

ASX Release

16/07/19

SUCCESSFUL TRIAL PRODUCTION OF ECO-FRIENDLY TREE-FREE NONWOVEN FABRIC

Highlights;

- Nanollose's Tree-Free viscose fibre has been successfully transformed into a nonwoven fabric
- Initial feedback on the fibre and fabric have been very positive
- The nonwoven market is estimated to be approximately US\$98 billion by 2026

Nanollose Limited (ASX:NC6) ("Nanollose" or the "Company") is pleased to announce that after successfully manufacturing a Tree-Free viscose fibre for nonwoven applications in April this year, the fibre has now successfully been converted into a nonwoven fabric, in what the Company believes to be another world first sustainable material.

This development is a significant milestone and marks the latest breakthrough in Nanollose's extensive Research and Development program aimed at creating a range of high performance and eco-friendly products for multiple applications across the global textile market.

The fabric was produced on a pilot scale using standard industrial equipment and processes currently used by manufacturers, and demonstrates the commercial flexibility of Nanollose's technology in specifically engineering products for the production of nonwoven textiles.

Nonwoven Market Dynamics:

The nonwoven textile market can be broken down into two major sectors: disposable and durable. Disposable nonwovens are used for a relatively short period of time or single use, and include multiple products like diapers, surgical gowns, feminine hygiene and wipes. Durable nonwovens usually have extended use cycles, or can be used multiple times, and include filters, automotive carpet, mattress fabrics, road underlay and even weed control fabrics.

The nonwoven market accounted for US\$44.37 billion in 2017 and is expected to reach US\$98.78 billion by 2026¹. A growing application base in the healthcare and personal care industry, along with increasing demand from the automotive industry, are some of the factors propelling market growth.

However, as the nonwoven market experiences this growth, the industry continues to use oil-based fibres like polypropylene, nylon and polyester, along with cotton and traditional tree-based rayon to make the fabrics. These fibres have increasing environmental concerns surrounding their production.



POLYESTER

Non-biodegradable and made from non-renewable petroleum resources



COTTON

Requires large amounts of pesticides, water and land to grow



RAYON

Wood-pulping process is energy intensive, polluting and results in deforestation



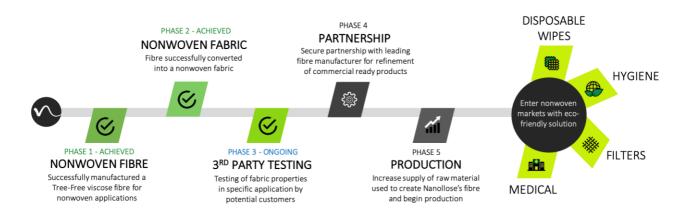
Nanollose's Nonwoven Commercial Strategy:

Due to nonwoven products being among the most used in the world, such as baby diapers and disposable wipes, Nanollose is well positioned to take advantage of the growing necessity from major manufactures seeking alternative sustainable materials and processes to create their products.

Samples of the Company's new nonwoven fibre and fabric have been sent to a select group of leading industry players in the nonwoven products space. Preliminary feedback on both products have been extremely encouraging, with further due diligence now being undertaken to test the performance of the fabric in a number of nonwoven applications.

With opportunities afoot in the nonwoven market, the Board welcomes the appointment of non-executive director Heidi Beatty, who has over 20 years' experience developing consumer and healthcare products and brings considerable technical expertise and an in-depth commercial knowledge of the nonwoven and hygiene markets.

Nanollose's Executive Chairman, Dr Wayne Best, said, "We are delighted with the positive feedback on the nonwoven fabric produced from our Tree-Free fibre. We are now progressing the development and uptake of our fibre technologies into both the fashion and nonwoven markets."



Sources.

1 - Nonwoven Fabrics - Global Market Outlook (2017-2026)" report from ResearchAndMarkets.com

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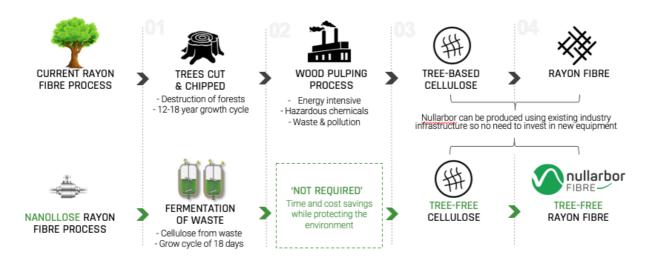
ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is an innovative Australian company that uses a potentially low cost and ecofriendly fermentation process to grow fibres that could become a sustainable alternative to conventional plantderived cellulose fibres. The Company's process, which uses streams from various large-scale industries like



sugar, wine and food, has the ability to produce 'Tree-Free' Cellulose. Cellulose is the hidden polymer most consumers know nothing about, but forms a huge part of items used in their everyday life such as clothing, paper and hygiene products.

ADVANTAGES OF OUR TREE-FREE RAYON



NO DEFORESTATION - NO PULPING PROCESS - LOW ENERGY USE - NO PESTICIDES - LOW WATER USE - LOW USE OF LAND