

NANOLLOSE AND CODI GROUP SIGN COOPERATION AGREEMENT FOR DEVELOPMENT OF WIPES

Highlights;

- Nanollose and Codi Group sign cooperation agreement for development of wipes.
- Parties to work exclusively with each other for the development of Plant-Free rayon wipes.
- The wipes market estimated to be US\$13.2b in 2018 and growing to US\$17.3b by 2023.

Nanollose Limited (ASX:NC6) (“Nanollose” or the “Company”) is pleased to announce that it has signed a Cooperation Agreement with Codi International BV, which is part of the Codi Group (“Codi”), a global leader in the development, manufacturing and marketing of high-quality personal care wipes. Both companies will exclusively work together in developing commercially viable consumer wipe products using Nanollose’s Tree-Free nonwoven fibre.

Codi produces more than 7 billion wipes in around 150 million consumer packages per year. Their clients include multinational brands, European retailers, distributors and institutional parties. The group distributes their products to more than 40 countries and owns high value proprietary technical information relating to the production, marketing and distribution of consumer wipes.

Codi’s extensive technical and commercial understanding, along with its ability to prototype and test products, will assist Nanollose in commercialising its Tree-Free rayon fibre for this market sector. Through the partnership, Nanollose will grant exclusivity to Codi for the use of the company’s Tree-Free nonwoven fibre for the development of personal and homecare wipes. Both parties will work together to develop products that meet the required standards for safety, storage, durability and product stability.

Once Nanollose’s fibre has undergone further testing for the production of wipes and demonstrated that it can achieve commercial viability in this market, both parties will seek to enter into a formal agreement with the specific intention to form a long-term business relationship. Through this potential future agreement, both companies will agree on the quantity of fibre Nanollose can produce, the quantity Codi (and its clients) want to purchase from Nanollose, as well as the pricing of the fibre and related services.

Nanollose will also grant a licence to Codi to use the Company’s trademarked Tree-Free branding where reasonably required. Once parties have developed a commercial product, they will make further arrangements regarding the conditions for the use of these trademarks.

The term of the agreement is three years, with either party being able to terminate without penalty by giving six months written notice.

Nanollose’s Executive Chairman, Dr Wayne Best, said “We are delighted to be working with one of Europe’s leading manufacturers of wipes. Codi’s commitment to innovation, sustainability and the environment make it the ideal partner for Nanollose in the wipes market.”

Sustainably objectives:

Codi's vision is to develop consumer wipes that are more sustainable and less dependent on raw materials based on oil. This mainly concerns substances such as fibres, chemicals and packaging with a strong focus on reducing water and energy consumption and reducing waste from the production process.

After Nanollose sent Codi a trial batch of its Tree-Free nonwoven fibre earlier this year, Codi successfully converted the fibre into a nonwoven fabric with very positive feedback. This Cooperation Agreement forms the next step in Nanollose offering Codi a world first sustainable material that is 100% biodegradable.

Codi Group's CEO, Fridjov Broersen, said "This cooperation agreement with our partner Nanollose is at the heart of our Codi Group strategy to drive real sustainability into our products. In close cooperation with our customers we are delighted to be able to lead our markets into new opportunities. Codi Group: We Care and Create the Difference".

Consumer Wipes Market:

Consumer wipes include baby wipes, personal care wipes and household or homecare wipes, with data from Smithers Pira's The Future of Global Wipes report showing that in 2018 the consumer wipes market was valued at around US\$13.2 billion and predicted to grow to US\$17.3 billion by 2023.

However, as this market expands, the industry continues to use oil-based fibres like polypropylene, polyethylene and polyester, along with cotton and traditional tree-based fibres like rayon to make products. These fibres have increasing environmental concerns surrounding their production and continue to face challenges from regulators and municipal governments who are concerned about the levels of pollution caused by single use plastic products.

Due to wipe products being one of the most used disposal products in the world, Nanollose is well positioned to take advantage of the growing necessity from major manufactures seeking alternative sustainable materials and processes to create their products.

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ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is an innovative Australian company that uses a low cost and 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 food and beverages, has the ability to produce 'Plant-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.

ABOUT CODI

Codi Group is the umbrella name for 4 companies in the wipes industry: Codi International BV, Incare BV, Innovate GmbH and Sweeps. Together these companies have more than 60 years of experience in the world of wet wipes. Codi Group has 3 state of the art production facilities, 2 in the Netherlands and 1 in Germany, including modern automated logistics processes and R&D. The group specialises in developing and producing wipe products for every application and every market. Learn more at www.codigroup.com