30 January 2026

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025

Operational highlights:

- **Fourth pilot production spin of proprietary Nullarbor™ fibre advanced with upgraded microbial cellulose feedstock delivered to India-based manufacturing partner**
- **Optimisation of microbial cellulose washing and treatment process, enabling direct integration into existing lyocell infrastructure without further pre-processing**
- **Fourth pilot spin expected to produce ~500kg of Nullarbor-30™ fibre, the Company's largest batch to date**
- **Results from the fourth pilot spin anticipated soon**
- **Strengthening of Nanollose's global intellectual property portfolio, including national phase filings and new patent grants**
- **Post quarter-end funding of $53,210.02 received in January 2026 via the exercise of options, further supporting near-term development activities**

Nanollose Limited (ASX:NC6) ("Nanollose", the "Company"), a leading bio-materials company working to commercialise scalable technology to create fibres, fabrics and other materials from microbial cellulose, is pleased to provide shareholders with an overview of activities undertaken during the three-month period ended 31 December 2025 ("quarter", "reporting period").

Management commentary

CEO and Managing Director, Mr Andrew Moullin said: *"The December quarter marked an important transition point for Nanollose, as we moved beyond incremental pilot batch validation and into a phase focused on scalability and cost reduction.*

Notwithstanding subsequent significant process improvements demonstrated at lab scale, confirming our ability to deliver microbial cellulose that can be directly integrated into existing lyocell production lines will reflect the strength of our collaboration with development partners and the maturity of our process innovation.

Importantly, we are working across our international supply chain to deliver practical, measurable improvements in cellulose manufacturing. This is where our focus now lies, reducing production costs and efficiency at scale and we are progressing discussions with equipment manufacturers and partners to trial and unlock these advances.

Reaching commercial scale in the textiles industry is not a one stage process, but with ongoing funding received post quarter-end and a strengthened intellectual property position, we are well *placed to continue refining our production process and advancing decisions regarding scaling this truly revolutionary product.*

We look forward to providing shareholders with further near-term updates as results from the fourth pilot spin are finalised and as we outline next steps toward scale and value realisation."

Operational overview:

During the quarter, the Company commenced a review of each of its distinct product opportunities—evaluating market dynamics, production economics, pricing assumptions, and remaining development requirements—to identify the most effective pathway to realising value for shareholders. This work is ongoing and will inform the Company's strategic priorities in the coming quarters.

Nullarbor™ Fibre – Fourth Pilot Production Spin

Nanollose progressed preparations for the fourth pilot production spin of its proprietary Nullarbor™ forest-friendly lyocell fibre, following the successful production of an upgraded 200kg batch of microbial cellulose by its long-term supply partner Hainan Guangyu Biotechnology ('HGB').

The microbial cellulose feedstock was shipped to India and delivered to Birla Cellulose, where it cleared customs and is being prepared for specification testing and fibre spinning. The fourth pilot spin is expected to yield approximately 500kg of Nullarbor-30™ fibre, comprising 30% microbial cellulose and 70% FSC-certified wood pulp, representing the largest production run achieved to date.

Critically, this batch is the first to incorporate an improved washing and treatment process developed through close collaboration between Nanollose and HGB. The refinement eliminates the need for additional pre-processing in India, allowing microbial cellulose to be introduced as incremental feedstock directly into existing lyocell production lines.

This milestone materially enhances the scalability and commercial attractiveness of Nanollose's technology by reducing adoption friction for potential industry partners. Results from the fourth pilot production spin are expected to be announced shortly, with outcomes set to inform the Company's broader development and scale-up strategy for CY2026.

Intellectual Property & Technology Platform

Post quarter-end, Nanollose announced significant progress across its intellectual property portfolio, reinforcing protection across both its textile and agricultural technology pathways.

Key developments included national phase patent filings in 12 jurisdictions for the Company's Biollose™ dewatering technology, alongside new patent grants in Japan, Canada and South Korea across its lyocell, viscose and horticultural media patent families. In aggregate, Nanollose's IP portfolio now comprises 14 granted patents worldwide and 8 registered trademarks, providing a strong foundation to support future value realisation and licensing discussions.

Activities Post Quarter-End

In January 2026, Nanollose received $53,210.02 in additional funding via the exercise of options. The proceeds strengthens the Company's balance sheet and provides additional working capital to support ongoing production activities, partner engagement and near-term development milestones.

The Company expects to have access to additional capital to fund its near-term development pathway, via the anticipated exercising of up to a further $1.5m of in-the-money options for which the exercise price increases after 30 April 2026.

Appendix 4C Quarterly Cash Flow:

The Company's Appendix 4C Quarterly Cash Flow Report for the quarter ended 31 December 2025 accompanies this announcement. At the end of the quarter, Nanollose had a cash balance of $272,000, with the receipt of an additional $53,210.02 post quarter-end.

The Company continued diligent cash management, expending a gross total of $519,000 on the operations of the Company, and receiving a total of $450,000.

Capital expenditure comprised of R&D ($228,000), advertising and marketing ($30,000), staff costs ($75,000), administrative and corporate costs ($185,000) and interest received ($1,000). The payments included at section 6.1 of the attached Appendix 4C relate to Executive Directors' Salaries ($133,000), Non-Executive Director Fees ($38,000), and Company Secretary, Accounting and Office Fees ($62,000).

[ENDS]

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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Nanollose Limited

ABN	**Quarter ended ("current quarter")**
13 601 676 377	31 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	0	0
1.2	Payments for		
	(a) research and development	(228)	(444)
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	(30)	(94)
	(d) leased assets	0	0
	(e) staff costs	(75)	(134)
	(f) administration and corporate costs	(185)	(374)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives (R&D Rebate)	0	0
1.8	Other	0	0
1.9	**Net cash from / (used in) operating activities**	**(519)**	**(1,051)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	250	512
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	200	200
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**450**	**712**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	341	611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(519)	(1,051)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	450	712
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**272**	**272**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	252	321
5.2	Call deposits	20	20
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**272**	**341**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	233
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
	Payments at section 6.1 relate to Executive Directors' Salaries ($67,000), Managing Director's salaries ($66,000), Non-Executive Director Fees ($38,000), Company Secretary, Accounting and Office Fees ($62,000)	

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	0	0

7.5	**Unused financing facilities available at quarter end**	0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(519)
8.2	Cash and cash equivalents at quarter end (item 4.6)	272
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	272
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.52

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company does anticipate continuing to have materially the current levels of net operating cash flows for the time being.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has a series of 'in the money' Options with terms that encourage early exercise. Post balance date $53,000 was raised from the exercise of these options in January 2026. The Company is confident a sufficient number of these options will be exercised to provide its required funding.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company is confident it will have access to sufficient additional capital when needed.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026
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Authorised by: The Board of Directors
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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.