

Press Release / 8 FEB 2018 / For Immediate Release

Melodea employs the world's most abundant and sustainable natural resource as the building block for industry's most versatile and environmentally beneficial high performance technical products.

CORPORATE

Name / Melodea Ltd. Founded / 2010 Employees / 10+

STRATEGIC PARTNERS

HOLMEN AB / Sweden A publicly traded company (Nasdaq Stockholm: HOLM B) showing a market capitalization of USD \$3.3 Billion and revenues of USD \$1.7 Billion in 2016

KLABIN SA / Brazil A publicly traded company (B3: KLBN3) declaring a market EBITDA of R\$2.287 Billion and net revenues of R\$7.901 Billion in 2016

INDUSTRY APPLICATIONS

- > Paint and Coatings
- Packaging
- > Textiles and Apparel
- > Adhesives
- > Architecture and Construction
- > Automotive
- > Cosmetics
- > Flectronics
- > Medical and Pharmaceutical
- > Non Woven Materials
- > Oil and Gas

PRESS CONTACT

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Melodea Ltd. Bio Based Solutions Faculty of Agriculture P.O. Box 12 Rehovot 76100, Israel MELODEA Ltd. / ISRAEL — Cellulose Nano Crystals (CNC) technology pioneer Melodea LTD. partners with Brazilian forestry giant Klabin to complete \$5M in second round financing.

Strengthened by Klabin's strategic partnership and matching grants from the prestigious BIRD Foundation* and European commission Horizon 2020 program, Melodea is well positioned to answer to the world's critical demand for groundbreaking materials to replace oil based products and traditional constituents.

"Melodea and seed investor Holmen AB are very proud to partner with Klabin, this is a major step towards commercialization of Melodea's patented CNC technology and products." says Dr. Shaul Lapidot, CEO of Melodea Ltd., "We have remarkable synergy with Klabin's commitment to innovation and sustainable development and look forward to leveraging their leadership reputation and marketplace resources to advance a next generation of safe and renewable industrial CNC products."

Utilizing Klabin's wood pulp and side streams as raw material, Melodea's eco-friendly proprietary extraction process yields multi-market changing CNC products that are transparent, high-strength, self-assembling, super hydrophilic, recyclable and nontoxic.

"We believe that Melodea's CNC technology has tremendous potential for adoption within a multi-segment marketplace" says Francisco Razzolini, Klabin's Executive Director for Technology and Pulp Business, "We find Melodea's novel thinking and grounded approach to be very promising and aligned with our innovation and responsibility policy, and believe this relationship will allow us to further improve the performance and growth of our product offering in a significant and sustainable way."

Since its founding in 2010 at the laboratory of Professor Oded Shoseyov in the Hebrew University of Jerusalem and the strategic partnership with Swedish forest industry group Holmen AB in 2012, Melodea has emerged as an international leader in eco-friendly Cellulose Nano Crystals (CNC) technology and products.

Today, in partnership with two of the world's leading sustainable forestry conglomerates (Holmen AB and Klabin SA), Melodea aims to advance R&D, secure a growing list international patents, expand international joint development agreements, begin manufacturing at a newly built pilot facility in Örnsköldsvik, Sweden (in partnership with Holmen AB, MoRe Research and RISE), and nourish sustainable growth through a robust sales and marketing program.

FOR ADDITIONAL CORPORATE BACKGROUND

Melodea: melodea.eu or info@melodea.eu

Klabin SA: <u>klabin.com</u> Holmen AB: <u>holmen.com</u>

* Israel-United States Binational Industrial Research and Development Foundation (BIRD)

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