ASX Release

22 April 2026

Progress across facility development and process improvement

Highlights:

- **Significant progress made towards first dedicated microbial cellulose pulp production facility to advance core commercialisation strategy**
- **Competitive global tender process underway to optimise equipment selection, supporting capital efficiency and technical performance**
- **Key equipment modules advancing, with successful completion of initial trials in the UK and procurement processes progressing across remaining modules**
- **Process optimisation continues, including removal of an entire production stage, simplifying operations and enhancing scalability**
- **Expected improvements in production efficiency, and cost profile, alongside reduced chemical inputs and improved sustainability metrics**
- **Advancements made to support stronger process economics and a clearer pathway to commercial-scale production**
- **Further progression of equipment selection over the coming months will enable facility cost estimates and development timelines**

Nanollose Limited (ASX: NC6) ("Nanollose" or the "Company"), an advanced biomaterials company commercialising scalable technology to create fibres, fabrics and other materials from microbial cellulose, is pleased to provide the following update on operational progress associated with the Company's broader strategy to establish its first dedicated facility to produce microbial cellulose pulp for the lyocell process.

In recent weeks, the Company has made extensive progress across facility development and equipment sourcing, as well as significant advancements across laboratory scale processing improvement which has the potential to lead to enhanced efficiencies and improved sustainability.

Facility Development and Equipment Sourcing:

The Company has commenced a competitive tender process to source and evaluate equipment from various global manufacturers. This process is designed to ensure Nanollose has the best equipment available to optimise both technical outcomes and minimise capital expenditure.

While the majority of the planned facility involves the standard scale-up of existing proprietary technology, the Company has prioritised the selection of five key equipment modules, three of which are considered more sensitive elements critical to the process.

Progress includes:

- **First-Stage Success:** Trials of the first sensitive equipment module have been successfully completed in the United Kingdom. Work is now focused on optimising these results.
- **Material Testing:** Samples are currently being prepared for testing on the second sensitive equipment element.
- **Procurement Phase:** Requests for Information (RFIs) have been issued for the third sensitive item, as well as for the fourth and fifth modules.
- **Efficiency vs. Quality:** For the final two modules, the Company is prioritising output quality over immediate energy efficiency to ensure commercial-grade fibre production from the outset.

The completion of these trials and the finalisation of equipment selection will enable the Company to provide estimates for facility construction costs and timelines under various scenarios (noting that confirmation is also required for potential partnerships, locations and other commercial arrangements). This process is expected to complete over the coming months.

Significant Process Improvements:

Further, Nanollose advises it has achieved additional laboratory-scale technical breakthroughs, including the successful removal of an entire stage from its production process. This advancement will deliver meaningful improvements in production efficiency, including faster processing times, while also strengthening sustainability outcomes through reduced chemical inputs and a lower overall environmental footprint, supporting future Lifecycle Assessment (LCA) performance.

Following the completion of this final simplification process, the Company's technical focus has now progressed entirely to further optimising existing stages for commercially relevant operations and outcomes.

Management Commentary:

CEO and Managing Director, Mr Andrew Moullin said: *"We are systematically de-risking the pathway to our first dedicated microbial cellulose production facility through a disciplined and methodical approach to both equipment validation and process optimisation. By progressing competitive tendering and validating these critical equipment modules upfront, we are ensuring that capital is deployed efficiently while maintaining a strong focus on technical performance and commercial scalability.*

Importantly, the recent removal of an entire stage from our production process represents a meaningful step forward in simplifying the process flow. This will materially improve production speed and reduce input costs, enhancing the sustainability profile of our technology.

Together, these advancements strengthen our process economics and reinforce confidence in the scalability of our platform as we move toward commercial production. With each milestone, we are building a clearer and more capital-efficient pathway to facility development, positioning Nanollose to deliver high-quality fibres at scale, moving towards commercial viability, and, critically, proving our technology."

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AUTHORITY AND CONTACT DETAILS

This announcement has been authorised by the Board of Directors of Nanollose.

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ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is a leading biomaterials company commercialising scalable technology to create fibres, fabrics and other novel materials with minimal environmental impact. Nanollose's, eco-friendly fermentation process can use agricultural waste and by-products to produce cellulose, a versatile raw material traditionally produced from trees via the wood pulping process. The company then uses this 'Tree-Free' cellulose as an input for its range of innovative biomaterials including its Nullarbor™ fibres, MicroGel™ horticultural medium, and its emerging animal-free and plastic-free leather-like materials.