

# NON-BINDING MOU SIGNED TO SECURE MICROBIAL CELLULOSE FOR INDUSTRIAL SCALE FIBRE PRODUCTION

## Highlights

- Nanollose enters into a non-binding MOU with Indonesian counterparty, a foundational step as the Company commences on the promise of securing large quantities of microbial cellulose, which can then be transformed into fibres for industry
- Key Indonesian partner / supplier to assist in pioneering a feedstock supply chain
- Nanollose moves towards being able to facilitate supply for its technology

**Nanollose Limited (ASX:NC6) (NC6 or the Company)** is pleased to announce that the Company has signed a non-binding Memorandum of Understanding (**MoU**) with Indonesian food producer, PT Supra Natami Utama (**PT SNU**), a subsidiary of PT Niramama Utama, to develop a commercial scale factory and supply chain solution to produce textile grade microbial cellulose on an industrial scale.

PT Supra Natami Utama is one of Indonesia's largest and most established producers of coconut food, beverages and cosmetic products and has multiple facilities across Indonesia with access to significant quantities of coconut by-products and waste streams.

Through this partnership, Nanollose intends to access these waste streams for use in the production of textile grade microbial cellulose on an industrial scale, which can then be transformed by using Nanollose technology into fibres.

Under the terms of the non-binding MOU both parties intend to collaborate to develop a roadmap, which focuses on two key areas;

### 1. Development of a commercial scale facility (“Commercial Scale Facility”)

Nanollose and PT SNU intend to investigate possible avenues to develop a new facility to produce industrial grade microbial cellulose from a variety of coconut by-products. The purpose of this facility will be to supply sufficient quantities of microbial cellulose for Nanollose's future textile and clothing partners. These partners can then apply the Nanollose technology to convert microbial cellulose into valuable fibre products at scale.

### 2. Development of a supply chain for commercial quantities of microbial cellulose derived from waste products (“Waste Product Supply Chain Project”)

Nanollose and PT SNU intend to explore, unlock and develop other sources of liquid organic waste (including beer, wine, sugar and other fermentable liquids) as a feedstock to

an additional microbial cellulose raw material stream within the same commercial facility with the ultimate objective being the production of microbial cellulose at a competitive market price.

Nanollose will retain all intellectual property relating to methods of producing microbial cellulose developed pursuant to the activities undertaken in accordance with the non-binding MOU and in any commercially binding agreement arising from the non-binding MOU however, PT SNU will be granted a royalty-free exclusive licence to use the intellectual property for projects undertaken by Nanollose and PT SNU in Indonesia.

## **NEXT STEPS**

Initially, the focus of this collaboration will be the exchange of information and ideas relating to new industrial concepts and methods of developing microbial cellulose for industrial applications. Nanollose will assist in developing initial costings and investment proposals to build the Commercial Scale Facility, as well as cost simulations to produce microbial cellulose on an industrial scale.

If this initial collaboration is successful, both parties will take steps to agree the terms of a formal partnership which will clearly define each party's respective contributions in the projects contemplated by the non-binding MOU. The parties will then look to negotiate and enter into legally binding agreements for the development, ownership and operation of the Commercial Scale Facility and the Waste Product Supply Chain Project.

Nanollose Managing Director Alfie Germano said: "With ever growing interest in Nanollose's fibre technology, this non-binding MoU is a foundational first step in solidifying readily available feedstocks that accelerate a development pathway to provide sustainable and greener textile fibre samples to the industry".

## **[ENDS]**

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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 sugar, wine and food, has the ability to produce 'Plant-Free' Cellulose. Cellulose is the hidden building block 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.