



*Bion's third-generation technology platform was designed to mitigate the environmental impacts of large-scale livestock production, while recovering high-value coproducts and renewable energy. Bion's technology, coupled with evolving policy changes that are now supported by national livestock interests and US EPA, provide a unique and transformative opportunity at the intersection of the \$200B animal-protein industry and the \$100B clean water space. Bion has been developing advanced livestock waste treatment systems since 1989.*

# Forward Looking Statements/Risk Factors

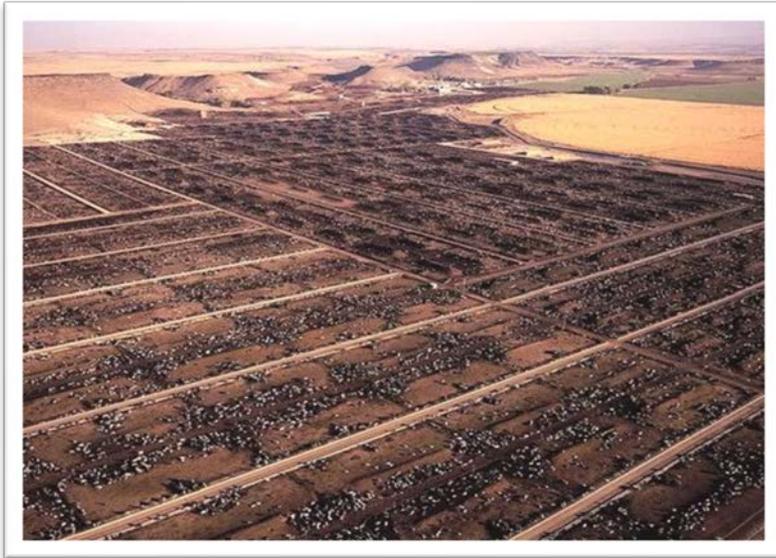
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*This presentation contains, in addition to historical information, **forward-looking statements** regarding Bion Environmental Technologies, Inc. (the "Company"), which represent the Company's expectations or beliefs including, but not limited to, statements concerning the Company's operations, performance, financial condition, business strategies, and other information and that involve substantial risks and uncertainties. The Company's actual results of operations, most of which are beyond the Company's control, could differ materially. For this purpose, any statements or revenue projections contained in this presentation that are not statements of historical fact may be deemed to be forward-looking statements.*

***Risk Factors** that could cause or contribute to such difference include, but are not limited to, limited operating history; uncertain nature of environmental regulation and operations; uncertain pace and form of development of nutrient (N&P) reduction market; risks of development of first of their kind Integrated Projects; need for substantial additional financing; competition; dependence on management; and other factors. Additional information regarding the Company's 3G technology platform should be reviewed in the Company Overview, available upon request and at [www.biontech.com](http://www.biontech.com). Investors are urged to also consider closely the disclosures and risk factors in the Company's current Form 10-K, filed with the Securities and Exchange Commission, available at [www.sec.gov](http://www.sec.gov).*

# U.S. Livestock Industry



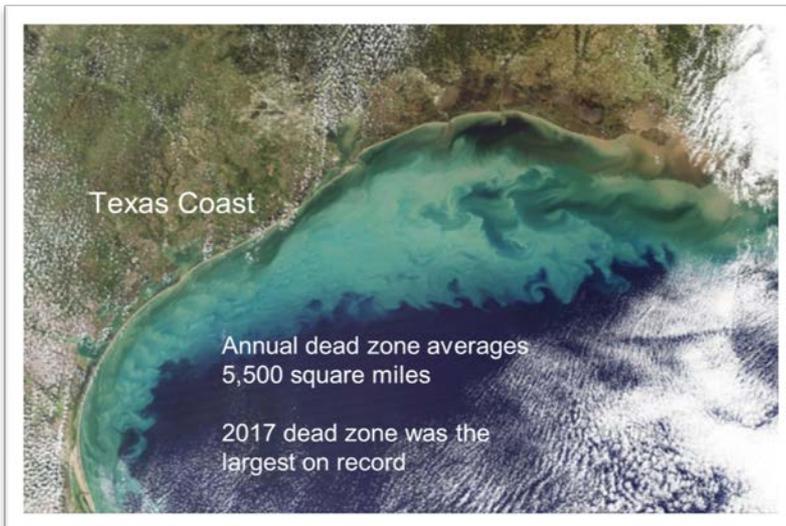
U.S. Livestock Inventory:  
2.2 billion poultry  
80 million beef cattle  
66 million swine  
9 million dairy cows  
70% on large-scale farms  
\$200B annual revenues

# Environmental Impacts

Half of U.S. crops are fertilized with raw manure

Environmental/public health impacts:

