ASX Release

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SECOND PILOT PRODUCTION COMPLETED WITH BIRLA CELLULOSE FOR NULLABOR™ FIBRE TECHNOLOGY

Highlights:

- **Nanollose has completed the second pilot production of its 'Forest-Friendly' Nullarbor™ cellulose fibres, with R&D partner Birla Cellulose**
- **The second pilot run successfully achieved its target objective to increase the microbial cellulose content, producing the first batch of Nullarbor-30™**
- **Approximately 150kg of Nullarbor-30™ was produced, consisting of 30% microbial cellulose and 70% FSC certified wood pulp, in addition to ~90kg of Nullarbor-20™**
- **A third pilot spin is scheduled this quarter, with fibre from the second spin to be converted to fabrics and garments with selected partners**

Leading bio-materials company **Nanollose Limited** (ASX: NC6) ("Nanollose" or the "Company") is pleased to report that the second pilot production of its Nullarbor™ fibres by Birla Cellulose has been completed.

The completion of the second pilot run follows a recent extension of the research Collaboration Agreement with Birla Cellulose – a business unit of Grasim Industries, a division of multinational Indian conglomerate Aditya Birla Group – for an additional two-year period (*refer ASX Announcement 20 March 2023*).

It also follows the first pilot spin of Nullarbor-20™, an innovative, Forest-Friendly lyocell fibre that is stronger than conventional lyocell (*refer ASX Announcement 28 February 2022*). The first pilot spin produced a 260kg batch of Nullarbor-20™, a proprietary blend of 20% microbial cellulose and 80% FSC certified wood pulp.

Nullarbor-30

A major objective of the second pilot run was to produce a batch of fibre with a higher microbial cellulose content than Nullarbor-20.

The production was split into two fibre spins to produce the Company's second batch of Nullarbor-20 and its first batch of Nullarbor-30. Approximately 90kg of Nullarbor-20 was produced, consisting of 20% microbial cellulose and 80% FSC certified wood pulp. In addition, approximately 150kg of Nullarbor-30 was produced, consisting of 30% microbial cellulose and 70% FSC certified wood pulp.

The production of Nullarbor-30 at the higher microbial cellulose content of 30% is a significant outcome for this second pilot spin, and bodes well for the Company's strategy of developing a range of Nullarbor eco-friendly fibres for different markets.

The next pilot spin is scheduled to take place this quarter. In the coming months, Nanollose will also work with its network of partners in the global fashion and textile sectors to convert the fibres from this second spin into a range of fabrics and garments.

Samples of fabrics made from the first pilot spin have been sent to several fashion brands for appraisal, with unanimously positive feedback.

The third pilot spin will target expanded production volumes for Nullarbor-20 and/or Nullarbor-30 which will be informed by further feedback and discussions with fashion brands and manufacturing partners.

Management commentary:

Executive Chairman Dr Wayne Best said: "*Results from the second pilot spin with Birla Cellulose continue to advance our understanding and development of our Nullarbor fibre technology. The key objective of the second pilot run – to increase the microbial cellulose content – was achieved and provides us with significant momentum for the next pilot production run. With these results now under our belt, we look forward to working with our network of leading fashion brands and manufacturing partners to advance the commercialisation of our innovative and eco-friendly Nullarbor fibres and fabrics."*

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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 biotechnology Company commercialising scalable technology to create fibres with minimal environmental impact. Nanollose uses an eco-friendly fermentation process to grow fibres that could become a sustainable alternative to conventional plant-derived cellulose fibres.

The Company's process, which uses streams from various large-scale industries, including food and agriculture, has the ability to produce 'Tree-Free' Cellulose. Cellulose is the hidden polymer building block most consumers know nothing about, but forms a huge part of items used in their everyday life such as clothing, paper and hygiene products.

In January 2021, Nanollose filed a joint patent application with strategic partner, Birla Cellulose, for a high tenacity, Tree-Free lyocell made from microbial cellulose. In February 2022, Nanollose and Birla Cellulose completed the first pilot production of such a lyocell fibre when Birla Cellulose spun 260kg of forest-friendly Nullarbor-20™ fibre for Nanollose at their facilities in India. This fibre has since been sent to several collaborators and has been converted into yarns, fabrics, and garments for testing and evaluation, prior to potential uptake by partners.

About Birla Cellulose

Birla Cellulose, the Pulp and Fibre business of Aditya Birla Group (ABG), is a leading sustainability focused man made cellulosic fibre producer. Its nature based fibres come from natural renewable sources from responsibly managed forestry. Grasim Industries Limited, a flagship company of ABG, ranks amongst the top publicly listed companies in India and operates Indian facilities of Birla Cellulose. Birla Cellulose operates 12 pulp and fibre sites globally that apply closed-loop processes and environmentally efficient technologies that recycle raw materials and conserve natural resources. It's five global advanced research centers are equipped with state of the art facilities and pilot plants. It's new generation innovative products like Livaeco by Birla Cellulose, Liva Reviva, Birla Excel and Birla Spunshades are designed with superior sustainable credentials. With an aim to create bigger and broader impact, Birla Cellulose collaborates actively with its value chain partners and works closely with organizations like, Canopy Planet, Sustainable Apparel Coalition (SAC), Zero Discharge of Hazardous Chemicals (ZDHC), Changing Markets Foundation, Textile Exchange, WBSCD, Fashion for Good amongst others to continually learn and apply the best practices within its global operations and across its value chain.

www.birlacellulose.com www.grasim.com