PRESS RELEASE

BIOERA S.p.A.

INVESTMENT AGREEMENT WITH BRACKNOR INVESTMENT FOR THE ISSUE OF A CUM WARRANT CONVERTIBLE BOND FOR A TOTAL OF 3 MILLION EUROS

Milan, 1 August 2017

Bioera S.p.A. (‘**Bioera’** or the ‘**Company’**) and Bracknor Investment (‘**Bracknor’**) have today signed an agreement (the ‘**Bracknor Contract**’ or the ‘**Contract**’) whereby Bracknor has undertaken to subscribe a cum warrant convertible bond, divided into 6 tranches for a maximum of 300 bonds convertible into shares with warrants, for a per unit value of € 10,000 and therefore for a total sum of € 3,000,000 (the ‘**Loan**’).

The Bracknor Contract provides that the issue of the Loan shall be divided into 6 tranches consisting of 50 (fifty) bonds each for an individual value of € 500,000.

Any tranche shall be issued pursuant to a specific subscription requests made by the Company (the ‘**Issuance Requests**’) provided that Bracknor shall have the right to request the issuance of at least the first three tranches of the Loan whithin the expiring date of the Contract.

It is expected that the subscription price of each tranche will be 95% of the nominal value of the bonds issued.

It is expected that with the issuing of the third tranche of the Loan free of charge warrants will be issued in such an amount to enable the Company, in the event of full exercise of the warrants, to be paid a consideration equal to 150% of the nominal value of the underlying bonds issued in connection with the third tranche. For each tranche subsequent to the third one, free of charge warrants will be issued in such an amount to enable the Company, in the event of full exercise of the warrants, to be paid a consideration equal to 50% of the nominal value of the underlying bonds. The exercise ratio is 1:1 and will therefore grant the warrant holders the right to obtain one new share of the Company for each warrant being exercised.

The Loan will not be interest-bearing; it is expected that each bond will have a term of 12 months from the date of issue and it is also expected that, in the event of a failure to comply with a request for redemption on the due date, the Company will have the right to automatically convert the outstanding bonds into newly issued shares.

The Contract provides for the Company to pay Bracknor a commission of € 165,000, equal to 5.5% of the sum of the subscription undertaking, in three equal instalments when the first 3 tranches of the Loan are issued.

The bonds and warrants will be issued in dematerialised form and entered into the centralised management system managed by Monte Titoli S.p.A.

In order to issue the bond loan described above, an Extraordinary Meeting of the Shareholders of Bioera will be convened in order to resolve on:

(i) the issuance of a bond loan, convertible into ordinary shares of the Company cum warrant in accordance with Art. 2420-*bis*, para. 1 of the Italian Civil Code ('CC') and excluding the option right under Art. 2441, para. 5, CC, for a total maximum amount of € 3,000,000, divided into six tranches - with related and consequential resolutions;
(ii) a share capital increase in accordance with Art. 2420-*bis*, para. 2, CC, divisible and excluding the option right under Art. 2441, para. 5, CC, to serve the conversion of the convertible bond issue cum warrant, exempt from the obligation to publish a prospectus pursuant to Art. 57, para. 1(A) of the Issuers Regulation, for a maximum amount of € 3,000,000 through the issue of a maximum number of 7,200,000 ordinary shares - with related and consequential resolutions;
(iii) the issuance of warrants to be awarded free of charge to subscribers of convertible bonds cum warrant - with related and consequential resolutions;
(iv) a share capital increase, divisible and to be paid for, but excluding the option right, as defined by Art. 2441, para. 5, CC, serving exercise of the warrants for a maximum amount of € 1,500,000 through the issuance of a maximum number of shares within the limits set out in point (ii) of this resolution;
(v) a change to Article 6 of the Articles of Association - with related and consequential resolutions.

As at today, the Company share capital amounts to Euro 13.000.000, fully paid and subscribed, divided into n. 36.000.266 ordinary shares without nominal value.