- > Algae blooms/dead zones
- > Contaminated groundwater
- > Greenhouse gas emissions
- > PM2.5 (smog)
- > Odors
- > Pathogens-foodborne illnesses
- > Antibiotic resistance



U.S. livestock industry's environmental impacts:

# Unsustainable

# Livestock Industry Challenges

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- > Environmental impacts
  - Absent voluntary solution, regulation is inevitable.
  - The cost to remediate the environmental impacts – now socialized offsite and downstream – is economically unsustainable in this low margin industry.
- > Consumer trust
  - The consumer is questioning the industry’s products: “Is it Safe? Is it Sustainable?”
  - Regulators, advocacy groups, and activist investors asking same questions.
  - Concerns not limited to US market.
- > Pricing power
  - Production is generally a low-margin commodity business.
  - ‘Organic’ has demonstrated consumers are willing to pay a premium for products that address their safety concerns.
  - Other than poultry, there are few animal-protein products with a healthy food message. Now sustainability is a growing concern.

How to address concerns over environmental sustainability and food safety, while remaining competitive in domestic and world export markets?

- > Implement solutions to mitigate environmental impacts; *while*
- > *Generating the additional revenues needed to offset implementation costs (or risk losing export market).*
- > Communicate meaningful and verified environmental sustainability to the consumer.

Bion's integrated 3G technology platform and policy envelope were designed to address these needs.

# Bion: An Integrated Solution

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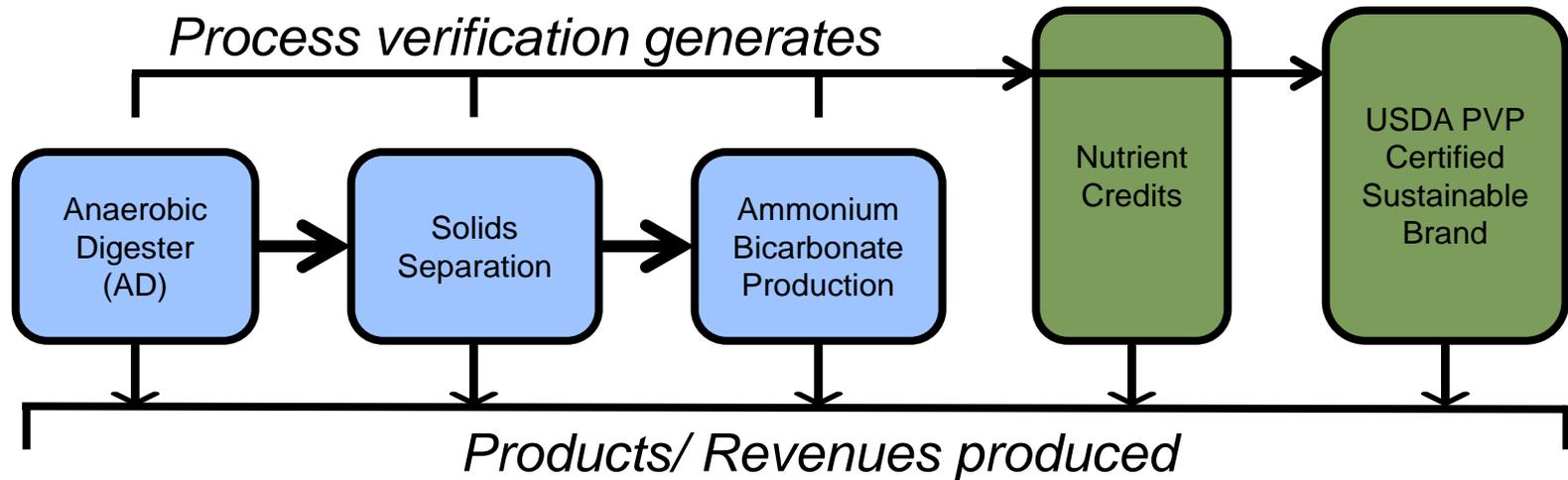
**Bion's technology platform** provides dramatic and verifiable reductions in environmental impacts to air and water, by removing energy and nutrients from the waste stream that are recycled into value-added co-products.

- > Recurring revenues: pipeline-quality renewable natural gas; high-value products for organic fertilizer and feed markets.
- > Capture of nutrients and energy is measured and 3<sup>rd</sup> party-verified to satisfy EPA requirements for sale as a credit/offset to state and federal mandates.
- > The same recovery processes and data also produce the organic co-product certification and a USDA-certified sustainable brand for livestock products.

**Bion's policy envelope** will establish an additional recurring revenue stream by allowing 'credits' to be sold to the state to satisfy its EPA requirements.

