

Re: Biovation Exploring Opportunities to Sell Part of Product/Patent Portfolio

Potential Buyer/Partner,

In 2011, I met Mike Riebel - a serial entrepreneur with a 30-year track record in biocomposites, laminates, and green materials. Like all innovators, Mike saw the opportunity to invent. Unlike many, however, Mike had the vision to **solve some economically significant problems while outperforming existing technologies at competitive prices** (which is rare for inventors, and even more rare for "green" products). Mike said, with support, he could develop the core technologies and intellectual property needed to realize seven exciting product families:

- Unlock the potential of PLA and other next-generation bioplastics/plastics by increasing ease of processing (**HySoy™**).
- Eliminate harmful formaldehyde and PVC by creating "bio-based" decorative laminates (**BioSurf®**) and structural composites (**MicroPly™**) that also offer custom imagery, HD printing, transparent wear layers, and high formability.
- Bring custom imagery, 3D-HD printing, and authentic texturing to "green" and "non-green" substrates (**STRATUS™**).
- Provide more scratch-proof and aesthetically pleasing fire-resistant architectural surfaces (**BioFire™**).
- Enable fluorescent light diffusers that are inherently more fire-safe than standard acrylic-based products (**SafeLens™**).
- Create bio- and light-based cleaning platforms to purify air and even keep fruits/flowers fresh longer (**OptiClean™**).

What happened? In short, he did it. Biovation was originally formed in 2009 and acquired \$1M in seed capital from angel investors. In 2012, MVC Capital invested \$3.5 M to purchase a pilot-production facility and associated equipment, facilitate multi-product development, continue to secure a strong patent portfolio, and provide business focus. To establish a product pipeline, the innovations related to bioplastic processing (**HySoy™**), red-list free decorative laminates (**BioSurf®**), and 3D-HD printing/texturing (**STRATUS™**) were developed to production scale with others (**MicroPly™**, **BioFire™**, **SafeLens™**, & **OptiClean™**) being advanced to prototype/pilot levels. The goal was to incubate each technology to the point of acquisition readiness. *During this process, **BioSurf®** was selected as the first product to launch at a pilot level to initiate market development and business-model validation. Using a website (<http://www.biosurfsolutions.com>) and limited marketing resources in 2014, **BioSurf®** products have already been sold to Google, Kaiser Permanente, and many universities who value its combination of aesthetic appeal and sustainability. Furthermore, **BioSurf®** won Best in Show out of 700 exhibitors at GlobalShop 2014.*

Today, Biovation's leadership is ready to explore opportunities to sell some of our capabilities/assets to one or more companies who may wish to take advantage of these business opportunities. These assets include the following:

- *IP Assets:* Pursued patent protection for over 20 inventions within the US (some issued, some pending). For many of these inventions, have also pursued counterparts in Europe and other countries (with several PCTs still active/available). Includes trade secrets around core process technologies and product trademarks. Biovation is the sole owner of all the aforementioned IP. Legal counsel is Winthrop & Weinstein, LLP of Minneapolis.
- *Product Assets:* Developed 7 core product families (**HySoy™**, **BioSurf®**, **STRATUS™**, **MicroPly™**, **BioFire™**, **SafeLens™**, & **OptiClean™**) - all linked directly to, and protected by, the aforementioned patent portfolio.
- *Physical Assets:* Purchased and fully own a \$600,000 plant (19,000 sq. ft.) in Montgomery, MN containing \$500,000 in production equipment and supplies (e.g., HD printer, high-speed coater, laminator, test equipment, etc.) to process **BioSurf®**, **STRATUS™**, and eventually **BioFire™** products in 4' x 8" sheets or 5-ft-wide rolls.
- *Partner Assets:* Secured partnerships with groups including the world's leading PLA producer, two ISO 9001 extruders, two decorative laminate fabricators, and two decorative-laminate distribution leaders to decrease development risk.

Contact us if you have interest in considering the acquisition of any of these new business opportunities (or for that matter, if you wish to become an end user for any of our products).

Best Regards,

Joseph Holmes
President