MECHANISM OF OPERATION OF REQUESTS FOR SUBSCRIPTION AND ISSUANCE OF THE LOAN

The Contract provides that during the issue period of 18 months from the date of execution of the Contract (extendable for an additional period of twelve months at Company's option before expiring date), the Company may submit, within the set time limits, one or more requests for subscription of the Loan bonds by Bracknor.

The issue of the Loan is divided into 6 tranches of 50 bonds each, for an individual value of € 500,000 for each individual tranche.

It is expected that the subscription price of each tranche will be 95% of the nominal value of the bonds issued.

The commitments undertaken by Bracknor under the Contract will no longer exist on the occurrence of the usual events provided for in this type of contracts (i.e., *Material Adverse Change*) or when a change occurs in the Company's ownership structure.

The Contract may also be terminated by the Company if the share price for a consecutive period of 5 trading days is lower than 50% (fifty percent) of the price recorded on the day of signing the investment contract with Bracknor.

The Contract is governed by Italian law and it is provided that any disputes relating thereto is subject to the exclusive jurisdiction of the Milan Tribunal.

METHOD, TERMS FOR CONVERSION OF THE LOAN AND OBLIGATION TO CONVERT

Bracknor may request the conversion of all or part of the bonds issued by delivering an appropriate notice to the Company before the last date of the Conversion Period, provided that in the event of failure to comply with a request for payment before the due date, the Company will have the right to automatically convert the existing bonds into newly issued shares.

Each bond holder may request conversion of its own bonds into shares on the basis of the following formula:

$$\boldsymbol{Numero\ Azioni} = \left(\frac{CA}{CP}\right)$$

where:

(i) ***CA***: means the nominal value of the bonds being converted; and
(ii) ***CP***: means the conversion price equal to 95% of the lowest Daily VWAP of the Company's shares recorded during the Pricing Period prior to the conversion date;
(iii) ***Daily VWAP***: means, on each trading day, the volume weighted average price of the transactions; and
(iv) ***Pricing Period***: means the 15-day period of stock exchange trading during which the Company's shares are admitted to trading prior to the date of the request for conversion.

When converting the bonds, a number of the Company's new shares, calculated according to the formulae set out in the Bracknor Contract, will be issued.

However, at its sole discretion, the Company will have the right to:

(a) deliver only 67% of the new shares due to each bond holder; and
(b) pay each bond holder a cash amount calculated on the basis of the following formula:

$$\left(\frac{CA}{CP}\right) \times Closing\ VWAP\ alla\ data\ di\ conversione$$

where:

(i) ***CA***: means 33% of the nominal value of the bonds being converted;
(ii) ***CP***: means the conversion price equal to 95% of the lowest Daily VWAP of the Company's shares recorded during the Pricing Period prior to the conversion date;
(iii) ***Daily VWAP***: means, on each trading day, the volume weighted average price of the transactions; and
(iv) ***Pricing Period***: means the 15-day period of stock exchange trading during which the Company's shares are admitted to trading prior to the date of the request for conversion.

Should the Company, following a conversion request, not have enough issuable shares or should the new shares issuance exceed the at that time applicable regulation's limits permitting the Company to benefit of a prospectus exemption, in such instance the relevant shares shall not be issued and the note holders shall have the right to either request the repayment in cash on the basis of the price formulas set out above or, at their discretion, to maintain the conversion requests on hold until the Company shall have the possibility to issue new shares benefitting of the aforesaid prospectus exemption rules.

WARRANTS

Bracknor, starting with the issuance of the third tranche of the Loan, will be entitled to receive a number of warrants calculated to allow the Company to receive - in the event of full conversion of the warrants - a consideration equal to (i) 150% of the nominal value of the underlying bonds for the warrants issued in connection with the third tranche of the Loan and (ii) 50% of the nominal value of the underlying bonds for the warrants issued in connection with any tranche of the Loan subsequent to the third one.

