



FOR IMMEDIATE RELEASE:

Bast Fibre Technologies to acquire North Carolina based Lumberton Cellulose LLC from Georgia-Pacific

Establishes first North American large-scale natural fibre processing facility to match rapid growth in North American hemp production

VICTORIA, BC –January 11, 2022 / Bast Fibre Technologies Inc. (BFT), a manufacturer of premium natural fibres for the global nonwoven and textile industries, announced today that it has entered into a definitive agreement to acquire Lumberton Cellulose LLC (LC), a natural fibre processing facility located in Lumberton, North Carolina from Georgia-Pacific Cellulose LLC.

“Acquiring this state-of-the-art natural fibre processing facility and integrating the great team at Lumberton enables BFT to immediately establish North American manufacturing operations to meet the rapidly growing demand for our sustainable natural fibres”, says BFT CEO and Chairman Noel Hall. “Following our recent acquisition of German-based fibre processor FVT, this is another key step in our long-term strategy of building significant high quality manufacturing capacity for our global customers supporting our core mission of ‘grow local, process local, sell local’.”

The purchase of LC builds on BFT’s existing relationship with Georgia-Pacific. In February of 2020, BFT licensed a suite of patents relating to the use of bast fibres in a variety of nonwoven products and processes from Georgia-Pacific Consumer Products on a global, exclusive basis.

The LC facility is a highly automated, quality producer of natural fibres for the personal care and hygiene markets. Ideally located to serve BFT’s North American customers, BFT plans to grow and invest in the operation, establishing LC as its flagship U.S. manufacturing site and opening new opportunities and markets for North American hemp and flax growers.

“This acquisition is a key strategic milestone in our mission to build out significant manufacturing capacity while supporting the vast potential of North American grown hemp and flax”, says BFT President Jim Posa. “Lumberton Cellulose is a top producer of quality fibre and with the current infrastructure and excellent, highly experienced team at Lumberton, we expect to significantly expand the facility’s production capabilities over the



next few years. This acquisition will play an integral role in supporting North America's transition away from plastic and manufactured cellulosic fibres and toward a more sustainable future."

"The Lumberton Cellulose team is excited about the opportunity to join the BFT team and expand our business," said Chuck Oxendine, Lumberton plant manager. "This acquisition is a good fit for our employees and our capabilities as we continue supplying current customers including Georgia-Pacific Consumer Products, while growing and building additional bast fibre capacity and creating new customers."

The final purchase will close in Bast Fibre Tech's first fiscal quarter, subject to the satisfaction of customary closing conditions.

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ABOUT BAST FIBRE TECHNOLOGIES INC. - www.bastfibretech.com

Bast Fibre Technologies Inc. (BFT) is a triple-bottom line cleantech fibre engineering firm manufacturing specialty natural fibre for applications throughout the nonwovens and textile industries. Using advanced fibre processing technology, BFT transforms raw bast fibres from hemp and linen plants to meet the exacting standards required by nonwoven and textile customers. Bast crops are a high-biomass annual crop that can alleviate the growing pressure on global forest resources while absorbing carbon, revitalizing soils, and preserving biodiversity.

ABOUT LUMBERTON CELLULOSE LLC

Georgia-Pacific's Lumberton Cellulose operation serves the cosmetic cotton, filtration, hygiene and nonwovens market segments. The facility opened 1968 and employs approximately 25 people in five interconnected buildings (totaling approx. 370,000 sqft.) on a 65-acre property.

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