

## BUSINESS AND OPERATIONS UPDATE

### Highlights:

- **Nanollose has continued to expand, improve and develop its technologies for the production and processing of microbial cellulose at its Western Australian facilities, which have been unaffected by COVID-19 restrictions.**
- **Despite the temporary lock down periods in India, Nanollose has continued to advance the Collaboration Agreement with Grasim, by liaising with their R&D team and exchanging important technical information. New and improved samples of processed microbial cellulose were successfully shipped from Nanollose to Grasim in June 2020 for trial fibre spinning.**
- **Nanollose's Chinese microbial cellulose supplier, Hainan Yeguo Foods Co Ltd, is again operational and has recently supplied an improved sample for testing and trial processing, as a prelude to scale-up.**
- **The Collaboration Agreement with Grasim provides Nanollose with a world class and globally recognised industrial partner, with the ability to accelerate development and commercialisation.**

**Nanollose Limited (ASX:NC6) ("Nanollose" or the "Company")** is pleased to provide shareholders and investors with a business and operations update. Throughout temporary lockdowns to control the spread of COVID-19, Nanollose's operations in Western Australia ("**WA**") have continued unaffected. While the Company's overseas partners, Grasim Industries Limited ("**Grasim**") and Hainan Yeguo Foods Co., Ltd ("**Hainan Yeguo Foods**") have been impacted by lockdowns, communications have continued as the Company progresses to commercialise its tree-free fibres.

The Company has increased capabilities and capacity at its WA facilities, in part to support the Grasim Collaboration. This has resulted in improvements and refinements to the integration and efficiency of its processes, to transform waste material into microbial cellulose (MC) suitable for conversion into nullarbor™ fibre. These process improvements will assist greatly during the upcoming scale-up phase. In addition, Nanollose has recently been exploring an alternative waste stream sourced from several local companies in WA, for its potential to produce MC, with highly encouraging early results.

Over the past months, Nanollose has worked diligently to advance the Grasim Collaboration Agreement during the lockdown period, to exchange important technical information with Grasim's R&D team. The information has been used by Nanollose to refine and improve processing procedures, and has already resulted in new and improved samples prepared by Nanollose in WA, which better align with Grasim's requirements for scale-up and commercial production. These samples were successfully shipped from Nanollose to Grasim in June 2020 and will be used in fibre spinning trials when the lockdown is lifted.

It was also possible for Nanollose to continue to liaise with Hainan Yeguo Foods even during the lockdown period, to refine the desired technical specifications for its MC. Hainan Yeguo Foods is now operational again and have recently provided the Company with a new and improved sample of MC for testing and trial processing as a prelude to scale-up.

**Nanollose CEO, Alfie Germano, commented:** “While the pandemic has seen paradigm shifts in many industries, it is encouraging to see that it has only strengthened the fashion industry’s commitment to sustainability. Nanollose’s Tree-Free fibres are ideally placed to assist the industry meet that commitment.”

On 31 January 2020, the Company announced that it had signed a Collaboration Agreement with Grasim Industries Limited, a company belonging to global conglomerate, Aditya Birla Group, one of the world’s largest man-made cellulosic fibre producers, to exclusively develop, and commercialise Nanollose’s Tree-Free fibres including nullarbor™ and nufolium™.

The Collaboration Agreement provides Nanollose with a world class and globally recognised industrial partner, with the ability to accelerate development and commercialisation and provide a manufacturing foundation for future textile and clothing brands that uptake Nanollose’s Tree-Free fibres. A partnership with an industrial fibre manufacturer is a critical milestone in Nanollose’s waste to textile value chain.

**[ENDS]**

## **AUTHORITY AND CONTACT DETAILS**

This announcement has been authorised for release by the Board of Nanollose Limited.

For further information, please contact:

**Alfie Germano**

CEO & Managing Director

Email: [alfie.germano@nanollose.com](mailto:alfie.germano@nanollose.com)

Phone: 0411 244 477

**Jane Morgan**

Investor Relations

Email: [jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au)

Phone: 0405 555 618

## **ABOUT NANOLLOSE**

Nanollose Limited (ASX: NC6) is an innovative Australian company that uses an eco-friendly fermentation process to grow fibres that could become a sustainable alternative to conventional plant-derived cellulose fibres. The Company’s process, which uses streams from various large-scale industries like sugar, wine and food, has the ability to produce ‘Plant-Free’ Cellulose. Cellulose is the hidden polymer building block most consumers know nothing about, but forms a huge part of items used in their everyday life such as clothing, paper and hygiene products.

## **ABOUT GRASIM INDUSTRIES LIMITED**

Grasim Industries Limited is a formidable manufacturing company and is the flagship company of US\$48.3 Billion Aditya Birla Group, a global conglomerate and ranks amongst the top publicly listed companies in India. Aditya Birla Group operates in 36 countries with more than 120,000 employees worldwide, and is a leading global producer of Viscose and Lyocell fibre for a vast range of sectors that include textiles for apparel and nonwoven applications. Along with extensive R&D and pilot facilities, Grasim has four large-scale fibre manufacturing plants in India with a combined production capacity of 566 kilo tonnes per annum. Their fibres are used in over 29 million garments across 30 brands each year featuring the LIVA tag.

The organisation has made many transformative strides in responsible sourcing and fibre development to align with Grasim's commitment to circularity and goal of developing solutions that increase the use of recycled content and decrease the dependency on wood. Most recently, Grasim was elevated to a "light green shirt" ranking on Canopy's hot button report, making it one of the only two global viscose producers that have this status and achieved a manufacturing breakthrough of using pre-consumer cotton fabric waste as a feedstock.