The exercise ratio is 1:1 and shall therefore give warrant holders the right to obtain one new share of the Company for each warrant being exercised.

The exercise price of each warrant shall be 125% of the average price weighted by the volume of transactions recorded during the 5 market trading days during which the Company's securities were admitted to trading prior to the date of issue of the bonds to which the warrants refer; provided that, only for the first tranche, the Reference Period for the calculation of the weighted average price shall be the lower of the price recorded in the 10 days prior to 14 July 2017 and the price recorded in the 10 market trading days prior to issuance of the relevant bonds.

Should the Company, following a warrants exercise request, not have enough issuable shares or should the new shares issuance exceed the at that time applicable regulation’s limits permitting the Company to benefit of a prospectus exemption, in such instance the relevant shares shall not be issued and the warrant holders’ exercise rights shall be suspended until the Company shall have the possibility to issue new shares benefitting of the aforesaid prospectus exemption rules.

CIRCULATION OF BONDS AND WARRANTS

In the absence of the Company’s express consent, the bonds and warrants may only be transferred by Bracknor to its subsidiaries, parent companies or jointly controlled companies.

It is also provided that any assignee of the bonds and the warrants shall automatically be bound by the terms and conditions of the Bracknor Contract.

COMMISSIONS

The Company, against the subscription commitments assumed by Bracknor, has undertaken to pay a commission of € 165,000, equal to 5.5% of the value of the subscription commitment, in three tranches of equal amount on the occasion of the issue of the first 3 tranches of the Loan.

SALE OF BIOERA SHARES BY BRACKNOR - COVENANT

Bracknor is under no obligation to keep the shares subscribed after the conversion of the bonds or acquired through exercise of the warrants.

Bioera has taken over from Bracknor, from the date of its signature of the Contract until the end of the issue period, the commitment to comply with specific covenants including, in particular, the commitment:

(i) not to proceed with mergers involving incorporation of the Company with other legal entities, without prejudice to the possibility of mergers involving the Company as the incorporating entity;

(ii) not to sell, lease, transfer, liquidate or otherwise dispose of a significant part of its assets in a single transaction (or in more transactions with the same purpose) unless they are at prices determined by market conditions;
(iii) not to subscribe for financial products with characteristics similar to, or comparable with, those of the Bracknor Contract;
(iv) in the absence of Bracknor’s prior consent, not to incur indebtedness which may rank as "senior" with respect to the Loan, other than indebtedness incurred for the purposes of its operational activity, with the sole exception of the non-convertible loan resolved by the Company on 6 June 2017 whose placement shall be completed by 31 December 2018.

PROSPECTUSES FOR LISTING AND FOR OFFERINGS

The issuance of the Loan and of the warrants does not require the publication of any prospectus for an offering or listing by the Company using the exemption referred to in Art. 57, para. 1(a) of Consob Regulation no. 11971 of 14 May 1999 (as amended pursuant to EC Regulation no. 2017/1129 of 14 June 2017), pursuant to which the obligation to publish prospectuses does not apply to the admission to trading of shares representing, over a period of 12 months, less than 20% of the number of shares of the same class already admitted to trading on the same regulated market.

By virtue of the exemption described above and notwithstanding any contrary provision eventually contained in the Bracknor Contract, where the shares which are the product of conversion from bonds and warrants, plus the ordinary shares issued by the Company in the previous twelve months, are at least 20% of the Company’s share capital in circulation, the limitations described above shall apply.

PURPOSE OF THE TRANSACTION

The purpose of the transaction is:

(i) to provide, during the next three years, adequate resources to strengthen the operational and administrative structure of the Company, in view of expected developments in terms of the growth of external business and international expansion;
(ii) to support working capital under the development plan;
(iii) to strengthen the Company's financial structure in the short/medium/long term;
(iv) to broaden the shareholder base following conversion of the bonds and exercise of the warrants;
(v) to find new financial resources which can support and increase the Company's development; and
(vi) to achieve greater financial flexibility, even in a very short time.