- > PA Senate Bill 799 creates a procurement program – open to the private sector – for EPA-mandated nutrient reductions to the Chesapeake Bay.
- > Bill allows Bion and others with low-cost reductions to compete in a multi-billion dollar space traditionally controlled by government and NGOs.
- > SB 799 will reduce taxpayer cost over 90%; supported by both state and national livestock industry groups; recently passed PA Senate 47-2; now in House.
- > Model for national policy; US EPA supports credit trading as long as it's verified.

# Bion's Treatment Platform



**Renewable  
Natural Gas  
RFS credits  
LCFS credits**

**Organic solids**

Markets

- Blended/bagged products
- Feed crop fertilizer
- Feed additive
- Biochar

**Organic nitrogen fertilizer**

- Crystalline
- Water soluble
- Quick-release
- High-value

Markets

- Row crops
- Greenhouse
- Hydroponic
- Lawn & garden

**Verified credits**

- for reductions in:
- Nutrients
  - Sediment
  - Pathogens
- Serve as qualified offsets to EPA mandates

**Premium pricing: sustainable-branded meat/ dairy/ eggs**

- Verified improvements:
- Nutrient/sediment runoff
  - Greenhouse gases
  - Pathogens
  - Water reuse

Process-Verified-Program is the gold-standard

**Clean Water**

- > Certified by USDA PVP (Process-Verified-Program)
  - Nutrient reductions
  - Carbon footprint
  - Pathogen kill
  - Water reuse
  - USDA conditional approval pending resubmission and final inspections
- > Compatible with blockchain digital registry
- > Anticipate minimum 5% wholesale pricing premium



- > Capacity for 9M egg-layers in four locations
  - Agreement in place
  - 1,800-head dairy at one shared location
- > 450 tons per day (tpd) of waste input
  - 565K gallons per day (gpd)
  - 29,462 lbs per day of nitrogen
  - 7,128 lbs per day of phosphorus
- > Two processing locations
  - Regional tolling expansion potential
  - Staged development

# Kreider Annual Revenue Forecast

RNG/ Credits	\$12M	\$16M
Commercial Products	\$18M	\$28M
Nutrient Credits	\$16M	\$24M
Branding	TBD	
Total Revenue	\$46M	\$68M
OPEX	NDA-only	
EBITDA	NDA	NDA
CAPEX	\$60M-\$70M	

Projected OPEX and EBITDA available only under nondisclosure agreement. See 'Risks' and 'Forward-looking statements' regarding revenue projections.

# Status Pennsylvania SB 799

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- > Competitive Procurement for verified nutrient reductions
- > Senate passed 47-2, January 31, 2018
- > In House Environmental Resources and Energy Committee
  - Informational hearing during summer recess – prelude to committee moving legislation in the fall. Back in session September 12.
- > 102 co-sponsors (203 House members)
- > Administration has indicated that the bill as presently drafted (with a funding source independent of existing funding) would be acceptable.
- > Bion: The legislative process is very fluid, but we believe that SB799, which combines the interests of both the fiscal conservatives and Growing Greener, has broad support as indicated by the vote coming out of the Senate, as well as the number of House co-sponsors.

- > Bion's technology platform is designed for use on large scale livestock production facilities.
  - Retrofit existing facilities
  - Develop state-of-the-art facilities in new strategic locations
- > Bion's business model can be implemented as:
  - Provide turnkey utility services under a long term contract
  - JV with the producer/ processor
    - Bion's PA-based Kreider Farms project is structured using this approach.
  - Acquire or combine with livestock producer and share equity in integrated entity

# Best Use: Integration

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- > Acquire or combine with livestock producer and share equity in integrated entity.
- > Existing producer can be converted from a low-value, low-margin commodity producer, with minimal enterprise value, into a supplier of high-value branded food products that command consumer loyalty and premium pricing.
  - Increased pricing power, revenues and margins.
  - Transactional opportunity.
  - Step-up in valuation of 2-3X invested capital.
- > Bion-producer integration generates new recurring revenues.
  - Renewable natural gas and related federal and state carbon credits.
  - Verified nutrient reductions (credits) that can be sold to the state at a cost that is 90 percent less than current solutions.
  - High-value organic fertilizer products.

# Milestones

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- > 3G patents pending; new patents will be filed shortly.
- > Organic certification for co-products application in 3<sup>rd</sup> quarter.
- > Policy: PA Senate Bill 799 approved by Senate 47-2 vote in January; now in House. Successful adoption will result in large scale competitively-bid market for nutrient credits. Legislation supported by national and state livestock interests. Expect in 2018 session.
- > Conclusion of technology simulations by Fall 2018.
- > Construction of initial stage of PA Kreider Farms project to produce ammonium bicarbonate in Q4 2018.
- > Construction of Phase 1 of Kreider Farms project in Q1 2019.