



SICIT GROUP:

ITALIAN MINISTRY OF ECONOMIC DEVELOPMENT GIVES GREEN LIGHT TO INNOVATION AGREEMENT THAT WILL SUPPORT THE COMPANY'S INNOVATIVE AGRIFOOD PRODUCTS WITH € 3MN

Chiampo (VI), January 26th, 2020 – **SICIT Group S.p.A.** (the "Company"), listed on the Italian Equities Market (MTA - STAR segment), announces that, among the **16 Innovation Agreements**, signed on 25 January 2021 between the **Italian Ministry for Economic Development** (the "MiSE"), companies and Regions involved, the **Company's study and development of innovative products derived from production waste for the future agriculture** has also been authorised and financed.

Among the projects selected and supported is **SICIT's agrifood research and development project**. This will be carried out at the Company's production plants in **Arzignano** and **Chiampo** (Vicenza, Italy). The total costs envisaged amount to approx. € 12.2 million¹ and **will be financed by MiSE for over € 3 million²**.

The aim of the Company's project is to **study and develop** new products and, consequently, new production processes, so as to introduce a **new way of understanding crop support action within professional agriculture**.

Massimo Neresini, CEO of SICIT Group, said: "*Thanks to the project selected and financed by the Italian Ministry of Economic Development, SICIT Group confirms, on the one hand, its technological authority and, on the other, aims to consolidate its leadership in the sale of 'traditional' biostimulants for fertigation and foliar fertilisation (products with a high amino acid content, glycine-based products and products of non-animal origin). Certainly, this will enable us to acquire new cutting-edge skills and diversify our production accordingly. From a technological and market point of view, the most significant impact of the project will come from the completely innovative 'smart release' system that the Company has been working on for some time. This is an absolute innovation at international level for the agricultural sector and will have the greatest impact in terms of increasing the Company's competitiveness*".

Among the various **areas of action** in which the Company will invest, the following are particularly noteworthy:

- **products with a high degree of hydrolysis of the protein substance**, which exceed the current maximum concentration limit determined by the maximum solubility of individual amino acids, so as to develop 'specific action' products;
- **glycine-based products**, an amino acid of agronomic importance, aimed to be obtained in pure form, so as to produce *chelates* for agricultural use (nutrient carriers) from a natural material (i.e., glycine) rather than using synthetic molecules such as those normally on the market;
- **introduction of a new concept of biostimulant and nutrient administration**: until now, the use of biostimulants and nutrients in agriculture has always been carried out by operators in the sector when states or shortage that required supplementation occurred. For years, SICIT has been considering the possibility of finding new ways of supplying nutrients and biostimulants in a planned manner. This means that, in a single operation (possibly at the same time of sowing), all the different substances needed

¹ Expected costs include expenses for research and development activities incurred in the three-year period November 2019 - November 2022.

² Of which about € 2.4 million as a contribution to expenditure and about € 0.6 million as a subsidised loan. The amounts granted by MiSE will be disbursed subject to reporting and recognition of expenses actually incurred.



by the plants in their various vital phases (germination, growth, flowering, etc.) are administered to the soil, according to a delayed release method and with peaks in the release of biostimulants and individual nutrients corresponding to the phases of greatest demand by the plants. It is therefore intended to introduce the concept of 'smart release'. This type of release, in addition to providing the necessary components for a specific crop (it is possible to create formulations for each type of crop), makes it possible to reduce the interventions of operators in the field and to avoid situations of overdose, which often lead to environmental pollution;

- **extracts of non-animal origin:** to study extracts of non-animal origin, either as providers of a part of the total free amino acids (i.e. as a plant protein hydrolysate) or as providers of other molecules with a biostimulant action, such as phytohormones or others.

In the next few days the final document will be made available for **final signature** by the Veneto Region, the Company and the MiSE. In the following 60 days SICIT will present the final project to the MiSE.

SICIT has a long and solid experience in the management, transformation, recovery and valorisation of residues from tanning processes, whether they are animal by-products or non-hazardous special waste. Since its foundation, the Company has stood out for products and processes that are fully consistent with the principles underlying the *Green Economy* and the *Circular Economy*, implementing a business model that is characterised by the recovery of significant volumes of materials of natural origin, giving them a new life as products with high added value.

Over the years, new products have been designed and new processes and innovative technologies have been implemented, thanks to a continuous effort to anticipate the needs of the target markets, which are mainly the agriculture and construction industries. In this way, in addition to a considerable increase in production capacity, the Company has also been able to achieve a considerable improvement in the quality level of its products. Today, the Arzignano plant alone processes around 100,000 tonnes per year of category 3 animal by-products.

Consistently with the Company's *mission* and medium-term strategic positioning, SICIT has decided to invest in new industrial research and experimental development activities in order to identify new products based on advanced materials designed *ad hoc* to keep the pace with international competition.

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This press release is available on the Company's website www.sicigroup.com/en, in the "Investor Relations / Price-Sensitive Press Releases" section.



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SICIT Group

Founded in 1960 in Chiampo (VI), **SICIT** was one of the first companies in the world to introduce protein hydrolysates of animal origin into the world market of biostimulants. The company, one of the pioneers of the circular economy, through a process of hydrolysis of residues from the tanning industry, creates high-added-value products for agriculture (biostimulants) and plaster industry (retardants). Thanks to a qualified team, highly automated and technological production plants, state-of-the-art laboratories and constant investments in R&D, SICIT has become a reference operator at international level, supplying the main players in the agrochemical and industrial sectors.

Since June 2020, the company has been listed on the MTA (Italian Equities Market), Star Segment, of Borsa Italiana.

Web: www.sicitgroup.com

LinkedIn: <http://bit.ly/32Q1nrc>

For further information:

SICIT Group S.p.A.

Via Arzignano n. 80

36072 – Chiampo (VI)

tel. +39 0444450946

e-mail: info@sicitgroup.com

Investor Relations

Matteo Carlotti

e-mail: investor.relations@sicitgroup.com

Media Relations

Twister communications group

Federico Nascimben

mob.: +39 347 5536979

e-mail: fnascimben@twistergroup.it