolsky, President & CEO of Anellotech. "It indicates a bullish perspective on Anellotech's

future, and a strong commitment by our new partner for low cost bio-based aromatics."

The initial \$7 million is the first tranche of a total of \$10 million the Company plans to raise. The remaining \$3 million is expected to come within the next few months.

The funding will be used for the development of the Bio-TCat process, including the installation of Anellotech's new, fully-integrated development and testing facility ("TCat-8"), which will be operational in 2016. This 25 meter-tall unit will confirm the viability and suitability of the Bio-TCat process for scale up, and generate the data needed to design commercial plants using the technology, 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.

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 significant plastics, such as polyester (polyethylene terephthalate or "PET"), polystyrene, polyurethane, and nylon. By using renewable and readily available materials, such as wood, sawdust, corn stover and bagasse, the Bio-TCat process is less expensive compared to processes that use sugar-based feedstock,

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and avoids competition with the food chain. And, unlike thermochemical approaches where bio-oil is an intermediate product, the requirement for extensive, costly amounts of hydrogen is not a fundamental aspect of the technology.

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 biobased aromatics needed for bio-nylon, polyurethane, polycarbonate, or linear alkyl benzene,” Sudolsky says. “Dynamic partnerships – and the strong support from a growing number of highly knowledgeable strategic investors – will enable us to meet 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 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 biobased 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

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aromatic chemicals, Anellotech is helping 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.

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