As for the warrants, we note that any exercise thereof will also provide financial resources to the Company, broadening its shareholder base and will also be one of the functional means to support the Company's growth plans, without any additional burden on the Company.

DILUTIVE EFFECTS

The execution of the transaction will certainly result in a dilutive, but variable and not conceivable, effect on the equity investments held by the Company's current shareholders, which will depend, in particular, on the share capital of the Company actually acquired by Bracknor following conversion of the issued bonds, and therefore also by the number of these bonds and their related subscription price.

The same, any subscription of shares as a result of the exercise of the warrants could have dilutive effects on the holdings held by the Company's shareholders.

The determination of the issue price of the shares is closely linked to the trend in market prices for the shares recorded during the Reference Period; and, in terms of the shares of existing shareholders, the maximum dilution following the transaction will depend, in particular, on the amounts of the tranches and on the related subscription price, which cannot be determined today. The same applies to the dilutive effects arising from the possible exercise of the warrants, which will depend on the number of shares subscribed and on the subscription price.

Specific clauses have been negotiated and included in the Contract to mitigate any unwanted dilutive effects:

- the Company has the right to terminate the Contract without penalty at any time if the closing price of Bioera stock is, for five consecutive trading days, lower than 50% of the closing price recorded on the day the Contract is signed;
- the Company may withdraw from the Contract without penalty after having drawn down the third tranche (out of six);
- the Company, if requested by Bracknor to convert the bonds at a conversion price deemed too low, may decide at its sole discretion to convert only 67% of these bonds, redeeming the remaining 33% in cash;
- the strike price of the warrants was set at 125% of the closing price recorded prior to the date of issue of the bonds.

INFORMATION ABOUT BRACKNOR

Bracknor Capital Ltd is the Investment Management platform of Bracknor Investment (an investment vehicle with head office in Dubai, in the United Arab Emirates). Bracknor's mandate is to invest globally in SMEs with unique and genuine potential competitive advantages, by providing them with the operating capital or growth capital required to promote and trigger their expansion. Bracknor, through its President, Mr Aboudi Gassam, is supported by the Saudi Arabian MS Group (Jeddah) and aims to generate synergies within its portfolio in order to offer significant opportunities and cooperative developments for the companies in the Bracknor portfolio, in particular in countries which are members of the Gulf Cooperation Council (GCC).

During the negotiation and signing of the Contract, the Company and Bracknor were advised by Grimaldi Studio Legale, with a team led by Attorney Paolo Daviddi in his capacity as Deal Counsel.

Bioera S.p.A.

Bioera is a *società per azioni* [limited liability company] based in Milan and listed on the Milan Stock Exchange (MTA segment) which operates as a holding company.

Its main subsidiary is Ki Group S.p.A. (a company listed on the AIM-Italia market, organised and managed by Borsa Italiana S.p.A.) active, including through its own subsidiaries, in the wholesale, production and retail distribution of organic and natural products, mainly in Italy, and mainly through certain specialised channels (organic food shops, herbalists, pharmacies).

Bioera also holds: *(i)* a 40% stake in Visibilia S.r.l., a multimedia advertising agency (newspapers, periodicals, internet sites, tablet apps, radio and free press) and the parent company of Visibilia Editore S.p.A. (a company listed on the AIM-Italia market, organised and managed by Borsa Italiana S.p.A.) which is active in the sector for publishing periodicals and other editorial works, and owns the titles *VilleGiardini*, *Ciak*, and *PcProfessionale*; *(ii)* indirectly, a 30% stake in Unopiù S.p.A., a leader in outdoor furnishings; and *(iii)* further minority interests held either directly or indirectly through its subsidiary Bioera Partecipazioni S.r.l..

For more information:

Bioera S.p.A.

Investor relations
Mr Canio Giovanni Mazzaro

Tel: 02/8396.3432

E-mail: segreteria@bioera.it