

21 August 2026

Engineering capability expanded as Pilot facility development advances

Highlights:

- Development pathway refined for single Pilot Facility, removing the previously anticipated requirement for a subsequent larger demonstration production line
- Pilot Facility is expected to generate production data and material volumes required for customer engagement and future licensing, sale or joint venture discussions
- Successful washing, dewatering, and drying pathways identified (flagged in ASX Announcement dated 8 April 2026 *“Letter to Shareholders”* and 22 April 2026 *“Progress across facility development and process improvement”*).
- Equipment tendering underway, with costing underway for the initial stages
- A senior chemical and a senior process engineer appointed as consultants, bringing direct experience scaling technology to pilot and production
- Consultants boast extensive multinational experience at leading companies, including scaling at Tesla
- Both are partly remunerated with options that vest against Pilot Facility milestones, highlighting direct alignment to success and with shareholders
- Site selection advanced for fit-for-purpose premises in Western Australia
- Improved lab process continues to demonstrate minimum 80% efficiency uplift over previous methods while producing a more uniform product

Nanollose Limited (ASX: NC6) (“Nanollose” or the “Company”), an advanced biomaterials company scaling technology to create fibres, fabrics and other materials from microbial cellulose, is pleased to provide an update on the development of its first dedicated pilot-scale facility (“Pilot Facility”), expanded engineering capability and its pathway to relevant production.

Engineering capability

Nanollose identified several chemical and process engineers with relevant scale-up expertise, and, following discussions, has engaged two consultants to support its activities.

The consultants include Peter Hillier, a founder and lead process engineer with more than 15 years of process engineering and scaling experience across large multinationals and start-ups, and Dr Jacob Brown. Dr Brown holds a PhD in chemical engineering from the University of Cambridge. He was previously a senior chemical engineer at Tesla, where he developed manufacturing processes for electrode active materials, and is a founder of a company scaling and commercialising a novel metal extraction process.

They join Operations and Engineering Manager Ms Danielle Nardini, appointed during the June quarter. As previously advised, Ms Nardini brings over 16 years of engineering and operations experience, including supporting the scale-up of battery-electric mining systems from prototype to field-ready commercial deployment at global engineering group Sandvik. Together they strengthen the process development and scale-up capability supporting the design and delivery of the Pilot Facility.

Mr Hillier and Dr Brown have each agreed to reduce their fees in return for the grant of Options. The Options are to vest against milestone and market conditions, including the design, costing and commissioning of the Pilot Facility, and are to carry an exercise price of \$0.08.

Pilot Facility development

Equipment tendering for the Pilot Facility is underway and the Company is costing its initial stages. The Company expects to provide further detail on facility cost and configuration as that work progresses.

Equipment trials, run by a local dewatering and filtering consultant company, have established a pathway for economic and scalable dewatering of microbial cellulose (preparing the material for final drying) with subsequent trials planned to validate throughput and provide all the data necessary to establish equipment specifications for purchase. Separately, testing with a European supplier assessed equipment capable of facilitating washing at scale, following which high confidence was communicated that these laboratory results will scale to pilot equipment through to industrial equipment. A test unit for the Pilot Facility can be obtained in reasonably short order.

The Company continues to evaluate alternative equipment for the same stage as a redundancy measure, in conjunction with design option reviews based on potential cost and schedule constraints. No commitment has been made to any supplier.

Site selection for larger, fit-for-purpose premises in Western Australia to house the incoming equipment and the Pilot Facility is advanced.

Path to creating value

Nanollose's strategy is to achieve industrial-scale deployment through licensing, sale or joint venture rather than building industrial production capacity itself.

The Company is refining the infrastructure it expects will be required to achieve that. Rather than a Pilot Facility followed by a separate larger demonstration line, Nanollose now expects a single Pilot Facility to generate the production data and material volumes required for meaningful customer engagement and to support discussions with future partners or purchasers. Equipment is being selected so that the data generated at the Pilot Facility can be extrapolated to industrial scale.

This revised approach provides a significantly shorter and less capital-intensive pathway to commercial partnering and value creation than the two-stage pathway previously contemplated, as well as the speed of iteration that comes from controlling the facility and process. The Pilot Facility will be funded by the Company in the near term, with its cost and configuration being established through the equipment tender process.

Management commentary

CEO and Managing Director, Mr Andrew Moullin said: *"Our strategy for both realising shareholder value, and saving forests, remains scaling to industrial size through licensing, sale or joint venture. What has changed, and reduced, is our view of what we must build to unlock those outcomes.*

We previously expected that a larger demonstration line would be necessary after a pilot line to fully derisk and prove our technology with equipment recognisable by future partners. We now expect a single Pilot Facility will give us the production data and the material volumes to engage customers properly and gives a future partner or purchaser the data and comfort they will require. Equipment is being selected so that the Pilot Facility data can be extrapolated to industrial scale. That is a shorter path than the one we described earlier this year. We are costing that now, and we are tendering for equipment.

The other change is pace of development. Jacob and Peter are both founders and entrepreneurs who have taken process technology from lab to pilot and beyond, and both know how to build with limited resources. They have agreed to reduce their fees in return for Options that vest only if we deliver the Pilot Facility, so their return depends on the same outcomes our shareholders are backing.

This does not change how we work with our highly credentialed and valued international partners, who have brought us to where we are, and with whom we will continue to partner. Building more capability ourselves simply means we control directly the pace and direction of our development, which is what this stage of the project requires.”

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.